**FAIR OAKS ROTARY CLUB FOUNDATION**

**Board of Trustees Meeting**

**March 23, 2022**

**CALL TO ORDER – Meeting was called to order by President Broad at 5 PM at Meristem college A quorum was present.**

1. Attending – Nick Broad (President), Marlow Simonetto (VP), Dennis Dunbar (Past Club Pres), via Zoom, Bonnie McClain (Secretary), Alisa Lisagor (Treasurer), Jim Cralle (Trustee), Alida Bray (Trustee), Diana Cralle (Club Pres), Anne Browning (Trustee), Mazzy (Club Pres Elect)
2. Absent – none
3. Guests - Dustin Buck, Ralph Carhart
4. Roll Call of Board – quorum present
5. Overview of Agenda - all approved

**OPENING REMARKS**

President Nick welcomed all attendees.

**FINANCIAL ADVISOR REPORT ~ Dustin Buck**

* Not much change as we are at end of a 12 year market cycle, the best in history. Soon it will go back to more normalized returns. Dustin changed from a mutual to index portfolio. Saved about 0.5% in fees; we don’t have to worry about taxes.
* Some money coming back into the Foundation and will go into a long term investment account.
* Should soon have enough money in the principle to soon be able to generate $10,000 a year for the scholarship and a 3% inflation to last a long time. It may take about another $50,000. Using very conservative numbers for projections.
* Could be an opportunity for club so won’t have to raise money each year to continue to pay the scholarships Have enough to yearly pay $7500 a year plus interest.
* We want to generate $10,000: $2500 deposit each year and we will hit that number each year, or raise $30-$50,000 and we will have enough. The Big Day of Giving could be a great opportunity.
* Dustin would be happy to give presentation at a club meeting prior to Big Day of Giving.
* Investment account equal to approximately $178,000; $25,400 of that is in cash account in insured money market account. (Covers 2 years of scholarships)
* Investment committee consists of Patrick Furlong, Chris Castillo, Jim Cralle

**PRESIDENT’S REPORT ~ Nick Broad**

* Big Day of Giving is upcoming, and Bruce Vincent wants each of us Board members to donate and encourage others.
* Alida will be helping Bruce with the time schedule including a specific timeline.
* Upcoming changes in Board Members. Terms for the Foundation Board Members end in June. If you are intending to step down, speak up.
* March resignations: Bonnie as Secretary
* Remaining on Board: Nick as Pres, Alisha as Treasurer, Ann, Alida & Jim as Trustees; VP ?; Pres Elect will be Dave Claugus, Club president will be Mazzy, immediate past present will be Diana.
* Nick will appoint two people from the Foundation & and Diana 2 from Club for total of four to be on a nominating committee. Candidates must send in a written request to Treasurer if you are interested. We are encouraging someone with a business background and new to the Board, with fundraising experience.
* Club will be notified in March; a committee will be selected to nominate a secretary for a 2 year term.

**MISSING FUNDS ~ Peter Wick**

* Nick & Jim Cralle recently gathered all records from the boxes of bank statements since 2013, investment records, and LPO records
* Only one deposit in 2006 = $5,555
* $47,000 was issued to Wick’s business or himself
* Unable to determine amount of original CDs or record of them. No money was deposited into the investment account.
* CDs were reported by him equal to $78,700. Records only go back to 2011. This was discovered after much questioning by President Nick Broad in Spring 2021. Finally Wick alluded to Dustin Buck in August 2021 that he would repay the funds. Wick included a check for $2500 and gave to Dustin; and handed Dennis Dunbar a partial spreadsheet in August 2021 with a payment schedule but no dates and no signature. He would not admit to anything.
* Ralph Carhart was our non-board member emissary with Wick and was aware of these missing funds while in the hands of Wick as Treasurer over the past 14 years.

**MOTION made to authorize President Nick Broad to request the Attorney send a Promissory Note to Peter Wick with conditional release and a payment schedule for the remaining amount owing of $54,700 to be paid in full by June 30, 2022. There is no security or collateral. Wick is to sign and return this letter and payment schedule. If he does not do this, we will file a civil lawsuit.**

* **Legal Action will be avoided if full amount of $54,700 is paid by June 30, 2022.**
* **If he does not pay this full amount we will file a civil lawsuit.**
* Vote was seven in favor, one absent, one opposed.
* Comment that it is necessary to bring this issue to Rotary District Governor, Desiree Wilson as well as Bob Deering, who are both CPA’s. They feel confident we are handling this correctly, and following a proper procedure with confidentiality.
* Questions about our past taxes IRS reports, correctly reported.
* Alida suggested we draft a statement so that we all give same report of what has happened. “There was an unauthorized transfer of funds, and all those funds are being repaid. We have new procedures so that it will not happen again.”

**TREASURER REPORT ~ Alisa Lisagor**

* Alisa provided print outs of financial sheets and recent bank statements; balance is $54,155.84 .
* Discussion about transfer money and pledges
* The club will sponsor an RYE student next year
* Nick talked about the improper budgeting in past.

**Further discussion**

* Problem with the Senior Packets. Chris C will manage this from the Club and Alida from the Foundation. Better financial reporting is needed. There is a lack of understanding
* The MOU and Articles of Incorporation need to be clarified. Issues have changed saying we oversaw fund raising. The Foundation is a legally separate group. MOU has created problems.
* There is a need for agreed upon financial controls between the Club and the Foundation.

**DATE & PLACE OF THE NEXT MEETING:** Tuesday**,** April 26, 2022; 4:30 at Meristem

ADJOURNED **–** 6:55 pm

Respectfully submitted,

**Bonnie McClain**

Foundation Secretary