

# President Alan's Board Notes, Summary, and Secretary's Report

*of the Board Meeting of the Kiwanis Club and Foundation of Ann Arbor*

**Two Meeting Dates: May 16, 2017 at 6:30p and May 22, 2017 at 11:30a**

**These President's Board Notes include two (2) Board Meetings. A Regular Board Meeting on May 16 and a Special Board Meeting on May 22 to address a request to Reschedule (again) the Annual Meeting and Election of Board Officers and Directors.** Secretary Kathie Wilder reported that for the May 16, 2017, Regular Board Meeting there was a quorum present with fourteen (14) Board members present of which two (2) were present and fully participated via speaker phone. Kathie reported that for the May 22 Special Board Meeting there was a quorum present with ten (10) Board members present. *Quorum for Board Meetings is a simple majority. Board Officers and Directors = 15. Quorum = 8 or more.*

**NOTE: All items listed in this set of Board Notes were presented and acted on at the May 16<sup>th</sup> meeting, except item "A" under the President's Reports section on page 2 was discussed at both meetings. This item includes discussions about rescheduling the annual meeting and election of officers and directors, as well as noting that the Board approved a motion to reschedule (once again) the annual election until June 5, 2017.**

1. There were no COMMENTS from GENERAL MEMBERSHIP and GUESTS:  
(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 of Real Estate**. Reviewed status of the signed Sales Agreement. Currently in 60-day Inspection Period / Due Diligence through June 20.
  - b. FOUNDATION TOPIC - **Bylaws Committee**. The first draft language of updated Foundation Bylaws language was reviewed by members. The Bylaws committee is preparing the 2<sup>nd</sup> draft, which will then be shared with the Board. The proposed updated Foundation Bylaws are scheduled to come back to the Board as a discussion and/or action item no later than the June 20th Board meeting. After Board action, a date will be scheduled for a review and vote by the membership.
  - c. CLUB & FOUNDATION TOPIC – **Nominating Committee and the May 22 election**. The Board reviewed the election of Board Officers and Directors on May 22. An email was sent to the Board last weekend outlining questions raised by concerning the current and hopefully temporary difference between the new Club bylaws and current Foundation Bylaws regarding the total number of Board Directors. Club = 6 and Foundation = 10. It is expected that prior to October 1<sup>st</sup> the Foundation Bylaws will be updated and aligned with the Club Bylaws so the Foundation and Club will have same number of Board Directors effective October 1<sup>st</sup>. The Board's consensus is to proceed with the May 22 election as announced.
  - d. CLUB & FOUNDATION TOPIC – **Strategic Planning Committee**. A draft of a **proposed updated Organizational Chart** was discussed by the Strategic Planning Committee. This proposal was based on work last year by the Re-organization Committee and this year by discussions between Betsy Ford, Alan Burg, Margaret Krasnoff, and Carmen Ye, our UM Ross Board Fellow. **Also, a proposal from the Ann Arbor "NEW Solutions for Nonprofits" was reviewed by the committee.** Further discussion is being scheduled by the Strategic Planning Committee. When ready these two topics will be formally presented to the Board at a future date.
  - e. FOUNDATION TOPIC – **Warm The Children (WTC) Project subcommittee** has prepared a proposal for the Board's consideration. The WTC Project is a sub-committee of Children and Youth Committee. Background information was sent as a separate document and under New Business there is a proposed motion. If the Board supports the motion, then a vote by the general membership will need to be scheduled and held. Requires a 2/3 affirmative vote of members present and voting at a regularly scheduled meeting, where there is a quorum and a two week notice of the vote has been provided. (Refer to New Business Item #1.)
3. Approved the BOARD MINUTES of the Special Board meeting of May 1, 2017, as corrected.

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4. Received the SECRETARY'S REPORT for April 2017.MOTION.

Approved a Leave of Absence (LOA) for Clarence Dukes March 13 - 27, 2017

5. Received the TREASURERS' REPORTS for our FOUNDATION, SALES, and CLUB.

6. BOARD LIAISONS' INFORMATION

Background Information: Board Members contact the individual committee Chairs which she/he became a Board Liaison. Goal: Board and Committees will be better aligned, and informed of each other's work.

A report from the Membership Growth and Education Committee by Board Liaison Deb Jones. Reported on the committee's on-going work and the committee's discussion regarding a proposal to possibly include Volunteer Growth and Development and a Volunteer Coordinator as part of this committee's future work.

## PRESIDENT'S REPORTS:

- A. CLUB & FOUNDATION TOPIC - **Request to Reschedule (for the 2<sup>nd</sup> time) the Annual Meeting and Elections.** At the time of the regular Board meeting on May 16, the Board was reminded that the **Annual meeting and election of officers and board directors** had been scheduled for Monday, May 22, 2017. However, at the Special Board of Monday, May 22, 2017 the election day was once again rescheduled based on a request received on May 19, 2017, from the Nominating Committee Chair Betsy Ford. An omission and error was discovered on the previously announced list of candidates. One continuing director who wished to stand for election to add one more year on the Board was overlooked. As that was resolved, the list of candidates per available open positions required updating. In order to provide the 14-day due notice to the general membership, the May 22 elections were rescheduled for June 5. **At the May 22 Special Board meeting, the Board approved a motion to reschedule the annual meeting and election of officers and directors to Monday, May 22, 2017.** President Alan announced this change to the membership at the weekly noon meeting on May 22.
- B. FOUNDATION TOPIC – **Possible additional new tenant at KCW.** A draft lease agreement is being worked on for the lease of about ½ of the front executive office areas. This area on the building map is generally referred to as Room 1000, which has many smaller office rooms. It is in southwest corner of KCW. Improved lighting, new carpet, painting of walls, repair of the ceiling tiles, a possible new emergency exit, and bathroom updates are being explored.
- C. FOUNDATION TOPIC - A new report from Sales Manager, Mario Gasbarro regarding our **Donations of Thrift Sale items to Other Service Agencies** year to date, six (6) months, **totals \$22,341.**
- D. FOUNDATION TOPIC – **Our Voucher Program** year to date totals as of May 4, 2017. **226 individuals and/or families, totals \$41,090.**
- E. CLUB & FOUNDATION TOPIC – The former vacant full time salary position of **Facilities Manager** was reviewed and the job description **changed to Facilities Coordinator duties**, to reflect a part-time hourly position of 30 hours per week. Tanya Salamin has accepted our employment offer and is scheduled to start on Monday, June 5.
- F. CLUB & FOUNDATION TOPIC - An overall planning worksheet regarding projected and possible costs for the transition of all activities from Kiwanis Center Downtown to Kiwanis Center West. This planning list is being called the, "**Costs for Transition to West**". The following committees are working together to plan and project these costs. The Building & Equipment, Sales Management Oversight (SMOC), Space Allocation, Transition from KCD to KCW, Archives, and the Club Meeting and Office Relocation Committees. The planning list will include as many items that can be thought of with actual and/or projected costs. The total costs may exceed the remaining available LOC. If this planning list costs exceeds the LOC, then further solutions will need to be explored including shortening the list, seek additional resources, delaying some work, cash flow planning, and/or other possible ideas. This overall planning list continues to be developed and prioritized. The list is provided to the Board as

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information and will be continuously updated and provided at each future Board meeting. Gretchen Preston is the lead person developing and updating this planning list. Treasurer Eloise Lavin tracks signed/approved quotes, proposals, estimates as they are forwarded to her. As each item is completed, then approved she processes received invoices. Eloise monitors total costs against funds available in our Line of Credit (LOC).

## G. POSSIBLE FUTURE BOARD TOPICS:

- a. FOUNDATION TOPIC - **Future requests from the Building and Equipment and Transition Committees 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 & FOUNDATION TOPIC - Review of the **on-going and future Secretarial services** and the appropriate level of reimbursement for those important services for our Club and Foundation. Past President Betsy, President Alan and Secretary Kathie have met to review the current and future responsibilities and overall work load. A report with recommendations will come to the Board in July with input for next year's budget development.
- 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.
- d. FOUNDATION AND CLUB TOPIC – **INTERIM DIRECTOR OF OPERATIONS PROPOSAL**  
The concept of hiring a part-time or a full-time person to manage the day to day operations has been informally discussed for some time. Our current model of relying totally on a list of key member volunteers to manage the buildings, 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 six (7) months, 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. A draft proposal including duties and budget impact is being prepared as a starting point for further discussions.

OLD BUSINESS: (None)

## NEW BUSINESS

1. FOUNDATION TOPIC: Approved a recommendation from the Warm The Children (WTC) sub-committee for multi-year on-going Official Sponsorship support of WTC by the Kiwanis Club of Ann Arbor Foundation. *This action item was presented by Larry French, Mary Stewart, Gordon Beeman, Bob Carr, Lynne Lande, and Max Ziegler.*

Background Information: The Warm the Children Program ("WTC") started in Washtenaw County by the Ann Arbor News. The Ann Arbor News/Mlive provided administrative and promotional media for Warm the Children program through stories, advertising and promotional material. In the past four years, the administrative role was eliminated and Mary Stewart stepped in to do the administrative and operational control of the program. The Ann Arbor News/Mlive continued to provide the advertising and promotional activities through the online newspaper. The Kiwanis Club of Ann Arbor has participated in WTC as volunteers for almost 18 years.

The funds donated to WTC to purchase the clothing; etc. was and is maintained in an account at Old National Bank. The Ann Arbor Area Community Foundation (AAACF) supported the program by providing its tax-exempt status as a sponsor of the program whereby all donations to the program for purchases of clothing are tax deductible. In addition, AAACF and Mary Stewart are the authorized

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account signers for the payment to retail organizations, currently Walmart, honoring the vouchers for purchases of children's clothing. As previously stated, the donor funds are recognized as a tax deduction through the tax-exempt status of the AAACF.

The donations that are collected each year are used for the following year. For example, currently over \$230,000 is in the account at Old National Bank and it is anticipated that over \$200,000 will in the account for the 2017-2018 program with approximately 2,000 children to be served. It is important to understand that vouchers authorizing funds to be expended for children will be limited to the funds in the account at Old National Bank. For example, in this coming year that the children to be served will be limited to about 2,000 children based on the \$200,000 anticipated expenditures. The Kiwanis Club of Ann Arbor Foundation, Inc. (KCAAF) will never be at risk for basic funding requirements of WTC.

In September 2016, the Ann Arbor News/Mlive discontinued the sponsorship of WTC but has agreed to continue the promotional advertising through stories and ads if WTC officially found a new sponsor. Likewise, the AAACF continued to provide their fiduciary responsibility in the WTC until a new tax exempt sponsor has committed, especially after they were aware of the involvement of the Kiwanis Club of Ann Arbor Foundation, Inc.

On December 20, 2016, the Kiwanis Club of Ann Arbor Foundation, Inc. approved the Foundation becoming the official sponsor of WTC for the 2016-2017 project year. Our Kiwanis Board approved the creation of the WTC Committee and a report and recommendation from the Committee no later than the June 2017.

The AAACF donated \$1,000 to the Kiwanis Club of Ann Arbor Foundation, Inc. for promotional and administrative support of the WTC for the 2016-2017 year. In addition, the Board of the Kiwanis Club of Ann Arbor Foundation, Inc. authorized an additional \$1,500 for the project in 2016-2017. Currently, \$480 of these funds have been expended for supplies and promotion.

In Summary, the historical roles adopted by various entities and agencies are as follows:

- Ann Arbor News/Mlive - Provide administrative, promotional and advertising support.
- Ann Arbor Area Community Foundation - Provide fiduciary and tax exempt status support, assisting in confirmation of expenditures to retail organizations for purchase of clothing and providing the use of a PayPal account for receipt of contributions.
- Old National Bank - Serves as a third-party depository of funds, promotional support and tracking of donations for purchase of clothing for children.

**THE "Warm the Children" MOTION:** Approved the Kiwanis Club of Ann Arbor Foundation, Inc. (KCAAF) officially adopt the role of on-going multi-year Official Sponsorship, administrator and fiduciary party responsible for Warm the Children Program (WTC), including KCAAF's receipt of tax deductible donor contributions for WTC. These contributions will continue to be placed in a third-party depository, segregated from other KCAAF funds. This motion included the following six (6) action steps.

1. Commit \$2,500 for administration and promotional support for WTC for the 2017-2018 year including the \$520 remaining from the grant from AAACF. These funds are to be utilized as follows; (1) \$750 for materials and supplies, (2) \$1,750 for promotional advertising activity in addition to whatever the Ann Arbor News/Mlive provides. (With the objective of returning the capacity of WTC to serve approximately 3,000 children as previously done).

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2. Continue the existence of the Warm the Children Committee as a sub-committee of Children and Youth Services Committee.
  3. Authorize Mary Stewart and one or more other Kiwanis members to have authority to manage the account with Old National Bank including the disbursement of funds to vendors.
  4. Authorize the utilization of a Pay-Pal account or similar arrangement to facilitate contributions for support of the program with direct deposit to Old National Bank.
  5. Encourage the participation of Kiwanis members as volunteers for the WTC project as shoppers and other areas as needed including administration.
  6. Schedule a vote by the general membership of our Kiwanis Club of Ann Arbor Foundation per bylaws and policy manual.
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2. FOUNDATION TOPIC: Approved the request from the Building & Equipment Committee for capital improvements at KCW, next phase, not to exceed \$15,000 in preparation for new tenant for part of the area referred to as room #1000.
  3. FOUNDATION TOPIC: Accepted the Annual Financial Statements for Kiwanis Club of Ann Arbor Foundation, Inc., as of and for the years ended September 30, 2016 and 2015 and Independent Auditor's Report.
  4. CLUB & FOUNDATION TOPIC: Approved the Kiwanis Club and Foundation of Ann Arbor annual participation in the University of Michigan 2017-18 Board Fellowship Program via UM Ross School of Business and the Center for Social Impact. Our Club and Foundation continues to be interested in mentoring and working with up to two Board Fellows on special projects with the Kiwanis Club and Foundation of Ann Arbor under the direction of our 2017-18 Club President and directed the President-Elect to contact the UM to complete the annual application.

Confirmed the date, time, and the location of the next regularly scheduled monthly Kiwanis Board meeting for Tuesday, June 20, 2017, starting at 6:30 pm to be held at Kiwanis Center West (KCW).

Adjourned the Board Meeting as of 8:33 pm.

The Secretary's Report for April 2017, follows on the next page.

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## KIWANIS CLUB OF ANN ARBOR - SECRETARY'S REPORT

**April 2017**

<b>1. Club Membership and Performance</b>	<b><u>2017</u> *</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Member count on April 30, 2017	<b>147</b>	<b>157</b>	<b>163</b>
Net change since October 1, 2016 = +11			
* Starting Oct. 1, 2016 Membership = 136			

**2. Reports:** The April monthly report to Kiwanis International was submitted May 10, 2017. Copies will be distributed to Board Members and available at the May Board meeting.

**3. Minutes of the April 18, 2017 Regular Board meeting** were distributed to Board members and approved at the Special Board meeting Monday, May 1, 2017.

**4. New Members added in April:** Peggy Hankins-Duynslager paid dues and was inducted April 17, 2017. Sandra Rabidoux was approved for membership in April, will be inducted in May, added to KI roster upon payment of dues.

**Prospective Members:** Susan Smith has applied for membership, sponsored by her husband, Bob Gray, co-sponsored by Bill Robb. Susan will be interviewed by a past president in May. Completed application will be presented for approval at June Board meeting.

**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 6th out of 168 for net growth (+11) and 53rd of 168 in percentage growth (+8.1%).

**5. Leave of Absence:** Clarence Dukes requests leave of absence for Mar. 13 through Mar. 27., 2017.

**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. Julianne 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. April Interclub activity:**

- **Ann Arbor Western, April 4, Spring Divisional Saturday, April 8, and Chelsea, Super-Interclub April 17, 2017.**

**8. Election of Board Officers and Directors** will be held Monday, May 22, 2017.

Respectfully submitted,  
Kathie Wilder, Secretary