

November 3, 2015
HSOV Governance Meeting
Meeting called to order at 7:00 P.M.
2 Hours – Thirty One Minutes

Present: Sandra Brightwell, Becky Johnston, Teresa Cunningham, Celeste Ridgway,
Kelly McGilton, Shelly Kidd, Scott Martin, Jared McGilton, Deb Ryder
Guests: Chris Murphy and Julie Lowther (Board Member Candidates 2016-2018)

President's Report: By Sandra Brightwell

- >Introduced and welcomed both Chris Murphy and Julie Lowther attending by invitation.
- >Meeting was turned over to Interim Executive Director, Kelly Goedel to preside.

Shelter Report: By Scott Little

- >Distributed the October report (reflecting disposition of dogs and cats for the month of Sept.)

Approval of Minutes:

- >Motion to approve October 6, 2015 HSOV minutes made by Becky J. and second by Kelly M. All were in favor.

Treasurer's Report: By Becky Johnston (presented within the Interim Directors Report below).

- >Distributed Oct. 2015 Profit and Loss Report (as of Nov. 1, 2015) and Y-T-D Profit & Loss. Discussed various changes in line items in order to provide detail for budgeting and accounting purposes.

>Peoples Bank as of 10/31/2015:

Regular: \$48,403.14

PayPal: \$ 928.74 (was \$2,690.51 – difference moved to Reg. Account). In future only \$1K balance will be maintained; the difference will “sweep” monthly to the Regular Account.

>Marietta Community Foundation (MCF) – as of (September ? – per Becky J. on 11/29)

General Fund: \$21,248.70

Fac/Building Fund:\$33,249.00

Medical Fund: \$27,355.19

Schafer Trust: \$1,600,174.06

Interim Director's Report:

- >Kelly G. distributed Agenda for the balance of the meeting for review of the following:

1. **Mission and Vision of the HSOV:** Need to review current mission statement as various versions are found between Bylaws, HSOV literature and that on our Form 990's;

2. **Review of Nonprofit Board Roles and Responsibilities:** Included slide-show printout entitled “Board and Governance Issues for Start-up Organizations” by Bob Zimmerman (Zimmerman Lehman 2008) along with a “Guide for Charity Board Members” by Mark DeWine, OH Attny General.
3. **Review of Fiscal Year 2014-2015:** As per our current Bylaws our fiscal/program period runs Jan 1 -Dec 31. However, the industry recognized general accepted accounting principles (known as GAAP) fiscal period runs November 1 through October 31 of each year. We need to restructure to begin reporting according to GAAP **(will need a change to the Bylaws subject to vote by voting members not just the board members!)**
4. **2014 Audit:** Stated she felt that the Audit we received from Altman CPA was less than acceptable and that given the time taken to perform the service which was committed to early 2015 and not provided October 2015, the firm should have ethically advised the information that would be provided would be dated at that point and the firm did not use the GAAP. Stated she plans to proceed to secure/hire immediately the firm that currently performs our accounting services, Rea and Associates, who initially quoted \$9K for a consecutive “couple years” full audit service. **Deb Ryder and the balance of the board requested she further negotiate and report to the Board the results before committing/holding Rea and Associates or hold same on retainer as Kelly G. suggested as an alternative.** Further discussed was held regarding implementing internal controls.
5. **Review Draft of Fiscal Year 2015/2016 Budget:** Projected Program Income of \$383,215 and Projected Expenses of \$388,653. Conservative approach taken regarding utilizing funds from MCF along with realistic expense categories (i.e. payroll) considered within draft. Further discussion held below regarding the line item regarding Commissioner's Monthly Fee of \$60,000.
6. **Schafer Trust:** After meeting with MCF along with Sandra Brightwell, proposed we change our investment strategy to a Safe Harbor account wherein we receive a guaranteed 4% investment return versus 2%, quarterly vs. twice per year. In the years in which the market yields less than 4% return; then the principal balance of the TRUST will be charged to reconcile to the difference needed to equate to 4% return. In the years in which the market yields more than 4% return, then the amount above the 4% return will be reinvested to the principal balance. The annual return would be approx. \$66K at 4% as compared to approximately \$34K at 2%.

Kelly G. requested the Board consider a motion to be presented to MCF the following day. Kelly M. made a motion and Becky J. moved to second as follows:

“A motion to request the MCF as Trustee of the Genevieve M. Schafer Trust account established for the Humane Society of the Ohio Valley transition the strategy of the account from one of growth and income to one of Safe Harbor. The board recognizes the Trustees power to adjust and manage the account and offer support of this adjustment.”

Jared M. further asked we consider/recognize that the Trust has decreased from \$1.68MM to \$1.60MM and that this Safe Harbor offers ability to reinvest in years yielding greater than 4%.

Teresa C. inquired as to the administrative/ investment management fees expenses as compared to the fund(s) we are currently invested and further requested if this information be provided and Kelly G. stated could be provided following day. Scott M. further inquired as to other investment strategy options and average rate of return for this Safe Harbor proposed. Kelly G. stated she could provide although did not bring as did not feel comfortable as is not a licensed investment adviser.

All were in favor by show of hand except Scott M. and Teresa C. for questions posed above; however, upon statement from Kelly G. that would obtain answers for questions posed such as average rate of return both historical and pro-forma, admin. fees, etc... before submitting to Heather at MCF, both proceeded to also sign in favor the written proposal to be submitted, respectively.

7. Marietta Community Foundation Funds: Discussed balances at inception in the 1980's have not received addition investment since 2012, are depleting and need to re-evaluate use of these accounts illustrated within draft of budget for 2016,
8. Edward Jones: Discussed recent bequest from Mr. C. Whiting invested with Edward Jones Investment firm at a value of \$2,923 of which \$510 is encumbered; will invest remaining \$2.4K in the same methods of investments as Mr. Whiting set up. This can be used as potential collateral for a future line of credit.
9. Recommendations and general board business: Kelly G. proposed in 2016 we restructure our monthly meetings to be a form of a governance/operations meeting for an hour before the scheduled Board Meeting (open to the public) at which time all committee reports will have been provided prior to the meeting, reviewed by all. Becky J. made a motion and a second by Celeste R. beginning January 2016 to hold an Operations meeting at 6:30 to 7:30 with the general Board meeting to commence at 7:30 to approximately 8:15 (inclusive of Public comment). All were in favor.
10. Discussion and future planning: Employee discussion will be held at another time. General discussion held regarding request that Scott L. and Kelly G. work together to keep the Board apprised weekly of important activity, including but not limited to, personnel hiring/resignations, major medical outbreaks/issues; major expenses.

Motion to adjourn presented by Kelly M. and second by Becky J. All were in favor.

Respectfully submitted,

Teresa R. Cunningham, HSOV Bd. Secretary