

MINUTES
BOARD OF DIRECTORS
TELECONFERENCE
MEETING

February 2, 2015
4:00 p.m. (Central Time)

The following Members of the 2014-15 Board of Directors were in attendance for the entire meeting:

Ron Huxley	Immediate Past President	Theford, Ontario
Kenneth Garner	President	Fort Worth, Texas
Dave Bruns	President-Elect	Topeka, Kansas
Marlene Phillips	Director	Windsor, Ontario
Rick Quinlan	Director	Bellevue, Nebraska
James A. Oliver	Director	Valencia, California
Judy Boyd	Director	Urbandale, Iowa
Benny Ellerbe	Executive Director	St. Louis, Missouri

Excused:

Marc D. Katz	Director	Berkley, Michigan
Sue Creswell	Director	Reading, Pennsylvania
Javanni Waugh	JOOI President	Kingston, Jamaica

Also in attendance:

Paul Lucas	Audit & Finance Chair
Dennis Osterwisch	Associate Executive Director
Connie Pellock	Chief Financial Officer
Tom Carver	Senior Director IT
Maria Carson	Senior Director, Controller
Ronda Vaughn	Senior Director Marketing & Communications
Stephanie Monschein	Senior Director Membership & Leadership Development
Jacques Pelland	Executive Director Canadian Service Centre
Steve Skodak	Executive Director Optimist International Foundations
Dana Thomas	Executive Assistant & Programs Director

All items are not officially approved and subject to correction until they are adopted at the next meeting of the Board of Directors.

Monday February 2, 2015

Immediate Past President Ron Huxley called the teleconference meeting of the 2014-15 Optimist International Board of Directors to order at 4:05 p.m.

Motion adopted

To adopt the agenda as amended.

CREDIT CARD FEES

Audit & Finance Report to the Board: We have discussed the matter of charging convenience fees with our Merchant Services Consultant at Bank of America. We learned that there are detailed regulations regarding convenience fees.

Here are highlights of the convenience fee rules:

- Convenience fees are allowed.
- Must be a flat amount, CANNOT be a percentage, or tiered based on transaction amount; however, we can set up different fees based upon transaction type (i.e. Convention, dues payment, Leadership Summits, etc.).
- The convenience fee amount **must be the same for ALL** payment types. (Visa, MasterCard, Discover, Amex, check, & ACH)

To recoup the full cost of our credit card fees, we would need to set the following flat fees:

- Golf registrations \$60 (Youth Foundation Board action)
- Convention registrations \$10
- Summit registrations \$1
- Dues payments \$15/quarterly payment

[These fees were calculated based on total charges incurred last year, divided by the number of transactions to calculate the average fee per transaction.]

For the January 2015 Board Meeting, the Audit and Finance Committee based their recommendation to charge convenience fees on the premise that the fee would only be charged to credit card payments on a percentage basis. This would have still allowed clubs and members to pay via ACH and not incur the fee. However, now that we have learned the convenience fee constraints, the committee is seeking direction from the Board about how to move forward on this matter, and would like guidance on which of the following to pursue in order to bring back a final recommendation. Options we see at this point would be:

1. Build the credit card fees into all the various charges, and not charge a convenience fee.
2. Consider recouping the full cost of credit card fees by imposing flat fees as noted above.
3. Consider recouping a portion of the cost of credit card fees by imposing a lower flat fee.
4. Take no action regarding credit card fees, which would essentially recognize this cost as a budgeted expense of doing business.

If the Board wants to pursue, the A&F committee is wanting more direction from the Board to present a more detailed report at the April board meeting.

The Board of Directors took no action.

COLLECTION OF DISTRICT DUES

Rationale from January 9-10, 2015 Board meeting that was tabled (See page 11): The Committee determined that staff can handle the collection of District dues along with the International dues billings with minimal costs to OI. Clubs can be invoiced directly for the

District dues. Clubs could then receive one bill with one amount, making the payment of these amounts easier for member clubs. This would reduce the billing and collection issues for Districts, and provide enhanced service to District leadership. International dues would be fulfilled first from funds collected (should there be any discrepancy), then the District dues would be paid to the Districts periodically. In discussing implementation of this service, it was discussed that the most efficient way would be to provide a consistent service on the same basis to each District. Staff believes that implementation of this should be feasible by the start of the next fiscal year.

Motion adopted

Phillips/Garner

That the Board of Directors adopt a revision to Policy D-4 by adding the following as the first sentence of the policy

**International and District Dues D-4
Effective October 1, 2015, Districts have the option to have Optimist
International bill and collect District dues upon notification to Optimist
International by September 15 prior to each year. Disbursements will be
remitted to the District via automated clearing house (ACH) weekly.**

DISTRICTS AT RISK

See page 22 of January 9-10, 2015 Board minutes:

New Administrative Pilot Program

Rationale: The Optimist International Board of Directors endeavors to serve the Clubs and members of the organization as Priority #1 and continues to seek new innovative and creative methods to accomplish this task. The current District system has been employed for over 90 years, and in several geographic areas the traditional model seems not to be as effective or efficient to serve the clubs.

Proposed: All Clubs in the geographic areas of the current Districts of Pacific Central and New York New England, will be involved in this Pilot Program:

- Two (2) leadership training seminars for the Clubs will be conducted per year within the area planned and overseen by OI.
- District Dues will be eliminated in these areas: all Clubs will be billed a \$12 administrative fee per member in lieu of District dues.
- Newsletters, Club directories, communications and service to these Clubs will be provided by the St. Louis office.
- Oratorical, Essay and CCDHH scholarship contests will be conducted in these new administrative geographic areas in a sectional concept developed by the Activities Committee.
- Current District fund balances will be invested and held until the end of the three year pilot. These funds would then available to reconstitute the District or refunded to the involved Clubs on a pro-rata member basis.
- Volunteer Chairs will be sought to lead programs such as the scholarship contests, Junior Golf etc., and these programs will be actively conducted and promoted with the Clubs.

Pacific Central District

Motion adopted

Quinlan/Boyd

That effective October 1, 2015, the Board of Directors test the new Pilot administrative system in the Pacific Central District for the next three years to gage its effectiveness, to learn, test strategy, and adjust the pilot Club service model. The Ad Hoc Committee and the Board will constantly monitor the program during this three period and make any adjustments and improvements as warranted. At the end of the three year period the Clubs in the current Pacific Central District' success of the program will be re-evaluated.

Louisiana District

Motion adopted

Garner/Brunns

That effective March 31, the State of Louisiana will be part of pilot program as outlined above and the Alabama-Mississippi District will maintain one New Club Building credit.

SOUTH FLORIDA CLUBS

The following three Optimist Clubs are in arrears of District Dues and the District is requesting that the Clubs be revoked.

Pembroke Pines/Pasadena Lakes, FL (61409)

North Dade, FL (61315)

SWBJAA of Miramar FL (61085)

Motion adopted

Phillips/Garner

To table the three requests from the District to April Board of Directors meeting.

The meeting recessed into executive session at 5:04 p.m. and reconvened in regular session at 5:16 p.m.

BUILDING CONTRACT

Benny Ellerbe updated the Board of Directors on the current offer of the Headquarters Building.

Motion adopted

Phillips/Boyd

To make a counteroffer to the Koman Group in accordance with recommendations from legal counsel.

Motion adopted

To adjourn the meeting.

There being no further business, the meeting adjourned at 5:19 p.m.

Benny Ellerbe

Executive Director/Secretary