

President Alan's Board Notes, Summary, and Secretary's Report
of the Board Meeting of the Kiwanis Club and Foundation of Ann Arbor
Meeting Date: April 18, 2017 at 6:30p

Prior to the Board meeting, a tour of the KCW building was provided. At 6:30pm Secretary Kathie reported that there was a quorum with twelve (12) Board members present so official business could be conducted. *Quorum for Board Meetings is a simple majority. Board Officers and Directors = 15. Quorum = 8 or more.*

1. COMMENTS from GENERAL MEMBERSHIP and GUESTS: (30 Minute Limit. Ten Minutes Each Topic)
 - a. FOUNDATION TOPIC – Matt Chaiken was scheduled to present, but unable to attend. His presentation will be rescheduled. He has written a proposal for a new annual Kiwanis award to honor those who work in our court system, especially those who help individuals and families that are dealing with the powerful negative impact of alcohol and drugs.
 - b. FOUNDATION TOPIC – Presented by Marianne Clauw, Garry Donner, Bob Johnson, and Harry Cross (absent). Their request from their informal "Plan B group" was for the Board to "pause for 30 days" the sale of Kiwanis Center Downtown (KCD) during which they would do further research to understand factors related to the sale of KCD, to develop an alternative strategy to preserve KCD, and to plan for a capital campaign to pay off the mortgage by 2021. *Time was extended to provide 30 minutes for this presentation.*
2. COMMITTEE REPORTS to the Board. (with Board Liaison Supports as needed)
 - a. FOUNDATION TOPIC - Special Committee for the Sale of Real Estate. Review of this committee's work since October 2016 and their recommendation of a Sales Agreement for Board consideration. (Cliff Sheldon, Jim Carey, Peter Schork, Eloise Lavin, Dan Dever, & Alan Burg, are members of this Board approved Special Committee to explore the Sale/Lease of Kiwanis Real Estate.)
 - b. FOUNDATION TOPIC - Bylaws Committee. Draft language to update our Foundation Bylaws was ready to share with the Board and over the next month with the membership for comments. (Mitch Goodkin)
3. Approved the BOARD MINUTES from the regular Board meeting of March 21, 2017.
4. Received the SECRETARY'S REPORT for March 2017.

Approved New Member Sandra Rabidoux and Leave of Absences (LOA) for Harry Cross (weeks of April 10, 17, and 24) and Dan Burroughs for the month of March 2017.
5. Received the TREASURERS' reports for our FOUNDATION, SALES, AND CLUB.

Received a List by Category of DONATIONS RECEIVED between January 1 – March 31, 2017 totaling \$31,780.
6. BOARD LIAISONS' INFORMATION.

Background Information: Board Members are using a new process of monthly contacting the individual committee Chairs which she/he became a Board Liaison. Share with those Chairs the on-going work of the Board, which may impact the work of those committees and encourage sharing of committee information with the Board. Goal: Board and Committees will be better aligned, and informed of each other's work.

PRESIDENT'S REPORTS:

- A. CLUB & FOUNDATION TOPIC: Ellen Webb and our Kiwanis Club/Foundation Voucher Program will be honored by the Michigan Ability Partners (MAP) at their annual "Taste Fest" on Friday, April 28, 2017 from 5 to 9 pm at WCC Morris Lawrence Building. CONGRATULATIONS to Ellen and everyone who volunteers with our Voucher Program.
- B. FOUNDATION TOPIC: Trespass Tree Cutting. On or about March 25, 2017 some of our trees and brush on Kiwanis Center West property were cut down by our neighbor without warning. Discovered during the cutting, the process was stopped. Discussion followed regarding property lines just south of our parking lot and the east side of our out lot. Dan Dever was asked to send written notice to our neighbor to formally express the circumstance of their action to cut our trees on our property. No further cutting will take place. A question was

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raised by the neighbors about a corner of our paved parking lot regarding whether it is or is not on their property. The Board had options to consider. Option #1: authorize funds for a formal line survey. Option #2: Seek shared costs with neighbor for the survey. Option #3: reach an understanding with our neighbor, that no further cutting will take place on the shared property lines and that a formal line survey would wait until we sell the out lot at some future date. The consensus of the Board was to go with Option #3.

C. FOUNDATION & CLUB TOPIC: A draft of an updated Organizational Chart will be presented at the May 16, 2017 Board meeting. This chart is based on work last year by the Re-organization Committee and discussions between Betsy Ford, Alan Burg, and Carmen Ye, our UM Ross Board Fellow.

D. FUTURE BOARD TOPICS:

- a. FOUNDATION TOPIC: Future requests from the Building and Equipment Committee for funds to implement required capital improvements for KCW expanded sale floor space and/or other improvements as needed.
- b. CLUB & FOUNDATION TOPIC: Bylaws Committee. Our new Club Bylaws were effective on March 16, 2017, the date of KI approval. The committee is now focused on our old Foundation Bylaws to update and align with our new Club Bylaws.
- c. CLUB & FOUNDATION TOPIC: Review of the on-going and Future Secretarial Services and the appropriate level of reimbursement for those important services as our Club and Foundation.
- d. 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.
- e. FOUNDATION TOPIC: Warm The Children Project (WTC): No later than June 20, 2017, a recommendation to the Board from the WTC Project sub-committee of Children and Youth Committee. The sub-committee is tasked with identifying the support needs (both staff and financial) of WTC. This information is needed to be understood if Kiwanis is to be the WTC Official Sponsor in future years. If the sub-committee's recommendation is for our Kiwanis Foundation to support WTC as their Official Sponsor, the Board would need to vote to approve. Then after due notice to the general membership, a vote by the membership would need to occur. Our on-going (multiple years) Official Sponsorship of WTC would require a 2/3 affirmative vote of those members present at the time of the voting.

OLD BUSINESS (None)

NEW BUSINESS

1. CLUB & FOUNDATION TOPIC: The Board Approved Updated 2016-17 Club and Foundation Budgets based on a 2nd Quarter review and recommended changes.
2. FOUNDATION TOPIC: The Board was presented the motion from the "Plan B group" to delay, i.e., stop, for 30 days the Board's approval of any recommended sales agreement for KCD. This motion did not receive support from any Board member to move the motion before the Board. The motion failed.
3. FOUNDATION TOPIC: The Board approved the unanimous recommendation from the Special Committee for the Sale/Lease of Kiwanis Real Estate. The committee recommended the Sale of the Kiwanis Center Downtown (KCD) building at 200 S. First Street, Ann Arbor, MI 48104, as follows:

Approved the Sales Agreement dated April 10, 2017 from MCP Group LLC in the cash amount of \$2,750,000 using the Sales Agreement terms, as developed by Kiwanis Board's Special Committee, and with a closing date of no later than January 12, 2018. The Board authorized the

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President and Secretary to sign the required paperwork and documents of this Sales Agreement and all required documents at the Closing.

Background Information: STEPS TAKEN BY THE BOARD during the last 15 months:

- Starting in January 2016 the Board has had ongoing discussions and concerns regarding the finances of the Foundation budget due to the loss of the Sheridan Books lease.
- The Strategic Planning Committee and others meet throughout the summer of 2016 to explore options; including a capital campaign, selling KCW, selling KCD, change of realtors and cost savings to operations. The goal was two-fold, increasing the long term financial health of our Foundation and a return to annual cash gifting to the community in support of children and families.
- At the August 2016 Board meeting, the Board approved a recommendation from Strategic Planning Committee for the sale of our Kiwanis Center Downtown (KCD) building and to ask the membership to consider a vote to sell our KCD building.
- Late August through September 12, 2016: Time provided at weekly Club meeting and several evening meetings to hear from members and volunteers on the question to sell KCD.
- On September 19, 2016, a majority of members who voted, support authorizing the Board to place our KCD building on the market for sale and if an acceptable offer is negotiated, approves the sale by our Foundation.
- The ballot language approved by 60% of members present and voting stated,

"The following resolution is presented to the Membership of the Kiwanis Club of Ann Arbor Foundation, Inc., at the noon business meeting of September 19, 2016:

The Membership of the Kiwanis Club of Ann Arbor Foundation, Inc., having received notice of the impending vote on this matter as provided in the Foundation Bylaws, hereby approves the placing of the real estate commonly known as Kiwanis Center Downtown, 200 South First Street, Ann Arbor, Michigan 48104 on the market for sale, and if an acceptable offer is negotiated, approves the sale by The Foundation. The terms and price of any sale shall be determined and approved by the Foundation Board of Directors, which is authorized to determine and approve the specific terms, conditions, and price for such sale, without further vote of the Membership.

The Board of Directors is authorized to appoint an individual or individuals to act on behalf of the Kiwanis Club of Ann Arbor Foundation, Inc., in all negotiations of sales agreements, terms, and conditions, and at closing of the sale, provided the Board retains all rights of final approval or disapproval. The Board is further authorized to engage the services of such agents, real estate firms, Brokers and attorneys as it deems appropriate."

- In October 2016, the Board created a Special Committee for the Sale of Real Estate. Six (6) members were identified to be on this Special Committee.
- In November 2016, the Board reviewed and approved the Specific Sale Procedures and approved a "Motion to Proceed" with the sale of KCD.
- During December 2016, from a list of realtors, three were interviewed by the Special Committee.
- At a Special Board meeting on January 23, 2017, the Board approved adding exploring possible Leasing Options along with Sale Options for KCD.
- A Listing Agreement with Colliers International was signed on February 9, 2017.
- In March and April 2017 multiple bids for purchase of KCD were received and reviewed. Three (3) separate rounds of bidding were announced and held. During this process, no bids were received for leasing KCD. All bids were for the sale of KCD.
- March 14, 2017, Special Committee reviewed first round bids. Recommended a second round for bidders.

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- On April 5, 2017, the Special Committee reviewed second round and notified second round bidders that there would be a final or third round and final offers were expected to be higher and would need to agree to our terms in sales agreement. Kiwanis provided those terms to the bidders.
- On April 13, 2017, the Board's Special Committee met to review and evaluate the third and final bids. At that meeting, the Special Committee unanimously recommended the acceptance of the Sales Agreement from MCP Group LLC in the amount of \$2,750,000 cash. The terms of the Sales Agreement were authored by the Board's Special Committee.
- During the three rounds of bidding, seven (7) bids for the sale of KCD were received and vetted. No bids were received for the lease of KCD.
- On April 18, 2017, at the Board's regularly scheduled monthly meeting, approved the motion to sell KCD as presented by the Special Committee.

NOTE: The Board approved Sales Agreement is a very important step towards increasing our Club and Foundation long-term financial stability, however it is but one step. During the next six (6) months, the successful move from KCD to KCW will require planning, cooperation, and hard work. The on-going efforts to secure good long-term tenants and the sale of our Out Lot still needs to be successfully addressed and continuously monitored into the future. Our ability to return to annual gifting to support children and families is based on all of these factors and all of us.

4. CLUB TOPIC: The Board approved the Archive Committee's recommendation to have all Membership Digests of the Kiwanis Club of Ann Arbor since 1945 digitized and placed online on the website of the Ann Arbor District Library.
5. FOUNDATION TOPIC: The Board approved the KEEP Committee's request to proceed with the proposal submitted by In-Site Design Studio, Inc. of Ann Arbor to develop a concept and master site plan for the Kiwanis Environmental Education Preserve (KEEP). The Board authorizes the use of \$15,000 from the designated donation from the Barden Family towards this purpose and authorizes the President to sign the contract proposal from In-Site Design of Ann Arbor.
6. CLUB TOPIC: The Board approved two official delegates from a list of four officers, as determined by the President to attend this year's Michigan District annual convention as our Club and Foundation. The list of possible delegates (limit two) include: President, President-Elect, Secretary or Treasurer.

Confirmed the date, time and location of the next regularly scheduled monthly Kiwanis Board meeting for Tuesday, May 16, 2017, starting at 6:30pm to be held at Kiwanis Center West (KCW).

Adjourned the Board Meeting at 8:19 pm.

- The Secretary's Report for March 2017, follows on the next page.
- The updated 2nd Quarter 2016-17 Foundation Budget as approved on 2017-04-18 is attached.

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KIWANIS CLUB OF ANN ARBOR
SECRETARY'S REPORT
March 2017

1. Club Membership and Performance	<u>2017</u>	<u>2016</u>	<u>2015</u>
Member count on March 31, 2017	146	157	163
Net change since October 1, 2016 = +10			
* Starting Oct. 1, 2016 Membership = 136			

2. Reports: The March monthly report to Kiwanis International was submitted April 9, 2017 and will be emailed to the Board.

3. Minutes of the March 21, 2017 Board meeting: Draft minutes of Mar. 21 Board meeting will be distributed to Board members and after approval or corrections, will be posted to the members only section of website.

4. New Members added in March: Paula Fomby was inducted in March, paid dues and was added to KI roster. Peggy Lane Hankins-Duynslager was approved for membership Mar. 21, paid dues April 7, added to KI roster, will be inducted April 17.

Prospective Members for approval: Sandra M. Rabidoux is sponsored by Gary Kavanagh, Co-mentored by Robert Gray, was interviewed by Lynne Lande Mar 31, who has recommended Board approval for membership. Sandy is paralegal/owner of Mark K. Rabidoux, PLC.

New Members in Progress: (Inducted members are not officially added until dues are paid.)

- Jake Stacey was inducted at Dec. 1 KYP meeting, has not yet paid dues.

Membership info: In Michigan District, our club is ranked 5th out of 168 for net growth (+10) and 43rd of 168 in percentage growth (+8.1%).

5. Leave of Absence: **Dan Burroughs** requests leave of absence for past month of March. **Harry Cross** requests leave of absence for the weeks of April 10, 17, and 24.

6. Spring Divisional was held Saturday, April 8 at Mt. Brighton, hosted by Ann Arbor Western Club. Members attending: President Alan Burg, Immediate Past Lt. Gov. Julanne Williams, Sue Dailey, Dale Leslie, Joe Medrano and Kathie Wilder.

Awards received: District Outstanding Club Award, Past President and Secretary Performance award, Round Robin Interclub, Kiwanis of Michigan Foundation 100% participation, Sponsorship of K Kids, Key Club, Circle K, Aktion Club, Kiwanis International Children's Fund award 2016-2017.

7. Interclubs:

- Chelsea will host a Super-Interclub April 17, 2017.
- April 26- Spaghetti Dinner hosted by Ann Arbor Western- benefit High Point School.

8. Election of Officers and new Board of Directors members will be held Monday, May 15, 2017.

Respectfully submitted,
Kathie Wilder, Secretary