

**Special Olympics Iowa
Minutes of the Board of Directors Meeting
Monday, July 18, 2016 5:30 p.m., Grimes, Iowa**

Board Members Present: Steve Palmer (Chair), Jill Southworth (Vice Chair), Neil Berns (Secretary), Lynn Clayton, Charity Hodson, Ted Oberlander, Lana Voga, Jill VanDerPol, Dr. Mary Stevens, Kathy Lively, Keith Saunders, Stu Sorrel, Ken Rizer, Deb Eldred, Jack Ohle, Pam Jochum

Board Members Present via Conference Call: Michael Lightbody

Board Members Not Present: Joanne Whitmore, Joe Ramirez, Brian Wessels

Meeting Recap

1. Welcome/Introduction of New Board Members

Steve welcomed staff and board members to the meeting and then introduced the new board members Pam Jochum, Jack Ohle and Ken Rizer. Steve shared that all three new board members completed their orientation prior to today's meeting.

2. Introduction of New HR/Benefit Company (Aureon)

Steve introduced Cynde Cronin, Regional Director, for Aureon, the new HR, payroll and benefit company Special Olympics has contracted with. Cynde introduced another employee, Claude Wilkins, Manager of Client Experience, who accompanied her. Cynde gave an introduction and some history of Aureon. Cynde stated that Aureon is an HR outsourcing company with payroll and outside benefits. Aureon has been around for 26 years and has about 450 clients. Cynde apologized as the 1st payroll attempt didn't go as smoothly as planned and that they take responsibility for that. Cynde handed Jill Southworth a letter of apology with a check for \$1000 as a donation to Special Olympics. Cynde also handed gift cards for the employees as an apology due to things not going as smoothly as they would have liked. Steve asked if there were any questions regarding Aureon. There were no questions. Cynde left her business cards in case anyone needs to get a hold of her.

3. Audit Results (Board Only- Private)

4. Athlete Update

Charity stated that she has been practicing and playing softball to get ready for the State Competition which will be held on August 6th. Charity will be learning how to play golf and looks forward to competing in a new sport. Charity continues to work at the YMCA and states that it is going well. Charity continues to work there 2 days a week and enjoys the interaction she gets with the children.

5. Acceptance of Prior Meeting Minutes

Steve asked if any changes needed to be made to the minutes. Lana motioned to approve minutes from the April board meeting and this was seconded by Ted. Approved by unanimous consent.

6. Consent Agenda

Steve mentioned a few fundraisers coming up including Pigskin Madness and the new Notre Dame fundraiser LETR is working on developing. Each board member received a pigskin book to sell. If 300

are sold it will be a \$100,000 event. Jeanette stated that this fundraiser grossed \$40,000 last year. Both Jeanette and Steve explained how to play.

John Kleigl explained the new Notre Dame fundraiser that will be starting. The Knights of Columbus chapters will be selling the raffle tickets. Special Olympics does pay for the tickets and the cost is about \$20,000 to \$25,000. 7 chapters are already lined up to help so it should cover costs. Joe Ramirez has been helping out and the St. Augustine's chapter is willing to help out with sending emails out to other chapters. The plan would be to make it statewide next year if it is successful this year.

7. Finance Report

Jeremiah Johnson reported 4 out of the 6 months of the year have been positive. Our total bottom line is up \$59,485. There is a positive variance against budget of \$10,043. Revenue for the first half of the year is \$2,293,727 which exceeds budget by \$3,372. Expenses are under budget by \$6,671. Versus the prior year actuals we are up \$79,843 bottom line. Steve asked if there were any questions on the finances. Neil motioned for acceptance of financials that was seconded by Jill Southworth and approved by unanimous consent.

8. Introduction of New Staff

Gary introduced Tanner Nissen who is the new Information Manager. He was previously an intern for Special Olympics Iowa and graduated from Northwestern. Tanner will be our games management systems.

9. CEO Update

Gary reported that Special Olympics received a Unified Sports grant of \$65,000. A volunteer recognition survey will be going out tomorrow and will be used to help track stats in VSYS. The financial calendar is moving right along which will provide a more transparent point of view of finances. Money received from Sammons paid for the new Sprinter in the parking lot. Stephanie and Kathy Irving are working on gathering pictures for the van wrap. Stephanie has been working on some updates to the website. Our social media presence continues to climb and has been receiving more attraction. Gary has had several key donor meetings; one being Wells Fargo who he met with last Friday. Gary stated that Wells Fargo has discussed the possibility of doing a scholarship fund and that we have secured a place for the next Elite Athletes event. McGowan Hurst has been working on the 990. Laura Reed has been working with Mike Lightbody on the webcam meetings. Ted and Mike noted that the webcam meeting worked well. Gary stated the State Fair parade is August 10th and athletes will be riding on the Wells Fargo Stage Coach. An IT review is being completed with the current provider and other providers. Fiber is being looked at as an option as well as a local server.

Steve asked Gary to touch on Unified Sports in Waukee. Gary noted that the initial meeting went very well and then plans for a new school being built went into effect and the Vice Principal left. Gary and Jordan are currently looking at other schools to work with but Waukee School isn't completely out of the running.

10. Bylaw Review

Stu stated that Board & Governance Committee goal was to update the bylaws. Recommendations for changes have been made and disbursed to board members ahead of time. Another copy of these recommended changes were provided today. There are 55 recommendations for changes. Jill Southworth questioned the number of pages and it was determined that the last page was missing.

Stu noted he would be sure to go over that page at the end of the discussion. Board approval is needed to accept these changes.

Jill VanDerPol noted Article III Section 8a should say “or” instead of “and.”

Jill VanDerPol asked about Article IX Section 2 which recommends changing notification from 15 days to 5 days. Stu stated that with today’s technology they felt that less time would suffice for notification. It was also noted that this would be the minimum amount of time for notification and that more time for notification would be welcomed.

Ted asked about Article I Section 1 regarding how things were worded and where the addition of “teach importance of good health” should be placed in the sentence.

Ted asked about Article III Section 8b in regards to absences. Lana asked board members for recommendations as attendance has been a problem in the past. Neil stated that he has a concern about this being done with good intent. Steve stated that he can remember two instances where he had almost didn’t have a quorum. Steve noted that there are only 4 meetings a year and that the schedule is out a year in advance and his concern is not having a quorum. Steve asked board members for a solution. Neil mentioned that several board meeting dates were moved around last year. Steve agreed that this happened and mentioned that he needs to request that the September board meeting be changed. Kathy lively stated that this is a conflict and that it makes things more complex when board meeting dates are changed around. Steve asked for a solution. Jill VanDerPol stated that another reason why she asked about lowering the notification time from 15 days to 5 days is because that doesn’t give board members much time to readjust their schedule. Stu Sorrel noted that you can still make notifications of a meeting or changes to a meeting more than 5 days in advance that is just the proposed minimum. Keith Saunders asked if the board wanted to limit themselves even more by changing the quorum from the majority to two-thirds. Steve stated that he wouldn’t be concerned about it if the concerns with quorum last year didn’t take place. Lana asked for suggestions. Jack Ohle stated that some non-profit boards only count the two-thirds of those who are able to meet- minus those with excused absences. Ted asked how to define “excused” versus “unexcused”. Stu stated he feels the keyword is consecutive and Jack disagreed with Stu. Jack stated he would rather see the board consider that you can’t miss 2 meetings within a year without it being excused which would need to be approved by a determined individual or committee. Neil asked for clarification as there really is 5 board meetings per year; not 4 as has been previously stated along with the board retreat making it about 6 meetings per year. Stu stated that the bylaws state regular scheduled board meetings so his interpretation would be that the board retreat would not count. Neil asked if this is an ongoing issue with board members. Stu stated that it has been but they bylaws haven’t been followed. Neil stated that this wording would be a handcuff and the board would be forcing members out even if they have the best of intentions and contribute in other ways. Stu stated that he feels the wording needs to be concrete. Lynn asked if a board member has ever been personally asked to re-evaluate their attendance and membership to the board. Steve stated that they have mentioned things generally but not individually. Lynn stated that in thinking about his upcoming schedule with work he doesn’t want to draw that line in the sand and be so rigid. Ted stated that the word “unexcused” needs to be defined but feels it is hard to put parameters around it. Stu asked if everyone is comfortable with the current bylaw language. Ted states she isn’t comfortable with it. Stu stated that it needs to be black and white. Dr. Mary Stevens suggests having the verbiage two absences and taking out unexcused without extenuating circumstances. Steve asked if a board member attends one meeting are they an “active” board

member. Several board members stated no. Steve stated that a board member can be active in other ways. Lynn and Debby suggested that maybe this is being made into a bigger deal than it really is. Stu suggested that end of year checklists/scorecards need to be completed. Steve stated again that his concern is with the quorum.

Neil suggested that a contract needs to be identified, amended and approved in Section III 1a. Stu agreed. Neil asked about the annual membership agreement and what it means if board members do not follow the agreement. Stu asked if everyone is comfortable with the document they signed. It's noted that some of the board members have not yet signed this document. Stu stated that 3 meetings is too many to miss and thinks 2 is the right number. Steve states in the contract it reads that a board member may be asked to offer their resignation. Jack stated that they need to be careful that if the document is not a part of the bylaws then it is difficult to hold board member's accountable. Jack also stated that it is a legal obligation to attend the meetings, not to do all the other activities including events. Jack stated that board meetings are where you have the fiduciary responsibility- not in the activities. Jill Southworth suggested adding the word "annually." Stu asked if there is objection to adding if a board member misses two meetings then may be asked to resign. He also suggested removing consecutive and adding "may" and "annually". Everyone was in agreement with this.

Lynn asked if SONA has a recommendation on what should constitute a quorum. Lana stated that she is not sure but that when they looked at other state's bylaws that it varied. Lynn asked if there is a problem with having the majority (one over half) and Lana stated that it wasn't a problem. Lynn stated to leave the wording as "majority". Stu asked for support to leave it as is and the board members agreed to this.

Ted asked about Article IX Section 7. Ted wanted to know if electronic votes should be allowable. Stu stated that email needs to be added to this. Jill VanDerPol stated that she likes the idea. Neil suggested that this should only be allowed if everyone is voting electronically so that it isn't allowing a board member to vote when they haven't been a part of the discussion surrounding the vote. Roll call and topic voting will be allowed in person and on the phone if in attendance of the meeting. Electronic votes are only acceptable when not meeting in person. Ted stated that she may have misinterpreted what the section was stating. Stu stated that they need separate language. Stu stated to leave Article IX Section 7 as is and stated he will add a Article IX Section 8.

Neil asked about Article 2 Section1c. He wanted to know the reasoning behind the change to board approval for all positions. Stu stated that they wanted to reword it to be clearer. Neil asked what they really should be approving as a board-are they approving who SOIA is hiring or just salaries. Stu stated that Gary should be making all the hiring decisions. Jill Southworth stated to take out contractual as the employee handbook states that there is not contract of employment. Jack stated that he has a concern with the wording "and all staff members." Jack stated that the board member responsibility is to approve annual budget and hire the President & CEO. Jack stated getting "into the weeds" is beyond the board's responsibility. Jack stated that he would like to see "and all staff members" taken out. Jill Southworth states that it is a fine balance of board staying out of management. Ken stated that he agrees with Jack that the board should give strategic guidance. Jill VanDerPol agreed and stated that she was reminded of the board retreat they had a few years back with Beth Aldridge of board versus staff responsibilities. Stu asked if the board wants to move "contractual" and remove "and all staff members." Kathy Lively objected to this and stated that there is no structure around hiring decisions and pay grades. Keith Saunders states that the board

should have trust in Gary to make those decisions. Neil agreed with Kathy that pay grades should be determined but in his company that is done within the organization not within the board. Neil stated that he doesn't think it is a board responsibility unless it is to work with Aureon and tell the CEO to make a pay grade scale. Ted stated that the board has the responsibility to approve the salary and fringe benefit policy. Jack agreed and stated that is what Neil is saying. Neil stated that the board shouldn't be getting into the employee level and suggested to remove "contractual policies" along with "and all staff members." Stu asked for agreement to Neil's suggestion. Ted stated that she doesn't feel this is covering any oversight for other employees. Neil suggested to add a separate line for other employees.

Neil asked that the next version of the bylaw changes could be redlined so it is easier to see the changes.

Neil suggested in Article III Section 3b adding subject to C below if third term cannot be reelected. Gary Harms asked about mid-year appointments to the board. Jill VanDerPol stated that Article III Section 9 addresses this. Stu stated the point of striking the language here was to only focus on adding board members once a year instead of mid-year. Neil states removing the first sentence doesn't stop them from adding additional board members through the year. Neil asked if the intent was to restrict them. Stu stated that they have a process to nominate board members. Neil asked board members if the intent is-if we could go back in time to put potential board members on committees and then vote in November. Ken asked if the bylaws should just be providing guidelines and then things can be more definitive when decisions are needed. Kathy and Jill VanDerPol agreed. Kathy stated that the goal was to streamline the bylaws; not put up roadblocks. Stu asked if there was an objection to removing Article III Section 9. Ted stated that annually will make it a better process. Stu asked if there were any objections to leave it as is. No objections.

Stu stated that there are a couple of other changes including Article III Section 9 would require all board members contribute financially within the first quarter. Gary Harms stated that some grants ask for board contribution. Lynn didn't agree with the bylaws dictating when to contribute as long as he was contributing financially. Stu asked if there were any objections to striking. No objections.

Stu asked if there were any objections to the addition of Article X Section 7. Jack asked if this was oral or written committee reports. Stu stated oral. No objections.

Stu stated Article X Section 9c-9e states that fundraising plans are the responsibility of the staff not board and that the recommendation is to strike these. Stu asked if there are objections to striking. Jack stated he objects to Section 9e as he feels that the board has a responsibility for being involved in decisions with campaigns. Pam Jochum asked for clarification on a capital campaign. Jack stated that campaign could be operations, etc. Stu stated he will clean this up.

Stu noted the proposed changes to Article X Section 11b-11d are to strike these as they believe these are staff responsibilities.

Stu noted changes in Article X Section 13 was added which recommends adding duties to Strategic Oversight committee.

Keith suggested on Article X Section 6 to shorten the name of the Marketing & Communications/PR & Development Committee.

Ted asked about board members submitting their resignation in Article XII. Stu clarified that a board member only needs to resign from the board if offered an employment opportunity with Special Olympics Iowa prior to accepting the position.

Steve thanked everyone for their input and asked if there were any questions. No questions were raised.

Neil motioned to go into closed session, and Lana seconded. The motion unanimously passed.

11. Closed Session (Board Only- Private)

12. Meeting Adjournment