

**DESTINATION IMAGINATION, INC.
BOARD OF TRUSTEES MEETING
PHILADELPHIA, PA
LAW OFFICES OF WHITE WILLIAMS
July 23 - 25, 2009**

CALL to ORDER

8:44 a.m. EDT

The meeting was called to order by Board Chair, Brownie Mitchell.

ROLL CALL

Present:

Karen Anderson, Val Conroy, Andy Loftis, John Maloney, Brownie Mitchell, Sue Oclassen, Pamela Schroeder, David Thomason, Bruce Urban, Johnny Wells, Nancy Wingenbach, Eric Wolff, and CEO Chuck Cadle. Controller Joe O'Brien and Rusty McCarty joined the meeting later.

APPROVAL of AGENDA

Motion:

Eric Wolff moved to approve the Agenda as posted.
Second by Pamela Schroeder.

Action:

Motion Passed.

APPROVAL of MINUTES

Motion:

Karen Anderson moved to approve the Minutes of June 17, 2009.
Second by Johnny Wells.

Action:

Motion Passed.

Chair Brownie Mitchell opened the meeting with a video of the Camerlo Award ceremony from Global Finals in May.

CEO REPORT

Chuck Cadle introduced a detailed draft of his proposed business plan.

- The plan, formulated with very positive staff input, includes organizational self assessment, risk factors, risk management strategy, mission and vision, business segments, organizational charts, key financial data, team count analysis, management discussion and analysis of strategy, an action plan, information on Management and the Board of Trustees, business relationships, headquarters, the challenge development process and the budget.
- The intent has been that everyone involved have a better understanding of where we are and what risks and opportunities may be ahead.
- We, the staff, BOT, and volunteers, need to act as a team and be change-ready, nimble, adaptive and accountable in focusing our mission: to help kids.
- All, including the staff, see the need for change and growth.

Chair Brownie Mitchell commended CEO Chuck Cadle for his strong leadership.

FINANCE REPORT

Controller Joe O'Brien reviewed details of the current budget report.

- Global Finals team revenue was a bit higher than expected, despite the loss of teams due to the H1N1 (swine) flu crisis.
- Changes in IT and staffing assignments will make key financial information more readily available.

CEO Chuck Cadle led a discussion on differentiating, building higher value to and marketing our program, adult volunteer retention, online training, and potential areas for increased revenue, PR, and productivity.

- Our headquarters building is deteriorating and insufficient in size, so we have been renting storage space and seeking other potential sites.
- Leasing costs were found to be prohibitively high.
- Favorable financing was arranged and, after considering several options, the purchase of a specific building was offered. The Board has been invited to see the site tomorrow for purchase approval.

OPERATIONS REPORT

Creative Director and COO Rusty McCarty explained the Operations Report and how it tied into the new business plan.

- AEM was very excited about Global Finals and has sponsorship and involvement this year in Challenge A.
- 3M was a very happy Global Finals sponsor and lauding our program for high quality and long-term capacity
- The summer interns have been developing new products.
- We, in conjunction with the University of Tennessee, are continuing in the third year of the largest childhood obesity study ever done.
- Encouraging teams to arrive by Tuesday of Global Finals week greatly helped to decrease waiting time in the registration area.
- The office has access to a master data base for schools in the US and can offer lists of specific information, as well as mailing labels, to affiliates.
- A major Headquarters goal is the "Start A Team" initiative.
- A proposal for a formal, outside, academic evaluation of our program for effectiveness, impact and satisfaction of participants, has been accepted.
- International growth opportunities and the position of International Coordinator were discussed.

- Our business foci are Destination ImagiNation® and Destination ImagiNation 4-Life®.
- Challenges and inhibitors to growth were considered.
- A national PSA campaign for radio will commence by mid-September.

CEO Chuck Cadle suggested that we need to streamline how our business is done, adding that we are not always easy to deal with.

- The website is being improved.
- Affiliates differ in fee structures, making it difficult for HQ to offer one-stop shopping.
- Goals for increased affiliate support, staff organization, growth, geographic reach, development of strategic goals linked to budget, fundraising strategy, Board member liaison and IT and facility improvements were discussed.

Motion: John Maloney moved to accept all the reports.
Second by Nancy Wingenbach.

Action: **Motion Passed.**

CEO Chuck Cadle asked that the business plan draft be accepted as a business plan. Chair Brownie Mitchell asked if there were any questions.

Motion: John Maloney moved to approve the business plan for 2009-2010.
Second by Eric Wolff.

Action: **Motion Passed.**

Board members praised the business plan as an exciting call to action and CEO Chuck Cadle gave credit to the staff for the work involved in its creation.

Committee charters will be reviewed to determine whether the adoption of the business plan necessitates charter changes. The Development Committee had been charged with fundraising and corporate training, for example, but it was suggested that the Committee have a more wholistic role in corporate development.

Motion: Eric Wolff moved that the responsibility to develop a strategic plan to be approved by the BOT be moved into the Development Committee charter.
Second by Karen Anderson.

Action: **Motion Passed.**

3:55 p.m. The meeting was recessed by Chair Brownie Mitchell for committee work, to be followed by dinner.

1:35 p.m. After a morning tour of the proposed building, and the Board Committees met, the BOT meeting as a whole resumed

COMMITTEE REPORT:

Finance Committee – Pamela Schroeder, Chair

- With consideration of current needs and economic conditions, the Committee recommends that the prospective purchase of the building presented by CEO Chuck Cadle proceed.

Motion: Pamela Schroeder moved that the staff proceed with the proposed purchase of a new facility;
Second by Eric Wolff.

Action: **Motion passed.**

1:58 p.m. The meeting recessed.

9:20 a.m. The meeting resumed. Corporate attorney, Ryan Udell, gave a presentation on the fiduciary duties of trustees of nonprofit corporations.

ELECTION To ensure fairness in the election for three trustees, Chair Brownie Mitchell explained that she had asked BOT Parliamentarian Eric Wolff to research an acceptable format. He suggested that all valid ballots have exactly three candidates chosen, that candidates be ranked with points in order of preference, and the candidates receiving the most points would be seated.

Motion: Eric Wolff moved that the BOT vote to fill vacant seats in the procedure described.
Second by Karen Anderson.

Action: **Motion passed.**

11:12 a.m. **Executive session**

Motion: Val Conroy moved to go into executive session for a discussion of nominees and procedure.
Second by Pamela Schroeder.

Action: **Motion passed.**

11:24 a.m. **Out of executive session.**

The BOT elected the following candidates as trustees, with terms to begin in October:

- Rosemary Bognar Pinney
- David Thomason
- Bruce Urban

The Board opened nominations for Chair and Vice Chair, with terms to begin in October.

Motion: Karen Anderson nominated Brownie Mitchell to serve as Chair.
Second by Eric Wolff.

Action: **Motion passed.**

Motion: Nancy Wingenbach nominated Pamela Schroeder to serve as Vice Chair.

Second by Eric Wolff.

Action: **Motion passed.**

There were no other nominations.

Motion: John Maloney moved that we add two BOT seats, with terms to end in 2011.

Second by Nancy Wingenbach.

Motion: Pamela Schroeder moved to add a friendly amendment such that those seats, vacated in 2011, would revert to the usual four-year terms.

Second by Andy Loftis.

A discussion ensued on options, reasons and timing for adding board and/or committee seats to add additional skillsets to the BOT

Motion: Eric Wolff moved that the original motion be tabled.

Second by Bruce Urban.

Action: **Motion passed.**

COMMITTEE REPORTS

Finance Committee – Pamela Schroeder, Chair

Proposed changes to financial policies include:

- Finance Policy D 5.4: The CEO has full authorization to run the business within the budget. Any financial obligation in excess of \$25,000 that has not been approved as part of the annual budget must be presented to the BOT for approval, but any expenditure of less than \$25,000 is within the CEO's authority. In addition any significant (over \$25,000) financial obligation that has not been approved as part of the annual budget process must be presented to the Board for consideration through issue of financial reports in advance of any meeting in which it will be considered.

- D 4.0 Controller, 4.2: Preparing accurate and meaningful financial reports- comprehensible, concise, all inclusive, timely and with a focal point for comparison (budget v amount spent, cash flow, etc.). Financial statements shall be provided

monthly to the Finance Committee to include Balance Sheet, Statement of Operations, Statement of Changes and Net Assets, and Statement of Cash Flows, as well as a Management Discussion and Analysis, which identifies and explains any significant variances between actual and budgeted revenues and expenses. Quarterly financial statements shall be provided to the Finance Committee, including a Management Discussion and Analysis, which identifies and explains any significant variances between actual and budgeted revenues and expenses. The Chair of Finance shall forward the Quarterly statements to the entire board. Annually the IRS 990 shall be provided to the Finance Committee.

- D 5.0 CEO, 5.2: In Accordance with the policies of the organization, the CEO will act as a signing officer for banking purposes and for entering into contracts with third parties. Contracts over \$25,000 require two authorized signatures.

Motion: David Thomason moved to approve the changes in financial policy.
Second by John Maloney.

Action: **Motion passed.**

The BOT named Pamela Schroeder as Treasurer and Susan R. Oclassen as Secretary of the Corporation.

Management Committee – Eric Wolff, Chair

Tasks are:

- Define an appropriate CEO evaluation
- Evaluate Strategic Plan Draft vis a vis Management Committee concerns
- Develop Evaluation Strategy for Organization: are we following Strategic Plan and Mission?
- Refine Board Self Evaluation

Development Committee – Val Conroy, Chair

- Redefining tasks with regards to new business plan
- Committee will meet via teleconference call to set short-term goals
- All trustees have agreed to financially contribute to the organization in each fiscal year.

Governance Committee – Karen Anderson, Chair

Proposed Charter for Governance:

Ensure the development and maintenance of an up-to-date policy register

- Ensure an annual review and update of governance documents of the organization.
- Design, implement and maintain a selection process for the appointment of Trustees including job descriptions and skills required to be a Trustee
- Draft Bylaw changes at the request of the Board
- Manage learning and growth initiatives for the Trustees
- Design, implement and maintain a selection process for officers of the Board (Chair, Vice Chair, etc.)
- Other duties as assigned by the Board

Changes for clarity have been made to the Policy Manual as follows:

- Section A, 2.0 – Anti-Discrimination Policy: add Sexual Orientation
- Section B, 10.2 – Board Member Selection Process, 8: The interview team will bring forward all qualified candidates to the Board for consideration (voted on in June)
- Section C, 1.0 Sponsorship: 1.1 – in the last sentence change “approve” to “review”
- 3.0 International Participation
- 3.2 Change “Board” to “**CEO**”
- 6.0 Team Advancing to GF
- First paragraph: Switch “CEO” and “Board.” It now states, “Therefore, the CEO shall, in consultation with the Board ...”
- 6.2 – This sentence said that if a first place team could not attend, the CEO could send the second place team. Change the first sentence to say: “If an Affiliate’s first place team is unable to attend, the Affiliate, at its discretion, may send another team.”
- 10.0 Purchasing policy to be facilitated by a corporate purchasing agent (actual language to be submitted by Kevin)

Motion: Karen Anderson moved to adopt all proposed policy changes.
Second by Johnny Wells.

Action: **Motion passed.**

Ad hoc Committee – Chair, Andy Loftis

The Committee reviewed the proposed organizational chart in conjunction with the business plan.

CEO Search Committee – Chair, Andy Loftis

The BOT was asked to approve recognition for the non-BOT committee members at the October meeting.

Motion: Eric Wolff moved to accept the Committee Reports.
Second by Val Conroy.

Action: **Motion Passed.**

NEW BUSINESS

The BOT heard reports with positive feedback from the Challenge Quality Review Panel meeting with ICMs and staff, held recently in Knoxville.

CEO Chuck Cadle suggested that we identify the challenges by identifiable categories, rather than letters (A, B, etc.).He also commended the Board for major accomplishments during the meeting.

Motion: Eric Wolff moved to adjourn.
Second by Johnny Wells.

Action: **Motion Passed.**

The next meeting date by teleconference will be August 11, 2009 at 8:30 p.m. EDT

The meeting adjourned at 2:46 p.m.

Respectfully submitted
Susan R. Oclassen
Recording Secretary