

Volume 38, No. 31

Today

February 24, 2009

Program: *Heidi Yetzer*, the Designated Broker for Robson Ranch Quail Creek LLC, will relate "The Quail Creek Story, Past, Present and Future." Yetzer joined the Quail Creek sales group in 2007, having previously been with Meritage and the Del Webb organizations.

Next week

March 3, 2009

Program: *Simon Davis*, the Chief of the Green Valley Fire Department, will present a program titled: The State of the Fire District.

Program chair:

- *Anndrea Blackshear* (2008-2009)
- *David Sirota* (February 2009)

Last week

February 17, 2009

Visiting Rotarians:

- *Jack Tatom* (Sequim, WA)
- *Bob Tucker* (Lebanon, IN)
- *Don Walchholz* (Minocqua, WI)
- *Joe Butcher* (Cimarron, KA)
- *Steve Esser* (Brainerd, MN)
- *Cal Anderson* (Decorah, IA)

Sojourners:

- 16 previously returned Sojourners were with us. *Art Lohuis* (Sequim, WA) joined the ranks of G.V. Sojourners.

Guests:

- *Norm Nelson* (G.V. guest of Steve Esser)
- *John Rusch* (Gordon, WI guest of Don Walchholz)

Makeups:

- *Phil Brooke* (Crestwood, MO - Phil will be returning to G.V. soon)
- *Arleen Boyuls* (Sahuarita and Valle Verde)
- *Bill McGibbon* (Saguaro, Old Pueblo and Catalina) - Our club photographer is welcomed back with open arms
- *Rev. Dr. Eugene Friesen*

Students of the Month (from Sahuarita High School)

- *Kristine Manns*
- *Katie Tingle*

Announcements

Stock market report: *Robert Lehnhardt* (Merrill-Lynch) said there isn't anything good to say, although he did note the \$67 billion that the U.S. Treasury auctioned off this past week was sold indicating "the market did absorb it." \$25 billion of the total securities offered were sold to foreign investors who apparently feel "they are going to get their money back."

The Golden Pencil Award - For Rotarianesque service, President *Jerry Ochs* presented this award to **Father Mike Shay** for service as a G.V. club board member, the Ass't. District Governor and R. I. Foundation guru. As the Ass't. D.G., Father Mike meets monthly with the I-19 club presidents (Sahuarita south and around the loop to Patagonia) **AND** he picks up the tab for the monthly breakfast.



Father Mike - photo by Bill McGibbon

Rotary International Foundation - Front and center again, Father Mike reported that G.V. contributions to the Foundation are \$5,899 or 66% of our goal. We are on target with about 2/3rd of the year now past.

Changes being made to the Foundation recognition programs, effective July 1, 2009

- Individual donor to be the only person authorized to transfer recognition points
- Points will expire upon the death of the donor
- The changes can be found at <http://www.rotary.org> (then link to Future Vision) or talk to Father Mike

The Program

February 17, 2009

Prior to the presentation, Program Chair *David Sirota* noted, in table talk, that today's presentation was one he offered annually to his real estate students, who found "leveraging" to be stimulating and interesting.



David Sirota - photo by Bill McGibbon

Leveraging means "using other peoples money," in David's definition. "Good things start with leveraging," according to Sirota who is well versed in the subject. He acquired a 1971 PhD from the U of Arizona. Later, he was employed as a department head at the U of Nebraska and has acquired years of experience in the real estate arena.

Optimism prevailed. Sirota said, "When times are bad, numerous opportunities are present." He offered "opportunities" to leverage based on a couple of simple presumptions:

- When one has a few bucks left, save it
- Those that advise paying for everything in cash are wrong.

Using the premise that a young family is prudent and works hard to save money, \$100,000 might be saved and compounded over a period of time. David laid out the cost benefits of leveraging in such a case to buy a \$100,000 home.

The \$100,000 figures may be unrealistic, but the arithmetic is made easier for the presentation:

- If the family were to go for a Bank Loan
 - The owners' risk (down payment) is 20% and the bank's risk is 80% - The owners' up-front cost is \$20,000 and they still will have enough cash to buy four more houses
 - Assume they sell the house after escalation has increased its value to \$105,000, the owners' Return on Investment (ROI) is \$5,000 divided by \$20,000 or 25%
- If the family were to go for a Conventional Guaranteed Loan, where they have to buy mortgage insurance to insure the lender against an owner default
 - The owner's risk (down payment) is 10% and the bank's risk is 90% - The owners' up-front cost of \$10,000 and they still have enough cash to buy nine more houses
 - Assume they sell the house after escalation has increased its value to \$105,000, their ROI is \$5,000 divided by \$10,000 or 50%

Program continued from front panel

- And, on and on, a FHA Insured Loan at 5% down will provide a ROI of 100% and better yet, a VA Loan at 0% will provide a ROI of infinite value (mathematically \$5000 divided by zero = infinity - Got it?)

One negative though - Selfishness, appraisal fraud and deregulation factoring has, for the past eight years, created the monster called "sub-prime loans" which were the beginning of the downward cascading of our economy to its low point today.

David's conclusion: If cash is available, do bet on inflation to bail you out and with interest rates so low there is no better time than now to buy.

Thanks Professor Sirota - Your enthusiasm and clarity in presenting what many perceive as a dull subject revealed your abilities as a natural teacher. You loved it didn't you?

Polsky & Co.

Condolences to **Margot Einstein** who arrived late again today and our fine man assessed her a \$10 fine. In a parking lot conversation later, Margot said she leads a swimming class on Tuesday mornings and although she tries "real hard" to get to Rotary on time, it is difficult. The Desert Wheel, acting as an ombudsman, feels bad about this situation and to compensate for Margot's \$10 fine, we are publishing her picture herewith to provide her with the publicity opportunities available from a publication having a grand circulation of 65.



Margot Einstein a file photo

Dave Polsky did fine himself \$10 also because he will be skiing in Colorado while the rest of us are eating spaghetti.

The raffle

February 10, 2009

\$100 credit to a Paul Harris Fellow (PHF) award

- **David Smith**

Drawing for the PHF awards February 24, 2009

- **Davis Lusby, Kristine Manns, Jim Mack and David Link.**

Winner of the wine

- **Mitch Salyers**

Noble Rose - Editor

Rotary Club of Green Valley

2008-09 Board of Directors

President:

- **Jerry Ochs**

President Elect:

- **Mitch Salyers**

Vice President:

- **Joyce Finkelstein**

Secretary:

- **Michael Pease** GVRotary@yahoo.com

Treasurer:

- **Jim Mack**

Immediate Past President:

- **Mark Dugan**

Directors:

- Administration: **Ray Colony**
- Membership: **Becky Roberts**
- Public Relations: **Noble Rose**
- Rotary Foundation: **Father Michael Shay**
- Service Projects: **Donna Gallagher**

Makeup locations

To make up on-line

- <http://www.rotaryclubone.org>

Monday @ 12:10 PM - Tucson Old Pueblo Club

- McMahon's Steak House - Swan @ Ft. Lowell

Tuesday @ 5:30 PM - Sahuarita Rotary Club

- Ashley Home Store's Community Room

Wednesday @ 6:45 AM - Rio Rico Rotary Club

- Esplendor Resort at Rio Rico - I-19 Exit 17 West

Thursday @ 6:45 AM - Valle Verde Rotary Club

- GV Community Church - Esperanza at LaCan~ada

Friday @ 8:00 AM - Tubac Rotary Club

- Tubac Country Club - 65 Avenida De Otero

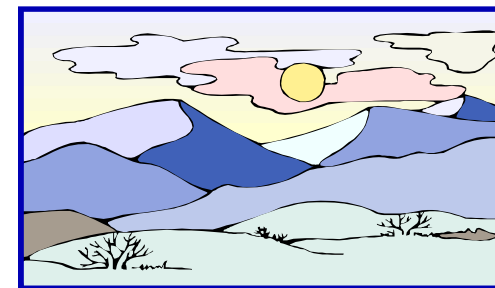
The Desert Wheel



Dong Kurn Lee (D.K.)

R.I. President

Rotary Club of Yangdong, South Korea



The Rotary Club of Green Valley meets
On Tuesdays @ 11:45 AM at the
St. Francis-in-the Valley Episcopal Church
600 S. LaCañada Drive

P.O. Box 701 - Green Valley, AZ 85622