

RETIRED EMPLOYEES ASSOCIATION OF VENTURA COUNTY (REAVC)

Minutes of the Board of Directors Special Meeting for

May 9, 2022

Members of the Board met electronically (via Zoom)

- ***Call to Order and Roll Call***

President Reddy Pakala called the meeting to order at 10:42 a.m. He stated that along with the agenda, a short pros, cons, and options point paper was attached. Reddy also noted that more than eight members were present to constitute a quorum.

Present

Board Members: Maryellen Benedetto, Butch Britt, Colleen Bruns, Paul Callaway, Ken Cozzens, Anne Dana, Will Hoag, Colleen House, Tom McEachern, Reddy Pakala, Jacquie Richardson, and Cindy Schneider.

Absent

Art Goulet, Roberta Griego, Nancy Settle, and Kelly Shirk.

*(In accordance with REAVC by-laws, Board members unable to attend could submit votes by email to Dee Emami at emami3@verizon.net prior to the meeting.)

Old/New Business

1) Request from the Scholarship Committee to increase the budget for the CY 2022 scholarship awards.

Discuss/Consider Scholarship Committee recommendation to increase funding for current year (CY) approved line item budget of \$10,000 to \$15,000.

If approved, transfer \$5,000 from REAVC reserve funds to the Scholarship line item budget for CY 2022.

Reddy asked Tom if he would like to say anything before the Board discussed the attachment in detail. Tom said REAVC has the money in reserve and the Scholarship Committee is asking to increase the Scholarship budget from \$10,000 to \$15,000. This is consistent with requests in previous few years, which were approved by the Board. Tom said all 15 applicants are worthy of receiving \$1,000 scholarships. Two applicants are the first in their families to attend college.

Anne asked if the budget is \$10,000 and what are the total donations received from VCCU and others. Butch stated that VCCU has donated from \$1,000 to \$1,500 annually for several years, although this is not guaranteed. We have to apply every year. Some REAVC members also contribute, mostly Board members. Total donations received this year are \$1,970. \$2,000 is the anticipated amount, which is reflected in the budget. These are not additional funds.

Paul Callaway asked what the approved budget, reserves and membership dues is. Reddy stated the approved budget for FY 2022 is \$79,200. The budget is not structurally balanced, meaning the income in is less than our expenditures by \$3,900. This, structural deficit will continue to increase in future years. Anticipated and budgeted revenue from membership dues is \$65,800.

Since this is a Special Board meeting, we did not have sufficient time to look at all details. After the Agenda was sent out, Reddy confirmed the following reserve fund balances with Butch:

In FY 2020 reserve fund balance was \$91,000 (actual).

In FY 2021 reserve fund balance was \$108,669 (actual).

In 2022 estimated reserve fund balance at the end of December 2022 is about \$80,000. COVID impacts are starting to decrease, and our projected expenses are also increasing. Ergo, the reserve fund balances will also decrease. Butch concurs that this number is a reasonable estimate.

Mary Ellen asked Butch what is a reasonable amount that we could increase the scholarship budget this year. Butch said it is up to the Board to make that decision.

Reddy said he reviewed minutes for August, 2021, when our Board unanimously approved a maximum of \$12,000 for this current year considering the reserve fund. It was also agreed that the actual scholarship budget should be based on expenditures and revenues for the CY.

We also discussed reserve funds of \$30,000 for a legal defense fund or other unexpected occurrence, \$25,000 for cash flow during a given FY and a contingency of \$5,000, for a total of \$60,000. Since that time, we have experienced a historical high inflation rate of more than 8.5%, which will likely continue to increase REAVC expenditures in future years. This means the structural deficit will continue to increase unless we watch expenses carefully or identify new sources of income, next year.

REAVC is scheduled to host the regional CRCEA conference. Will Hoag recently attended a Zoom CRCEA conference. Reddy asked Will if he has any information about this year's costs for hosting a CRCEA conference. Will said according to Co-Chair Doug Storm it cost them \$16,000 for an outside company to administer the Zoom meeting. The Committee asked Butch if he knows REAVC's expenses 4 to 5 years ago when we hosted the CRCEA conference. Butch researched his files and said the net cost was about \$1,700. However, several services such as audio/visual were provided by the county or other organizations at reduced or no cost. Butch also said we received \$4,500 from advertisers or sponsors. Reddy said we will have better handle on the CRCEA conference once the committee produces a program and estimated costs. Costs to REAVC could be in tens of thousands of dollars.

Mary Ellen said this year has been a difficult year for the families and students. She also said we have not done a respectable job in promoting scholarship funds. We can do a

better job. Tom asked Butch if REAVC is 501(c3) corporation. Butch advised we are a not, REAVC is a 501(c4) corporation.

Paul Callaway said he strongly supports \$1,000 scholarship for each successful candidate. For the last few years we have approved Scholarships for all applicants who have applied. Previous Scholarship Committees have approved Scholarships based on a ranking system and approved budgets. Reddy asked the Committee, if it is possible to rank the applicants and award Scholarships within the approved budget.

Cindy Schneider said this has been a difficult year. She supports the \$5,000 increase for this year. For future years she supports a maximum of \$12,000 as previously approved by the Board.

Cindy made a motion, Colleen House seconded, and a motion was approved with 11 yeas (Nancy and Robert via email), 2 abstentions (Reddy, and Art via email), 2 members (Butch, and Kelly via email) recused themselves.

Reddy congratulated the committee for receiving our Board approval

Reddy did not have sufficient time to discuss the historical scholarship expenditures and to present an oral review of budget impacts.

Colleen Bruns asked a question about charges for lunch for scholarship recipients and a family member. After some discussion, the Board agreed to continue our past practice and not charge the recipient and one guest at the upcoming luncheon on June 7, 2022.

2)Adjournment

The meeting was adjourned at 12:02 p.m.

The next REAVC Board meeting will be held at 11:30 a.m. on June 14, 2022, at Board Member Kelly Shirk's home.

Respectfully submitted,



Dee Emami
REAVC Executive Assistant