

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: July 18, 2017 at 6:30 at Kiwanis Center West

Kathie Wilder reported that there was a quorum present with fourteen (14) Board members.

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

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

30 minute 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.** Board and membership considered formal action per bylaws to prepare for the future sale of our out lot on the corner of North Staebler and West Jackson Roads. Follow a similar process to the sale of Kiwanis Center Downtown from last August and September 2016 when the Board and membership approved the process to sell, prior to having an actual sales agreement offer. See New Business item # 1.
- b. **FOUNDATION TOPIC - Bylaws Committee. Updating Foundation Bylaws.** Since last month's Board meeting some members of the Bylaw Committee met with Anthony (Tony) Frasca of Dykema Gossett at their Ann Arbor office. He provided the committee and the Board with an outside opinion regarding our concerns with some of Kiwanis International (KI) language by researching case law on 501(c)(3), the IRS, and safeguarding our non-profit status. He has drafted a letter with his findings and the Bylaw Committee met on July 17 to discuss.

As a separate effort, President Alan had additional phone discussions with KI and a possible new option has just been offered by KI. This option is that instead of an almost total update of entire bylaws, that we would limit ourselves to only three (3) topics, a) change the number of directors from 10 to 6, b) the directors term of service of the board from 2 years to 3 years, and c) change the title of Vice-President (which we haven't used for years) to President-Elect. It is now understood that if we follow through using this option that it "may not" trigger the new required KI controlling language. There is no guarantee of what will happen at KI, until it does. If this option doesn't result in getting our Foundation bylaws approved by KI, then we go back to our original complete draft that we have been working on for months to totally update our Foundation bylaws and officially share with KI our legal council's opinion and findings. See New Business item # 2.

- c. **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, which will need to be presented to the Board for its consideration and action at a future meeting. These topics are better handled as Board policy rather than placing in our Bylaws. Currently the list of topics needing updates or new policies include:
 - i. Non-discrimination Statement, policy and procedures, approved in 2008 and called Antidiscrimination policy and looks good, however it does not refer to our Foundation and our Foundation needs to have a non-discrimination statement, policy and procedures. 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 for guidance. No Board action at this meeting.
 - iii. Conflict of Interest policy. DRAFT POLICY for Board was reviewed of this meeting. Several different versions were shared. Vote may be scheduled at the August 15th Board meeting.
 - iv. Vendor and/or Solicitation policy. Our B&E committee reviewed and recommended the Board support a new policy position of No Vendors or Solicitation on Kiwanis property. See New Business item # 3.

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: July 18, 2017 at 6:30 at Kiwanis Center West

- d. **CLUB & FOUNDATION TOPIC – 2017-18 Board Size and Bylaws.** Please recall that at the time of the Annual meeting and vote, that the members were informed that if the updated Foundation bylaws are not approved by the Board, our members, and KI prior to the start of the new Kiwanis year on October 1st, that a possible additional election or a process would be needed to adjust the Board size to fill the 4 "Foundation Board" vacancies for conducting Foundation business back up to 10 Directors per current (old) Foundation bylaws, which do not align with our newly approved Club bylaws. A possible first option per bylaws, is to consider the 4 Board positions as vacant and the current Board members continue until filled.
 - e. **CLUB & FOUNDATION TOPIC – 2017-18 Budgets for our Club and Foundation.** Committee Chairs and the committees are identifying committees' specific budget needs for the 2017-18 Kiwanis year, which starts October 1, 2017. This information needs to be sent to Cliff Sheldon, Larry French, and Eloise Lavin by mid-August. This is so that draft 2017-18 budgets could be presented for review to the new 2017-18 Board-designates by mid-September for their study and then action at their first Board meeting in October 2017.
 - f. **CLUB & FOUNDATION TOPIC – Archive Committee** The archive committee is working with the Ann Arbor District Library (AADL) to create a digital archive of documents and objects of public interest in the Archive of the Kiwanis Club and Foundation of Ann Arbor. This digital archive will be available to the public on the AADL website. Please be aware that in the next months, documents and objects may be moved to the AADL offices on S. State St. for assessment and digitization or photography. They will then be moved to KCW and kept in a locked room. We need members to help determine the future placement for display of these objects at KCW. Contact the Committee for Movement of our Club's floor and Business Office and its chair, Greg Meisner, if you are interested.
 - g. **FOUNDATION AND CLUB TOPIC – Transition from KCD to KCW** (Joint committee work by SMOC, B&E, CMOR, Archive, etc.). Discussion of the draft timeline of the critical and fixed dates for the transition of Club and Foundation operations from KCD to KCW through December 31, 2017. Information and seeking the Board's support for critical move event dates, e.g. last date for weekly Club meetings at KCD, last sale dates, move out dates of lower level, and 1st floor, Christmas Sale at KCD dates, and a possible Past President's sponsored celebration event at KCD of our history at KCD. This past week most of this information was placed into a GANT chart which is posted on the wall in the KCW cafeteria.
3. Approved the BOARD MINUTES from the June 20, 2017 meeting as distributed.
 4. Received the SECRETARY'S REPORT for June 2017:
Approved Three New Members and three Leave of Absences as follows:
New Members: Demond Johnson, Amanda Colwell, and Christopher Cooper
Leave of Absence (LOA) Requests: Dan Burroughs (July 17), Harry Cross (July 3, 10, 17) and Kathie Wilder (July 27-31).
 5. Received the TREASURERS' MONTHLY AND 3RD QUARTER REPORTS for our FOUNDATION, SALES, INVESTMENTS, AND CLUB.
 6. BOARD LIAISON'S to COMMITTEES REPORTS – No reports this month.

PRESIDENT'S REPORTS: (Alan Burg)

- 1) **FOUNDATION TOPIC:** - Status of our **Line of Credit (LOC)** with Chemical Bank. We received on July 11th a draft loan document and Eloise Lavin and Dan Dever are now reviewing. Discussions continue

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: July 18, 2017 at 6:30 at Kiwanis Center West

regarding the parameters of this LOC and its possible related impact on our current mortgage. A new LOC would increase our current LOC from \$500,000 to a total of \$750,000 with a due date of January 31, 2018. Prior to signing, the Board will be asked to consider and approve the LOC.

- 2) **CLUB TOPIC – Third Official Delegate for Michigan District Convention.** This last month's Board meeting we were reminded that our Michigan District does allow for three (3) official voting delegates. Our Club Bylaws allows for reimbursement for two. This year, Larry French is attending as a Trustee of the Kiwanis Michigan Foundation, however is also willing to help represent our Club along with our other two official delegates (Kathie Wilder and William Hampton). See New Business item # 4.
- 3) **CLUB & FOUNDATION TOPIC - Review of the on-going and future Secretarial and Treasurer services and responsibilities.** The appropriate level of reimbursement for those important services for our Club and Foundation. (Gretchen Preston)
- 4) **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. During the next year, with our transition from KCD to KCW, the need for daily regular hands-on management is increasing. While this work may be viewed as rewarding, it has also been and is an on-going, exhaustive experience for part time (almost full-time) volunteers. At last month's 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 with a goal of presenting information to the Board in August. (Gretchen Preston)
- 5) **POSSIBLE FUTURE BOARD TOPICS:**
 - a. **FOUNDATION TOPIC - Future requests for funds** to implement required capital improvements for KCW expanded sale floor space, tenant improvements, moving costs from KCD, and/or other identified improvements.
 - b. **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.
 - c. **CLUB TOPIC – Member Recognition Committee** has been notified that some 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.

OLD BUSINESS (None)

NEW BUSINESS

- 1 **FOUNDATION TOPIC: Approved officially placing on the market for sale the real estate commonly known as Kiwanis Center West "Out Lot", which is vacant land at the NE corner of North Staebler Rd and West Jackson Rd, Ann Arbor, Michigan 48103 and if an acceptable offer is negotiated, approves the sale by The Foundation. The sales process, terms and price of any sale**

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: July 18, 2017 at 6:30 at Kiwanis Center West

shall be determined and approved by the Foundation Board, which is authorized to determine and approve the specific terms, conditions, and price for such sale.

The Board assigned this sale process to members of our Special Committee for the Sale of Real Estate 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, providing the Board retains all rights of final approval or disapproval. The Board may engage the services of such agents, real estate firms, Brokers and attorneys as it deems appropriate.

The Board is providing our membership with due notice of at least 14 days for a vote by the membership seeking their support of this action by the Board.

NOTE: The general membership vote on this Board action has been scheduled for Monday, August 7, 2017 at our regularly schedule noon luncheon meeting to be held at Kiwanis Center Downtown.

Background Information: Though we have had a For Sale sign up on Jackson Road for some time and we continue to receive reports from time to time of interest to buy our "out lot", we have not yet taken official action by the Board or members to support a sale process for our "out lot". It was recommended by our Building & Equipment Committee chairs that we take that official action now. We do not have any official offers of a sales agreement, but a best practice for our Foundation is that we indicate our official support to be in the market to sell and seek membership support. The Board supported this action and an official 14 day notice and a vote by the membership has been scheduled. Per Foundation Bylaws, a majority of members present on the day of voting would need to support this action. Following a similar process with the sale of Kiwanis Center Downtown, the Board was asked to consider taking an official vote and seek our memberships support for selling our "out lot".

- 2. FOUNDATION TOPIC: Approved proposed Kiwanis Club of Ann Arbor Foundation Inc. Bylaws, dated July 12, 2017, provide due notice to our membership and schedule a membership vote per our current Foundation Bylaws in preparation to send to KI for their review and hopefully approval.**

Background Information: July 11th, President Alan made two calls to Kiwanis International (KI) to once again discuss KI Foundation bylaw amendment process and the new required language. During these two calls, he was provided with a possible new option for getting KI approval. This information was not shared during earlier calls and emails.

This option would be to make limited "technical" amendments to our approved 2004 bylaws. These amendments would change the number of Board Directors, their term of service, and the title of Vice President to President-Elect. Then make no other language changes. This would hopefully not trigger the new controlling language from KI. But we won't know if this is true until we submit. In a separate document sent to the Board, further detailed information and three possible options were outlined.

- 3. CLUB & FOUNDATION TOPIC: Approved a No Solicitation and/or Vendors policy and procedures 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.**

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: July 18, 2017 at 6:30 at Kiwanis Center West

- 3a. **CLUB & FOUNDATION TOPIC: *Approved that for any current and ongoing vendor/solicitor, such as Maurice Page, we shall develop requirements to satisfy safeguards (such as liability insurance coverage) protecting Kiwanis Club and Foundation of Ann Arbor. Dan Dever, SMOC Committee, and President Alan will bring recommendation to the Board within 90 days.***

Background Information: About a month ago, a vendor from Ground Cover News showed up at KCW and set up a space near the base of our handicap ramp to sell newspapers. Alan talked with the vendor to explain that she was on private property and would need permission to operate, but to finish her vending for the day. She was instructed to not interfere with any customer and that in the future she would need prior approval. As it turned out that vendor has returned several additional sale days and it has been observed that her interactions with our customers is believed to be too invasive. This situation pointed out that we in fact do not have any Board-approved policy or procedure in place for solicitation or vendors. Last week our Building & Equipment as well as our SMOC Committee discussed this topic and recommended a no solicitation, no vendor policy be developed. During these discussions, the question of past practice where we currently have a private vendor (Page) who develops, on ad hoc basis, individual verbal contracts with individual customers for the delivery large pieces of furniture or equipment. How should this activity be handled in the future? Require proof of insurance, develop a written service contract which he must present to customers that states that he is a private vendor and Kiwanis is not responsible for quality of his service, damage, or injury? While this question about this vendor has yet to be resolved, it was believed the Board should approve the policy statements. This motion was added at this meeting.

4. **CLUB TOPIC: *Approved Larry French as our 3rd official voting delegate at this year's Kiwanis District of Michigan Convention, September 7 -10, 2017 with no monetary reimbursement from our Club, but our sincere thank***

Background Information: Early this year the Board directed the President to identify two official delegates for this year's Kiwanis District of Michigan Convention at Crystal Mountain Resort on September 7 – 10. They are Kathie Wilder and William Hampton. Our Club policy supports reimbursement to two official delegates. However, our Michigan District allows up to three official delegates. Larry French will be at this convention as a Trustee of the Michigan Kiwanis Foundation. President Alan asked Larry if in addition to his role as Trustee, would he also represent our Club as our third official voting delegate. He has agreed. Our Club policy does not provide reimbursement for this third delegate. This action item is presented for Action by the Board, 1st reading: (Alan Burg)

5. **CLUB & FOUNDATION TOPIC: *Approved two upcoming Board meetings for our Club and Foundation. A Special Board Meeting on Monday, July 24, 2017 at 11:00 am at KCW to review the Foundation cash flow, Foundation and Club budgets, status of LOC, and Transition Projects. Confirmed the next Regular Scheduled Monthly Kiwanis Club and Foundation Board meeting for Tuesday, August 15, 2017 at 6:30 pm at KCW.***
6. Adjourned the Club and Foundation Board Meeting as of 8:29 pm.

Secretary's Report for June 2017 follows on the next 2 pages.

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: July 18, 2017 at 6:30 at Kiwanis Center West

KIWANIS CLUB and FOUNDATION OF ANN ARBOR - SECRETARY'S REPORT

June 2017

1. Club Membership and Performance	<u>2017</u>	<u>2016</u>	<u>2015</u>
Member count on June 30, 2017	148	156	166

Net change since October 1, 2016 = **+12**

- Starting Oct. 1, 2016 Membership = **136**
- Our club is ranked 7th of 170 for net growth (+12) and 56th of 170 in percentage growth (+8.8%).

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

3. Minutes to be approved or corrected:

Tues., June 20, 2017 Regular Board meeting

Draft minutes of June Board meetings were distributed to Board members before July 18 Board meeting and after approval or corrections, will be posted to the members only section of website.

4. Prospective New Members for approval:

- Demond Johnson, sponsored by Deborah Jones, endorsed by Lynne Lande. Demond is CEO/President of A2 Fitness Professionals, LLC. , presented "Total Wellness" fitness program for our April 10 noon meeting.
- Amanda Colwell, sponsored by Deborah Jones, endorsed by Lynne Lande. Amanda is a Personal Trainer at A2 Fitness Professionals, L.L.C and also presented program April 10.
- Christopher (Chris) Cooper, sponsored by Deborah Jones, endorsed by Lynne Lande. Chris is a Personal Trainer at A2 Fitness Professionals, L.L.C.

Prospective New Member 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 and Alan Burg on July 6, 2017 at KYP meeting. Susan Smith introduced by Bob Gray and inducted July 10, 2017.

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 Michigan District Convention Memorial program as well as the next issue of the Builder, District newsletter.

Resignation: None in June 2017.

Pending non-renewal membership: None in June 2017.

(Secretary's Report continues next page.)

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: July 18, 2017 at 6:30 at Kiwanis Center West

KIWANIS CLUB and FOUNDATION OF ANN ARBOR - SECRETARY'S REPORT *(continues)*

June 2017

5. Leave of Absence (LOA):

- **Dan Burroughs** requests leave of absence July 17, 2017.
- **Harry Cross** requests leave of absence July 3, 10, and 17.
- **Kathie Wilder** requests leave of absence July 27-31, 2017.

6. Interclubs:

- **Belleville will host a Super Interclub Tuesday, July 25, 2017 at 6:00 PM.**

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

Deadlines:

- Delegate Certification Forms: Due before **Aug. 6, 2017**
- 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 is Aug. 8, 2017.**
- **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. Membership 2017-2018 Dues:

Invoices for 2017-2018 will be prepared and mailed in August. Payment will be available by credit card, as well as check, cash. Please see Kathie if questions or special arrangements are requested.

Respectfully submitted,

Kathie Wilder, Secretary