

**BUICK CLUB OF AMERICA**

**Moderator: Alan Oldfield  
February 18, 2019  
6:04 pm CT**

Alan Oldfield: Our discussion tonight is about our audit proposals. Here's what I thought we'd do. As the usual protocol we will please ask for the floor when it's time for the floor to be opened. And if you'd ID yourselves so it makes it easier for our secretary to figure out who's talking.

And I took a page from our discussion when we went through the list of people who were applying for the office manager. I thought if everybody is okay with this that we go alphabetically. Give every Board member and Bill a chance to talk about what they think, what their ideas are, if there's a favorite proposal or too and just kind of take a survey of everybody, see where we're at. Is that okay with everyone?

All agree

Alan Oldfield: Hearing no objections alphabetically that would mean Ed DePouli would go first.

Ed DePouli: . I'd like to talk just for a second about the structure of the motion. I really do think that any motion that's made, you know, should be along the lines that we hire the XYZ Company. And that the key phrase in the motion has to be at a cost not to exceed an amount, the money. I would be against any motion which is open-ended and constitutes a blank check.

So other than that, you know, I just don't want to sign a blank check with anybody.

Larry Schramm: The original motion originally came at that time just a guesstimate of \$25,000

Ed DePouli: Right but the actual approval. Now we're talking about approval of something that – or not approving, whatever. The motion that we actually vote upon please should have a not to exceed mandate.

Larry Schramm: Like I said before it's best practices and what we have for documentation and how we use the access is the total driver of the cost like anything. Because like to go to your CPA, if you give him everything and all documented in simple form or to look at, you're going to get a better price than if you give him everything in shoebox.

Ed DePouli: I agree with that. I'm not saying the amount has to be fixed. I'm saying that the amount has to be not to exceed. If it costs – if it comes – if they, whoever we hire or don't hire, if it turns out that we approve \$2,000 and it's going to cost \$3,000 and we come back and we approve a supplemental.

Larry Schramm: Oh okay. If that's what you're saying, okay, I understand. That's fair enough, absolutely.

Ed DePouli: I really don't have a preference. I'm very flexible on that. I let them people with the accounting background tell me who I should like.  
never approve open-ended amounts.

Larry DiBarry: I went through all eight of the proposals. Of course we had three of them who begged off. Checking with all the numbers that I could come up with, we had some as high as \$65,000, \$66,000 and some of them were very open-ended in their statements that indicated that if there was a problem then all these other costs kick in with 300. I think the one was like \$320 per hour. Then \$250 per hour depending upon who they would have checking in on it.

Going down so that's what I'm looking. Some people were doing four year for an opinion at \$44,000 and some the entire seven year for \$60,000 so we looked at a lot of those.

And I'm looking down to Plante Moran which they also offered a 7 year analysis at 28 to \$31,000 and a 4 year analysis at 22 to 24. Their turnaround looked pretty good, seven to ten weeks. And they also had in there documentation that if they went back to three years and there were no exceptions or problems then negotiations with us, the BCA to stop and finalize a report and if there are any other yearly reconciliations that are not to be done then they're not warranted.

So and they were within, I thought we had already approved. That was our limit to \$25,000. So that's where I was working through all these figures here that I have.

So I'm looking at Plante Moran as my go to.

Alan Oldfield: Okay, thanks. Nice explanation Larry. Appreciate it, anything else Larry that you have or any questions for Larry? I guess not.

Larry DiBarry: I have a whole page of notes here. That's why I have all my documentations and numbers. The one was like \$111,000.

Bill Stoneberg: Yes. There were some expensive ones.

Alan Oldfield: Yes. Larry, thank you. That was very detailed. I appreciate it. If I have my alphabet right, Bob Safrit would be next.

Bob Safrit: I agree with Ed about having it open-ended. And what we just heard, three years Plante Moran, sounds pretty reasonable to me.

Bob Safrit: I'd hate to spend over 25.

Larry Schramm: , I've looked at everything and as far as I consider and I think the best value for the money is Plante Moran. And I concur with what Larry DiBarry has said. I don't need to resay it again.

John Steed: I haven't studied it as much as probably I should have. I'm basically looking at the dollar figures. And Bailey and Plante Moran are the two that I feel like would meet the \$25,000 goal that we've talked about. I do agree with Ed that it needs to have a stop figure. I've not been a real big fan of the audit thing. But, you know, it looks like we're going to have to do it. And so if we can keep the costs down on that I - that to me seems like the maximum number I'd want to try to justify to the membership.

So Plante Moran, if that's what people are thinking I – the five years for that seems to make sense to me.

Bill Stoneberg: I also like Plante Moran because they were reasonably priced. And they will do the three year. And if they don't find anything come back to us and talk to us. I also like the Eide Bailey because of the transactional analysis process. So I can live with either one of those two.

Bill Stoneberg: ...everything that Ed has said.

Roberta Vasilow: Okay. Well I tend to agree with everything that's been said so far that Plante Moran is probably looks like the best bang for the buck at the moment. We got to remember that it's only as good as the information that we give them. And that's the hard part to determine where we end up with this.

But I would go with Plante Moran also.

Jack Welch: I agree. You know both Bailey and Plante Moran gave to me what I would consider the most cost effective solutions to getting this done.

And I did like the fact that Plante Moran put in their proposal that if they got to a three year point and everything looked like it should that they would then suggest we shut it down.

So that to me I think proposes at least risk for long-term expenses and like Ed, , I agree we put a cap on it so if , if everybody else is in favor of Plante Moran I would certainly not go against that.

- Terry Wiegand: I think the Plante Moran people would be the logical choice to go. And I think somebody mentioned, I think was Stoneberg mentioned it, five years. That's great. I'm with that. I can live with that fine.
- Bill Stoneberg: Yes. What we've been saying is Plante Moran will look at three years. And then come back to us if they don't find anything and determine whether we want to go forward with two more years.
- Alan Oldfield: Okay. Well looks like we have everybody who said they could be happy with Plante Moran. Shall we proceed with Plante Moran? A couple people mentioned Eide Bailey so that's also on the table.
- John Steed: Make sure we get Ed's comment included.
- Alan Oldfield: Yes.
- Larry Schramm: I guess if you a motion, I would say that we move, vote to approve Plante Moran as the – to do the audit for us and that we make sure that the contract continues to say best practices both as an organization and for any tax and accounting procedures.
- Ed DePouli: At a cost not to.
- Larry Schramm: Oh okay cost not to exceed \$25,000 without coming back to the Board with the reason why.
- Ed DePouli: Okay. This is DePouli. I don't have a problem with the motion as presented. However I would suggest if we think it's 25 we approve let's say 28 or 30 just so that we can cover incidentals.

Larry Schramm: Okay. Then I'll make it \$30,000 and change it to \$30,000. I move that we approve up \$30,000 for Plante Moran and make sure that the – besides the audit part, you know transactional we're going to do – also includes a detailed write-up of best practices and both taxes and for an organization of 501(c)(7) like we are.

Bill Stoneberg: I believe they talked about that in their proposal.

Larry Schramm: Yes. They did talk about it. But I just want to make sure that we get – want to make sure we're all on the right – the same page going all in the same direction. That's all and that there's nothing that can happen. You know if an IRS possible audit coming up to us, it's better to be proactive. Say this is what we've done. And we've gone out and looked at it. That's why I want to make sure we are there.

Alan Oldfield: Okay. Yes. Larry for everybody's best understanding do you want to kind of set that in a motion for us so we know what specifically the motion is and...

Larry Schramm: Okay I'll restate it then and tell me if I'm right. The – I move that we approve up to \$30,000 and to engage Plante Moran on doing at least a three year audit for us as their proposal outlines with and ensure that we as the club gets a report on best practices both from a financial standpoint and the tax standpoint.

Alan Oldfield: Thank you Larry. All right, that's Larry's motion. Is there a second?

Bill Stoneberg: Second. I'll second it. This is Bill.

Alan Oldfield: Okay. Bill Stoneberg second and this would be the point for discussion. Is there any discussion?

John Steed: I guess when we talked about a \$25,000 maximum I don't see any reason why it should be \$30,000. That, you know, they need to be told in the process of negotiating this contract, 25. We're expecting this to be done for 25. And it needs to be done for that. I don't – I mean if we're going to creep it up to 30 then next thing it's going to be 50.

And it doesn't make sense to me to, you know, we need to stick to our guns. Negotiations, you don't go in and say oh well we're going to do 25. So we'll do up to 30. That makes sense to me.

Ed DePouli: This is DePouli. The approval is for 25. Our position is 30 so we don't have to come back for postage and stuff like that. That was the concept.

John Steed: The motion says \$30,000 Ed.

Ed DePouli: Not yet. Yes. But that doesn't mean we're going to tell them we have \$30,000 to spend. We're going to tell them we expect it done for \$25,000. And we got a small cushion and totally just so we don't have to, you know, revisit it if, you know, there's \$100 postage charge somewhere along the line.

I agree with you 100%. I don't – I would never reveal to them that the Board has approved more. I would – this is an internal thing to keep it easier for us to do business. We're approving them for \$25,000. We're approving a motion for \$50,000 just so we have it available to us without having to revisit the motion if we need a couple of dollars but it's...

Larry Schramm: This is Larry Schramm. I just have one comment is \$25,000 I think is the target number. That's what I, you know, put out the last go around when I resent everything to everybody else out. So that's what's in their mind.



And remember the cost of the audit will be totally driven by the accessibility and the completeness of all the documents that are required to do an audit. If they're all easily available and accessible it will be much less than, you know, I can see it being less than \$25,000 without even trying. If we don't – if they don't have access to that stuff easily, then that's an issue.

And I think Ed DePouli is trying to just cover that part of it because a lot of the cost is on us.

Jack Welch: I know what Ed is trying to do. I just think it's too big an upcharge number. You know if we're trying to care of some petty incidentals, that's one thing.

But if they come back to us and say, you know, it's going to be \$10,000 more or \$15,000 more, I think before we have that sitting in a fund that we relook at that amount of money.

Larry Schramm: He's not asking for 10 and it's only the difference from 25 to 30. That's the number right now.

And I guess the question is the last time we had one of these conference calls for an hour it was over \$1,000 if I remember right. I think that's what it was. It'd be cheaper just to say okay, you know, within a couple thousand dollars, \$2,000 of the 25, if they get incidentally, say this is the final number, it's cheaper just to pay it than it is to go through another conference call and have us call and talk about it for another hour. That's my opinion.

Bill Stoneberg: And if you read the proposal -- this is Bill -- if you read the proposal they say it's to ensure our fees are transparent. The BCA has the ability to monitor the engagement's budget. They will provide weekly updates, a brief description

of services performed. Fees incurred to date and estimated fees and work plan for the subsequent week. Upon receipt each week the BCA can decide if Plante Moran should proceed or halt analysis.

So we should know in plenty of time if they're going to exceed the budget and be able to talk about it then so.

Larry Schramm: To the point is there a difference between 25 and \$30,000 then?

John Steed: Is there a difference?

Larry Schramm: Yes.

John Steed: About \$5,000. At least that's the way I figure it. I don't – I – to me we ought to approve it for the \$25,000. If you want to put something in there, at \$25,000 they need to know that we're pretty well done. If you want to put some group of people in there to check but we need to have a report from them on what they can do at \$25,000 to see if we need to go on or not.

I would leave it open for another \$5,000 just because they might run over.

Alan Oldfield: If my information is correct which I'm looking at here, Plante Moran's proposal for 5 years was 22 to \$24,000. Is that correct?

John Steed: Yes.

Alan Oldfield: Is that what everyone else has? Okay.

John Steed: Yes.

Alan Oldfield: So even that which we're talking about potentially, best case scenario a three year. Even a 5 year would give us 2 to 1 to \$3,000 for some spillover costs. That's just an FYI, not arguing one way or the other but that's what the proposal says. So even if we take them at their five year number we still have some room for incidentals.

Jack Welch: . I would like to amend the motion then to say \$25,000 is our limit.

Alan Oldfield: Okay...

John Steed: I'll second Jack's motion.

Alan Oldfield: All right. We have a proposal from Jack and a second from John to amend the motion and if I understand the rules of order that we would have to vote on that amendment first and discussion on the amendment.

Larry Schramm: Given just – this is Larry Schramm. Just for the group, I'll amend my original motion and make it easier.

Larry Schramm: Do you want me to just amend my original motion and make it easier for the vote?

Larry Schramm: I'll make it \$25,000 on the motion.

Larry Schramm: Now Ed did you take and agree that we agree to second that?

Ed DePouli: Absolutely, absolutely. I have no problem with it.

Ed DePouli: I do. When we get back to discussion I have a question.

Larry Schramm: So we're back to \$25,000 in my original motion.

Alan Oldfield: We're looking – just to make doubly sure that we do it right, do we have a second for that? Bill, do you want to second that motion?

Bill Stoneberg: Yes. I will second that motion. This is Bill. Yes.

Alan Oldfield: All right if everybody is okay with that then let's discuss. Ed the floor is yours.

Ed DePouli: Thank you sir. How likely is it we will have the results in time for the Annual Meeting?

John Steed: Their timeframe for Plante Moran was about ten weeks.

Larry DiBarry: Yes.

Larry DiBarry: They're saying seven to ten weeks and...

John Steed: Yes.

Larry DiBarry: This is Larry D. Going back to their timeline so...

Ed DePouli: Which I think pessimism, it's very likely – the answer is it's very likely we'll have it for the Annual Meeting.

Larry DiBarry: Yes, that's what I see.

Ed DePouli: And that's my only question. Thank you.

Alan Oldfield: Any other discussion. Hearing no discussion shall we proceed to a vote?

Alan Oldfield: Okay. The motion then and I'm going to paraphrase. Larry if you want to correct me please feel free; the key points of this motion are to engage Plante Moran, not to exceed \$25,000, ensuring that they will give us a detailed write-up of best practices and best practices for our kind of nonprofit.

Larry Schramm: Yes, along with the natural audit activity.

Alan Oldfield: Yes. We'll have to have a contract written up before we sign it but anyway let's go through the vote. We'll do the vote alphabetically. Ed DePouli how do you vote?

Ed DePouli: I vote yes.

Alan Oldfield: Ed DePouli votes yes. Larry DiBarry, how do you vote?

Larry DiBarry: Yes.

Alan Oldfield: Larry DiBarry votes yes. Bob Safrit how do you vote?

Bob Safrit: Yes.

Alan Oldfield: Bob Safrit votes yes. Larry Schramm how do you vote?

Larry Schramm: Yes.

Alan Oldfield: Larry Schramm votes yes. John Steed.

John Steed: Yes.

Alan Oldfield: John Steed votes yes. Bill Stoneberg?

Bill Stoneberg: Yes.

Alan Oldfield: Bill Stoneberg votes yes. Roberta.

Roberta Vasilow: Yes.

Alan Oldfield: Yes vote from Roberta. Jack Welch.

Jack Welch: Yes.

Alan Oldfield: Yes vote from Jack. Terry Wiegand.

Terry Wiegand: Yes.

Alan Oldfield: Yes vote from Terry. The vote is unanimous to engage Plante Moran according to Larry's motion.

All right Larry since you've had the – I believe you made the initial contact to Plante Moran. Do you want to get back to them and outline what we discussed? And we need a contract from them that we can all review.

Larry Schramm: Okay no problem. I'll get them working on it tomorrow.

Alan Oldfield: Is that okay with everyone? Anyone else have any discussion points along those lines?

Larry DiBarry: Excellent, this is Larry DiBarry, excellent, glad to hear it.

Alan Oldfield: Anyone else discussion?

Man: No.

Alan Oldfield: Okay. Larry Schramm if you'd do the Board the favor of just keeping us closely in the loop on what's developing, timeline, questions, comments so we can all have some input and make sure that, you know, we haven't forgotten anything that we want to include in that.

Larry Schramm: I'll work on it this week. Yes, I had one question. One, what is – what – do we look at the contract or anything or what the responsibilities are going to be for Cornerstone? You know because if somebody asks us now that we – I know that they're doing it. What is it – what all are they doing? What do we sign for a contract with them? Can we get a copy of all that?

Alan Oldfield: Well – yes, yes, if you all don't have it.  
I'll see that it goes out to everybody.

Larry Schramm: That'd be great. And just so we know what all they're supposed to be doing. And that some of it I know there is – you know there's some – if there's some timeframes and some of the transitions are going to go over. So we just have an idea who to go to or different activities will be. That's all. You know some of these like even the – you know like for Bugle's information.

And can we get some historical, you know, data will they – you know after a couple months when they finally sort out what all they've got. And take a look at who we have for, you know, membership. Because I know there's

been a lot of discussion about who's got a good database. I know that's part of the heartburn that happening with some of the people in the (pre-war) about not getting whoever, you know that they can talk to. That's all.

And I'm sure there's other ones. I know that I've talked to some of the people, Performance Group, you know, making sure we had good people and good people meaning a good list with good contact information on people. I'll put it that way. That's all.

And can they do that for us? Do we have to do a request or is there anything special we have to do to get that information to help grow the club?

Alan Oldfield: Sure. I'll get the – I think there's three people there to talk to. It's (Mark) and (Sheila) and (Mark)'s wife as far as I know.

Larry Schramm: Yes. If we get whatever the contact information is and, you know try to find out who and what and everything else that'd be great.

Alan Oldfield: Yes. So while we have everybody on the phone I think I mentioned at the beginning of the call. I don't know if everybody was on the call. I did have a conversation with Mark Wheeler yesterday at Cornerstone. And from his perspective and we went through a lot of the – I had a lot of questions for him; didn't uncover anything that was a problem from his perspective. He said he's not getting any problems from the membership or from points or comments.



I have received and I'd be interested if anyone else has received a couple of calls from members who are unhappy that their Bugle was mangled by the U.S. Post Office. So I think we anticipated that that would happen.

But has anyone else gotten calls or emails to that effect?

Alan Oldfield: Okay all right. And to keep everybody in the loop, in the interest of expediency I made an executive decision to ask Dave Leash who handles the BCA apparel if he would pick up Bugle advertising. If you recall on our January call I did ask if anyone had any comments or suggestions about that to let me know, didn't hear that – I didn't hear from anybody.

It is an open-ended agreement. It's not a contract. So we can end it any time that we wish. It is the same financial commission structure we had with Mike Book so there won't be any additional cost unless Dave goes out and gets us some more advertisers which is a possibility but wanted everyone to let you know that I did that. I'll send that along to you as well but it's completely open-ended. If we decide at some point we don't like it we can change it.

Larry Schramm: ...getting advertisers and stuff and that's what they'd be talking about. Is it just apparel or advertisers we're talking about that he's going to do?

Alan Oldfield: No. He's going to continue to do BCA apparel.

Larry Schramm: Okay, all right. And my question is on the advertising is he only paid when he brings a new advertiser in or are they paid on a continuous basis every time they have something in the Bugle?

Alan Oldfield: He is paid 10 – this is the same way Mike Book was paid, 10% for advertising that he's able to collect so he's paid on a continuing...

Larry Schramm: So like with the Buick Division has an automatic ad every month. They get paid on that.

Alan Oldfield: He gets paid on whatever he collects, so yes.

Larry Schramm: Is – and I guess my question is that a reasonable way or is that encouraging to get new advertisers in or not?

Alan Oldfield: If he wants to make more money it encourages new advertising. So that is – it's the same agreement we had with Mike Book. It doesn't...

Larry Schramm: If we did that doesn't mean that's, you know, the best thing we can do to grow the advertising base.

Larry Schramm: That's my question.

Alan Oldfield: I will tell you that Dave also handles the advertising for the Cadillac Club and their magazine. And we identified...

Alan Oldfield: ...a number of advertisers that he has, that he has relationships with in the Cadillac Club that he thinks would be a good fit for the Buick Club. So he has his eyes on several good big advertisers that spend some money to see if he can get them interested in the Bugle.

Larry Schramm: Okay, all right. I don't have a problem looking at it. But, you know, like I said I'm looking to see if we can grow that advertising base is what I'd be

looking at and adding some sort of an incentive type proposition other than just say cash flow of people that you don't automatically are going to be. Bosch Automobile is always going to be in there. Buick is probably going to be in there. There's a number of different, you know, without going through them all that are going to be there every month that becomes a comfortable position to be in versus trying to take and sell new advertising and get the word out.

Bill Stoneberg: By adding advertisers are we also going to start adding pages to the Bugle?

John Steed: ...there should be a fee structure that for new advertising we'd give them one amount. And for continued advertising that percentage ought to be a little bit lower.

But I don't think that something we need to settle tonight.

Alan Oldfield: No. I was just letting the Board know that

Alan Oldfield: I took that action because I didn't want us to go weeks or months without having anyone tending to the advertising in the Bugle.

Alan Oldfield: And I know Dave would be happy to join us on a call sometime or have an email, Q&A, something like that if we want to do that.

All right, any other business anyone wants to bring up?

Larry Schramm: Do you want to take a motion to adjourn?

Alan Oldfield: I would be open to a motion to adjourn.

Larry Schramm: Done.

Larry DiBarry: I'll second that motion. Larry DiBarry.

All agreed:

## BUICK CLUB OF AMERICA MOTION RESULTS

<b>Date Published : 2/18/2019</b>		<b>File #: 2018-2019-12</b>	
<b>Motion</b> Approve Plante Moran to perform an audit			
<b>By:</b>	Larry Schramm	<b>2nd:</b>	Bill Stoneberg
<b>Discussion notes:</b>			

VOTING	YES	NO	Abstain (ABS) / No Vote Cast (NVC)	Date Voting Opened 2/18/2019
Alan Oldfield Pres.				Date voting Closed 2/18/2019
Edward De Pouli	X			
Larry DiBarry	X			
Robert Safrit	X			
Roberta Vasilow	X			
Terry Wiegand	X			
Larry Schramm	X			
John Steed	X			
Jack Welch	X			
? -C.Judge				Judging Issues Only
Bill Stoneberg-CFO	X			Financial Issues Only

<b>Jack Welch: Recording Secretary</b>
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