



Woodland Rotary Endowment

PO Box 31, Woodland, CA 95776

EIN 68-0270150

Board Meeting Minutes of April 30, 2025

Location: Ullrich Delevati CPAs, 433 Second Street

Directors present: President Tony Delevati, Treasurer Tom Schwarzgruber, Aniek Pflager, Clyde Brooker, Lisa Martinez Dunham, Dan Stroski and Secretary Kris Kristensen

Directors absent: Rob Beggs and Nick Roncoroni

Guests present: Woodland Rotary Club President Bob Nakken, and Scholarship Chair Shawn Seyk

1. President Delevati called the meeting to order at 4:04pm.
2. **MINUTES** - The minutes of the Board's February 5, 2025, meeting were reviewed. On the motion of Dan Stroski, seconded by Aniek Pflager, these minutes were unanimously approved with Delevati & Schwarzgruber abstaining since they were not in attendance on Feb 5 (5 ayes, 0 noes, 2 absent, and 2 abstentions).
3. **OLD BUSINESS** - President Tony Delevati reported Tabb Randolph had agreed to lead efforts to find and vet applicants for the Berrettoni Scholarship this year, that four applications have been received; Don Huff III and David Molinaro have agreed to help Tabb in vetting the applications; Kathy Berrettoni (George Berrettoni's widow) has also agreed to help with applicant vetting, and Woodland Scout leader Jim Nieheus has also agreed to be involved in applicant review. It is anticipated that Tabb Randolph and his committee will be ready to make recommendations to the Board on 2025 Scholarship awards at the Board's next meeting.
4. **FINANCIAL REPORT** – The Board considered the April 22, 2025, Endowment financial statements provided in advance of the meeting by Treasurer Tom Schwarzgruber. Tom reported that recent stock market volatility is having an impact on Endowment's investments. He checked the figures today, April 30, 2025, and compared them with the figures in the April 22, 2025 statements. The total balance of the Endowment's Valedictorian Scholarship Fund was \$666,416.27. As of today, that balance is now \$642,253.96, a difference of \$24,163 (3.6%) in just 8 days. There was also discussion of the financial results from the Club's 2025 Dinner Auction held this past weekend. Tom reported the Club has realized over \$71,000 in revenues from the event, though some pledged sponsorships have yet to be collected. Considering expense payments already made, and a

final invoice expected from the Velocity Island Resort, Tom estimates net profits from the 2025 Dinner Auction will amount to approximately \$39,000. From the net profits \$5,000 will be retained by the Endowment in the Community Fund; \$11,000 will be paid to Yolo Farm to Fork, and the balance will be paid to the Woodland Healthcare Foundation. After continued discussion, on the motion of Dan Stroski, seconded by Lisa Martinez Dunham, the Financial Report was unanimously accepted (7 ayes, 0 noes, 2 absent).

5. **ACADEMIC SCHOLARSHIPS** – President Tony reopened discussion on possible changes to the long-standing, academic Scholarship Program providing \$6,000 over four years (\$1,500 annually) for the valedictorians at the two public high schools in Woodland: Woodland High and Pioneer High. The following key points were made in the discussion:

- A scholarship award of \$6,000, payable over 4 years, is not keeping pace with the increasing cost of higher education. Some increase in the amount is necessary to allow the scholarship to be meaningful to most recipients.
- When the Valedictorian fund was fully endowed in recent years it was done with the concept that Scholarship payments for the two schools, a total of no more than \$12,000 in any year, would not exceed 2.5% of the fund's annual balance. Assuming fund investment growth would average 5%-7% annually, as has been projected by Edward Jones advisor Kevin Haarberg, the fund balance should continue to grow an average of 2.5%-4.5% annually. This was considered a conservative approach enabling the Scholarship to make Scholarship payouts from investment returns without need for supplemental principle supplied by the Club or Endowment. Checking that concept today, \$12,000 represents 1.8% of the \$666,416 Valedictorian Scholarship Fund balance as of April 22, 2025.
- Bob Nakken confirmed the original approach for the Club/Endowment's scholarship was intended to reward academic achievement. Tying achievement to the designation of a valedictorian, which is made solely by each school, allowed the Club/Endowment to avoid a more difficult decision of selecting candidate to receive the reward based on some other criteria.
- An argument for increasing the 2.5% concept to 4% was made because investment returns have been trending higher in recent years. As an example, using a 4% payout limit on a fund balance of just \$600,000 would generate \$24,000 for scholarships, and still allow up 1%-3% investment growth in the Fund.
- An argument to make the scholarship payable in one initial payment, rather than over four years, was suggested. Further discussion revealed that the dropout rate of college students has become much higher in recent years, especially since the COVID pandemic occurred. Shawn Seyk estimated one in four college students today drop out of school

for any number of reasons. Do we want to risk providing a full scholarship to a recipient who does not complete their college education?

- A suggestion was made to proceed with little or no changes to the Valedictorian Scholarship program, but to supplement it with a needs-based scholarship program. There was not much discussion around this idea, but it raises several questions as to what a need-based scholarship for our Club/Endowment might look like and how it would work.
- It was noted that when the Valedictorian Scholarship Fund was fully endowed further transfers of net proceeds from the Dinner Auction were no longer considered necessary, which allowed the Club/Endowment to apply such proceeds to other specific community improvements, as well as to make a regular contribution (recently \$5,000 annually) to the Endowment's Community Fund.

The discussion did not generate any clear consensus on what changes to our scholarship program might look like. The Board did express a desire to speak with our investment advisor, Kevin Haarberg, at our next meeting to get an update on how our investments returns over the last several years, especially as it relates to the Valedictorian Scholarship fund. With that information the Board would have a better understanding of what can be expected from the Fund in future years. While there is interest in continuing discussions on some possible boost in our scholarship efforts, it is not yet clear what those changes might look like, how much they would cost, or how they could be sustained over time.

6. Under new business, Club President Bob Nakken said he had hoped to make requests of the Endowment Board today for Community Fund resources to support (1) further children's book give aways at local schools, (2) partnering with the other Woodland Rotary Club's in support of an initiative by Winters Rotary for a Monarch Butterfly support project; and (3) a request for support from All Leaders Must Serve to all Woodland Rotary Clubs. However, additional information is needed on all these items before they are ready for consideration. When such information is ready he will return to the Endowment Board. No action was taken on these matters.
7. The Board agreed its next meeting would take place on **Wednesday, June 11, 2025, at the UDCPA offices beginning at 4pm**. Next meeting agenda items will include a review of Endowment financial investment returns; continued discussion on possible changes to the Endowment's main Scholarship program; and possible decision(s) on applications received for the Berrettoni Scholarship.
8. President Delevati adjourned the meeting at 5:20pm.

Respectfully submitted, Kris Kristensen, Secretary