**Foundation Board Meeting - Sunrise Rotary Club**

**September 7, 2017 7:00AM – Kevin Gebhart’s office – Edward Jones**

Present: Joe Stewart (Chair), Jon Johnson (Secretary) Jeff Sargent (Treasurer), Larry Strober (Past Club President), and Kevin Gebhart (Investment Advisor)

Absent: John Martinez (Club President Elect)

Guests: Denise Murphy, Club President and Kellie Menke

Kevin Gebhart reviewed the Investment accounts of the Foundation held at Edward Jones. As of August 25th, the balances in the Core and the Fundraising accounts totaled $161,979.64. This is up from the following balances: Aug, 2016 = $156,230.66; Aug, 2014 = $154,474.87; and Aug, 2012 = $131,907.87. Kevin estimated fixed investment income is $3,351.53. The investment policy sets an annual spending target of 80% of the income generated from fixed income investments. Using the 80% rule, the annual spending target is $2,681.22. Kellie inquired why this is so much less than prior years. Kevin explained that long term investments have matured that carried a much higher rate of return. It will take higher market interest rates for the income to improve. Kevin added that in 2017, the club has added $1,223 to the core account and added $580 to the fundraising account.

Kevin reported the corpus of the Foundation has $27,560 in a money market account and $127,267 in investments for a total of $154,827. He recommends the Foundation invest $25,000 of the money market account into a one year time certificate that will earn 1.45% interest. He said there is another $29,000 CD maturing in November. In addition to the corpus, the Foundation fundraising account has an additional $7,386 in a money market account. The Foundation also has a checking account at Citizens Bank that is accumulating funds from the upcoming Bocce Ball tournament. He said the Foundation could transfer some of the money from the fundraising account over to the corpus.

MOTION (Jon): The Foundation invest $25,000 of the corpus money market account into a one year time certificate that will earn 1.45% interest. Jeff seconded and the motion passed unanimously.

There was a discussion on the amount of funds committed to be spent in the current year versus the amount of money available. The policy recommends only 80% of the fixed income from the corpus be spent, which would equal $2,681. In addition there is the money that will be raised from current fundraisers. The Foundation Board has previously approved the following expenditures:

* $ 7,500 Chemeketa scholarships
* $ 1,000 ShelterBox
* $ 2,500 Local charities ($500 of this is earmarked for YCAP)
* $ 1,500 Peace Village scholarships
* $ 250 Peace village supplies

$12,750 Total

The upcoming Bocce ball tournament is expected to net approximately $10,000 after expenses. If this is added to the $2,681 above, the total available to spend is $12,681 which would be entirely allocated to the outstanding commitments of $12,750.

There was a discussion about committing to fund one ShelterBox per year over each of the next three years. The board determined our first priority is to funding scholarships at Chemeketa College and the second priority is to fund ShelterBox. The income from the corpus will not be enough to fund the scholarships so we will be relying on annual fundraising efforts to make up the shortfall. For this reason, the board decided ShelterBox is a priority, however, there is no commitment beyond the current year. There is a need for our Foundation Board to have an annual forecast of our fixed income as well as our estimated fundraising efforts so we can do a better job budgeting.

Larry Strober submitted a written request for $500 in additional scholarship funds for the McMinnville Peace Village that was held in August. They initially received $3,250 in funding between the Sunrise Club ($1,500), the Noon Club ($1,000), and a District Grant ($750). In addition the Sunrise Club donated another $250 from the Foundation for supplies at Peace Village. The initial request was to fund 30 scholarships. Larry reported there was more financial need than anticipated and Larry and Molly decided not to turn away anyone due to need. They decided to give 40 $100 sponsorships plus 4 full scholarships at $135 each. In addition, Larry indicated he did not know if they raised enough money to cover all their expenses. Teachers were paid at $30 per hour. Due to the late request for additional funds, the committee asked Larry to provide the financial statements from the Peace Village. At this time, Larry does not have a full recap of the financials. Due to the lack of financial information from the Peace Village and not having a final income from the upcoming Bocce Ball Tournament, Larry withdrew the request at this time and will bring it back to the Foundation at later date.

Larry Strober is also requesting funding for the Peace Village Global. This is a District wide request for all clubs to participate. He reported that $10,000 has been raised so far and another $15,000 is needed. The District will match any grant applications for the Kenya Peace Village Global if it is received by September 15. The Foundation board replied that availability of funds is uncertain at this time. Larry can bring the request back to the board at a later date.

There was further discussion on the $2,500 previously approved for donations to local charities. Only $500 has been earmarked for YCAP. The remaining $2,000 may still be available but we can consider our own Sunrise Rotary Foundation as a local charity. Funds from this may also be available for Peace Village if the Foundation Board approves additional funding.

Larry raised a concern that we may not have enough teams to play in the Bocce Ball tournament. Jon suggested recruiting teams that could play for free, but would not be eligible to participate in the prize money. Kevin suggested having a double elimination rather than a single elimination tournament that would work well with fewer teams. This will be decided by the Bocce committee.

There was a discussion of “Hurricane Help” for the areas of the country hit by Hurricane Harvey and the upcoming Hurricane Irma. The committee decided we can offer for individual club members to participate, but the Foundation’s contribution is our donation to ShelterBox.

Without further business, the meeting adjourned at 8:08 am.

Jon Johnson,

Secretary