

MINUTES
BOARD OF DIRECTORS
MEETING

July 7 & 10, 2010
Sheraton Denver Plaza Hotel
Denver, Colorado

The following Members of the 2009-2010 Board of Directors were in attendance for the Wednesday, July 7, 2010 meeting:

Donald R. Sievers	Immediate Past President	Jackson, Missouri
Mark O. Shriver	President	Woodstock, Georgia
Danny Rodgers	President-Elect	Fort Worth, Texas
Claire Labrèche	Director	Montréal, Québec
Ken Garner	Director	Fort Worth, Texas
Marlene Phillips	Director	Windsor, Ontario
Jim Kondrasuk	Director	Monona, Wisconsin
Benny Ellerbe	Executive Director	St. Louis, Missouri
Excused:		
Herbert Strather	Director	Detroit, Michigan
David Bruns	Director	Topeka, Kansas
Marie-Pier Tremblay	JOOI President	St-Honore, Quebec

Committee Reports are to be considered an integral part of these Minutes.

All items are not officially approved and subject to correction until they are adopted at the next meeting of the Board of Directors.

Wednesday, July 7, 2010

Immediate Past President Don Sievers called the fourth meeting of the 2009-2010 Optimist International Board of Directors to order at 8:27 a.m. An invocation was given by Claire Labrèche. Ken Garner led the Pledge of Allegiance and a toast to all countries with an Optimist Club. The Mission Statement was led by Marlene Phillips.

Executive Director Benny Ellerbe was appointed parliamentarian for the meeting.

REPORT OF THE PRESIDENT

President Mark Shriver addressed the Board of Directors and gave an oral report.

ADOPTION OF CONSENT AGENDA ITEMS

Motion adopted

Rodgers/Phillips

To adopt the consent agenda as presented.

Approval of Board Meeting Minutes

March 5-6, 2010

Motion adopted

To approve the minutes of the March 5-6, 2010 as presented below:

Page 6: CQ Committee Report: The report of the International Candidate Qualifications Committee was presented to the Board of ~~Directors~~ **Directors** by Chairman Dwaine Sievers via Skype video conference.

Page 9: Exchange Rate Policy: Shriver/Bruns made the motion to table. Phillips/Labrière made the original motion that eventually failed.

May 17, 2010

Motion adopted

To approve the minutes of the May 17, 2010 as presented.

June 2, 2010 Teleconference

Motion adopted

To approve the minutes of the June 2, 2010 teleconference as presented.

Email Ballot Vote – March 31, 2010

Unanimous vote: To accept the denial from the IRS and drop the application process for 501(c)3 tax status.

Motion adopted

The Board of Directors ratifies its decision not to appeal the denial of Optimist International's applications for 501(c)(3) status as set forth in the letter from the Internal Revenue Service dated March 1, 2010.

ADOPTION OF AGENDA

Motion adopted

Garner/Kondrasuk

To adopt the agenda as presented.

REPORT OF THE PRESIDENT-ELECT

President-Elect Danny Rodgers addressed the Board of Directors and gave an oral report.

Motion adopted

Garner/Labrière

To convene into executive session.

The meeting recessed into executive session at 8:41 a.m. and reconvened into regular session at 9:38 a.m.

2010-11 Awards Program

Motion adopted

Rodgers/Phillips

That the 2010-11 Awards Program be adopted as presented.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Benny Ellerbe addressed the Board of Directors, reviewed his written report, and presented the pilot e-optimist program.

National Association of Parliamentarian Partnership Proposal

Motion adopted

Rodgers/Labrière

That Optimist International pursue a networking partnership with the National Association of Parliamentarians.

REPORT OF THE AUDIT & FINANCE COMMITTEE

The report of the Audit & Finance Committee was presented to the Board of Directors by Committee Chair Michael Allen.

Fiscal Year Budget 2010 – 2011

Rationale: The International Audit and Finance Committee, in consultation with the President-Elect, established initial premises for the draft budget at its November 2009 meeting. This information was approved by the International Board of Directors in December 2009. The Audit and Finance Committee reviewed the initial draft of the budget at its February 2010 meeting. A draft budget was presented to the Board in March 2010. Subsequently, the Committee has had a teleconference focusing on the budget. The Audit and Finance Committee made minor changes to the budget based on actions by the Board and events that changed the original plan.

Motion adopted

Garner/Labrière

That the International Board of Directors hereby approves the fiscal year 2010–2011 budget as presented.

CPI-U Index

Motion failed

Rodgers/Kondrasuk

That the CPI-U index will be applied to the 2010-11 budget.

Reimbursement for Regional Meeting

Rationale: Due to various problems, one regional meeting resulted in a loss of approximately \$2,000. The regionals were given a \$500 budget. There have been only two regional meetings held and eight were budgeted. Therefore the Audit and Finance Committee recommends that Vice President be reimbursed \$1,000.

Motion adopted

Shriver/Kondrasuk

That the International Board of Directors hereby approves the reimbursement of \$1,000 for this specific request for the regional meeting.

Bank Resolutions

Motion adopted

Kondrasuk/Labrière

That the Board of Directors adopt a general corporate resolution to change signatures on all corporate bank accounts from Tom Owen to Connie Pellock.

On behalf of the Board of Directors Ken Garner thanked Chair Mike Allen for the report.

The meeting recessed at 10:52 a.m. and reconvened at 11:10 a.m.

BOARD MEMBER ELIGIBILITY

President Mark Shriver presented the rationale: Article IV, Sec.2, A3 of the Bylaws provides, "To be eligible for the position of Member-At-Large, a person must have served all of a term as a District Governor." It is the function of the Board of Directors to control and direct the affairs and business of Optimist International. A District Governor only has experience as the leader of 1 out of 48 Districts. However, a Vice President has experience as the leader of a Region comprised of 5 or 6 Districts. As a result, a Vice President has developed a perspective of the organization that is wider in scope, which is more conducive to serving on the Board of Directors.

Motion failed

Shriver/Labrière

That the Governance Committee draft the appropriate wording to Bylaws Article IV, Section 2, A3 to present to the delegates of the 2011 Convention to read: "To be eligible for the position of Member-At-Large, a person must have served all of a term as a Vice President."

ESSAY CONTEST (INTERNATIONAL AWARDS)

President Mark Shriver presented the rationale: In 2009-2010, the Foundations increased the District Scholarship awards to \$2,500 for the Essay contest winners. At the meeting of the OI/OIF/OIFC Committee, the issue was raised as to whether the International Essay contest should be continued since the District awards have been increased.

Motion adopted

Shriver/Rodgers

That the International level of the Essay competition be discontinued 2010-11 and beyond.
Financial impact: Expense reduction of \$12,000/year
(Winners: 1st Place: \$6,000, 2nd Place: \$3,750, and 3rd Place: \$2,250)
(Note: This motion was reconsidered – See Page 12)

SCHOLARSHIPS (AGE LIMIT FOR REDEMPTION)

President Mark Shriver presented the rationale: The current scholarship award policy provides that a scholarship winner must claim their scholarship within 12 years of the date of their winning contest. During the meeting of the OI/OIF/OIFC Committee the issue was raised as to whether the limitation for claiming the scholarship should be changed to provide that it must be claimed before the winner reach the age of 25.

Substitute Motion adopted

Garner/Rodgers

That the fourth paragraph of Policy I-67 will be revised so that “Winners of an Optimist International scholarship in the Essay, Oratorical or Contest for the Deaf and Hard of Hearing must claim their scholarship by the age of 25 in the Optimist year, September 30, or it will be removed from the record.”

MAILING LISTS TO CANDIDATES FOR INTERNATIONAL OFFICES

Dennis Osterwisch presented the following rationale for Board Director David Bruns: Currently, Policy I-33 states that the names and addresses of members will not be released, unless the use of such list is for purposes consistent with the objectives of Optimist International, and then, only by written permission of the Board of Directors. Within the last few years, the staff has gotten an increase in requests from International officer candidates for the mailing list of members registered for convention. Rather than have these requests systematically denied or having the Board have to address each request individually, the following addition to Policy I-33 is being recommended.

Motion adopted

Phillips/Rodgers

That the Board of Directors approve the highlighted verbiage below as an addition to Policy I-33.

Believing that the Official Directory and mailing lists, containing the names and addresses of Club, District and International officers and members, is a record to be held in trust, their use for commercial, political or solicitation purposes shall be denied to all. Use of such lists for purposes consistent with the objectives of Optimist International may be granted by the Board of Directors. Requests for the use of such lists for purposes

consistent with the functions of District administration must be submitted in writing by the Governor.

Because the objectives of Optimist International are served by providing information to the delegates in advance of the convention regarding the candidates for International office so that they can make informed decisions, official candidates for the offices of International President-Elect, International Vice President-Elect and International Board Member at Large may obtain, at their own expense, a mailing list (regular addresses and/or email addresses) of those members who have registered for the International Convention at which the election will be held. This mailing list may be requested only one time during an Optimist year, the date of which is at the candidate's discretion so long as it is at least 30 days prior to the start of the convention.

POLICY FOR CRITERIA FOR CONTRACTS – POLICY I-103

Board Director Jim Kondrasuk presented the rationale: Currently, Policy I-103 indicates the procedures for the signing of a contract by Optimist International. At present we have no such procedures in place for the approval of any criteria for vendors wishing to do business with the organization. We do have such procedure in Policy I-36, endorsed vendors. It seems prudent that we have the same or similar standards for vendors wishing to conduct business with Optimist International.

Motion adopted

Garner/Shriver

That the Board of Directors approves the revisions to Policy I-103 as shown below:

Contract Review Policy

I-103

All contracts committing the organization must be approved by the Executive Director, with authority of the President to review contract policy with the Executive Director from time to time.

Any contract over \$25,000 and/or extending over a period of one year shall be reviewed by the Executive Director with **either** the Finance Committee Chair **or the Chief Financial Officer of Optimist International** before it is approved and shall have two signatures (with at least two of the following: the Executive Director, President or Immediate Past President). However, any contract that the Executive Director is a party the International Past President and President shall sign on the behalf of the organization.

Before a contract is approved, the Executive Director with either the Finance Committee Chair, and/or the Chief Financial Officer of Optimist International shall ascertain the status of the company through appropriate means including, but not limited to: a Dunn & Bradstreet or equivalent, reports filed with State and Federal governments, resume of the principals' of the company, a client listing, company's public "Home Page" or equivalent, acceptable references, or other criteria deemed appropriate.

No contract shall be approved unless the funds have been previously budgeted.
All contracts shall be covered by the Optimist International Conflict of Interest Policy (I-105).

POLICY I-70 – FINANCIAL IMPACT

Board Director Jim Kondrasuk presented the rationale: Every year, typically at the December Board Meeting, Policy I-70 is reaffirmed by the Board of Directors. This policy is requested by our Auditors, is a part of our due diligence as Directors, and certainly is part of our fiduciary responsibility to the membership of Optimist International. Special note should be given to items 1-8 in Section C. We have approved two contracts this year that did not comply with these items, specifically Items 7 & 8 in Section C. The next points are more philosophical in nature, but they do fall under the general scope of our fiduciary responsibility in the careful management of our funds, since our financial picture may be characterized as tenuous. Do we, as Directors, have a financial and fiduciary obligation to look closely at the total budget impacts TODAY, of what has been, our standard operating procedures, in the PAST?

Two particular areas need to be reviewed: (1) How do we justify spending the same (relative) dollars on the Governor & Governor-Elect functions, as well as others (CTs, CCBs, etc), when there is ample evidence that these positions/functions are not generating the results expected? And (2) using the same logic, making major changes to internal programs every year, when they also have not provided expected results - for example the awards program, budget around \$80,000 per year, plus staff time to handle changes every year, plus new training every year, which may double the actual budget line item on an actual cost basis – when these programs also, in general, are not producing the expected results.

Motion tabled to Saturday or sooner

Kondrasuk/Labrière

That the Board reaffirm Policy I-70 and our adherence to it, or make appropriate changes in the policy to address the inherent conflicts between our policies and our operating procedures.

Committees

I-70

Research and development of issues requesting action by the International Board are traditionally prepared by International Committees appointed by the International President in coordination of the International Bylaws. Therefore, it is recommended that action initiated by the International Board first be reviewed by the appropriate International Committee where time permits.

- A. Copies of the resumes and reports of the applicable committee meetings for the three most recent years shall be made available to the respective committee in advance of the first meeting of each committee, together with copies of the segments of the Board minutes pertaining to such committee business. Copies of these documents shall be available to the International Board of Directors.
- B. Each committee, as the first order of business each year, shall review its budget requirements and determine procedures to attain the greatest cost effectiveness in its operations and programs.

- C. Once the Board of Directors establishes the committees for the following year, each committee shall receive a charge letter from the President Designate and other duties as directed by the Board of Directors. Each committee shall annually adopt and/or review operating guidelines which shall include fiscal responsibility as below:

All requests which require the expenditure of funds must be accompanied by the following:

1. Statement of Purpose
2. Statement of expectations in measurable terms
3. Statement of expected time frame to implement
4. Statement of expected time frame to realize identifiable results
5. Inclusion of an instrument for measuring expectations vs. results
6. Initial cost, budget, underlying assumptions and funding schedule with pay-out time.
7. All proposed NEW programs shall be reviewed by the Executive Director and the International Audit and Finance Committee Chairman prior to approval to determine the fiscal impact.
8. That as a matter of policy, the International Board of Directors requires that all proposals with a financial impact, regardless of the source of the request, will be referred to the International Audit and Finance Committee to determine the financial impact. The Optimist International Board of Directors will not consider such proposals until it has received a report from the International Audit and Finance Committee as to the expected financial impact.

The above policy shall be submitted for reaffirmation every year at the first meeting of the Board of Directors.

- D. The Board reserves the right to act upon its own initiative.

COMMUNICATION WITH VICE PRESIDENTS

Board Director Marlene Phillips presented the following rationale: To ensure direct communication with the Vice Presidents and the Board of Directors, the following revision to Board Policy I-128 is being offered.

Motion adopted

Phillips/Garner

That the following revision be made to Board Policy I-128 regarding communication with the Board of Directors and the Vice Presidents.

Board Liaisons to Vice Presidents

I-128

The President shall appoint Board members to serve as liaisons with at least one Vice President. **Board Members** Who shall keep the Vice President(s) updated with Board actions and solicit feed back from the Vice President.

Each board meeting agenda will include “Vice President Communications” and it is expected that each Board member report on their communications with their respectively assigned Vice President(s).

INTERNATIONAL COMMUNICATIONS

Board Director Claire Labrèche presented the following proposal: When Optimist International creates a new program, some of its content does not apply to our Canadian members’ culture. For example, the new Internet Safety Program talks about State Governors, Capitol and FBI. In Canada, we will find Prime Ministers, Parliament and RCMP. It would be favourable for Optimist International, when creating any new program, to satisfy our Canadian Members’ aspirations reflecting their cultural environment in order to get a more satisfying and quicker launch. This will result into money saving for all materials prepared by Optimist International.

Motion adopted as amended

Labrèche/Shriver

That the following revision be made to Board Policy I-133 regarding translations and roll-outs of programs in Canada:

~~French~~ **International Canadian** Communications

I-133

Before being distributed to French-speaking members of Optimist International, all communications which require translating, in particular the documentation, dubbing, websites, emails, and printed materials, be in the charge of Optimist International Canadian Service Centre.

When establishing and developing new programs, Optimist International will take into consideration the International ~~English-Canadian and French-Canadian~~ Optimist members’ cultural environment. This will meet more properly the International ~~English-Canadian~~ Optimist members’ needs.

OPTIMIST INTERNATIONAL FOUNDATIONS REPORTS

Les Rodgers and Bill Teague addressed the Board of Directors. On behalf of the Board of Directors Jim Kondrasuk thanked the presidents for the reports.

The meeting recessed for lunch at 12:05 p.m. and reconvened at 1:05p.m.

CONVENTION COMMITTEE REPORT

Committee Chair Charles Jerman presented an informational report of the Convention Committee to the Board of Directors. On behalf of the Board of Directors Mark Shriver thanked Charles Jerman for the report.

JOOI PRESIDENT'S REPORT

Motion adopted

Phillips/Labrière

That the Board of Directors accept the written report of the JOOI President.

MEETING RECESS

Motion adopted

To recess the meeting until further notice.

There being no further business for the day, the meeting was recessed at 2:00 p.m.

Saturday, July 10, 2010

The following Members of the 2009-2010 Board of Directors were in attendance for the Saturday, July 10, 2010 reconvened meeting:

Donald R. Sievers	Immediate Past President	Jackson, Missouri
Mark O. Shriver	President	Woodstock, Georgia
Danny Rodgers	President-Elect	Fort Worth, Texas
Claire Labrière	Director	Montréal, Québec
Herbert Strather	Director	Detroit, Michigan
Ken Garner	Director	Fort Worth, Texas
Marlene Phillips	Director	Windsor, Ontario
David Bruns	Director	Topeka, Kansas
Jim Kondrasuk	Director	Monona, Wisconsin
Benny Ellerbe	Executive Director	St. Louis, Missouri

Excused:

Marie-Pier Tremblay	JOOI President	St-Honore, Quebec
---------------------	----------------	-------------------

Immediate Past President Don Sievers reconvened the meeting at 12:40 p.m.

FINANCIAL IMPACT POLICY

Motion adopted

Kondrasuk/Labreche

That the Board of Directors reaffirm Policy I-70.

Committees

I-70

Research and development of issues requesting action by the International Board are traditionally prepared by International Committees appointed by the International President in coordination of the International Bylaws. Therefore, it is recommended that action initiated by the International Board first be reviewed by the appropriate International Committee where time permits.

- A. Copies of the resumes and reports of the applicable committee meetings for the three most recent years shall be made available to the respective committee in advance of the first meeting of each committee, together with copies of the segments of the Board minutes pertaining to such committee business. Copies of these documents shall be available to the International Board of Directors.
- B. Each committee, as the first order of business each year, shall review its budget requirements and determine procedures to attain the greatest cost effectiveness in its operations and programs.
- C. Once the Board of Directors establishes the committees for the following year, each committee shall receive a charge letter from the President Designate and other duties as directed by the Board of Directors. Each committee shall annually adopt and/or review operating guidelines which shall include fiscal responsibility as below:

All requests which require the expenditure of funds must be accompanied by the following:

- 1. Statement of Purpose
- 2. Statement of expectations in measurable terms
- 3. Statement of expected time frame to implement
- 4. Statement of expected time frame to realize identifiable results
- 5. Inclusion of an instrument for measuring expectations vs. results
- 6. Initial cost, budget, underlying assumptions and funding schedule with pay-out time.
- 7. All proposed NEW programs shall be reviewed by the Executive Director and the International Audit and Finance Committee Chairman prior to approval to determine the fiscal impact.
- 8. That as a matter of policy, the International Board of Directors requires that all proposals with a financial impact, regardless of the source of the request, will be referred to the International Audit and Finance Committee to determine the financial impact. The Optimist International Board of Directors will not consider such proposals until it has received a report from the International Audit and Finance Committee as to the expected financial impact.

The above policy shall be submitted for reaffirmation every year at the first meeting of the Board of Directors.

- D. The Board reserves the right to act upon its own initiative.

ESSAY CONTEST

Motion to reconsider adopted

Kondrasuk/Bruns

That the International level of the Essay competition be discontinued 2010-11 and beyond.

Financial impact: Expense reduction of \$12,000/year

(Winners: 1st Place: \$6,000, 2nd Place: \$3,750, and 3rd Place: \$2,250)

Motion to refer to Activities Committee adopted Bruns/Strather

That the International level of the Essay competition be discontinued 2010-11 and beyond.

Financial impact: Expense reduction of \$12,000/year

(Winners: 1st Place: \$6,000, 2nd Place: \$3,750, and 3rd Place: \$2,250)

Motion adopted

To adjourn the meeting.

There being no further business the meeting adjourned at 2:45 p.m.

Benny Ellerbe

Executive Director/Secretary

THIS PAGE IS BLANK

TABLE OF CONTENTS

REPORT OF THE PRESIDENT	1
ADOPTION OF CONSENT AGENDA ITEMS	2
APPROVAL OF BOARD MEETING MINUTES.....	2
<i>March 5-6, 2010.....</i>	<i>2</i>
<i>May 17, 2010.....</i>	<i>2</i>
<i>June 2, 2010 Teleconference.....</i>	<i>2</i>
<i>Email Ballot Vote – March 31, 2010.....</i>	<i>2</i>
ADOPTION OF AGENDA	2
REPORT OF THE PRESIDENT-ELECT	2
2010-11 AWARDS PROGRAM	3
REPORT OF THE EXECUTIVE DIRECTOR.....	3
NATIONAL ASSOCIATION OF PARLIAMENTARIAN PARTNERSHIP PROPOSAL	3
REPORT OF THE AUDIT & FINANCE COMMITTEE	3
FISCAL YEAR BUDGET 2010 – 2011	3
REIMBURSEMENT FOR REGIONAL MEETING	4
BOARD MEMBER ELIGIBILITY	4
ESSAY CONTEST (INTERNATIONAL AWARDS)	4
SCHOLARSHIPS (AGE LIMIT FOR REDEMPTION)	5
MAILING LISTS TO CANDIDATES FOR INTERNATIONAL OFFICES	5
POLICY FOR CRITERIA FOR CONTRACTS – POLICY I-103	6
POLICY I-70 – FINANCIAL IMPACT	7
COMMUNICATION WITH VICE PRESIDENTS.....	8
INTERNATIONAL COMMUNICATIONS.....	9
OPTIMIST INTERNATIONAL FOUNDATIONS REPORTS	9
CONVENTION COMMITTEE REPORT	9
JOOI PRESIDENT’S REPORT	10
MEETING RECESS.....	10
FINANCIAL IMPACT POLICY	10
ESSAY CONTEST.....	11