

**President Alan's Board Notes and Secretary Kathie's July Report**  
*of the Board Meeting of the Kiwanis Club and Foundation of Ann Arbor*  
**Meeting Date: August 15, 2017 at 6:30 at Kiwanis Center West**

Kathie Wilder reported that there was a quorum present with thirteen (13) Board members.

*Quorum for Board Meetings is a simple majority. Board Officers and Directors = 15. Quorum = 8 or more.*

The Board approved the agenda with one additional item under New Business item #3a regarding setting initial cost limits when using "time and materials" proposals for a contracted service.

1. **COMMENTS from GENERAL MEMBERSHIP and GUESTS:** *None at this meeting.*

*30 Minutes Limit for Comments - Ten Minutes Each Topic)*

2. **COMMITTEE REPORTS to the Board.** (with Board Liaison Support as needed)

- a. **FOUNDATION TOPIC - Special Committee for the Sale/Lease of Real Estate.** Monday, August 7, 2017, at a regularly scheduled meeting, a vote was held by the Foundation members regarding approval of a formal process for the sale of our **Out Lot** at the Kiwanis Center West. The vote for the formal process to sell our Out Lot passed. (Alan Burg)
- b. **FOUNDATION TOPIC - Bylaws Committee. Updating Foundation Bylaws.** Monday, August 7, 2017, at a regularly scheduled meeting a vote was held by the Foundation members regarding amending of current Foundation Bylaws. These amendments were limited to only three specific areas, number of Board Directors, their term of service, and change the title of Vice President to President-Elect. The vote to amend our Foundation Bylaws passed.

When KI approves our amended Foundation Bylaws then this process will be considered completed and our updated Foundation Bylaws will be implemented. If KI does not approve our amended Foundation Bylaws, then we have already explored other options and those will be considered and new recommendations developed for the Board. (Alan Burg)

- c. **CLUB & FOUNDATION TOPIC – 2017-18 Board Size and Bylaws.** At the time of the annual meeting and vote, members were informed that if the updated Foundation bylaws are not approved by KI prior to the start of our new Kiwanis year on October 1<sup>st</sup>, that a possible additional election and/or a process would be needed to be scheduled to adjust the Board size to fill the four (4) Foundation vacancies for conducting Foundation business back up to ten (10) Directors per current (old) Foundation bylaws, which do not align with our newly approved Club bylaws. One possible first option per bylaws, is to consider the four (4) Board positions as vacant and the current Board members continue until filled after a few months. (Alan Burg)
- d. **CLUB & FOUNDATION TOPIC: Bylaws Committee – Updating and New Policies in our Policy and Procedures Manual.** As part of the on-going process to update both our Club and Foundation bylaws a list of current and new polices is being developed. These policies will need to be presented to the Board for its consideration, review, and action. These topics are better handled as Board policy rather than placing in our Bylaws. Currently the list updates or new policies include the following: (Greg Meisner)
  - i. **Non-discrimination Statement**, approved in 2008 as Antidiscrimination and looks good, but it currently does not refer to our Foundation and our Foundation does need to have a non-discrimination statement. The fix may well be to amend the 2008 statement to include references to our Foundation as well as our Club. No Board action at this meeting.
  - ii. **Whistleblower policy.** Currently we do not have. This will be referred to our Personnel Committee to consider. No Board action at this meeting.

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- iii. Conflict of Interest policy. Two draft policies for Board formal consideration and vote were scheduled at this meeting under New Business.
  - iv. Vendor and/or Solicitation policy. A new policy of No solicitation was passed by the Board on July 18, 2017 as follows. "Approved a practice of having a No Solicitation and/or Vendors policy for our Kiwanis private properties, its buildings and grounds, with exceptions to be determined by the President and then recommended to the Board for approval. Signage and notice shall be developed by the Building & Equipment Committee." Status report on implementation was provided at this meeting.
  - e. **CLUB & FOUNDATION TOPIC – 2017-18 Budgets for Club and Foundation**. Committee Chairs and committees have provided specific budget needs for the 2017-18 Kiwanis Budget year, which starts October 1, 2017. This information is needed so draft 2017-18 budgets could be presented for review by the new Board-Designates by mid-September for their study and then action at their first Board meeting in October 2017.
  - f. **FOUNDATION AND CLUB TOPIC – Transition from KCD to KCW** Information about our Transition from KCD to KCW continues to be shared with members, volunteers, staff and our customers. (Gretchen Preston)
  - g. **CLUB & FOUNDATION TOPIC: - Grant Policy Committee Update of a Possible Grant Priority Review for Funding Process**. Throughout this past year, this committee discussed how and why our grants are selected to be funded. Though during the last two years, we have not had sufficient budget to fund a long list of grants, the committee took on the task to see if some sort of priority can be identified so that when we return to our annual funding of many grants, that we have a goal of funding certain programs first (legacy?), then second (core?), then consider general grant requests. The proposed goal is that the legacy programs would be supported even during years of limited budgets. The committee plans to have a final report for the Board's consideration at the September 19, Board meeting. (Mike Dabbs)
3. Approved BOARD MINUTES from the July 18, 2017 regular meeting as distributed.
  4. Received the SECRETARY'S REPORT for July 2017.
  5. Approved **Two New Members: Carla Summers and Emily Allshouse**
  6. Received the TREASURERS' MONTHLY REPORTS for our FOUNDATION, SALES, and our CLUB. *Three budget topic discussions occurred. First, Sales Reports; we now have available a new weekly by department sales report, vouches, and direct giving of sale items. Second, this new weekly by-department sales report is possible by using the new "square" processing cash registers, that can track, cash, debit, charge, check sales by department. Third, in the Club budget Food Service continues to operate at a loss because most weeks we have fewer folks buying lunch than current minimum service contract number of 50. Food Service expenses and a range of possible solutions will continue to be explored.*
  7. BOARD LIAISON'S from COMMITTEES REPORTS
    - a. Member Recognition Committee – Budget request to honor individual members.

**PRESIDENT'S REPORTS:** (Alan Burg)

- A. **FOUNDATION TOPIC: - Status of our Line of Credit (LOC) with Chemical Bank**. On Monday, August 7th we received an updated draft LOC document. Eloise L., Dan D., and Alan reviewed. Concerns were still identified and a written response was sent to Chemical requesting further

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clarification and to schedule a meeting to resolve remaining issues. At our August 7<sup>th</sup> Special Board meeting, the Board tabled Chemical Bank LOC action until August 15. The Board was brought up to date on the conversations with Chemical and possible next steps. (See New Business Item #1)

- B. CLUB & FOUNDATION TOPIC - No update available at this meeting regarding a review of the **on-going and future Secretarial services** and the appropriate level of reimbursement for those important services for our Club and Foundation. (Gretchen Preston)
- C. FOUNDATION TOPIC – Director of Operations Proposal. The concept of hiring a part-time and/or full time person to manage the day to day operations has been discussed for some time. Our current model of relying totally on a list of key member volunteers for property management of our buildings and grounds, the numerous capital improvement projects, on-going maintenance, the transition from KCD to KCW, staffing, the expansion needs of the Thrift Sale, and developing numerous operational processes has met its limit. While this volunteer work is rewarding, it has also been and is an on-going, exhaustive experience for part time (almost full-time) volunteers. At the June Board meeting the Board asked for some additional detail for a list of the possible duties and budget impact of this or a similar position. That list of duties and budget impact is still being discussed. (Gretchen Preston)
- D. **POSSIBLE FUTURE BOARD TOPICS:**
- a. FOUNDATION TOPIC - **Future requests for funds** to implement required capital improvements for KCW expanded sales floor space, tenant improvements, moving costs from KCD, and/or other identified improvements. At the July 24 2017, Special Board meeting at KCW, the Board approved an additional amount not to exceed \$80,000 to complete work on Phase one, two, and three of "Transition to West" projects. Money will come mostly from our Foundation's on-going operational budget.
  - b. FOUNDATION TOPIC: - **Confidential Offer of \$50,000 loan from Member for up to 6 months.** Last month the Board tabled action on this offer while continuing discussions with Chemical Bank LOC. The Board discussed this offer of help under New Business item #1.
  - c. CLUB TOPIC - **How Best to Honor Community Citizens** that have supported Kiwanis throughout the years. For example: Don Butcher, Jake Haas and others. Max Ziegler and Larry French will work with others to develop a recommendation for the Board's consideration at a future date. (*This topic is being combined with the following topic from Member Recognition.*)
  - d. CLUB TOPIC – Member Recognition Committee was notified that members wish to **honor Al Engerer** with a plaque, like the one that was created to honor and remember Fred King. The suggested idea is to place a plaque in or near the area of KCW where Al did much of his volunteering at KCW. Also, an idea of perhaps creating a specific area or a section of a wall at KCW to place both Fred's and a possible plaque for Al, as well as others in the future. (See New Business Item #3.)

OLD BUSINESS (None)

NEW BUSINESS

1. FOUNDATION TOPIC: **Status of our Line of Credit (LOC) with Chemical Bank.**  
***Two separate motions were approved.***

Background Information: August 7<sup>th</sup> our Board tabled action on a draft LOC document, dated 7/11/2017, from Chemical Bank. Since then an updated draft LOC dated August 7<sup>th</sup> was received.

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We provided Chemical with written response, requesting further clarification as well as a meeting to resolve issues. Because the Board had postponed a motion regarding Chemical Bank's LOC offer until August 15, 2017, at this meeting by Board extended that postponement of the current Chemical Bank LOC offer as well as discussed possible legal options. In addition, at this meeting the Board revisited an offer from a member for a \$50,000 loan. The following was approved.

- a. **Approved postponing acceptance of a new increased Line of Credit (LOC) document with Chemical Bank for \$750,000 with a new due date of January 31, 2018, until satisfactory terms for this new LOC document can be developed between Chemical Bank and the Kiwanis Club of Ann Arbor Foundation, Inc.**
  - b. **Accepted the Confidential offer from one of our Club members for a \$50,000 loan for up to six (6) months to support paying for some of the projects for our Transition from KCD to KCW. Authorized President Alan and Treasurer Eloise to develop, negotiate, and sign required documents.**
2. CLUB & FOUNDATION TOPIC: **Approved two new Conflict of Interest (COI) policies and procedures. One for our Foundation dated July 28, 2017 and one for our Club dated August 9, 2017. Implementation of these two COI policies starts with our new Kiwanis year, October 1, 2017.**
  3. CLUB & FOUNDATION TOPIC: **Approved the request from the Member Recognition Committee for \$3,300 in support of three (3) Distinguished Kiwanian Awards to honor SHERRY SPRINGER, BOB BARDEN Sr., and AL DAILEY for \$1,000 each to the Kiwanis of Michigan Foundation and up to \$300 for a memorial plaque for AI ENGERER. Monies for these honors will come from our Foundation Reserve Account Operational.**
  - 3a. CLUB & FOUNDATION TOPIC: This item was added at the Board meeting as a clarification for all parties. **Approved that future use of the "time and materials" service contracts must include an initial cost maximum limit that cannot be exceeded by the vendor. If costs are expected to exceed initial cost limit, then the vendor shall provide prior timely notice so those additional costs can be reviewed and considered by the Board.**
  4. **Confirmed the next Board regular meeting dates and times. last regularly scheduled monthly Kiwanis Club and Foundation 2016-17 Board meeting for Tuesday, September 19, 2017, starting at 6:30 pm to be held at Kiwanis Center West (KCW).**
  - 4a. **Postponed confirmation of a date, time and location for a Kiwanis Club and Foundation 2017-18 Board-Designates' to review the proposed 2017-18 Draft Budgets.**

**An Announcement to the Board:** Treasurer Eloise Lavin announced to the Board that she is resigning as Treasurer effective the start of the new Kiwanis year on October 1, 2017. Her resignation as our Treasurer will provide her with additional time to focus on growing her private consulting business. Eloise will continue both her Club membership and her paid part-time

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contracted position with us as our Bookkeeper. The Board expressed its understanding and shared many thanks to Eloise for her important service as our Treasurer. This will create a vacancy on the Board. Discussions and a search for a new Treasurer will begin soon, which will then lead to an election in the next two months to fill the Treasurer position.

5. Adjourned the Club and Foundation Board Meeting at 8:26 pm.

*The Secretary Kathie's Report for July 2017 follows.*

**KIWANIS CLUB OF ANN ARBOR**  
**SECRETARY'S REPORT**  
**July 2017**

**1. Club Membership and Performance**                      2017                      2016                      2015

Member count on July 31, 2017                      **149**                      **155**                      **166**

Net change since October 1, 2016 = +13

- Starting Oct. 1, 2016 Membership = 136
- Our club is ranked 7th of 171 for net growth (+13) and 57th of 171 in percentage growth (+9.6%).

**2. Reports:** The July monthly report to Kiwanis International was submitted August 10, 2017 and will be emailed to the Board.

**3. Minutes to be approved or corrected:**

Tues., July 18, 2017 Regular Board meeting

Mon., July 24, 2017 Special Board meeting

Mon., August 7, 2017 Special Board meeting

Draft minutes of Regular and Special Board meetings will be distributed to Board members before August 15 Board meeting and after approval or corrections, will be posted to the members only section of website.

**4. Membership Details**

**Prospective New Members for approval:**

- Carla Summers, sponsored by Ellen Webb, co-mentored by Bob Gray, interviewed by Past President Michael Dabbs. Carla is a retired nurse, attended Rolla Area College, and has been a volunteer at KCW.
- Emily Allshouse, sponsored by Lynne Lande, endorsed by Dan Dever, interviewed by Past President Lynne Lande. Emily is a Business Insurance Account Executive at Kemner Iott Benz, in their Ann Arbor location. Emily is transferring from Adrian Kiwanis Club where she has been a member for 1 ½ years.

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**Prospective New Members in Process:**

Lai Yu (Leo) Tse , Sponsored by Ken Hillenburg, Co-Mentor Alan Burg, Endorsed by Nicolette Williams. Lynne Lande will interview Leo; application will be presented to Board in August.

**New Members added to KI Roster:**

Chris Seeman and Caroline Gracheck inducted by Lynne Lande July 6, 2017 at KYP meeting. Susan Smith introduced by Bob Gray and inducted July 10, 2017.

Demond Johnson, Amanda Colwell and Christopher Cooper will be inducted Aug. 21<sup>st</sup>.

**Membership Transitions:**

Al Engerer passed away July 1, 2017 and was removed from Kiwanis International roster in July. Names of Al Engerer and Si Eaglin will be listed in the District Convention Memorial program as well as the next issue of the Builder, District newsletter.

James Kane passed away July 24, 2017, was an Emeritus Member this year.

**Resignation:** None in July 2017.

**Pending non-renewal membership:** None in July 2017.

5. **Leave of Absence:** No new requests.

6. **Interclubs:** Following attended Ann Arbor Western Tues., Aug. 8: Alan Burg, Ken Hillenburg, Dale Leslie, Cliff Sheldon, Mary Stewart and Max Supica. Also present, Al Gallup.

7. Official Call to District Convention - September 7-10, 2017 at Crystal Mountain in Thompsonville.

Deadlines:

- Registration Forms – **All Attendees Must Register** and Receive a Badge (including non-Kiwanian guests). Due **BEFORE Aug. 23, 2017**. Online registrations will remain open until **August. 28**.
- Housing Request – **Room reservation deadline has passed. Contact Crystal Mtn. directly for any availability outside Kiwanis block.**
- District Convention information available at: <http://mi.kiwanisone.org/Page/1074>  
Please contact Secretary Kathie Wilder if any questions or assistance needed in registering.

8. **2017-2018 Membership Renewal Dues:**

**2017-2018 Invoices will be mailed week of August 14<sup>th</sup>, due back by Sept. 20, 2017.**  
**Dues are \$180 per year, payment accepted by check, cash or credit card.**

Please see Kathie if any questions or special arrangements are requested.

Respectfully submitted,  
Kathie Wilder, Secretary