

MINUTES

BOARD OF DIRECTORS MEETING

February 22-23, 2013

International Headquarters Office
St. Louis, Missouri

The following Members of the 2012-13 Board of Directors were in attendance for the entire meeting:

J.C. St-Onge	President	Saint-Jerome, Quebec
Ron Huxley	President-Elect	Theford, Ontario
Chris Jernigan	Director	Morganton, N. Carolina
Michael Goldman	Director	Davie, Florida
Paul Lucas	Director	Odessa, Texas
Marlene Phillips	Director	Windsor, Ontario
Rick Quinlan	Director	Bellevue, Nebraska
Benny Ellerbe	Executive Director	St. Louis, Missouri

Attended via telephone:

Fatima Plater	Director	Detroit, Michigan
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Excused:

Jack Creswell	Immediate Past President	Reading, Pennsylvania
A.J. Cifuentes	JOOI President	Monroe, Wisconsin

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.

Friday, February 22, 2013

In Immediate Past Jack Creswell's absence, President J.C. St-Onge called the second meeting of the 2012-13 Optimist International Board of Directors to order at 9:00 a.m. with an invocation by Paul Lucas. The Pledge of Allegiance was led by Chris Jernigan and a toast to all countries with an Optimist Club was led by Marlene Phillips. Mike Goldman led the recitation of the Mission Statement. Benny Ellerbe was appointed parliamentarian for the meeting.

ADOPTION OF CONSENT AGENDA ITEMS

Motion adopted as presented

To adopt the consent agenda as presented.

Goldman/Phillips

Activities Committee Report

A written report of the Activities Committee was presented to the Board of Directors.

Endorsement of Boy Scouts of America

Rationale: Last December, the Board of Directors renewed Bronze level endorsed status for the Children's Organ Transplant Association (COTA), Hugh O'Brian Youth Leadership (HOBY) and the United Services Organizations (USO). Previously, Optimist International had an endorsed partner relationship with the Boy Scouts of America, but it was lost when Optimist International adopted the fee structure and asked them to pay. On January 24, 2013, staff conducted a conference call with the Boy Scouts Staff Advisor on Community Relationships and Board Member Paul Lucas in an attempt to rebuild a mutually beneficial relationship. During the call, the Boy Scouts mentioned that Optimist Clubs already sponsor 254 Boy Scout units, which serve 9,000 youth! Results from the Presidents Pride Report also indicate a strong relationship with the Boy Scouts and Optimist Clubs. Boy Scouts offers opportunities for Optimist Clubs to work directly with children in both educational and recreational activities. While it does not seem the organization is immediately willing to offer us many opportunities at the national level, it appears there is the potential for some promotional opportunities if we actively pursue them. Boy Scouts have an established relationship with other numerous other civic organizations including Rotary, Lions and Kiwanis, as well as many faith based and educational organizations. This relationship could lead to additional partnering opportunities for Optimist International. The application for Endorsed Status is attached to this report for your review. Their 2011 financial statement (as well as previous years) can be found on the following link: <http://www.scouting.org/About/AnnualReports/FinancialStatements.aspx>. Their 2012 statement is not yet available. Staff is also in the process of reaching out to Scouts Canada and the Girl Scouts.

Motion adopted

That the Board of Directors approves endorsed status at the Bronze level for the Boy Scouts of America.

Approval of Board Meeting Minutes

December 7-8, 2012

Motion adopted

To approve the minutes of the December 7-8, 2012 as presented.

Club Merger Request

13125 of Billings-Riverside, MT into 13010 of Magic City, MT

Rationale: Optimist Clubs 13125 of Billings-Riverside, MT and 13010 of Magic City, MT, request that the International Board of Directors approve the merger of the aforementioned Clubs. The Club Charter of Club 13125 of Billings-Riverside, MT is surrendered effective as of October 01, 2012 as agreed by each Club's Board of Directors.

Motion adopted

That the International Board of Directors approve the merger of Clubs 13125 of Billings-Riverside, MT and 13010 of Magic City, MT (Charter of 13125 to be dropped without penalty), with its merged Club number as 13010 and adopted name and Bylaws under Magic City, MT Optimist Club.

Staff Report

NMWTX (19) Request to hold a Special Convention

Rationale: Email Message from District Secretary Treasure Susan Sears January 31, 2013: We failed to have our District Policies and Procedures voted on during our District Convention in August so we will be having a special convention session this coming weekend during our District Board of Directors meeting to get them voted on. Chris Black will be in attendance at the meeting. He has already said that once this is done, he will approve them. I'll get them emailed to you on Sunday or Monday. (Note: The Policies were approved by Vice President Chris Black and received by the International Office on February 5, 2013.)

Motion adopted

That the Board of Directors hereby ratifies the approval by President St-Onge, the New Mexico West Texas District's request for a special convention at their District Board meeting February 1-2, 2013 to vote on District Policies.

ADOPTION OF AGENDA

Motion adopted as amended

To adopt the agenda as amended.

Phillips/Jernigan

PRESIDENT'S REPORT

President J.C. St-Onge addressed the Board of Directors and gave an oral report.

PRESIDENT-ELECT'S REPORT

President-Elect Ron Huxley addressed the Board of Directors, gave an oral report, and reviewed his proposed Incentive Program.

EXECUTIVE DIRECTOR'S REPORT

Benny Ellerbe addressed the Board of Directors and briefly reviewed his written report.

The meeting recessed at 10:13 a.m. and reconvened at 10:18 a.m.

JOOI PRESIDENT'S REPORT

JOOI President A.J. Cifuentes addressed the Board of Directors and presented an oral report via Skype.

2014 JOOI Convention

Rationale: To confirm the venue for the 2014 JOOI Convention in Las Vegas, Nevada, the JOOI Board and Committee request:

Motion adopted

Huxley/Jernigan

For: 5 Against: 2

That the Optimist International Board of Directors hereby approves the 2014 JOOI Convention to be held at the newly remodeled Circus Circus, with a room rate of \$33/night, plus \$9.95 resort fee. (Note this motion was reconsidered – see page 25)

JOOI CLUBS COMMITTEE REPORT

The report of the JOOI Clubs Committee was presented to the Board of Directors by Committee Chair Don Brose via telephone. On behalf of the Board of Directors Mike Goldman thanked JOOI President A.J. Cifuentes and Chair Don Brose for the report.

OPTIMIST INTERNATIONAL FOUNDATION REPORT

A written report of the Optimist International Foundation was presented to the Board of Directors by President Roger C. Vaughan. On behalf of the Board of Directors Chris Jernigan thanked President Roger Vaughan for the report.

NEW CLUB BUILDING NON-TRADITIONAL COMMITTEE REPORT

The report of the New Club Building Non-Traditional Committee was presented to the Board of Directors by Staff Liaison Aaron Kaskowitz for Committee Chair Patsy Garner.

Optimist Mobile Application

Rationale: New Club Building and other membership growth efforts are easier to accomplish when our organization is successful in gaining brand recognition. We believe there would be a huge advantage to reaching out to the younger generation by offering a mobile application for users to experience Optimism in their daily lives. There's no time to waste if this is a space that Optimist International is willing to occupy. This is not the way of the future, but the way of the present. According to a blog called Flurry, "Between December 2011 and December 2012, the average time spent inside mobile apps by a U.S. consumer grew 35%, from 94 minutes to 127 minutes. By

comparison, the average time spent on the web declined 2.4%, from 72 minutes to 70 minutes. By our measurement, U.S. consumers are spending 1.8 times more time in apps than on the web.”

<http://blog.flurry.com/bid/92105/Mobile-Apps-We-Interrupt-This-Broadcast>. We believe there is great opportunity in mobile applications and would like to take steps to occupy the space as soon as possible.

Motion adopted

Lucas/Quinlan

That the Board of Directors approve the formation of a committee to formulate plans for a mobile application and that the team at least consist of members of the Marketing, Membership and New Club Building Committees. With the support of the president-elect if necessary (Committee to consist of: Rick Quinlan as Chair; Tom Lloyd, Dennis Osterwisch, and Aaron Kaskowitz as Staff Liaison)

On behalf of the Board of Directors Fatima Plater thanked Staff Liaison Aaron Kaskowitz for the report.

CANDIDATE QUALIFICATION COMMITTEE REPORT

The report of the Candidate Qualifications Committee was presented to the Board of Directors by Committee Chair Ronnie Dunn via Skype.

Policy I-130; Announcement of Nominees

Rationale: Based on communications from Board Director Paul Lucas regarding inconsistencies in the language of Policy I-130 and the Optimist International Bylaws regarding candidate selection and timeline, our Committee was asked to draft language to create consistency.

Motion adopted

Goldman/Jernigan

That the Board of Directors adopt a revision to Board Policy I-130 Paragraph 6.6 as follows:.

6.6 The Chairman shall report all nominees, in the following order, 1) President-elect 2) Vice –President- Elects 3) Directors-at-Large, first, to the Board of Directors and the Executive Director, assembled at the pleasure of the President of Optimist International then, and announcement no later than March 1 prior to the election.

~~6.6 The Chairman shall:~~

~~a. Report all nominees to the assembled Board of Directors of Optimist International at the pleasure of the President of Optimist International, preferably at the first assembled meeting of the Board. The report shall be given after the nominees have accepted, and shall be given in the following order:~~

~~(1) President Elect~~

~~(2) Vice President Elect~~

~~(3) Director At Large~~

~~b. Report the list on nominees for Directors At Large, Vice Presidents Elect, and President Elect to the Executive Director prior to the deadline for publications of the April “Hotline”~~

Policy I-130; Lists of Candidates - CQ Operational Guidelines

Rationale: The Candidate Qualifications Operational Guidelines state in Paragraph 7.2c that: “Names of all nominees who are deleted from or added to the lists of candidates shall be recorded in groups, even though each candidate is considered individually. All additions and deletions will be grouped in the Minutes.” While it is a good idea to record individuals who are deleted from any list in the committee’s minutes for a matter of record, it is the committee’s prerogative to add or delete any name each time it meets. A name deleted from the list is kept in a file and is available for any future Candidate Qualifications Committee to add to the list again, if it so chooses.

Motion adopted

Lucas/Goldman

That the Board of Directors adopt a revision to Board Policy I-130 Paragraph 7.2c that eliminates the mandate of names deleted from the lists:

7.2c Names of all nominees who are ~~deleted from or~~ added to the lists of candidates shall be recorded in groups, even though each candidate is considered individually. All additions and deletions will be grouped in the Minutes.

Policy I-130; VP Nominations Outside of Respective Region - CQ Operational Guidelines

Rationale: In order to clarify that the Candidate Qualifications Committee is authorized by Bylaws Article V, Section 6B2(d) which states that the Candidate Qualifications Committee “may consider prospective candidates on its own motion,” the following is requested as an addition to the policy:

Motion adopted

Jernigan/Lucas

That the Board of Directors adopt the revision to Board Policy I-130, Paragraph 11.3 as shown below.

11.3 The Vice Presidents-Elect shall be selected by ballot within the Regions established by the International Board of Directors ~~unless there is a need to~~ **BUT MAY nominate a leader from outside a region.** There shall be a separate ballot for each Region. The voting procedure shall be the same process as that of the President-Elect except for paragraph “c”. The Committee members may talk with these top three candidates, but no funds are provided for face-to-face interviews.

On behalf of the Board of Directors Rick Quinlan thanked Committee Chair Ronnie Dunn for the report.

The meeting recessed at 11:29 a.m. and reconvened at 11:34 a.m.

AUDIT & FINANCE COMMITTEE REPORT

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

Annual Dues Billing

Rationale: The Committee noted that only 70 clubs opted for the annual dues billing and 35 of those opted out of the option in the second year. There has only been one Club opting for the annual dues billing for the 2012-2013 year. As the option is actually a “dis-incentive” for Clubs. The 35 Clubs that are still opting for the option will be grandfathered in and allowed to continue annual dues billing.

Motion adopted

Phillips/Jernigan

That the Board of Directors presents the following Bylaws amendment to delete the annual dues billing option to the delegates at the July 2013 convention to become effective October 1, 2013.

Bylaws Article VIII, Section 2

~~C. Annual Billing Options. Clubs may select a yearly dues billing at the beginning of each quarter based on their Membership as of the close of the previous quarter. Any Members added in the first half of the billing cycle shall pay the full dues amount and any Members added in the second half shall pay one half the dues. All processing fees for new Members in single billing clubs will be waived.~~

Re-letter subsequent paragraphs

IRS Form 990

Rationale: The Committee reviewed the draft IRS Form 990 in detail with the auditors and had no concerns. A copy of the IRS Form 990 is provided to the Board of Directors.

Motion adopted as amended

Jernigan/Lucas

That the Board of Directors approve the IRS Form 990 as ~~submitted~~ amended to note all officers in the fiscal year – not calendar year.

Auditing Firm

Rationale: Since Optimist International has used the same auditing firm for twelve years, the Committee felt it had a fiduciary duty to review other firms. The Audit & Finance Committee reviewed three auditing firm proposals. As Rubin Brown does make the effort to use different auditing teams to do the actual audit and they understand our structure, policies, organization, the Committee recommends that the proposal from Rubin Brown be accepted. Please note, Rubin Brown agreed to lower their fees an additional \$2,800 below their bid.

Motion adopted

Jernigan/Phillips

That the Board of Directors approve Rubin Brown as the auditing firm for the next three years.

Policy I-105; Conflict of Interest

Rationale: As the Immediate Past President is a member of the Board of Directors, the Audit & Finance Committee recommends that the following revision be made to the policy:

Motion adopted

Phillips/Huxley

That the Board of Directors revised the first paragraph of the Conflict of Interest Policy as shown below:

Potential Conflicts of Interests

I-105

(Note: Include in the first (December) board meeting each year – see July 2011 minutes)

Directors and Officers. Any member of the Board of Directors or Vice President, who may be involved in an Optimist International business transaction in which there is a possible conflict of interest shall promptly notify the **Board of Directors** ~~Immediate Past President~~. The reporting Board member shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The reporting member’s presence may not be counted in determining the quorum for any vote with respect to Optimist International in which he or she has a possible conflict of interest. Furthermore, the reporting member, or the Immediate Past President in the reporting member’s absence shall disclose a potential conflict of interest to the other members of the Board before any vote on an Optimist International business transaction and such disclosure shall be recorded in the Board minutes of the meeting at which it is made. Any Optimist International business transaction, which involves a potential conflict of interest with a member of the Board of Directors or Vice President shall have terms, which are at least as fair and reasonable to Optimist International as those, which would otherwise be available to Optimist International if it were dealing with an unrelated party.

INTERNATIONAL HEADQUARTERS BUILDING

Motion adopted

Jernigan/Quinlan

That Staff will report to the Board within 45 days regarding remodeling costs for meeting space in the building.

2013-2014 GOVERNORS CONFERENCE

Motion adopted as amended

Goldman/Quinlan

For: 5 Against: 3

There will be no 2013-2014 Governors Conference. There will be mandatory Regional Development Training sessions held in each Region at a specified time. There will be no Optimist International funding to District meetings held in the same quarter as a Regional Training meeting. (2013-2014 Budget Impact: \$5,000 per Region)

Motion adopted

Jernigan/Lucas

Opposed: Huxley

There will be no funding for a 2013-2014 mid-year Governors Conference.

The meeting recessed at 1:03 p.m. for lunch and reconvened at 1:48 p.m.

CANADIAN CHILDREN'S OPTIMIST FOUNDATION REPORT

The report of the Canadian Children's Optimist Foundation was presented to the Board of Directors by President Luc Dubois via Skype.

CCC Deferred Contributions

Motion adopted

Huxley/Quinlan

That the \$5,243 surplus be held available for matching Club Grants until the end of the 2014-2015 fiscal year.

On behalf of the Board of Directors Marlene Phillips thanked President Luc Dubois for the report.

AUDIT & FINANCE REPORT (CONT'D)

President-Elect's 2013-2014 Incentive Program

Motion adopted as amended

Plater/Phillips

Excluding the 30 for 30 promotion, that the Board of Directors approve and adopt the 2013-2014 President's Incentive Program as amended.

30 for 30 Promotion

Motion adopted

Jernigan/Phillips

That the 30 for 30 promotion be instituted in the third and fourth quarters of the 2012-2013 President's Incentive Program and included all year in the 2013-2014 President's Incentive.

CPI-U Budget Adjustment

Motion adopted

Phillips/Goldman

That the CPI-U budget adjustment be instituted for the 2013-2014 Fiscal Budget.

CANDIDATE QUALIFICATIONS PER DIEM AT CONVENTION

Motion adopted

Goldman/Jernigan

To delete the per diem and travel line item on the Travel Chart for the Candidate Qualifications Committee members. There will be travel and one day per diem for the Candidate Qualifications Committee Chair.

CREDENTIALS COMMITTEE PER DIEM AT CONVENTION

Motion adopted

Phillips/Goldman

For: 4 Against: 3 Abstained: Phillips

That there will be four days per diem for Credentials Committees at the International Convention.

PAST INTERNATIONAL PRESIDENTS TRAVEL FOR CONVENTION

Motion adopted

Jernigan/Lucas

Against: Huxley

That there will only be Convention Registration for Past International Presidents (not on the Board of Directors), widows, and widowers and no funding for travel, effective October 1, 2013.

The meeting recessed in executive session at 3:23 p.m. and reconvened into regular session at 6:12 p.m.

EXECUTIVE DIRECTOR REVIEW

Rationale: As directed by Board Policy I-70 Paragraph J Item 4, the Personnel Committee conducted a formal, planned review with the Executive Director and presented the report to the Board of Directors.

Motion adopted

Lucas/Phillips

That the Board of Directors accept the review of the Executive Director as presented by the Personnel Committee.

INTERNATIONAL COMMUNICATIONS (TRANSLATIONS)

Board Director Marlene Phillips addressed the Board:

Rationale: It is often forgotten on both sides that things should be available to all members at the same time. There are things on the Canadian Service Centre website that are in French only and many things that go out to the membership that the French members don't get until it is too late for them to participate in. We have to be more conscientious of all of our members needs, not just one

Motion adopted

Lucas/Goldman

That the Board of Directors revise Policy I-133 as shown below:

~~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.~~

Before any document meant for the entire membership is distributed it will have been translated into French. The responsibility for this translation and or dubbing will rest with the Canadian Service Centre and will be conducted in a timely manner.

In the converse, all material added to the Canadian Service Centre website will be available in English and French unless it is specific only to the French Members, e.g., St. Lawrence region information only

When establishing and developing new programs, Optimist International will take into consideration the International Optimist members' cultural environment. This will meet more properly the International Optimist members' needs.

GOVERNANCE COMMITTEE REPORT

The report of the Governance Committee was presented to the Board of Directors by Committee Chair Jim Kondrasuk.

Bylaws Printing

Rationale: While the cost to print the Optimist International Bylaws is minimal, it is a document that can easily be made available for printing from the Optimist website. As the organization can save significant funds if documents are printed only on an as-needed or on a request basis, the total effect of less printing could be significant.

Motion adopted

Lucas/Goldman

That the Optimist International Bylaws no longer be printed in quantity, but be made readily available on the Optimist website.

Qualifications for International President

Rationale: President St-Onge asked the Governance Committee to consider the current qualifications for President. The Committee feels that a presidential candidate should have served as a Governor, Vice President and Board Member prior to serving as President, however, at least mandating that a candidate to have at least served as either a Vice President or Board Director would be sufficient.

Motion failed

Jernigan/Goldman

That the Board of Directors presents the following Bylaws amendment regarding the qualifications for International President to the delegates at the July 2013 convention to become effective October 1, 2013:

Bylaws Article IV. International Conventions and Elections
Section 2. Elections

C. General Provisions. Those eligible for the office of President shall be a member of a Club in good standing in Optimist International, and they shall have served a full term as District Governor and a full term as a Vice President, **or a full term on the International Board of Directors.**

Online Voting & Leadership/Personal Development Conference

Rationale: At its September 2012 teleconference meeting, the Board of Directors charged the Governance Committee to consider online voting options and procedures to be presented to the Board of Directors at its February 2013 meeting for possible consideration by the delegates at the July 2013 Convention. The Committee discussed the viability of using online voting for both election of officers and amendments to the Bylaws. At this point in time, the Committee feels that the organization would benefit from giving all Clubs the ability to vote for International leaders. However, because Bylaw issues require debate and the ability to present amendments, and because there are unanswered legal, technological, and economical questions regarding the type of interactive participation required for voting on Bylaw amendments online, the best interests of the organization would be served by continuing to vote for Bylaw amendments at an annual corporate meeting. The Committee strongly feels that in order for the concept of online voting to benefit the organization, any change to online voting should be directly tied to changing from a “convention” concept to a leadership and personal development conference to make the annual meetings attractive to attendees. It is hoped that by eliminating the time spent on officer campaigning and elections, a significant amount of time could be used to provide premier training and motivational speakers for those attending the leadership conference attendees. The staff has begun contacting potential independent vendors for possible costs and processes that will meet the requirements for Optimist International voting procedures (such as the current requirement for one vote for every 25 members a Club has on its roster as of a determined date prior to the election). The Committee has prepared Bylaws amendment wording for initial discussions with the understanding that revisions may have to be made in the future. The proposed wording and condensed timeline/process document is attached to this report. The Committee is prepared to present a Convention workshop titled “Online Voting – A Way to Engage More Optimist Clubs!!!” to help delegates understand the reasoning, process, and benefits to the organization for online voting, including, but not limited to, organization wide input in the governance of the organization and the benefit of focusing on leadership development and training at annual meetings. This workshop would also allow members to give their feedback and suggestions on the best way to implement online voting. Should the proposal be adopted, the Convention Rules will also need to be revised appropriately to eliminate all references to officer elections; however, delegate information will remain the same for voting for Bylaws amendment issues.

Motion adopted as amended

Huxley/Phillips

That the Board of Directors presents a Bylaws amendment **excluding the club voting strength**, regarding Online Voting and the Leadership/Personal Development Conference to the delegates at the July 2013 convention ~~for informational purposes, for a vote at the July 2014 convention,~~ and to become effective October 1, ~~2014~~ **2013**.

Motion failed

Jernigan/Goldman

For: 3 Against: 4

That the last item presented to the delegates is a proposal for one vote for each member.

Motion adopted

Lucas/Plater

That the last item presented to the delegates be a proposal for Online Voting to allow Clubs to have as many votes as they have members (one vote for every member in the Club) as of April 30 prior to the convention.

District Quorum Contradiction in Bylaws

Rationale: The Committee acknowledges there are conflicting references to the definition of what is considered a District quorum in the Bylaws. In order for a District to define a quorum for District voting procedures (which should be included in the approved District Policies), the following amendment is proposed.

Motion adopted

Lucas/Phillips

That the Board of Directors presents the following Bylaws amendment regarding District quorums to the delegates at the July 2013 convention to become effective October 1, 2013.

Bylaws Article VII, Districts

Section 3. *District Administration.*

F. *Meetings.* The Governor may call a meeting of the Board of Directors each quarter or at such time and place as he may determine with the advice and consent of the Executive Committee. Notices of all meetings of the Board of Directors shall be issued and caused to be delivered to all members of the Board of Directors by the District Secretary-Treasurer at least 30 days prior to said meetings. ~~A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business.~~ **A quorum of any District meeting shall be established by the District Board of Directors and stated in the District’s policies.**

Section 4. *District Convention.* A convention of the Clubs in each District shall be held between August 1 and September 30 Convention rules shall be adopted by a majority vote during the first business session of each convention; but may be suspended, rescinded or amended after their adoption by a two-thirds vote. ~~A quorum of any District convention shall be established by the District Board of Directors and stated in the District’s policies.~~ All voting shall be based on total number of votes cast ...

Individual Membership (Pilot) Program

Rationale: At its December 2012 meeting, the Board of Directors directed the Governance Committee to present a proposal for an individual membership pilot program to be effective until September 30, 2013. After considerable discussion, the Committee proposes that the Board should either present a proposal to the delegates that will make individual membership permanent if the Board believes such a membership class would benefit the organization, or that it should implement a pilot program to end no earlier than on September 30, 2014. The Committee believes that a pilot program ending September 30, 2013 would not be enough time to allow for evaluation of any discernible results of a pilot program. Research and survey results have shown that many younger adults are reluctant to join traditional service clubs, pay dues, and spend time in structured meetings. The Committee believes that these findings are reflected in Optimist International's continual decline membership, and therefore in its revenue, over the past decade. Creating a vehicle to recruit new Optimists to be actual members of the organization is imperative for the future existence of Optimist International. It should be noted that Members at Large could still be invited to join local Optimist Clubs or to participate in Club activities and programs. For example, Clubs and Districts could locate Members at Large by zip code (perhaps staff can build a database of Club activities to keep these members "in the loop" regarding Optimist projects) and provide them links to Club and District websites, etc. Administratively, individual membership in Optimist International can be handled simply by creating a 00-000 Individual Member "Club" in the database system. The Governance Committee suggests that the fees paid by Members at Large for the privilege of being a part of Optimist International and what it represents, are \$100 (the same as the fee paid by Friends of Optimist). Members at Large would receive a magazine, access to the Optimist websites, insurance coverage while volunteering in Optimist activities, and a way to be contacted about programs and activities of local Optimist Clubs. They will be encouraged to contact local Optimist Clubs to offer to participate and assist in hands on Optimist activities. Although Members at Large would be invited to attend the annual meeting/leadership conference, they would not be eligible to vote unless the Bylaws are changed so that all members of Optimist Clubs have a right to cast votes as individuals. Until directed by the Board of Directors to do so, the Governance Committee does not have a recommendation for a change to individual voting. The Governance Committee is offering two options for the Board's consideration. Since the Committee was charged with creating a pilot program, the Committee is offering a motion as directed. The Pilot program will create the 00-000 "Club" in the database but at the end of the pilot program's trial, the members would remain in the system so long as they continue to pay the membership fee. At the end of the pilot program period, the 00-000 "Club" would no longer be actively serviced by staff and members would be encouraged to join a regular Club and notice of renewal fees would cease. The Committee requests, however, that the Board consider a second option of making this type of membership permanent.

Motion adopted as amended

Goldman/Quinlan

That the Board of Directors proposes an Individual Membership Class Pilot Program (with an annual fee of \$60) effective until September 30, 2014, to the delegates at the July 2013 Convention.

Policy I-138; Criminal Background Checks for Officer Candidates

Rationale: In its review of Board Policies, the Governance Committee deemed that several revisions should be made to the Criminal Background Check Policy, including adding a Public Records Check and several revisions to the long lists of offenses. The Committee feels that an Appeals Process is unwarranted as any questionable results will need to be between the individual and reporting agency, not Optimist International.

Motion adopted

Lucas/Jernigan

That the Board of Directors adopts the revisions to Policy I-138 as presented in Exhibit F.

Policy I-128; Board Liaisons to Vice Presidents Reports

Rationale: At its December 2012 meeting, the Board of Directors asked the Governance Committee to revise Policy I-128 to clarify the Board Liaison to Vice President reporting procedure to streamline the board meeting agenda and its time management.

Motion adopted

Goldman/Lucas

That the Board of Directors revises Policy I-128 as follows:

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 shall keep the Vice President updated with Board actions and solicit feedback from the Vice President.

Each board meeting agenda will include “Vice President Communications” and ~~it is expected that~~ each Board member **may discuss with the Board any concerns report on their from** communications with their respectively assigned Vice President(s). **All reports will be received and read by the entire Board of Directors.**

Policy ID-28; Continuity of Members on International Committees

Rationale: At its December 2012 meeting, the Board directed the Governance Committee to discuss a way to make sure that there is at least some continuity on International Committees. The Governance Committee suggests that the President-Elect’s Job Description include a statement to request that, if at all possible, there be some carryover of committee member(s) from the previous year.

Motion adopted

Phillips/Lucas

That the Board of Directors revises Policy ID-28 “Job Description of President-Elect” by adding the following:

Select chairpersons and members for committees **and Board Liaisons to committees** by:

a) making every attempt to maintain some sense of continuity on each committee;

- b) **where possible and practical, select newer Optimist leaders on appropriate committees;**
- c) **take under advisement the general recommendations of the Candidate Qualifications Committee for future leaders of the organization for committee appointments; and**
- d) **consult your fellow Board members and senior staff for their input and suggestions.**

Policy I-70; Governance and Audit & Finance Committees

Rationale: The Governance Committee feels that the Audit & Finance Committee and the Governance Committee should be comprised of members that are familiar with the current operations and practices of the organization, should not have less experienced members appointed to them, and should not be comprised of less than five members. Board Policy I-70 already mandates that the Audit & Finance Committee consist of five members. The following revision to Board Policy I-70 is offered below:

Motion adopted

Jernigan/Phillips

That the Board of Directors revise Policy I-70 as shown below:

- E. The Audit and Finance Committee shall consist of five members **that are familiar with current Optimist International operations and practices**. The President-Elect shall select the Chair of the Audit and Finance Committee for a one-year term and two additional Members to serve on the committee for a two-year term. The Committee will meet, either in person, or by teleconference, before each Board meeting with the Chair of the committee reporting the results of these meeting to the Board of Directors.

New Paragraph F. The Governance Committee shall consist of five members that are familiar with current operations and practices of Optimist International.

Re-alphabetize remaining paragraphs

Policy I-70; Number of Committee Members

Rationale: The Governance Committee feels that continuity on all committees is critical to the organization. Also, there is a definite need to include newer Optimist leaders on committees whenever practical and possible to ensure a sufficient pool of experienced future leaders. There are two “sets” of committees: those that could/should include new/future Optimist leaders, and those that are either included in the Bylaws (Candidate Qualifications and Pension Trustees) or detailed enough that more experienced Optimists are suggested (Audit & Finance and Governance). It is suggested that all committees, other than the four mentioned above, do include new or future Optimist leaders, and that the Board set a minimum number for all committees not mandated in the Bylaws (CQ & Pension), say five, and then the inclusion of a newer Optimist leader is more practical. The Governance Committee also views the Bylaws as giving the President the sole authority to actually appoint members to committees, and name the chairs.

Motion adopted

Jernigan/Goldman

That the Board of Directors adopts the following revision to Paragraph C of Policy I-70; Committees as follows:

- C. Once the Board of Directors establishes **and determines the number of members on each committee**, ~~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: (rest of wording to stay the same)

Policy ID-28; Vice President-Elect Letter of Understanding

Rationale: The Governance Committee was charged with reviewing all Job Descriptions listed in Board Policy ID-28. It was noted that as the Vice President position is considered an officer of the organization and the of Letters of Understanding are included for the President-Elect and Board Director at Large positions in the policy, the following motion is offered:

Motion adopted

Phillips/Jernigan

That the Board of Directors includes the Vice President-Elect’s Letter of Understanding in Policy ID-28 as presented.

Policy ID-7; Redistricting Policy

Rationale: The Committee was charged to discuss the viability of Districts and the concern of low attendance at District meetings. In order to encourage Districts to reevaluate their function and support to member Clubs, the Committee is asking that the Board of Directors and Districts be aware of the standards in Policy ID-7 for Redistricting and the District at Risk and Assessment and Recovery Plan (ID-25). In order to encourage Districts to consider consolidating with another District, the Committee is asking the Board of Directors to include the Consolidation Incentive Plan adopted by the Board three years ago and include it in Policy ID-7.

Motion adopted

Phillips/Goldman

That the Board of Directors revises Section 1 of Policy ID-7 as shown below.

Redistricting Policy

ID-7

New Step 7: As an option, two Districts may voluntarily unite together. The following incentives are offered for voluntary unification:

- **For the first three years after the unification, the “new” District would receive 1.5 times what would be their normal allotment. It is strongly recommended that these additional funds be used for Leadership Development and Growth programs within the District.**
- **Any year, within the first three years after the unification that the District is a Distinguished District, the District will receive two times what would be its normal allotment.**

- **In any year of the first three years that the unified District builds more new Clubs than the average that the two separate Districts had built combined in the three years before the unification, the District will receive the Charter fee and 50% of the dues collected for one and a half years for Clubs built in excess of the average. For example, if District A had averaged two new Clubs built per year and District B had averaged three clubs built per year, the combined average would be 5 new Clubs. If a sixth Club is built, the District would then receive the Charter fee and 50% of the dues for that Club collected over the next eighteen months.**

Re-number Subsequent Steps

Policy ICD-135; Recognition Program

Rationale: The Committee discussed the current five year baseline Recognition Program at length. The unintended budgetary and reporting issues were of great concern to the Committee. Some of the issues can be dealt with by simply mandating that time be given for staff to confirm Club and District compliance with the policy. It was noted that since the Internal Revenue Service has set a date of February 15 for US Clubs and Districts to file their 990 returns, mandating that reports required by Optimist International Bylaws for Districts as they relate to allotments can also be applied to compliance of Policy for the Recognition Program. It is understood that should this recommendation be adopted by the Board, Districts may have to wait until their third quarter meetings to distribute International Recognition awards of the prior year.

Motion adopted as amended

Goldman/Quinlan

That the Board of Directors endorses the following statements regarding the Recognition Program and that future publications include and clearly state these statements:

1. Recognition of the Administrative Year will not be announced until after **January 10** ~~February 28~~ of the following administrative year,
2. Submission of the President's Pride Report is required for proof of completed service projects.
3. All reports for Distinguished Governor are to be received for year the Governor served.

Policy I-8; President's Incentive Program

Rationale: The Committee suggests that the Board of Directors clarify that the President's Incentive Program is an annual Board approved budgetary item and the Recognition Program is set by Board Policy and Bylaws. The Committee would like to point out that prior to the recent Recognition Program adopted by the Board of Directors and approved by the delegates for five years, there was a policy limiting the entire Awards budget to .80 per member. There is a serious concern that recent administrative years had Awards expenditures that far exceeded the .80 member cap (because of the new Recognition Program) with no consideration of declining membership (revenue) to offset the increased expense.

Motion adopted

Goldman/Lucas

That the Board of Directors revises Policy I-8 as shown below:

Optimist International Recognition Program &
International President's Incentive Program

I-8

The Optimist International Recognition Program is developed and approved by the Optimist International Board of Directors to further various organizational goals, shall be long range and strategic in its focus.

The Annual Incentive Program may be developed by the President-Elect in conjunction with input from senior staff, and under the guidelines of the base Recognition Program established by the Board. ~~The Recognition and~~ **The** Incentive Programs shall be an annual program, and focus on tactical issues for the current year. ~~The Recognition and~~ Incentive Programs shall be approved by the International Board at a regular board meeting prior to any part of the program being made available to any of the membership of Optimist International.

Recognition and Awards Budgets

Rationale: In order to clearly delineate in the budget the expenses related to each respective program the following motion is offered:

Motion adopted

Jernigan/Phillips

That the Board of Directors mandate that the Recognition Program and the President’s Incentive Program be clearly delineated in the budget in two separate line items notating or indicating which program an expense is used for.

Policy IC-52; Club New Member (Payment Received)

Rationale: It was noted by the Committee that the current fourteen day mandate for new member roster adjustments is not practical as many Club Board of Directors mandate approval of all bills within the Club but Club Boards typically meet once a month. In order to bring the policy into current practice, the following motion is offered:

Motion adopted

Phillips/Goldman

That the Board of Directors revises Policy IC-52 to more accurately comply with practice.

Club New Member

IC-52

Club Roster Adjustments that are generated by regular mail, electronic mail or by faxed copies will be credited to the date received at Optimist International headquarters, provided the fee for said new member roster adjustments is paid within **thirty (30)** ~~fourteen (14)~~ calendar days of initially generated adjustment form. The processing of any new member club roster adjustments will not commence until payment of the processing fee has been received at the International office. Justification – Club Roster Adjustments for new members require a processing fee to accompany form. Optimist International staff time should not be expended

until this fee has received. In some cases, payment for new members has not been received from clubs that are using members for award status.

Convention Campaigning Protocol

Rationale: Based upon a number of comments/complaints made at and after the Milwaukee Convention by delegates regarding candidate actions while campaigning, equal treatment of candidates and appropriateness of some items, Policy I-11 needs to be expanded and enhanced. With an open election concept, we need to ensure, as much as possible, fairness and openness. In terms of the delegates, perception is reality, so the organization must strive to attain an atmosphere that Optimist International is doing all that is possible to ensure clean and fair elections. District should create their own campaigning protocol and include it in their District Policies. One item not included, but should merit discussion is the “what if” a candidate does not follow the rules – do we need an enforcement tool? Or is the disclaimer “on my honor as an Optimist” sufficient?? It should be noted, that should online elections be instituted, this policy should be deleted. In the meantime, no person on stage should wear campaign material and no one should campaign in any Optimist International session, workshop, or training session. The Convention Rules will be revised as such.

Motion adopted as amended

Jernigan/Goldman

That the Board of Directors revises **Convention Rules** ~~Policy I-11~~ to as follows to include the following:

Campaigning may take place between any sessions of the International Convention, and in the designated candidate campaign area. No campaigning may take place during any scheduled session sponsored by Optimist International (general sessions, training sessions, break-outs, etc.)

Candidates who serve on Optimist International Committees, as Vice Presidents, as Officers, Trainers, as Board Members, or who are speaking or appearing in front of delegates at any official Optimist function (including, but not limited to, general sessions, training sessions, workshops, and meals) may do so, but may not campaign in any way, during such a presentation. They shall not wear campaign buttons, stickers or other campaign material, and refrain from campaigning at such events.

Any candidate for any International office shall recuse themselves from any committee activity during the convention that has a direct or indirect role in the actual election process, either distribution of credentials/ballots etc., or the counting thereof: including, but not limited to, Credentials, Governance, etc.

All candidates further agree that any email lists used in their campaign which are received from Optimist International are kept strictly confidential and may not, under any circumstances, be shared with ANY third party. Candidates should seek to utilize such lists in ways to protect the addresses of Optimist members.

All candidates for any International office shall ensure that their campaign/support people aware of all of the requirements of Policy I-11, and that they will be strictly adhered to during and before the Convention.

Policy ID-27; District Allotment Requirements

Rationale: Bylaws Article VII, Section 3E states, “Each District shall adopt a set of operating policies authorized by the International Board of Directors, which will cover the items necessary to administer the District. These policies shall be adopted annually by the District Board of Directors at the Annual District Convention or a specially called convention.” As the Board of Directors has directed Vice Presidents to review and approve their respective District’s Policies on an annual basis, the Vice President notifies the International Office of any District Policies that are not in compliance with International Bylaws. The Governance Committee reviewed all notices from Vice Presidents that indicated non-compliance and offers the following revision to Policy ID-27 to encourage these Districts to revise their policies as quickly as possible. In the meantime, a note will be sent to these Districts alerting them of the items that need to be revised in their policies.

Motion adopted

Huxley/Lucas

That the Board of Directors adopts the revision to Policy ID-27 as shown below:

District Allotment Requirements

ID-27

The following items are required for a District to receive its November and May allotment of fifty cents per member from the General Fund as determined by the International Bylaws:

Minutes of Board and Executive Committee Meetings

Budget

Financial Statement Review **and Form 990 (for U.S. Clubs)**

1st, 2nd, and 3rd Quarter Financial Reports

District Policies **(as approved by the current year Vice President)**

Effective 10/1/13, should the Vice President deem the District’s Policies as not in compliance with Optimist International Bylaws, the District will be notified and given the opportunity to revise the policies. The allotment will be withheld until approved policies have been submitted.

Policies Addenda; Suggested District Policies

Rationale: The Committee noted that several of the concerns Vice Presidents noted in their review of District Policies indicated omissions of required Bylaws statements as shown in the Suggested District Policies. The Committee felt that if no mention of a required statement is included, it can be inferred that the District understands that the Optimist International Bylaws takes precedence over District Policies.

Motion to refer back to committee

Huxley/Phillips

That the Board of Directors adds the following sentence to the cover page of the Suggested District Policies as shown below.

The language, phraseology and construction of these policies may be altered or rewritten to accommodate prevailing District procedures so long as they conform to existing Optimist International Bylaws and Policies. Under the Optimist International Bylaws, flexibility is afforded to Districts to adopt policies that best promote involved, effective, and efficient District administrations. Mandatory wording is shown in bold face type and must be included in your District's policies as dictated by the Bylaws of Optimist International. **Any omission of required Optimist International Bylaws is considered to be an assumed mandate in the District Policies. Please note: A District's allotment can be withheld if policies are deemed to be noncompliant with the Optimist International Bylaws.**

Policy I-56; Authorized Representatives

Rationale: The Board of Directors directed the Governance Committee to review Policies I-56 regarding Authorized Representatives. The Committee felt that the procedure currently in place is appropriate, but in order to keep the executive director and staff at arm's-length, the following revision is offered.

Motion adopted

Jernigan/Phillips

That the Board of Directors revises Paragraph 4 of Policy I-15; Authorized Representatives as follows:

4. Only the executive director or his designee shall be authorized to fix dates for official organization meetings of new clubs and assign an authorized representative for the purpose of conducting the official organization meeting. If a member participated in the pre-organization of a New Club, they are not allowed to serve as the authorized field representative. ~~unless at the discretion of the Executive Director or his/her designate.~~

Policy IC-36; Club Merger Requirements

Rationale: During a cursory review of Board Policies, the following was noticed regarding the Club Merger Requirements policy. This revision is offered only as a housekeeping item.

Motion adopted

Phillips/Goldman

That the last sentence be stricken from Policy IC-36 as there is no longer an "Exceptional District" designation.

8. A membership increase through merger does not contribute to Club/Zone awards. A decrease in membership does affect Zone and District awards. ~~In Exceptional Districts a Club replacement would be necessary.~~

Senior Management Succession Plan

Rationale: As directed by the President in his "Charge Letter" to the Committee, a succession plan was discussed in the event the executive director position should become vacant. As the Chief Financial Officer oversees the finances of the organization, the Committee feels that is the position that should lead the International Office as Interim Executive Director until a successor executive director is named. Should the Chief Financial Officer be unable to serve, it is then suggested the Associate Executive Director be named the Interim Executive Director.

Motion adopted as amended

Goldman/Phillips

That the Board of Directors declares that if the Executive Director position should become vacant, **the Associate Executive Director** ~~Chief Financial Officer~~ shall serve as the Interim Executive Director until the position is filled. Should the **Associate Executive Director** ~~Chief Financial Officer~~ be unable to serve, the **Chief Financial Officer** shall serve as the Interim Executive Director.

On behalf of the Board of Directors Rick Quinlan thanked Committee Chair Jim Kondrasuk for the report.

The meeting recessed at 8:00 p.m. for the evening.

Saturday, February 23, 2013

The meeting reconvened at 7:13 a.m.

AD HOC RECOGNITION COMMITTEE REPORT

The report of the Ad Hoc Recognition Committee was presented to the Board of Directors by Committee Chair Paul Lucas.

Monetary Incentive Credits

Rationale: The previous Ad Hoc Awards Committee viewed a priority concern that a majority of Clubs were confused over the annually changing performance criteria under the Honor and Distinguished Club recognition program. As an example in a four year cycle the award performance when from a + 1 to a +5, to a 20% adds to base and back to a +1 to achieve Honor status. These concerns were addressed in a new Bylaw, Article III, Section 3. The intent was to set the growth net performance standards for five consecutive years as a +1 in net growth for Clubs and Districts. The Committee submits that the type of awards, patches, rings, watches, monetary incentives, certificates, year bars, plaques and other instruments of recognition could be adjusted, enhanced or modified under Board Policy ICD-135 since these are award instruments, not rules or standards. The type of plaque, watch or reward instrument could change from year to year, as long as the performance standards remain the same respective to the Bylaw. The Committee does not wish to change the performance rules of how to achieve Honor (and Distinguished by default) status, but does wish to modify the type

of award that will be presented. Members and Clubs expect effective usage of their dues dollars, however our awards budget has become a critical ongoing concern.

RECENT HISTORY OF AWARDS BUDGET & ACTUAL EXPENSE:

	Budget	Actual
2009-10	\$60,000	\$ 41,605
2010-11	\$83,000	\$ 62,262
2011-12	\$50,800	\$148,140
2012-13	\$226,450*	
	Net	\$166,450

* Included: \$70,000 saved from 2011-2012 Presidential Training Budget and carried forward for cruise incentive

It is the opinion of the Ad Hoc Awards Committee that the monetary incentives of \$100 and \$250 for Honor and Distinguished Clubs, respectively, do not achieve the desired results. This opinion was derived from the review of recent years performance. This review indicated that regardless of changing standards, results were fairly consistent year to year. The change in the number of Honor or Distinguished Clubs was attributable to the changing standards. The ad hoc committee concluded that financial costs of such monetary awards are in excess of \$109,000 annually or an estimated \$536,000 total incentive expense over five years that far exceeds the anticipated results. The Committee believes that the following motion does not change the program or constitute the one time change allowed during the five year period of the Recognition Bylaw adopted by the delegates. It is the opinion of the ad hoc committee, subject to the concurrence of the Board, that the Bylaw as written, allows for the program to be changed once every five years, and that this does not affect the Board’s ability to make a one-time change within the five years.

Bylaws Article III. Membership

SECTION 3. *Recognition Program.* The Board of Directors shall establish a baseline Recognition Program.

This Recognition Program shall not be changed more than once every five years (beginning October 1, 2011).

The President may propose an Incentive Program for his or her year, not to conflict with the Recognition Program.

Given that the following motion only affects the awards, not the performance criteria, it is the recommendation of the ad hoc committee that the Board of Directors note in the minutes that this action would not constitute a change in the baseline Recognition Program as defined Article III, Section 3 of the By-laws, with the current five year period running through September 30, 2016.

Motion adopted

Jernigan/Phillips

That the Board of Directors amends policy number ICD-135 to remove all monetary incentives effective immediately.

(Financial Impact: A savings of \$107,500 for 2012-13 Budget and \$109,000 for the 2013-14 Budget. Additional savings in excess of \$100,000 for Fiscal year 2014-15 savings for Fiscal Year 2015-16)

Administrative and Reporting

Rationale: The Committee also recommends several administrative adjustments to ICD-135, enhancing the reporting, training and attendance of Clubs at meetings. 1) attendance by the Club President, or their designee, at a minimum of three International, Regional, or District meetings/conventions; and 2) that the President complete a minimum of four hours of Club President

training prior to taking office, or by March 31 of their year as President, to be obtained from training offered at the International Convention, Regional or District meetings and conventions, or successful completion of the online training offered by OI. It was noted that the submission of the President's Pride Report was instituted to verify the requirement of service projects for Club recognition. The Committee also noted the proposal by the Governance Committee that the requirement for "All reports filed with Optimist International" for District Recognition will require the submission of District meeting minutes and financials for that year as required by Bylaws (which will mandate that no Recognition will be rewarded until the end of the following February to allow for the IRS deadline of filing the District Form 990).

Motion failed

Lucas/Phillips

That the Board of Directors amend policy number ICD-135 for Honor and Distinguished Clubs to include: 1) attendance by the Club President, or their designee, at a minimum of three International, Regional, or District meetings/conventions; and 2) that the President complete a minimum of four hours of Club President training prior to taking office, or by March 31 of their year as President, to be obtained from training offered at the International Convention, Regional or District Meetings/Conventions, or successful completion of the online training offered by OI. Effective October 1, 2013

RECOGNITION COMMITTEE

Motion adopted

Goldman/Quinlan

That a committee be formed to review the Recognition Program.
(Committee to consist of: the President, President-Elect, President Nominee (after April 1) and three others to be determined)

ONLINE STREAMING OF BOARD MEETINGS

Motion adopted

Lucas/Goldman

To online stream the Board of Directors meetings effective with July 2013 board meeting.

2013 JOOI CONVENTION (REVISITED)

Motion adopted

Goldman/Lucas

Jernigan opposed

To reconsider the prior motion regarding the 2013 JOOI Convention.

Motion failed

Huxley/Jernigan

For: 3 Against: 5

That the Optimist International Board of Directors hereby approves the 2014 JOOI Convention to be held at the newly remodeled Circus Circus, with a room rate of \$33/night, plus \$9.95 resort fee.

CHIEF EXECUTIVE OFFICER

Rationale as proposed by Board Member Paul Lucas: This proposal is to change the Optimist International “Chief Executive Officer” from the President to the Executive Director, **effective October 1, 2015**. In order to remove the personalities and people from consideration of this issue, the proposed implementation date would match the current term of the Executive Director’s contract and would not affect anyone currently serving as President, President-Elect or currently nominated as President-Elect. The intent is for this to be about structure, not people or personalities, as well as allow the Executive Director, the Candidate Qualifications Committee and potential nominees to each operate within known and clearly defined expectations. If adopted by the delegates, this Bylaw amendment would result in a need to revise or delete Policy I-134, either noting the dual role as CEO/COO - or eliminating it entirely as it may no longer be necessary after October 1, 2015. The proposed amendment shall delete language from Article VI, Section 2, and modify the language of Article VI, Section 7 to effect this change on October 1, 2015. The Governance Committee met via a teleconference on Monday, February 18 to review this proposal at the request of the author. Their deliberations and suggestions are reported separately to the Board. The Governance Committee did not concur with this proposal based on its merits, but offered no objection on technical or legal basis, and noted no conflict with other Bylaw provisions. Their deliberations and suggestions are incorporated into minutes of their meeting, and are attached for reference. As an alternative, the Governance Committee did offer Policy revisions to effect some related changes regarding this issue. This idea has been discussed on many occasions, most recently though the Strategic Planning process, still in process and undertaken by the Board of Directors during the ’11-’12 administrative year. This motion is made at this time based on the window of opportunity noted above to discuss and move it towards approval without conflict with or effects upon currently elected or nominated individuals. This amendment is proposed to provide for increased continuity within Optimist International, and change the current structure wherein Optimist International has a new Chief Executive Officer (CEO) every year. The intent is that having a professional Executive Director that serves as the CEO would provide for enhanced continuity and an individual with a multi-year focus that is responsible for the long term direction and success of the organization. The Executive Director, while serving as CEO, would remain employed by, and under the direct supervision of, and held accountable by the Optimist International Board of Directors. It is the expectation that under this management structure, the CEO would ensure enhanced and consistent policies, publications, trainings, documents, etc. The other expectation is that such a year to year consistency would be rapidly attained to ensure the most efficient use of resources. Planning for the future of the organization could focus not on the plan and changes of each subsequent administration, but instead better focus on 3, 5, 10 years and beyond. Under the proposed amendment, the President would continue to have the primary responsibility of assembling, motivating, training, and encouraging a leadership team to focus on growth and expansion. The President would retain other responsibilities inherent in the position, such as communicating with the volunteer leadership team, appointing Committee Members and Board Liaisons, serving as the Chief Spokesman of OI, Chairing the annual Convention, etc. as currently outlined in job descriptions contained in Policy ID-28. Without having to formulate a completely different plan each year, the President can instead devote themselves to these high value initiatives. The President would also retain all other duties incumbent upon any member of the Board of Directors. While this proposed change will be viewed as revolutionary by some and a non-event by others, it is intended to more fully implement the new board structure approved by the delegates and now fully implemented. The need for long term consistent vision, while accomplishing short term goals and objectives consistent and

aligned with this vision, has long been a need of our organization. The challenges experienced over the last twenty years have served to magnify this need. While many different efforts to change trends have been tried, the one year focus of such effort has proven to be an obstacle. While the success of this, or any, endeavor will ultimately depend upon the dedication and consistent implementation by the Board, one-third of which changes annually, this proposed structure is meant to best align the structure of the organization with the resources and abilities of paid professional staff and volunteer leadership.

Motion adopted

Lucas/Jernigan

For: 5 Against: Plater, Huxley, St-Onge

That the Board of Directors present the following Bylaws Amendment Proposal to the delegates at the July 2013 convention to be effective **October 1, 2015**.

(Note: the motion was revisited – see Page 30)

Article VI. International Officers

SECTION 2. *President.* The President shall preside at the International convention and over the Vice Presidents Council ~~and shall be the Chief Executive Officer exercising general supervision over the interests and affairs of Optimist International, subject to the direction of the Board.~~ He shall perform such duties as usually pertain to the office of the President, subject to the direction of the Board. The President shall have authority to expend only such funds which are made available for official use in such amounts as specifically authorized by vote of the Board of Directors. Any increased funds made available through amendment of the original budget established for any fiscal year may be authorized only by a 3/4 vote of the Board of Directors.

SECTION 7. *Chief Executive Officer, Secretary, & Treasurer:*

A. *General.* ~~The secretary treasurer shall be the Executive Director of Optimist International~~ **shall serve as the Chief Executive Officer of the organization, and serve under the supervision of the President and the Board of Directors, may be employed as a full time employee of Optimist International at the will and discretion of the Board of Directors, and shall have duties and responsibilities as defined herein. The organization shall also have a Secretary and a Treasurer, appointed and having duties and responsibilities as defined herein.**

B. *The CEO, the Executive Director,:*

- (1) **Shall be the Chief Executive Officer exercising general supervision over the interests and affairs of Optimist International, subject to the direction of the Board of Directors**
- (2) Shall direct, manage and supervise the Office of Optimist International and its staff. ~~He~~ ~~s~~ Shall be responsible for the implementation by the staff of any activity or program of Optimist International.
- (3) Shall direct the attention of the President, the Board and committees to provisions in the Bylaws and in previous legislation, directives, policies and resolutions pertinent to the administration of the affairs of Optimist International.
- (4) Shall prepare and have readily available a topical index to all legislation, directives and resolutions of conventions and Board meetings.
- (5) **Shall appoint a staff member of Optimist International to serve as Secretary**
- (6) **Shall appoint a staff member of Optimist International to serve as Treasurer.**

- C. ~~Secretary, the Secretary-Treasurer~~: *The CEO shall appoint a staff member of Optimist International to serve as the Secretary. The Secretary:*
- (1) Shall attend all meetings of the **Board of Directors** and act as the official secretary thereof. He shall keep and preserve a true and correct record of all business transacted at these meetings and transmit copies thereof as directed by the Board, which records and books shall at all times be open for inspection by the Board.
 - (2) Shall sign all documents in the name of Optimist International, and shall affix the corporate seal of the organization when required.
- D. ~~AsThe Treasurer, the Secretary-Treasurer~~:
- (1) Shall keep records and books ordinarily kept by a treasurer and these books and records shall be open at all times for inspection by the Board and to any auditor designated by the Board.
 - (2) Shall deposit or invest all moneys as directed by the Board.

POLICY I-47; STAFF SALARIES

Motion adopted

Lucas/Phillips

That the Board of Directors revise Policy I-47 as shown below:

Staff Salaries

I-47

The Executive Director is authorized to set and from time to time adjust salaries of staff members, except the Executive Director, within annual budgetary limitations.

Evaluations and employee reviews shall be conducted annually. Salary adjustments of staff members shall be market merit and performance based. The Executive Director may have the option to adjust salaries or award a bonus compensation each year within the budgetary limitation. The Executive Director will compare Optimist International salaries by position median salary ranges in the St. Louis area and have the authority to adjust salaries as appropriate to maintain competitiveness in the St. Louis job market.

TIE FOR NUMBER ONE REGION IN 2012-2013

Motion adopted

Goldman/Jernigan

That there is a tie for number one Region for the 2012-2013 year: Great Plains (Judy Boyd) and Mid-Atlantic (Sandy Cyphers).

DISTINGUISHED GOVERNOR AWARDS

Motion adopted

Goldman/Phillips

That there is only one of each award per District.

GOVERNANCE ADDENDUM REPORT

Policy I-134; CEO, COO, and the Board of Directors

Rationale: Board Director Paul Lucas asked the Governance Committee to consider a draft proposed amendment to the Bylaws regarding the title of Chief Executive Officer (CEO) for the International President. The Governance Committee discussed the issue at length via email communications and by teleconference on February 18, 2013. The Committee agrees that the function of the offices of CEO and Chief Operating Officer (COO) should be clarified to avoid confusion and to eliminate a year-to-year change of focus for the International leadership and staff resulting from a new President taking office each year. The Committee believes, however, that the issue should be addressed by Board Policy rather than by a Bylaws revision. As Bylaws Article V, Section 1 states that “The affairs and business of Optimist International shall be controlled and directed by the Board of Directors,” the Governance Committee feels that the Board is clearly mandated to set the policies for the organization and to see that such policies are implemented.

Motion adopted

Jernigan/Lucas

That the Board of Directors adopt the following revisions to the Board Policy I-134 effective immediately. (Note: If the Bylaws amendment is adopted by the delegates, this policy will be deleted.)

Chief Operating Officer Duties of the Chief Executive Officer, Chief Operating Officer, and the Board of Directors

I-134

~~The executive director shall be the Chief Operating Officer.~~

In conjunction with the Officer Job Descriptions as outlined in Board Policy ID-28, the following titles as noted in the Bylaws shall be delineated and defined:

As the Chief Executive Officer, the International President (acting upon the policies established by the Board of Directors) shall be the official spokesperson for the organization, and shall coordinate with the Board of Directors and Chief Operating Officer (Executive Director) the implementation of policies to achieve membership growth and service to Optimist International and its Clubs. The President will report and bring issues to the Board of Directors.

As the Chief Operating Officer and Secretary/Treasurer, the Executive Director shall be the administrative and operations officer responsible for the day-to-day operation of the business affairs of Optimist International. The Executive Director shall ensure that the policies adopted by the Board of Directors are implemented and appropriately carried out by the professional staff. The Executive Officer shall also ensure that the business affairs of Optimist International are performed within the budget established by the Board. The Chief Operating Officer will report to the Board of Directors and President.

The Board of Directors will set the mission, vision, and direction of the organization by establishing the policies to achieve those goals. The Board of Directors will coordinate with the President and Chief Operating Officer to successfully implement the policies, goals, and strategies of Optimist International.

CHIEF EXECUTIVE OFFICER (REVISITED)

Motion adopted

Phillips/

To reconsider the CEO Proposal above.

Motion adopted

Phillips/Quinlan

To revise the CEO proposal as shown below:

Article VI. International Officers

Proposed Revision to Section 7. Chief Executive Officer

~~(5) Shall appoint a staff member of Optimist International to serve as Secretary~~

~~(6) Shall appoint a staff member of Optimist International to serve as Treasurer.~~

New Section 8. Secretary and Treasurer.

(1) The Board of Directors shall appoint an individual to serve as Secretary

(2) The Board of Directors shall appoint an individual to serve as Treasurer.

The meeting recessed at 8:56 a.m. for strategic planning and reconvened into regular session at 10:45 a.m.

STRATEGIC PLAN

Motion adopted

Phillips/Goldman

That the referrals to International Committees be adopted and that reports to the Board of Directors be made by March 14 prior to the March 21 Board teleconference.

(See attachment to these minutes)

Motion adopted

To adjourn the meeting.

There being no further business, the meeting adjourned at 10:55 a.m.

Benny Ellerbe
Executive Director/Secretary

ATTACHMENT: STRATEGIC PLAN

Goal: Develop a Strategy to Redevelop Optimist International to allow for new levels of membership, structure, and service opportunities.

Objective 1. Create New Opportunities for Membership

Action: Member at Large Pilot Program
Membership Committee
Bylaws and Promotional material

Action: Create new Clubs independent of District participation
NCB Committee

Objective 2: Design a New Structure to allow for:

Action: Club Opt-Out of Districts Plan
Staff/ Governance/Membership
Bylaws, financial, and growth impact

Action: Develop “Regional” Training Programs
Leadership Development Committee
i.e. Leadership Summits in predetermined locations

Action: Develop Concepts of a New Structure of Leadership Roles
Leadership Development Committee

Objective 3: Develop new service opportunities with new structures for:

Action: Regional Scholarship Contests
Activities Committee

Action: New Programs
Activities Committee

Action: Regional Golf Tournaments
Junior Golf Committee

Action: Promote “Optimism as a Philosophy of Life” specifically relating to the
Members at Large
Membership Committee

Committees to report to Board of Directors prior to March 21 Board teleconference meeting

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