

MINUTES

**BOARD OF DIRECTORS
MEETING**

September 27-29, 2013

**International Headquarters Office
St. Louis, Missouri**

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

Jack Creswell	Immediate Past President	Reading, Pennsylvania
J.C. St-Onge	President	Saint-Jerome, Quebec
Ron Huxley	President Designate	Theford, Ontario
Chris Jernigan	Director	Morganton, N. Carolina
Paul Lucas	Director	Odessa, Texas
Marlene Phillips	Director	Windsor, Ontario
Fatima Plater	Director	Detroit, Michigan
Rick Quinlan	Director	Bellevue, Nebraska
Benny Ellerbe	Executive Director	St. Louis, Missouri
Excused:		
Michael Goldman	Director	Davie, Florida
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, September 27, 2013

Immediate Past Jack Creswell called the fourth meeting of the 2012-13 Optimist International Board of Directors to order at 2:00 p.m. with an invocation, Pledge of Allegiance, and a toast to all countries with an Optimist Club led by President-Elect Ken Garner. Ken then led the recitation of the Mission Statement.

Motion adopted

To appoint Robert Garner as parliamentarian for the meeting.

Motion adopted

To adopt the agenda as amended.

Phillips/Quinlan

SUPPLY OPERATIONS

Jacques Pelland addressed the Board of Directors.

Official Optimist Supplier Marketing Creative Concepts

Rationale: The supply sales through Marketing Creative Concepts are slowly, but steadily growing. Total Sales iYTD through August 2013 were \$106,609 as compared to \$70,234 YTD August 2012. This is an increase of 51% over the prior year. Despite this growth, the total sales are lower than expected. Many Districts and Clubs continue to purchase their items locally. Marketing Creative Concepts desires to expand their territory to English speaking Canada for ALL products as well as handle all the lapel pins and medallions for French speaking Canada. Marketing Creative Concepts originally proposed to have all English speaking Canadian items. The company increased staff in anticipation to cover all these additional sales. Marketing Creative Concepts was not awarded the sales of English speaking Canada, losing those sales has hurt the bottom line tremendously and is definitely needed going forward to create a successful distributor for Optimist International. The reason to have all lapel pins and medallions for French speaking Canada is twofold: First, no matter who would be the main OI supply distributor they would need these sales to make Optimist Supply more efficient and successful. Second, all pins and medallion for English and French would be manufactured by the same company which would provide consistency in the product for all of Optimist International. Presently, some pins are gold filled, and some are only gold plated, which makes a big difference in quality and pricing.

Motion adopted

Phillips/Quinlan

That the Board of Directors expand Marketing Creative Concepts sales territory to all of Optimist International (with the exception of French speaking Canada) for all official Club, District, and International products as defined by the Board of Directors, and exclusively handle the lapel pins and medallions for the entire Optimist International organization.

Authorized Vendors

Motion adopted

Phillips/Jernigan

That the Executive Director, at the discretion of the Board of Directors, may grant permission to vendors to sell non-official Club, District, and International products after applying for and paying a \$100 application fee and agreeing to pay a 10% royalty on goods sold. Board Policy ID-24 - Supplies Sales will be revised as such and includes the official supplies list: International, District, and Club officer pins; JOOI International, District, and Club officer pins; International, District, and Club banners; International, District, and Club bells & gavels; and International, District, and Club scholarship Oratorical, Essay, and CCDHH medals.

Board Policy ID-24; Supply Sales

Motion adopted

Jernigan/Phillips

That the Board of Directors revise Board Policy ID-24 as follows:

III. Districts ~~and Supply Commission~~ **Chairs**

Each District is encouraged to appoint a District Supply Sales Chairman to be responsible for the promotion of Optimist supply sales in the District. This person is also responsible for keeping the Governor and District members apprised of the District's activity.

~~Optimist International pays the following quarterly royalties as follows:~~

~~Less than \$25,000 ————— 2% royalty on gross sales~~

~~More than \$25,000 ————— 3% royalty on gross sales for a fiscal year~~

Board Policy ID-27; District Allotment Requirement

Motion adopted

Phillips/Huxley

That the Board of Directors add the following statement to Board Policy ID-27 and all District Allotment correspondence as follows:

Effective November 1, 2013, any District found in violation of policies related to merchandise will forfeit any allotment.

Board Policy ICD-1; Use of Trademarks and Service Marks

Motion adopted

Phillips/Huxley

That Board Policy ICD-1 be forwarded to the International Governance Committee for review.

The meeting recessed at 3:17 p.m. and reconvened at 3:25 p.m.

AUDIT & FINANCE COMMITTEE REPORT

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

Commit To Kids Proposal

Rationale: At its July 2013 meeting, the Board of Directors requested that this program be vetted by the Audit & Finance Committee. According to the information provided to the Board, the cost for the first year is \$50 per Club and then the cost is \$15 per Club each year thereafter. The US Dept. of Health & Human Services website provides information about the importance of abiding by State & National laws when setting policies to prevent child sexual abuse in the US. Presently, our US Clubs have access to a program offered by Praesidium which is similar to the "Commit For Kids" program. Praesidium charges \$12 per Member each year for background checks and no fee for the educational training. In order for our US Clubs to be eligible to purchase Abuse & Molestation insurance they are required to complete the training offered by Praesidium. As concerns over the safety of children in all areas of activity are of first priority, Optimists should be in the forefront of leadership in children's protection. Within the

last two years the Board of Directors (Mach 2012) developed a new Optimist Club Youth Protection Policy C-12, and in liaison with our insurance providers, developed the Presidium program for US Clubs and provided Abuse and Molestation Insurance Coverage for our Clubs in Canada. In synergy with these on-going efforts, the Board should continue to provide leadership, direction, educational programs, new training guidelines, modules and advanced knowledge in these all important areas. Staff will investigate the claim that corporate sponsors may defer the costs to Clubs and see if there could be prices breaks to Clubs if ordered in quantity. In order to keep Optimist International free of risk and being held responsible for the potential misconduct of its members, the Commit to Kids proposal this must be an optional (not mandatory) educational tool for its members. It should be made very clear to US Clubs that this is an educational tool only, and in no way gives the member, Club, or Optimist International eligibility for abuse and molestation insurance coverage.

Motion adopted

Quinlan/Phillips

That the Board of Directors offer the Commit to Kids Education program to Optimist Clubs as an additional and optional educational program to strengthen Clubs and provide valuable knowledge in the protection of youth.

(Budget impact: \$0 The individual Clubs participating in the program would be responsible for all costs.)

Caribbean District Foundation

Rationale: At its July 2013 meeting, the Board of Directors requested that the Audit & Finance Committee review the possible tax ramifications to Optimist International as a result of their decision to allow the Caribbean District to set up a foundation in Jamaica as a District Foundation. While the organization's tax attorney stated that as long as Optimist International has an arms-length relationship with the Jamaican Foundation there are no tax consequences to Optimist International, the Committee has further concerns. It is the opinion of the Committee that a District should not be encouraged to create a foundation; as a District is an extension of Optimist International and puts both Optimist International and the Optimist International Foundation at risk. Also, the Optimist International Board of Directors has fiduciary responsibility and liability for the actions and finances of each District. As Clubs that form foundations are autonomous and do not subject OI to responsibility and risk, the Committee discussed the viability of having this request from Jamaica be a Club Foundation. An additional reason for not having the District set-up the Foundation is because the primary function of this foundation is to serve as a trust fund for one specific project and therefore, would not benefit the entire District.

Motion adopted

Huxley/Lucas

That the Board of Directors request the Caribbean District to create a Club foundation in Jamaica to administer the "Bridging the Gap" project.

Relief Fund

The town of Lac Megantic, Quebec with a population of 5932 suffered a major catastrophe on July 6, 2013 by a train that killed 47 people and destroyed half the downtown area. The community of Lac Megantic has been served by an Optimist Club since December 17, 1970.

The 36 members of this Optimist Club have all been affected by this catastrophe. The Town of Lac Megantic and the OC of Lac Megantic have been hit hard financially.

Motion adopted as amended

St-Onge/Phillips

Optimist International will void all dues and fees for the last quarter of 2012-13 and the first quarter of 2013-2014 as a gesture of solidarity to our fellow Optimists.

On behalf of the Board of Directors President J.C. St-Onge thanked Chair McFadyen for the report.

ACTIVITIES COMMITTEE REPORT

The Board of Directors discussed the written report of the Activities Committee as presented by Committee Chair Miroslaw Kuderewko.

Community Organization Award

Rationale: The 2012-13 and 2013-14 Activities Committees reviewed the proposal from Board Director Paul Lucas regarding recognition to Optimists involved with the Boy Scouts of America and an annual award from Optimist International to the Boy Scouts of America to be presented each year at the International Convention with the possibility of being considered for a mutual type of recognition by the Boy Scouts of America. While the Committee agrees that the entire Boy Scouts organization should be an encouraged partner with Optimist Clubs, honoring just the United States affiliation is not in accordance with Optimist International's mandate that programs be international in scope.

Motion adopted

Lucas/Phillips

That the Board of Directors approve the establishment of a Community Organization Award in conjunction with all approved endorsed organizations to recognize individuals for outstanding service to each respective organization and Optimist International benefitting the organizations and youth, and designate the Activities Committee consider applications for such awards not less than annually. In consultation with Paul Lucas, the Activities Committee to bring proposal of such applications to the Board in December.

CHIEF EXECUTIVE OFFICER BYLAWS AMENDMENT

As it was referred to the Board of Directors by delegates at the July 2013 convention, the Board discussed the proposal that was presented.

Motion failed

St-Onge/Plater

That the Board of Directors table the proposal indefinitely.

ONLINE VOTING PROCESS UPDATE

Dennis Osterwisch advised the Board of Directors of the progress Survey & Ballot Systems is making to developing the online election process for officer elections next spring.

MERGER OF THE OPTIMIST CLUB OF YORK-FIRST CAPITAL, PA INTO THE OPTIMIST CLUB OF YORK-EAST

Rationale: Optimist Clubs of York-First Capital (02342) and York-East (02100) request that the International Board of Directors approve the merger of the aforementioned Clubs. The Club Charter of Club York-First Capital, PA (02342) will be surrendered effective October 1, 2013 as agreed by each Clubs' Board of Directors.

Motion adopted

Huxley/Lucas

That the International Board of Directors approve the merger of Clubs York-First Capital, PA (02342) and York-East (02100) - charter of 02342 to be dropped without penalty - with its merged Club number as 02100 and adopted name and Bylaws under Optimist Club of York-East.

CLUB REQUEST TO CHANGE DISTRICT

The Hope of the Children Optimist Club of Madera, CA (14011)

Rationale: The Hope of the Children Optimist Club of Madera, CA (14011) is currently in the Pacific Southwest district even though the Club exits within the geographic boundaries of the Pacific Central District. It has been difficult for the Pacific Southwest to service the Club adequately despite the attempts by the PSWD officers. The Club lies in close proximity of three other Clubs that the Pacific Central district currently serves and would have access to other Clubs in their area. The Club has requested changing Districts and both governors of the respective districts are in favor of this change. (See Attachment A)

Motion adopted

Huxley/Lucas

That the International Board of Directors approve changing The Hope of the Children Optimist Club of Madera, CA from The Pacific Southwest District to the Pacific Central District as of October 1, 2014.

PACIFIC NORTHWEST (32) DISTRICT REQUEST FOR A DUES INCREASE

Rationale: On August 13, 2013 the Pacific Northwest District met in McCall Idaho to conduct their annual District Convention. At that meeting, the District delegates voted to raise their District dues from \$15 to \$18 effective October 1, 2013, pending the International Board of Directors approval. All required documentation of District meeting minutes and financials have been submitted to Optimist International as required.

Motion adopted

Phillips/Quinlan

That the Board of Directors hereby approves the Pacific Northwest District's request of a dues increase from \$15 to \$18 annually, effective October 1, 2013.

JUNIOR GOLF COMMITTEE PROPOSAL

A written report by the President Designate Ron Huxley was reviewed by the Board of Directors.

Junior Golf Committee

Rationale: In order to open the door for more publicity in more Districts and to balance the judicial structure of the committee (similar to other operational committees), the following motion is offered.

Motion adopted

Huxley/Phillips

That the Board of Directors revise Policy I-70, Paragraph G as follows, effective October 1, 2013:

- G. The Junior Golf Committee shall consist of **five (5)** ~~four (4)~~ members. The International President will appoint a member for a three year term and ~~one~~ **two** members for a one year term. The chair can be selected from the new appointments or from the sitting members. Current members whose term has ended can be reappointed.

AD HOC BUILDING COMMITTEE REPORT

Board Director Paul Lucas addressed the Board of Directors.

Motion adopted

Lucas/Quinlan

To spend \$4250 to determine the current market value of 4494 Lindell Blvd, St. Louis, Missouri.

The meeting recessed at 5:10 p.m. on Friday, September 27, 2013.

The Board of Directors held a Strategic Planning meeting all day on Saturday, September 28 and Sunday morning, September 29, 2013.

Sunday, September 29, 2013

The Board of Directors meeting reconvened at 12:02 p.m.

Motion adopted

Phillips/Jernigan

To adjourn the meeting.

Benny Ellerbe
Executive Director/Secretary

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