



# **WENATCHEE ROTARY CLUB 227** **Special Board (BOD) Meeting - October 19, 2016**

**In Attendance: 10 of 14**

Officers	x	Name	email
*President	x	Jim Russell	
*Pres-Elect	x	Don Myers	
Treasurer	-	Chris Rumbles	
Secretary	x	Frank Clifton	
*Past President	-	Bill Murray	
President Nominee	x	Pete Van Well	
* Voting members			

Board of Directors					
x	2017	x	2018	x	2019
x	Susan Albert	x	Jay Smith	-	Christina Davitt
-	Jill Leonard	x	Alice Meyer	x	Maynard Man
x	Pete Van Well	x	Mario Cantu	x	Joe St. Jean

Meeting location: Paradise Restaurant      Note: Motions and action items shown in bold text.

Meeting Minutes: The meeting was called to order by Jim Russell.      Time: 11:50 AM – 1:15 PM

Voting Members Present: 10 of 12 (Quorum = majority = 7)      Guest attendee : None

Attachments : (1) President's agenda (2)

Consent agenda: None. Special meeting addressing unfinished business from 10/13

## PRESIDENT'S AGENDA – Discussion and Action Items

1. *Approve Secretary & Treasurer as voting board directors.*
2. *Approve monthly financials from treasurer Chris Rumbles, dated 9/30/16*
3. *Consider a goal of \$25-30K to establish reserves for potential annual losses*
4. *Summary of financial options to build reserves. .*
5. *Consider designating \$3K from the \$30K Humanitarian Fund by assessing 10% administrative fee*
6. *Approve Confluence Health donation transfers to PolioPlus from Memorial Fund*

## DISCUSSION

1. *Approve Secretary & Treasurer as voting board directors.*  
 Secretary Frank reiterated current position of club and RI bylaws (see note at bottom). **Motion** by Susan (second by Jay) to make secretary & treasurer voting members. Alice objected to elevating treasurer, he being a paid contractor; motion amended that only the secretary shall be a voting member at this time.  
Pete suggested all club be informed. **Approved.**  
 [Required for future quorum = 7 of 13 (no change.)]
2. *Approve monthly treasurer financials.* Discussion. **Motion** by Don to approve (second by Jay). **Approved.**
3. *Consider a goal of \$25-30K reserves.* Discussion. **Motion** by Jay (second by Alice). **Approved.**
4. *Summary of financial options to build reserves.* Several related issues were discussed [see attached agenda]
  - a. Transfer existing \$10.779 in Maintenance/undesignated funds to a capital reserve account.  
**Motion** by Susan (second by Don;...abstention by Jay) **Approved**
  - b. Sitting fee? No support for such nickel/dime items, unless voluntary, but should seek items with major impact.
  - c. **Motion** by Susan (second by Jay) to use following items to restore club cash reserves, based on treasurer's attached list of options (created following BOD discussion of 9/8/16). **Approved**
    - Allocate 10% of net proceeds from January auction
    - Increase membership
    - Cut 3 items from 2016-17 expense budget (Allocate Treasurer time on Foundation to the Foundation; eliminate expenses of 7080 Website [\$1,116, not charged yet this quarter for old web site] and finally \$7275 RI Convention, \$3,000.)
5. *Approve Confluence Health donation transfers to PolioPlus from Memorial Fund.*

Jim reviewed history of the CH \$15K donation toward the \$80K Cadman memorial. Various options discussed, including donating it to PolioPlus for the 2:1 Gates match, and replacing it later. Discussion trended toward returning the funds to CH, but no action needed or taken today.

[secretary note on quorum/board repeated from 10/13 minutes– **From new RI Bylaws - Article 2 Board** - The governing body of this club is its board of directors, consisting of, at a minimum, the president, immediate past president, president-elect, secretary, and treasurer. (club bylaws make secretary/treasurer BOD-optional

**Article 1, par. 4. Quorum:** ..... one-third of the club's members for club decisions and a majority of the directors for club board decisions (this agrees with current club bylaws. Club has 14 BOD members if secretary/treasurer are included; thus a quorum is 8).

Meeting adjourned at 1:15 PM. Respectfully submitted..... Frank Clifton, Club Secretary (2016 until ...)

Attached – (1) President's agenda (2) Treasurer's summary of options to increase reserves

Special Board Meeting, October 19, 2016

Board members, see below the conversation that started when I asked Chris about a savings account at CVB on the Wenatchee Rotary balance sheet on 9/30/16 with a total of \$13,779.20. He'd been thinking about it too and researched Board minutes to find the Board split the money as follows in 2007:

\$5,000	is Club Maintenance Designated
\$8,700.92	is undesignated.
78.18	is other

It appears the current Board can declare all of these funds as Club Maintenance, or capital reserves. Chris has transferred \$3,000 from the undesignated funds to our checking account to pay immediate needs. That leaves \$5,000 in Club Maintenance Designated and \$3,778.18 in undesignated, for a total of \$10,778.18 in cash reserves.

Our cash flow problem is not as severe as we thought. Our operating income and losses the past ten years have varied from a high income of \$9,600 to a loss of \$14,400. So a reserve of \$25-30,000 would give us a 2:1 coverage of our worst year's loss. We should consider \$25-30,000 as a goal for our reserves and make a motion on that today.

Those planning on attending today are: Frank, Jay, Maynard and child, Don, Joe, Susan, Pete, Mario and me, which is a quorum. Here is our revised agenda:

1. Approve the Secretary and Treasurer as Voting Members—RI Constitution and By-laws for Clubs indicate this is permissible. -- Clifton
2. Monthly financials – September 30, 2016 –
3. Considering a goal of \$25-30,000 to establish reserves that cover potential annual losses.
4. Summary of Financial options to build reserves -- attached
5. Consider designating \$3,000 from the Humanitarian Fund by assessing a 10% percent administrative fee for the \$30,000 in the budget.
6. Approve Confluence Health donation transfers to Polio Plus from the Memorial Fund – attached resolutions and language for CH.
7. Other?

Thanks for your constant support. Jim

10/19/2016

A summary of options to build our reserves after Board discussion 9/8/16							
Check ones with a Y, N, or ?							
						Possible Savings	Approved Amounts
Increase Income							
Add \$2 sitting fee, increase lunch price, cut offerings							
	\$2 sitting fee 1/1/17-6/30/17.	2*26*121	\$52/member			6292	
	\$1 sitting fee 1/1/17-6/30	1*26*121	3146				
	Increase lunch by \$2 Nov-Jun (+15.4% of 1st qtr ave.)					1100	
Have small raffles, super bowl board games, etc, split 50/50							
Football raffles/wk -- WA & WSU points \$10 ea						1000	
Sell tickets as possible, if no winner, pot builds							
Appleseed increase sponsor costs, decrease services						2250	
John believe the circulation is too small to raise cost							
Distribute a much reduced Appleseed from web							
Roster ilncrease sponsor costs, decreases services						600	
John believes the circulation is too small to raise price							
Tell Clubs to post members on webpages next year							
Allocate 10% of net Auction proceeds in January 2017						\$9,000	
Donate good news fees 2016-17							
		37 weeks by \$10				\$500	500
Increase membership						1000	
Other							
EST TOTAL						21742	500
Cut 2016-17 expenses							
Allocate WR Foundation Treasurer time to Foundation						500	500
Cut Acct 7080 Website, social media						1116	
Elimate expenses for President to RI convention in 2017						3000	
Other							
EST TOTAL						4616	500
OVERALL TOTAL						26358	1000

**Income and Expense Options to Restore \$25000 in Reserves**