

The Award Winning

Malibu Rotary Club Surfwriter

April 15, 2015

Official Newsletter of the Rotary Club of Malibu
Malibu Rotary Club President Margo Neal

Edited by Dr. John W. Elman
Pictures by Dr. John W. Elman

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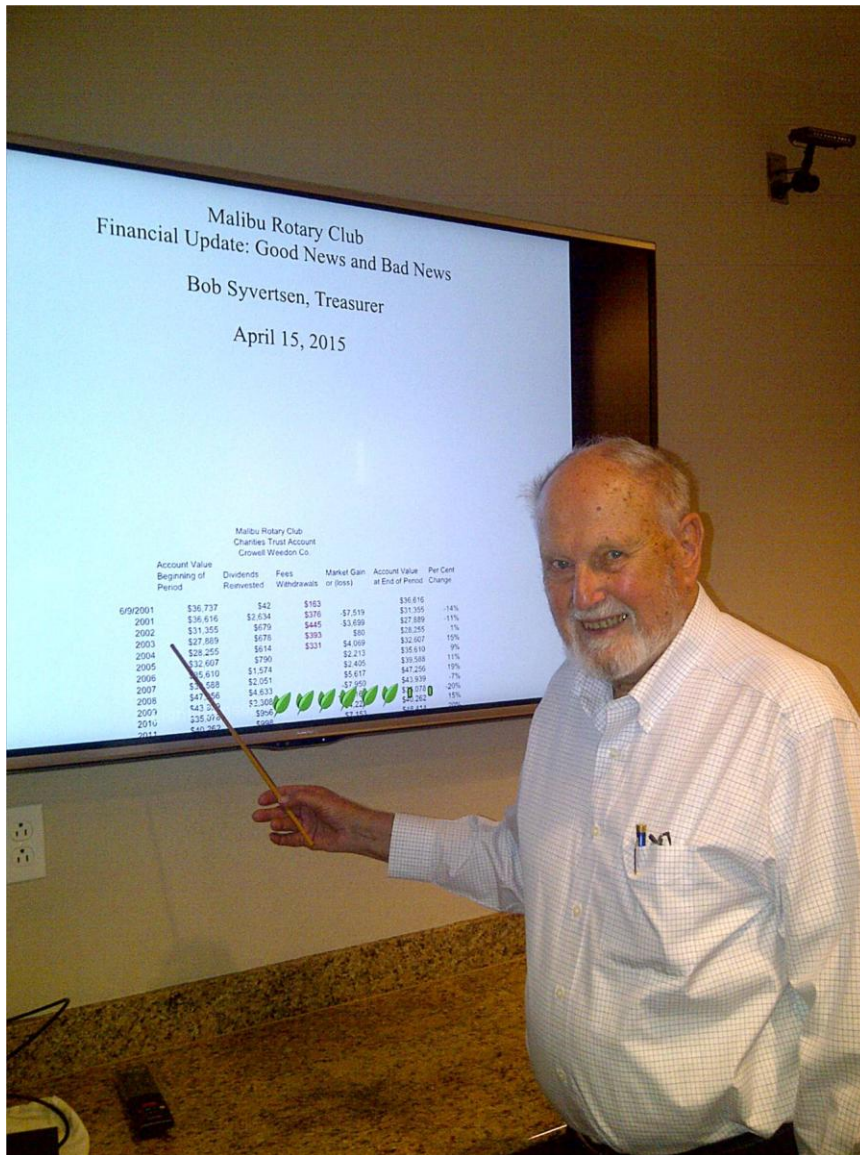
- **Last Week Bob Syversten Presents Historical Budgets of the Malibu Rotary Club— Good News and Bad News**
- **Next Malibu Rotary Club Meeting will be April 22 in Pepperdine University Malibu Upper Drescher Graduate Campus LC 152 with fellowship at 11:30 a.m and meeting starting at 12:00 noon. Speaker will be Rotary District Grant Chair Lee Stacy, who will talk about the Rotary Foundation**
- **Other News and Guests at Malibu Rotary Club**
- **Malibu Rotary Club Supports RainCatcher.**

Check [Calendar](#) on Malibu Rotary website www.maliburotary.org

- **Rotary International Website: www.Rotary.org**
- **Rotary District 5280 Website: www.rotary5280.org/**
- **RI President (2014-2015) Gary CK Huang**

- **Rotary District 5280 Governor (2014-2015): Elsa Gilham**

Last Week Bob Syversten Presents Historical Budgets of the Malibu Rotary Club—Good News and Bad News



Bob Syversten had a long and distinguished career as a corporate accountant before joining the Malibu Rotary Club in 1973 and started to help the club with its budget. At the Malibu Rotary Club meeting April 15, 2015 he gave the club a special report: Financial Update—Good News and Bad News.

Bob recalls that when he joined the club the club president had to loan the club money to pay the RI dues. The club has two main budgets—an operating budget and a charitable giving budget. The operating budget is what is used to keep the club running, pay the costs of operation, such as paying dues to Rotary International and the District, ClubRunner, office supplies, flags, speakers gifts, pins, badges, subsidizing part of the cost of the president-elect going to the RI convention, and various other on-going operating costs. The revenue for the operating budget comes from club membership dues, and in the past had also come from new members initiation fee, “fines”, and a prepaid amount from each member that was taken for food even if members did not come to the meeting and eat.

The Charity Budget is where the money comes from that is given out to the various Malibu Rotary Club charities, such as the Rotary Foundation, RYLA, scholarship awards to students, such local groups as the Malibu Labor Exchange, Youth Sports groups, Rex and Friends, etc. The income for the Charity Budget has derived from Fund Raisers through the years, donations, and in some cases grants from Rotary Foundation. Essentially the business of Rotary is the service it provides through the Charity Budget (and of course the volunteer labor and personal donations used to support Rotary projects).

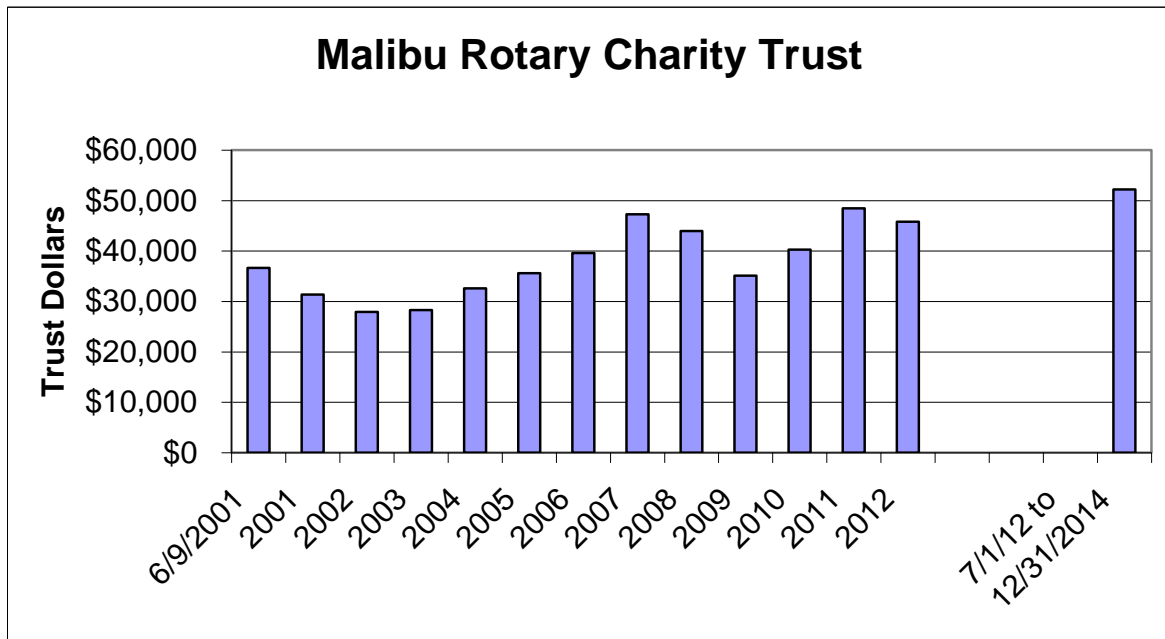
In 2001 a Charities Trust Account was established at Crowell Weeden in an attempt to increase the amount of money in the Charities Account, which at the time had \$36,000 in it. The idea was that the money would be invested in conservative mutual funds and only the profits would be taken out and used to fund service projects. For the first couple years the account lost value, but by 2005 it had regained its value and in 2007 was worth \$46,000. It wasn't until that time that any money had been taken out of the account to fund charities.

Although it has fluctuated through the years, losing value as much as 20% and increasing value as much as 20% in bad and good years, changing with market conditions, the Malibu Rotary Club Charities Trust Account currently has a value of over \$50,000.

The chart below shows historic values of the Malibu Rotary Club Charities Trust Account.

Malibu Rotary Club
Charities Trust Account
Crowell Weedon Co.

	Account Value Beginning of Period	Dividends Reinvested	Fees Withdrawals	Market Gain or (loss)	Account Value at End of Period	Per Cent Change
6/9/2001	\$36,737	\$42	\$163		\$36,616	
2001	\$36,616	\$2,634	\$376	-\$7,519	\$31,355	-14%
2002	\$31,355	\$679	\$445	-\$3,699	\$27,889	-11%
2003	\$27,889	\$678	\$393	\$80	\$28,255	1%
2004	\$28,255	\$614	\$331	\$4,069	\$32,607	15%
2005	\$32,607	\$790		\$2,213	\$35,610	9%
2006	\$35,610	\$1,574		\$2,405	\$39,588	11%
2007	\$39,588	\$2,051		\$5,617	\$47,256	19%
2008	\$47,256	\$4,633		-\$7,950	\$43,939	-7%
2009	\$43,939	\$2,308		-\$11,169	\$35,078	-20%
2010	\$35,078	\$956		\$4,228	\$40,262	15%
2011	\$40,262	\$998		\$7,153	\$48,414	20%
2012	\$48,414	\$1,128	\$4,000	\$247	\$45,788	-5%
				<		
				< 2 1/2 Years		
				<		
7/1/12 to 12/31/2014	\$45,788	\$3,185	\$8,000	\$11,217	\$52,190	14%



The operating, or working account, on the other hand, is another matter. Membership dues for the Malibu Rotary Club used to be \$400.00 per year, paid in advance, and there was \$60.00 initiation dues—this to cover some initial member expenses—pins, badge, and

Welcome kit. Bob said that traditionally members would volunteer an amount that they could be “fined” for the year—usually about \$100.00, and for some it could be quite a bit more, depending on what they could afford. Originally these fines were announced and taken at the meeting for good things that had happened to the member—somewhat similar to the Happy Dollars at our current meetings—but the amount was quite a bit more than a dollar, and it was volunteered at the time. Malibu Rotary Club at one time had a finemaster, but typically fines were administered by the Club President. Most Rotary Clubs take fines at every meeting. Getting your picture in the paper, any bit of positive notoriety would be reason for a fine. The fine, along with prepayment for meals, and dinner meetings that were separately billed, demotion party were all billed on a printed statement given to each member each quarter. There were certain mandatory meetings that members had to attend and that they were billed for whether they went to those meetings or not. These included the Club Assembly, which was a dinner for the District Governor prior to his club visit and the demotion party for the outgoing president. Bob showed a typical Malibu Rotary Club member bill from October 1, 1998 for a longtime member. This quarterly statement had a total of \$222.00.

MALIBU ROTARY CLUB
P.O. BOX 716
MALIBU, CA 90265

LARRY HORNBAKER

Quarterly Billing Statement 10/01/98

DATE	DESCRIPTION	AMOUNT
09/29/98	Balance forward	0.00
10/01/98	Meals - \$7/week in advance	91.00 -
10/01/98	Quarterly fines	50.00 -
10/01/98	Guido's 7/29 + guest	33.00
10/01/98	District Breakfast	15.00
10/01/98	Tutto Bene 9/28 +guest	33.00

AMOUNT DUE - PLEASE REMIT TO TREASURER

\$222.00

Bob showed his own quarterly statement from 2011. At that time, when the Malibu Rotary Club was meeting in the Pepperdine Fireside Room for Breakfast Pepperdine started charging a fee for setting up the room, and since by that time we had done away with fines members for a short time had to make up the difference for the extra meeting expense. The total of the quarterly statement was \$240.

Malibu Rotary Club

**P. O. Box 716
Malibu, 90265**



Bob Syvertsen
27930 Winding Way
Malibu, CA 90265

01/05/11

Quarterly Billing Statement

DATE	DESCRIPTION	AMOUNT
12/31/10	Balance forward	0.00
01/01/11	Meeting room surcharge	75.00
01/01/11	Meals - \$5.00 per week in advance	65.00
01/01/11	Quarterly Dues	100.00

AMOUNT DUE - PLEASE REMIT TO TREASURER

\$240.00

When Kevin Boling became president in July, 2011 and membership was down to about a dozen members he believed club membership would substantially increase if dues were lowered to bare minimum, there was no initiation fee, no fines, and it was decided that the club could break even if the dues were slashed from \$400 per year to \$300 per year, paid quarterly at \$75 per quarter. We were able to change location to the Pepperdine Upper Drescher campus, where there was no room surcharge, no food requirement. From 2011 till the present the dues have remained at \$75.00 per quarter, and Malibu Rotarians have enjoyed the least expensive Rotary Membership in the district, even though meeting in one of the most beautiful places in the world.

Bob showed the latest monthly dues statement he sent to members this month:

The Syvertsens

From: Bob Syvertsen [mailto:mailservice@clubrunner.ca]
Sent: Tuesday, April 07, 2015 9:47 AM
To: Bob Syvertsen
Subject: Malibu Rotary Quarterly Dues

Dear Bob Syvertsen,
Quarterly dues are now due. Please remit \$75 to Irene or Bob at the next meeting.

*This email was automatically generated by [ClubRunner](#) on behalf of [Rotary Club of Malibu](#).
[Unsubscribe](#).*

With dues lowered expenses continued to rise. The club decided to subsidize part of the cost of members going to the district breakfast. The cost of materials continued to rise. So what happens when the quarterly statement, the quarterly club income, changes from \$240 to \$75? The result of all this on the operating budget and the operating account is not surprising. Funds in the Operating Account went from a high of nearly \$20,000 in 2003 to \$2,000 in 2014—a 90% drop. Unlike the federal government the Malibu Rotary Club cannot print money. The tables below show the amount of money in the Operating Account in the years 2001 through 2015, as well as budgets from 1994 to 2003 as well as budgets from 2013 and 2014 and expenses that need to be paid in the 2015 budget.

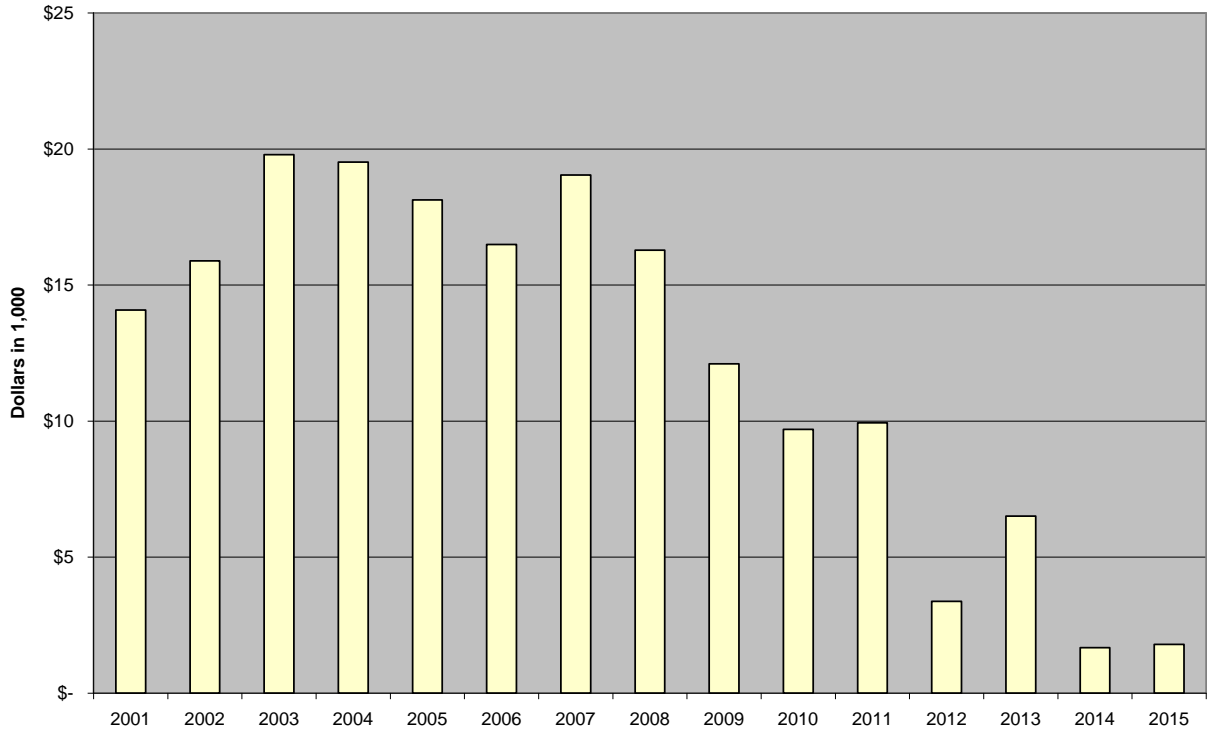
The income for the 2015 budget is yet to be determined but Bob made several points. Fixed expenses on the minimum 2015 budget are \$3725. The number of members needed to meet fixed expenses, based on current dues structure, according to Bob's calculation, is 35. There is very little chance that the current membership of 21 members is going to increase to 35 by July.

Last year Bob had made a proposal, which was never implemented, to raise the dues \$5.00 per quarter, until it was back to the \$100 per quarter (the same amount it was before 2011), and also reinstitute the initiation fee.

Bob's conclusions and points were well taken and accepted by members at the April 15th meeting. There seemed to be a consensus among members that an increase in club dues was in order, probably to \$100 per quarter, starting July 1, plus initiation fee, and perhaps other things.

It was decided to have another Club Assembly on June 3, a month before the new Rotary year which starts July 1. At that meeting proposals on changes in dues structures will be made. All members are urged to attend that meeting to voice their input.

Malibu Rotary Operating Account



Fiscal Year >	Proposed 2005	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Dues		5,938	6,457	7,867	8,446	9,883	5,058	6,068	6,000	6,285	6,810
Demotion Party							1,881	2,450	2,180	2,341	2,381
Club Assembly							420	420	450	462	399
Dues Income		5,938	6,457	7,867	8,446	9,883	7,359	8,938	8,630	9,088	9,590
Fines		1,322	1,645	1,984	2,366	2,489	1,937	2,461	2,857	3,330	3,006
Total Except initiation fee		7,260	8,102	9,851	10,812	12,372	9,296	11,399	11,487	12,418	12,596
Average Number Members		20	22	26	28	33	25	30	30	31	34
Income per member:											
Dues	400	300	300	300	300	300	291	295	288	289	282
Fines	-	67	76	76	84	76	77	81	95	106	88
Total	400	367	376	376	384	376	368	376	383	395	370

Malibu Rotary Club Review of Operating Expenses

Current annual dues \$300

Annual costs	Jul-13	Jul-14	2015 Estimate?	
			Fixed	Variable
Dues to Rotary	2,548	3,011		135
Club Runner	299	300 e	300	
Supplies, awards	426	330 e	300	
P O Box	186	192	200	
Convention			2,000	
District Breakfast	500	200		60
Foundation Dinne	500			
Demotion Party	202	??		
Miscellaneous	460	305	300	
PETS	635	610	625	
Totals	<u>\$ 5,756</u>	<u>\$ 4,948</u>	<u>\$ 3,725</u>	\$ 195

Dues available to cover fixed expenses \$ 105

Members required to meet fixed expenses (35.5 x \$105 = \$3725) 35

e= estimate

*Fixed expense does not vary with number of members

Variable expense varies directly with number of members

Bill Wishard, Rotary District Special Olympics Chair

Bill Wishard is coordinating Rotary District efforts for the Special Olympics games being staged in Los Angeles July 25 - August 2, 2015. People in Los Angeles, and especially Rotarians, can get involved. Bill spoke about this at the Rotary District Breakfast March 31. The Special Olympics will have 7,000 athletes from 177 countries.

Rotarians to participate as volunteers “Fans in the Stands,” or by sponsoring an athlete. It is free to go to the games, and individual Rotary Clubs should each have a captain to have club members go to the sporting events together for a fun group experience. Sponsoring an athlete financially costs \$2500. Some large clubs in District 5280, LA 5 and Wilshire Rotary Clubs have done this. For smaller clubs, like the Malibu Rotary Club, they can join with other clubs to raise the \$2500. The Malibu Rotary Club is contributing \$500, and will join with another club to support an athlete.

Malibu Rotary Club Supports RainCatcher

Clean drinking water is a problem affecting millions of people around the world. A Malibu company, RainCatcher, is trying to solve the problem in an efficient manner. Much of their work has been in Africa. The Malibu Rotary Club along with the Rotary Clubs of Beverly Hills, CA USA and the Rotary

Club of Entebbe, Uganda has applied for a Rotary Foundation Grant to assist Raincatcher. There are several videos available on You Tube that show the amazing things Raincatcher is doing bringing clean drinking water to places in Uganda and Kenya where there was previously no clean drinking water.

David Zielski, Executive Director of Raincatcher, makes regular trips to Uganda and Kenya to do Raincatcher installations and maintenance. In February The latest video showing what David and the Raincatcher people are doing in Africa was shown at the Malibu Rotary Club meeting on August 20. A link to the video is now on the MalibuRotary.org website. The direct link to the video is at:

<https://www.youtube.com/watch?v=59rzOcM-RL0&list=UUFetq8NgjhXhtkVf0idcQUg>

Calendar (for details on these programs see maliburotary.org)

April 22, 2015

Speaker will be Rotary District Grant Chair Lee Stacy, who will talk about the Rotary Foundation

May 6, 2015

Mati Waiya, Chumash Ceremonial Elder

Wishtoyo Foundation--Preserving Chumash Culture in Malibu

"Wishtoyo was founded in 1997 by Chumash ceremonial elder, Mati Waiya and our mission is to address modern day environmental issues by preserving and utilizing the ancient wisdom of Chumash culture and inspiring the public and its youth to have environmental awareness and responsibility for sustaining the health of our land, air, and water. At the heart of our programming is the Chumash Discovery Village, an authentic recreation of a working Native American village next to Nicholas Canyon Beach in Malibu. We provide education programming to over 3,000 school children per year and we open our doors to the general public one Sunday per month. Our board members include: Beau Bridges (actor), Terry Tamminen (Schwarzenegger administration), Carole Goldberg (Vice Chancellor UCLA), Debora Sanchez (Supreme Court Judge) and David Kaplan (Surfdog Records). For more information about us, you can visit our website at www.wishtoyo.org or see us in the Malibu

Tentative other Future Programs in May and June

Christian Pierce and Keaton Brewster May 20, 2015

RYLA Experinece

Bob Syvertsen Jun 03, 2015

Malibu Rotary Club Budget for 2015-2016