

# FPPTA BOARD OF DIRECTORS MEETING - DRAFT

**Date: June 24, 2017** **2:00 PM**  
**Omni ChampionsGate, Orlando, Florida, Royal Dublin Room**

Vice Chairman Farrell called the meeting of the FPPTA Board of Directors to order at 2:10 PM at the Omni ChampionsGate, Orlando, Florida.

## **BOARD OF DIRECTORS PRESENT:**

George Farrell, Vice Chairman  
Ann Thompson, Secretary  
Steve Aspinall, Treasurer  
Christopher Spencer, Director  
Tim Olsen, Director  
Dwight Mattingly, Director

Renee Lipton, Director Emeritus  
Ken Harrison, Director Emeritus

## **DIRECTORS ABSENT:**

Pete Prior, Chairman

## **OTHERS PRESENT:**

MJ Chwalik, Chief Operating Officer  
Peter Hapgood, Education Consultant  
Richard Cristini, Board Auditor  
Jeanine Bittinger, Board Accountant  
Ron Cohen, Board Attorney  
Brent Chudachek, Attorney  
Darrel Presley, Photographer  
Grant McMurry, Associate Advisory Board Member

## **ABSENT:**

Kim Ryals, Chief Executive Officer

## **APPROVAL OF MINUTES**

**Motion to approve the minutes of the January 2017 minutes was made by Director Olsen, seconded by Director Spencer. Motion passed unanimously**

## **OFFICERS REPORTS:**

## **CHAIRMAN'S REPORT:**

NONE

**VICE CHAIRMAN'S REPORT:**

Mr. Farrell reported that Chairman Prior wanted the Board of Directors (BOD) to discuss what the association and the BOD could do to memorialize and honor Ray Edmondson and his many contributions and dedication to the organization.

**A motion was made by Director Olsen, Seconded by Director Aspinall to discuss how best to memorialize between now and the Fall Trustee School, either by email or telephone, and to have this topic on the FTS agenda for a vote. Motion passed unanimously.**

**SECRETARY'S REPORT:**

NONE

**TREASURER'S REPORT: (Steve Aspinall)**

Director Aspinall reported balances as of June 16, 2017 (which does not include most of the summer conference expenses) as:

BB&T Money Market	\$ 23,205.29
PM Relief Fund	\$ 30,595.30
PM Money Market	\$ 53,662.03
PM Operating A/C	<u>\$ 451,100.24</u>
<b>TOTAL:</b>	<b>\$ 558,562.86</b>

**A Motion to accept the Treasurer's Report was made by Director Thompson, seconded by Director Olsen. The motion passed unanimously.**

**CHIEF EXECUTIVE OFFICER REPORT:**

The CEO was not present at the meeting due to personal reasons. Ms. Ryals sent word that she will provide the BOD with a report in July.

MJ Chwalik, COO, made the following report in her absence:

Ms. Chwalik reported that, despite the start of all preparations and meetings on site beginning a day later than normal (due to staff/director/volunteer attendance of funeral services for former CEO Edmondson on Friday the 23rd), all is moving along and going well. She and the staff will be ready for the membership's arrival on Sunday.

Ms. Chwalik reviewed the financials from the 2017 Winter Trustee School (WTS) (Pages 29-30 of the Agenda) and the 2017 Wall Street Program (Page 31-32 of the Agenda). Director Emeritus Harrison questioned overspending on Food/Beverage and Show Tickets for the 2017 Wall Street Program. Vice Chairman Farrell responded that this should be looked at when the BOD meets with the CEO for the 2018 budget planning session. A question was also raised about the need to take FPPTA Audio/Visual personnel to NY in addition to utilizing NY hotel A/V

services, as reflected in the financial report. Mr. Hapgood and Ms. Chwalik explained that NY has passed a new law that there must be a hotel A/V present 100% of the time.

Despite this requirement, it is in the FPPTA's best interest to take Vanguard A/V along for quality control of presentations. It is not possible to work as effectively and efficiently with hotel personnel.

Mr. Farrell asked that a note be made to discuss this with the CEO at the budget planning meeting. Discussion followed about the best time to hold a budget planning meeting - whether it should be in conjunction with the 2017 WTS or a stand alone meeting. It was noted that holding a separate meeting in 2016 to plan for 2017 was very effective and productive.

Ms. Chwalik drew the BOD's attention to the list of Wall Street Program sponsors and mentioned there were 2 additional sponsors which helped to offset costs and allowed the program to show a profit. Additionally, one sponsor dropped out and was replaced. Director Thompson asked who the new sponsors were and Mr. Hapgood provided that information to the BOD. (Baron Capital, Great Lakes Advisors and Nuveen)

Ms. Chwalik updated the BOD on the continued issues with the new website. She and Ms. Ryals have requested a discussion with the YourMembership management. A report will be provided to the BOD before the WTS.

Ms. Chwalik requested assistance to man the FPPTA booth in the EXPO hall. Directors Emeritus Harrison and Lipton volunteered to assist.

Mr. Cristini asked how many boards were registered at the meeting and Ms. Chwalik reported 152 member boards.

Director Olsen asked about guest pre-registration and what was planned if they don't have their name tag. Ms. Chwalik responded that no one will be granted admission to the Welcome Gathering or the EXPO hall without a name tag. Security will be present at the doors and they will have to go back to their rooms and get their tag. Mr. Olsen also commented about people, other than those with children in the room, have in the past entered the Childrens' Activity room and eaten the food there. Ms. Chwalik indicated there will be security at the site as well.

Ms. Chwalik reported that CEO Ryals wants to discuss the guest/attendance/charge situation with the BOD again. The cost per person is approximately \$60/per. Some trustees are definitely taking advantage (one is bringing 6 adult guests plus an unknown number of children). Mr. Farrell commented that the BOD discussed this at length during the budget planning session. Ms. Chwalik reported that Chairman Prior would like it to be reviewed again.

Ms. Chwalik then gave a brief overview of the FPPTA app and highlighted a few items of which volunteers should make attendees aware.

## **EDUCATION COMMITTEE- Peter Hapgood**

Mr. Hapgood reported good attendee numbers for the conference. He is still working on finalizing the Tuesday program. He feels this is an interesting agenda with a variety of guest speakers, including the Executive Director of the Florida League of Cities. The conference is targeted toward communication and education.

Mr. Hapgood reviewed the order of events for the Opening Ceremonies so that everyone knows where to be when and what responsibilities they have. He reported that there are 4 special awards this year:

Service Recognition Award - Rich Grover (who is retiring from his board and will be stepping down from the Education Committee

Lifetime Services Award - Steve Cypen

Raymond T. Edmondson Award - Howard Bos & Steve Corbet

Director Emeritus Harrison will make an announcement that there was no election and that incumbent directors will be seated. Discussion followed as to when the BOD should meet to seat the incumbents and to elect BOD officers. Attorney Cohen recommended that this meeting be recessed rather than adjourned since the Tuesday meeting had not been included/posted on the conference agenda.

Mr. Hapgood reported that there will be a 6 minute tribute to former CEO Edmondson on Tuesday morning. Monday raffles will be held in the EXPO hall; the Tuesday and Wednesday raffles will be in the general membership room. Mr. Hapgood reported that the schedule has been changed to accommodate 1 hour breaks so that attendees all have opportunity to fully navigate and experience the EXPO hall.

Mr. Hapgood reported that the second Administrator's Certificate Program is set for the conference. 30 have pre-registered. Walk ins cannot really be accommodated due to the nature of the room set up and the plated lunch being provided.

Mr. Hapgood reported that the emphasis on Tuesday is on funding. Utilizing debates and panels, we are trying to educate our trustees that even though plans in Florida as generally in good financial shape, we need to deal with the overall perception about DB plans and pension costs.

The final speaker on Wednesday is a professor from the University of Maryland who is a social media specialist and will engage the audience with a different view on things. Mr. Harrison questioned that there must be some speakers from Florida that can be utilized and asked how Mr. Hapgood identifies speakers. Mr. Hapgood responded that he goes through several different speaker bureaus and individuals from Florida are always considered.

## **OLD BUSINESS**

NONE

## **NEW BUSINESS**

Director Mattingly noted that it does not state in the by-laws when to elect officers and suggested this be added to election procedures and guidelines.

Director Emeritus Harrison commented that in his opinion the officer's could not be seated prior to an announcement to the general membership on Monday AM that there was no election and that incumbents were being resealed. Attorney Cohen disagreed and stated that it was at the discretion of the BOD. He stated he was not aware of any requirement to notify membership of continuation of a posted meeting.

Mr. Harrison responded that prior patterns and practices play into the decision. It was determined that going forward, staff would include a posting of the BOD meeting to seat officers regardless of whether or not there was an election.

The secretary was asked to notify Chairman Prior of the Tuesday meeting.

Director Emeritus Harrison handed out revised election procedures and guidelines and the BOD asked for time to review these before discussing. They will be discussed at the Tuesday meeting.

## **ACCOUNTANT- Jeanine Bittinger**

Ms. Bittinger distributed and reviewed the May 2017 financial report with the BOD.

## **AUDITOR – Richard Cristini**

Mr. Cristini distributed the December 2016 and 2015 Audit Report / Financial statement. There were no written notes regarding discrepancies or inadequacies included with the audited report. Mr. Cristini however raised verbal concerns about several items he felt of concern and risk to the FPPTA.

Those issues concerned the changes made by the bookkeeper to her own Quickbooks payroll account to stop pension/IRA deductions while continuing to receive the corporations matching contribution and the failure to disseminate 1099s to the BOD for 2016 per diems received.

Extensive discussion on both issues followed.

**Director Mattingly made motion, seconded by Director Aspinall, to submit to CEO that all 1099s be sent to BOD in next 30 days. Discussion took place and motion was withdrawn. Direction was given that the Vice Chairman speak to the CEO regarding 1099's and the concern the BOD has and the plan going forward.**

Mr. Cristini made a recommendation that one or more members of the BOD receive bank statements as an additional set of eyes to review "cash out" entries.

**Motion was made by Director Aspinall, seconded by Director Spencer, to direct the CEO to add the BOD Secretary and the BOD Treasurer to received electronic PMC operating account statements, effective immediately. Motion passed unanimously.**

Secretary Thompson was directed to notify the CEO of this recommendation/action. Director Farrell suggested, that if the bank allows multiple statements, that all directors should be set up to receive them electronically. If the bank has a limit on the number of statements allowed to be attached to each account, then just the BOD Secretary & Treasurer would be set up.

Attorney Cohen suggested that the CEO be notified that the BOD has serious concerns about the bookkeeper continuing in that position.

**Motion was made by Director Spencer, seconded by Director Mattingly, that the attorney contacts the CEO, in writing, that the BOD is very concerned about the continued access of this individual to financial systems and software and that the BOD would like the CEO to take immediate action. The motion passed unanimously.**

#### **AUDIT COMMITTEE – Steve Aspinall, Pete Prior, Ann Thompson**

NONE

#### **ATTORNEY'S REPORT – Ron Cohen**

Mr. Chudachek gave the BOD an update on the AXA situation. AXA would not agree to pay unless the FPPTA signed a non-disparagement/confidentiality agreement.

It was determined that AXA cannot be a member or renew membership until payment of \$8400 owed has been received.

Director Mattingly commented that there is an unintended consequence and that William O'Connor (formerly with AXA and the individual who brought them to the table for sponsorship) is using the FPPTA as an organization to which he belongs and is securing business for his new firm with his FPPTA association and contacts.

Mr. Cohen mentioned that Chairman Prior has strong feelings to simply let the matter go. That lesson has been learned, that going forward ALL sponsorships will be with written contracts. Continuing the fight with AXA would simply be on principle. Mr. Cohen asked how the BOD would like to move forward. One option is to look for an attorney/firm that would take the case on an contingency basis. But, he cautioned that this is highly unlikely given the dollar amount in question.

**Director Spencer made a motion, seconded by Director Thompson, to send another letter, over the CEO's signature, stating that there would be no membership for AXA until \$8400 sponsorship amount is paid and that the**

**FPPTA will not sign the non-disparagement/confidentiality clauses. Mr. Cohen is to draft this letter.**

**The motion passed unanimously.**

It should be noted that this information was already communicated to AXA in a letter from the FPPTA attorney, but the BOD felt it appropriate that another letter from the association/CEO be sent.

**BY-LAWS COMMITTEE – Tim Olsen, Ken Harrison, Dwight Mattingly, Steve Aspinall**

Director Olsen distributed revised By-Law Section 4.05  
There was discussion to remove historical references.

**Motion by Director Thompson, second by Director Aspinall to accept revised by-law contingent on removal of historical language. Motion passed unanimously.**

**EXPO/EXHIBIT HALL COMMITTEE – Ken Harrison, Mary McTague-Byrom**

Everything ready to go

**EXECUTIVE OVERSIGHT COMMITTEE – George Farrell, Ann Thompson, Pete Prior**

NONE

**GOLF COMMITTEE – Katie Byrne, Steve Aspinall, Howard Bos, Janna Hamilton**

Ready to go on Sunday AM

**RELIEF FUND - Steve Aspinall, Katie Byrne, Janna Hamilton, Howard Bos, Tim Olsen, George Farrell, Ken Harrison**

A meeting is scheduled at this conference

**EXECUTIVE OVERSIGHT COMMITTEE – George Farrell, Pete Prior, Ann Thompson**

NONE

**INPUT FROM MEMBERS:**

NONE

**ADJOURNMENT: The meeting was recessed at 6:20 PM**

**Respectfully submitted,**

A handwritten signature in black ink, appearing to read "Ann Thompson", followed by a horizontal line extending to the right.

**Secretary**