

MINUTES
BOARD OF DIRECTORS
MEETING

July 5, 2017

Hyatt Hotel
Albuquerque, New Mexico

The following Members of the 2016-17 Board of Directors were in attendance for the entire meeting:

Dave Bruns	Immediate Past President	Topeka, Kansas
James K. Kondrasuk	President	Monona, Wisconsin
Nick Prillaman	President-Elect	Atlanta, Georgia
Judy Boyd	Director	Urbandale, Iowa
Sue Creswell	Director	Reading, Pennsylvania
Rebecca Butler-Mona	Director & President-Elect	West Des Moines, Iowa
Adrian Elcock	Director	St. Thomas, Barbados
Nicole Paquette	Director	Casselman, Ontario
Mark Weinsoff	Director	Goleta, California
Benny Ellerbe	Executive Director	St. Louis, Missouri
Don Crall	President	Optimist International Foundation
Nina Strickland	President	Canadian Children's Optimist Foundation
Also in attendance:		
Don Brose	Board Director-Elect	City, Michigan
Patsy Garner	Board Director-Elect	Fort Worth, Texas
Excused:		
Madison O'Hara Wickham	JOI President	Bonita, California

Committee Reports are to be considered as part of these minutes and are kept on file separately from these minutes. They provide important information that is considered by the Board of Directors in determining action to be taken on a particular issue.

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 5, 2017

Immediate Past President Dave Bruns called the third regular meeting of the 2016-17 Optimist International Board of Directors to order at 8:08 a.m. with an invocation by Nicole Paquette, the Pledge of Allegiance led by Sue Creswell, and a toast to all countries with an Optimist Club was led by Adrian Elcock. Mark Weinsoff led the recitation of the Mission Statement.

Motion approved

To appoint Executive Director Benny Ellerbe as parliamentarian for the meeting.

ADOPTION OF CONSENT AGENDA ITEMS

Motion adopted

Boyd/Butler Mona

To adopt the consent agenda as presented.

Approval of Previous Board Meeting Minutes

Motions approved

To adopt and/or confirm the minutes and decisions made at the March 3-4, 2017 Board of Directors meeting and:

- a. Eballot: Motion adopted:
That the Board of Directors approve a Special Convention for the Illinois District on August 5, 2017 to elect a Governor for the 2017-2018 year.
- b. Eballot: Motion adopted:
That the Board of Directors rescind the previous action at the March 2017 meeting related to gender-neutral Oratorical Contests and approve the proposal as presented by the Activities Committee to present a resolution to the delegates at the 2017 International Convention.
- c. Eballot: Motion adopted:
That the International Board of Directors approve the merger of THE WHITE LAKES OPTIMIST CLUB OF TOPEKA, KS (37280) and TOPEKA OPTIMIST CLUB, KS (37250)- (Charter of 37280 to be dropped without penalty), with its merged Club number as 37250 and adopted name and Bylaws under the TOPEKA OPTIMIST CLUB, KS (37250)

ADOPTION OF AGENDA

Motion adopted as amended

Creswell/Boyd

To adopt the agenda as amended.

PRESIDENT’S REPORT

President Jim Kondrasuk addressed the Board of Directors and reviewed his written report.

PRESIDENT DESIGNATE’ S REPORT

President Designate Nick Prillaman addressed the Board of Directors and reviewed his written report. Immediate Past President Dave Bruns thanked both Presidents for their reports.

OPTIMIST INTERNATIONAL FOUNDATION REPORT

The report of the Optimist International Foundation was presented to the Board of Directors by President Don Crall.

Ad Hoc OI/OIF Structure Committee

Motion adopted

Butler Mona/Creswell

That an Ad Hoc Committee be developed to explore phase in of merging the executive positions and fiscal planning of both Optimist International and the Optimist International Foundation.

(Note: President Jim Kondrasuk appointed: Jim Kondrasuk, Chair; Past International President Robert Garner; President-Elect Rebecca Butler Mona; OIF President Don Crall; and OIF Board Director Bill Meyers)

On behalf of the Board of Directors, President Jim Kondrasuk thanked President Crall for the report.

CANADIAN CHILDREN'S OPTIMIST FOUNDATION REPORT

The written report of the Canadian Children's Optimist Foundation was presented to the Board of Directors by President Nina Strickland. On behalf of the Board of Directors, Nicole Paquette thanked President Nina Strickland for the report.

CONVENTION COMMITTEE REPORT

An informational report of the International Convention Committee was presented to the Board of Directors by Chair Joanne Ganske. On behalf of the Board of Directors, Judy Boyd thanked Chair Joanne Ganske for the report.

EXECUTIVE DIRECTOR'S REPORT

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

Past Employee 401k Retirement Plan

Motion adopted

Kondrasuk/Boyd

That for past employees with 401k plan balances of less than \$5000, the plans be cashed out to these individuals.

World Oratorical District Participation

Rationale: The World Oratorical Competition has proven to be an unqualified success with unlimited potential. The onsite experiences of the youth competitors are a key success factor. For the future growth, competition, experience, and overall look and feel of the event, all competitors should

participate at the same venue. The OIJGC event hosts over 700 outstanding golfers that compete on the course at PGA National over a 4-5-day tournament. We should not expect any less of our Oratorical contestants - our 50 plus World Class Oratorical contestants should compete on the same stage. While the first two years were learning and development stages of the contest, we should move to bring ALL contestants to the site of the competition.

Motion adopted

Boyd/Weinsoff

That the Board of Directors directs the Activities Committee to develop a proposal to encourage all Districts to fund contestants to participate onsite at the Optimist International Oratorical World Championships and report back at the December 2017 Board meeting.

International Global Region of the World Championships

Motion adopted

Boyd/Creswell

That the Board of Directors direct the Activities Committee to consider that the International Global Region only compete for the Global Region scholarship award of \$5000.

Policy ID-26; Regional Makeup of Optimist International

Rationale: In order to bring the policy into compliance with previous Board action, the policy needs to be updated.

Motion adopted

Weinsoff/Prillaman

That the Board of Directors approve the revision to Policy ID-26; Regional Makeup of Optimist International as presented.

The meeting recessed at 10:00 a.m. and reconvened at 10:18 a.m.

AUDIT & FINANCE COMMITTEE REPORT

The report of the International Convention Committee was presented to the Board of Directors by Chair Guy Templin.

2017-2018 Master Schedule of Dues and Fees

Rationale: The 2017-2018 schedule includes a cost of living increase of 2.1%, which will increase dues 99 cents (\$.99) for regular adult members. This increase is reflected in Dues Revenue in the 2017-2018 budget

Motion adopted

Weinsoff/Prillaman

That the Board of Directors adopts the Master Schedule of Dues and Fees as amended.

2015-2016 IRS Form 990

Rationale: The Committee reviewed the Draft 2015-2016 IRS 990 with Amy Altholz, CPA Partner of RubinBrown LLP. The Committee has accepted the auditors' report.

Motion adopted

Creswell/Boyd

That the Board of Directors accept the 2015-2016 IRS Form 990 as shown in Exhibit B.

Canadian Exchange Rate

Motion adopted

Paquette/Kondrasuk

As mandated by Policy ICD-11, the Board of Directors agreed to maintain the current exchange cap of \$1.27 for the 2017-2018 fiscal year.

On behalf of the Board of Directors, President-Elect Rebecca Butler Mona thanked Chair Guy Templin for the report.

2017-2018 MEMBERSHIP COMMITTEE REPORT

The report of the International Membership Committee was presented to the Board of Directors by Chair Sue Creswell.

Incentive for Lt. Governors

Rationale: We have many incentives directed at District Governors and Optimist Clubs, but very few for Lt. Governors. The primary focus of this Membership Committee is promoting membership recruitment events. This incentive encourages Lt. Governors to promote recruitment events for all Clubs in their Zone. In doing so, we believe more Clubs will be motivated to hold recruitment events due to support and motivation from their Lt. Governor.

Motion adopted

Prillaman/Kondrasuk

That the Board of Directors helps to promote membership recruitment events by approving a free convention registration for Lt. Governors who meet the following criteria:

- a. Lt. Governors with five or fewer Clubs in their Zone must have 100% of their Clubs host a Member recruitment event and report the results to Optimist International. A minimum of three new Members must join the Club for the recruitment event to count towards this incentive
- b. Lt. Governors with more than five Clubs in their Zone must have a minimum of five Clubs in their Zone complete a Member recruitment event and report the results to Optimist International. A minimum of 3 new Members must join the Club for the recruitment event to count towards this incentive.

Budget: \$4,900 Fiscal Year 2017-2018

Member Sponsor Drawings Renewal

Rationale: A majority of current Optimist Members have never sponsored a new Member. Once someone has sponsored their first Member, they are much more likely to continue sponsoring Members. Increasing the number of current Members who are actively attempting to bring in new Members will help grow the organization. We began drawings for cash prizes for sponsors in the 2nd quarter of the 2016-2017 Optimist year. It is too early to determine whether these drawings will be

successful. The Membership Committee is requesting tentative approval to renew the drawings for next year. If approved, the Committee will evaluate the 3rd and 4th quarter results to determine if the incentive should be continued into the 2017-2018 Optimist year.

Motion adopted

Butler Mona/Prillaman

That the Board of Directors subject to review of membership and audit and finance promotes the sponsorship of new members by funding three \$500 draws per quarter as follows for the 2016-2017 year:

- a. Two \$500 Awards for Members sponsoring their first new Member
- b. One \$500 Awards for all other Optimists sponsoring a new Member

CURRENCY EXCHANGE LETTERS

The Board of Directors acknowledged the letters sent in by several Québec area Clubs regarding the currency exchange issue. As there was an Ad Hoc Exchange Rate Committee created for this purpose and the recommendations reviewed by the committee was adopted by the Board of Directors, the Board took no further action.

The meeting recessed for lunch for 11:27 a.m. for lunch and convened back into regular session at 12:37 p.m. in regular session. The meeting recessed into executive session at 1:49 p.m. and reconvened into regular session at 2:03 p.m.

2017-2018 CLUB FITNESS ADVISORS COMMITTEE REPORT

The report of the 2017-2018 Club Fitness Advisors Committee was presented to the Board of Directors by Chair Albert Clark.

District Club Fitness Advisor (DCFA) Incentive

In order to emphasize the importance and parity with the other “growth” areas, the Club Fitness Advisory Committee believes that it is important that District Club Fitness Advisors have an incentive to work toward that works in concert with the District obtaining “Distinguished” status. As the DCFA should be working directly with all the Clubs in the District to track and encourage the achievement of “Honor” and “Distinguished” Club status, the DCFA will assist in the overall attainment of growth for the District. Additionally, this incentive promotes attendance at the International Convention and further exposure to future leadership positions that the DCFA may pursue in the future. In order to be fair, this free Convention Registration incentive is offered to all District Club Fitness Advisor Chairs during the 2017-2018 year that meet the requirements. Each District in the Region that exceeds their growth percentages will get a free registration to the Louisville, KY Convention. The registration will be sent to the DCFA from the previous year and if that Member does not use the registration, it will be given to the current DCFA to be used. In the event that the registration would still not be used, it will be given to the top Lt. Governor from the previous year. The Club Fitness Advisory Committee asks that the Board keep in mind that the dollar amount requested is in the event that every District achieve

“Distinguished” status which is not probable. It is anticipated that the actual cost would be closer to a maximum of \$5,000.

Motion adopted as amended

Prillaman/Paquette

That the Board of Directors approve the District Club Fitness Advisor free Convention Registration incentive for those Districts that exceed their growth percentage **for those Districts that achieve 50% or higher of Honor Clubs**. Incentives will not be awarded until growth numbers are finalized in October of 2018.

Budget: \$5,000 (2017-2018 Fiscal Year)

On behalf of the Board of Directors, Adrian Elcock thanked Chair Albert Clark for the report.

INDIVIDUALS ACTING AS AN AGENT OF AN OPTIMIST CLUB OR OPTIMIST INTERNATIONAL

Rationale: We are seeing an increase in legal actions against Optimist International and Clubs whereby an individual in question of a liability is not a member of a Club or Optimist International. These individuals tend to be non-members who are alleged coaches or assistant coaches of an Optimist sports team. This concern should be researched and studied for future protection for our Clubs and Optimist International to limit these type legal actions. Additionally, we should consider the development of rules for Sports Clubs regarding coaches and assistant coaches and mandatory membership requirements of all coaches.

Motion adopted

Boyd/Prillaman

That the Governance Committee propose a bylaws amendment at this convention on behalf of the Board of Directors (pending unanimous approval by the delegates to entertain the proposal) to address the issue of agency relating to Optimist International and Optimist Clubs. (Note: the proposal was presented and adopted as amended by the delegates.)

TEXAS LAND SALE PROCEEDS

Rationale: The Board of Directors considered the following points for use of proceeds of a potential sale of the land in Texas owned by Optimist International:

1. Funds should be invested by Optimist International.
2. Funds to be considered an “Optimist International Endowment” meant to grow in perpetuity and available to withdraw earnings, not the corpus. The annual withdrawal would be a part of the OI Annual Operating Budget.
3. A formula to be developed as to how much can be withdrawn, when, and amount needed to “keep up with inflation” - usually the number used is 3% to cover inflation . Withdrawals would be some amount over 3% - is it all, or say 50%/60% etc. over the 3%. For example: if the fund grew by 10%, 3% stays and 7% would be split in some fashion.
4. A provision to note, if there is a major market downturn, a to be named OI Investments Committee would have the sole authority to suspend the annual withdrawal(s) as it sees fit.
5. The Executive Director to name the OI Investment Committee with Board ratification. The Committee to consist of four members plus the Executive Director with initial 4,3,2,1 year terms, one replacement/reappointment to be named annually thereafter.

6. The OI Investments Committee would make a recommendation to the Board annually on the funds available for the following years operating budget. No withdrawal would be made for the initial two years of investment.
7. Establishment of a procedure whereby other monies could be withdrawn for some kind of catastrophic/emergency event that is approved in two consecutive Board meetings, by at least seven of the nine voting Board Members. One meeting of which must be a regularly scheduled Optimist International Board of Directors meeting, and both meetings must be scheduled at least two weeks apart.
8. A full document must be drafted by the OI Attorney.

Motion adopted

Kondrasuk/Creswell

That the Board of Directors adopt the aforementioned points and direct the Executive Director to proceed with the document being drafted by counsel and grant the North Texas District \$50K for a scholarship for youth programs after the initial two year investment.

VACANCY OF BOARD MEMBER

Motion adopted

Kondrasuk/Prillaman

According to Bylaws Article V, Section 5, the Board of Directors declares a vacancy on the Board of Directors from October 1, 2017 to September 30, 2018 and approves the appointment of Sandy Cyphers to fulfill the one year vacancy from October 1, 2017 to September 30, 2018.

STANDARD CLUB BYLAWS PROPOSED REVISION

Rationale: In order to develop and maintain strong healthy clubs, provide Optimist International, its District's and its Clubs a basic and specified set of operational guidelines by which to monitor and measure club performance and health, it is proposed that the Honor Club requirements as specified in ICD-135 be included as part of the Standard Club Bylaws. Furthermore, it is proposed that the Bylaws stipulate that if a Club does not maintain an Honor Club level of performance Optimist International and its Districts may intervene and take the necessary actions to assist that Club in regaining and maintaining a healthy and sustainable level of performance. If adopted this motion would take effect on October 1, 2017.

Motion adopted as amended

Prillaman/Creswell

That the Board of Directors adopt the Honor Club requirements as part of the Standard Club Bylaws as the minimum **goal requirement** for club performance and operations as required wording and in bold typed for all new clubs beginning October 1, 2017.

SPECIAL CENTENNIAL COMMITTEE REPORT

The Special Centennial Committee will meet tomorrow, Thursday, July 6, 2017 and report to the Board thereafter.

ANNUAL ELECTION PROCESS

The Board of Directors discussed the current election process and determined that the current process is working at this time and is adequate for the organization's election process.

The meeting recessed at 2:57 p.m. for the Vice President's Council meeting. The meeting reconvened at 4:00 p.m. and then recessed into executive session and reconvened at 4:50 p.m.

Motion adopted

To adjourn the meeting.

There being no further business, the meeting adjourned at 5:00 p.m. on Wednesday, July 5, 2017.

Benny Ellerbe
Executive Director/Secretary

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