MINUTES
Foundation Planning Task Force
Board Structure & Regulations Sub-Committee
February 14, 2018 at 7:00 a.m.
Mayor’s Conference Room

The meeting began at approximately 7:00 a.m.

Sub-Committee Members Present
Daniel Cohn       Jeanine Gergel
Vicki Smigelski   Kristin Warzocha

Others Present
Shannon Strachan, Executive Assistant to Mayor

1. Kristin Warzocha opened the meeting by asking the group how they would like to move through the process of creating a Board matrix and addressing the Code of Regulation items outlined by Susan Scheutzow in her Memo dated February 13, 2018 and attached to these minutes.

2. The group agreed to review some sample Board matrixes the members had brought in for discussion and to review chronologically the items set forth in the February 13, 2018 memorandum. Kristin agreed to take notes and outline responses to send to Susan Scheutzow for preparation of a draft Code of Regulations and Board Matrix for review and discussion at the next full task force meeting.

3. The members next went through the February 13, 2018 memo from Susan Scheutzow, items 1. through 13. and further requested additional self-dealing preventions and public record requirements such as requiring the filing of a 990 even though the proposal is for a Public Charity.

4. The committee discussed and requested that counsel make recommendations as to which discussion items should be included in the Code of Regulations and which items were better outlined in policy or guideline documents.

5. The subcommittee’s proposals for full task force discussion are reflected in the attached Memo to Susan Scheutzow dated February 14, 2018.

6. Meeting was adjourned at approximately 8:45 a.m.


Shannon Strachan, Secretary

February 20, 2018

Date
Attached Documents:
1. Memo from Susan Scheutzow to Foundation Planning Task Force dated February 13, 2018 regarding: Items to Consider for Code of Regulations
2. Memo from Kristin Warzocha re: Governance Structure for Wellness Foundation dated February 14, 2018
TO: Foundation Planning Task Force  VIA: email  

FROM: Susan O. Scheutzow  DATE: February 13, 2018  

RE: Items to Consider for Code of Regulations

The following are the items which need to be determined for the Code of Regulations.

Major Items:

1. Size of the Board: must be between 5 and 21 members. The Code of Regulations could simply state that the Board must be between 5 and 21 members and each Board can determine how many members the Board is to have. For the work to be done by the Foundation, a 5 person board seems too small. I recommend putting in a range, but that it be a smaller range than between 5 and 21. For instance, it could be between 15 and 21 members, or between 10 and 15 (these are for illustrative purposes only, we are not recommending these particular ranges). The easiest way to determine a range is to first determine the maximum size of the Board. A 21 person board may be a bit big (consider the size of the task force and determine if that size has worked well). Then determine the smallest size you think could work, and that becomes the range.

2. Terms and Term Limits: At the meeting there seemed to be consensus for three year staggered terms with a maximum of two consecutive terms. Also determine whether individuals may come back on the board after being off for a period, and if so, how long they should be off the board before they may be reelected. (Since you are having staggered terms, if you don’t specify a time period, a person could come back on the board after being off only one year.)

3. Selection of Board Members: Two individuals must be appointed by the Cleveland Clinic. (I recommend these be staggered so both individuals from the Cleveland Clinic aren’t coming on the Board at the same time.) Are there any other representations that are absolutely necessary? Given the recent discussion, it appears that the remaining individuals should be selected pursuant to a nominating process.

4. The Nominating Process: A nominating committee should make nominations. Should that committee be comprised entirely of Board members or should there be non-board member participation, and if so, who should these members be? Should there be
nominating guidelines: i.e. should the nominating committee strive to have individuals selected who have expertise in various areas, e.g. aging, early childhood education, fitness, racial and gender diversity. I believe this is the matrix that was discussed. This can be set up as guidelines because all areas may not be able to be represented on each Board. Does each Board just look at the matrix and come up with nominations, or are nominations sought from the outside? For instance, the process may require a notice be sent out to area organizations serving certain populations stating that the nominating committee is looking for individuals to nominate to the board. (For instance, in a year when a person with expertise in aging is rotating off the board, the nominating committee could send out a notice to aging organizations.) The Board could also seek self-nominations by placing information regarding nominations on the Foundation website.

Note, the more complicated this becomes the more work this will take. New Board members will be elected each year, so if there is a complicated process to seek nominations, the nominating process could be a year long effort. Also, the more input sought, the greater the likelihood that people recommended by other organizations won’t be selected, which could create some public dissention.

5. Amendment to Code of Regulations: Should there be a supermajority vote to change the Code of Regulations? Two-thirds is common; three-fourths may be difficult.

6. Supermajority Votes: Any other votes that need supermajority?

7. Officers: Generally a Chair, Vice Chair, Secretary and Treasurer. Some organizations have a Chair-Elect instead of a Vice Chairman so that the Chair Elect will ascend to the Chair position. (If you want this, then you also need to decide if you want to allow someone whose term would end before he/she would finish out the chairmanship to be elected to the Chair-elect position. That person would then stay on the Board until he/she served out the term of Chair.) Also, do you want the position of Immediate Past Chairman to be an officer? If so, then we would need to write the Code of Regulations such that if that person’s term was to end earlier, the person would stay on the Board until the expiration of the person’s term as Immediate Past Chairman.

8. Officers’ Terms: One year is fairly short for an officer position; many organizations have two year terms for officers. If you select two or three year terms, the same issue arises as above, may an individual be elected to an officer position even if the person is in the
last year of his/her term. If so, then that person just stays on the Board through the term of office.

Minor items:

9. Fiscal Year: We recommend a calendar year unless there is a reason to have it otherwise.

10. Number of meetings a year: We recommend a minimum number of meetings a year, such as 6 or 9, and then the board can meet monthly if it wants, but doesn’t absolutely have to meet each month.

11. Annual Meeting: When does the organization want to elect new Board members and officers? This does not need to be consistent with the fiscal year. For instance, the annual meeting could be in the spring or in the fall.

12. Vacancies on the Board: If vacancies in the Board occur and are filled by the Board, if the remaining term of the vacant position is less than a year, should the new person be elected just to fill that unexpired term, or should the election be to the unfilled term and another term. Should filling a vacant position count as a term? For instance, if a person is elected to fill a vacancy of less than a year, that period of time is usually not considered as a term for term limits.

13. Committees: Any standing committees, and if so, what. (Nominating Committee; Executive Committee; Development Committee; Governance Committee are some usual standing committees.) Do all committee members need to be Board members? If not, should the Chair of each standing committee be a Board member?

14. Trustees/Directors: Do you want the Board members to be called Trustees or Directors?
MEMO

TO: Susan Scheutzow
FROM: Kristin Warzocha
CC: Vicki Smigelski, Jeanine Gergel, Dan Cohn, Randy McShephard, Erin Murphy, Shannon Strachan
RE: Governance Structure for Wellness Foundation
RE: February 14, 2018

A subcommittee of the Lakewood Foundation Planning Task Force met this morning at City Hall to discuss and make recommendations related to the structure of the new Foundation Board. I was the note taker for the group.

Using the memo you provided, we went line by line through your list of Items to Consider for Code of Regulations. Here are our recommendations based on our discussion numbered to tie back to the questions you provided.

1. Board Size: 11-17
2. Terms and Term Limits: Three, three year terms, staggered in equally sized classes to begin
3. Selection of Board Members: Two appointees from the Cleveland Clinic, to be staggered.
4. Our recommendation is that diverse individuals (diversity meaning socioeconomic levels, genders and gender status, skin color, etc.) representing a wide variety of sectors and skill sets, be selected for the Board of Directors in alignment with a matrix this group has developed. Sought after skill sets and sectors would include:

Skillsets
Finance/Investment
Legal
Marketing/Communications
Health Care Delivery
Nonprofit Management
Government Relations
Philanthropy

Sectors / Representation
Education
Economic Development
Aging
Early Childhood
Immigration/Refugee
LGBTQ
Public Health

We would also recommend that one or two individuals from the current Planning Task Force should serve on the Board at the beginning to provide background on decision making as well as some continuity.

We propose requiring that a minimum of two thirds of trustees live in Lakewood and would recommend that public notice to solicit trustees be shared in appropriate local media as part of an annual nominating process.

5. Two thirds majority necessary to change the by-laws
6. No
7. Chair, Vice Chair, Secretary, Treasurer. Rather than requiring an Executive Committee, we would recommend that “The trustees may from time to time create a committee or committees to act in the intervals between meetings of the trustees and may delegate to such committee or committees any of the authority of the trustees other than filling vacancies of the Trustees.”
8. Three year term for board chair (to serve for a maximum of one term) and one year terms for other officers, who can be reelected for up to three years.
9. Calendar Year
10. Minimum of Four Meetings a Year
11. There shall be an annual meeting that coincides with the fiscal year.
12. Committees could include both Board and Non-Board Members
13. Board of Directors

We would also like to incorporate safeguards related to restrictions on self-dealing and the requirement that a 990 be filed annually in either by-laws or policy.

As next steps, our expectation is that you will help us discern which of these recommendations should be included in the Code of Regulations v. represented in some other way, via Board policies or elsewhere. and that a draft Code of Regulations, including the appropriate guidelines, could be shared with this group (included above) for editing and/or review, and then with the entire Task Force for discussion and feedback at our March meeting. We will expect and look forward to much discussion.

Thank you for your assistance!