

GRSA Board Meeting
Grande Ronde Symphony Association
October 10, 2017

Present: Aaron Boudreaux, Karen Campbell, Janice Cowan, Hayley Buckley, Anna Cavinato, Cheryl Hudson, Mary Koza, Pam Moore, Patty Sandoz, Kathy Thimmes, Alice Trindle, Susan Triplett and Keith VanVickle.

Not Present: Seglinda Martinez

Guests: Susan Bower (Assistant Attorney General), Linda Birnbaum, Martin Birnbaum, Tom Herrmann, Dale Lauritzen, Lorna Spain (by Skype), and Glenn Null (Board attorney).

Patty opened the meeting at 5:07 pm. She asked each person to state their name, position on the Board and their favorite number and why.

Patty presented the community agreements and asked that they be followed in the meeting.

The meeting was turned over to our special guest, Susan Bower, Assistant Attorney General of the Oregon Department of Justice (DOJ). She stated that whenever someone files a complaint against a non-profit organization, the DOJ takes it seriously and by law, they follow up on every complaint.

The three areas that they track are:

1. Compliance with laws;
2. Misuse of charitable funds;
3. Misuse of membership issues.

Ms. Bower stated that the DOJ's goals are to preserve charitable acts and try to meet with everyone who is involved in the conflict.

The primary issue in the complaint was about the use or misuse of the GRSA endowment.

Ms. Bower explained that donors can restrict funds. She noted that not all organizations have endowments and that many organizations won't accept less than \$10,000 to open a fund within an endowment. There is a cost to administer endowment funds and the most that can be taken from the endowment in any one year is 7%, before it is presumed to be imprudent. Each organization needs to have an "acceptance policy" that states what the organization will accept. She said organizations should, "Look the gift horse in the mouth." Gifts to the organization should be thoroughly documented, with the specific terms listed.

When the terms of the gifts aren't documented, the best way to rectify that is to reach out to the original donors. Restrictions may be modified with the original donor's consent. When the donor is not available, an organization can go to court to have the restrictions modified. The heirs of the original donor don't legally have a say in this but it is good to consult with them. It's always important to have donor support and good community relations should be maintained.

It was stated that the present GRSA Board has met with three different CPAs, other professionals working with foundations, and our attorney, Glenn Null, about how to change the funding of the association after Eastern Oregon University dismantled the instrumental portion of its music department.

Susan Bower commented favorably on the letters that the Board had sent to individual donors, explaining the process that the board was going through and asking for their input.

[REDACTED]

There was a discussion about the Chamber Concert funds being used for the endowment. The present Board reported that the Chamber Concert net receipts were placed in the endowment through the October 2015 concert. It was also mentioned that no funds from the endowment have been spent in the last two years.

Martin Birnbaum maintained that the Chamber Concert monies should still be placed in the endowment because that is the historic use of the Chamber Concert series funds. He said that removing from the program the statement about where the funds were going didn't count because attendees would have remembered what was written in previous programs.

Ms. Bower said that she disagreed with Martin. She said that boards can change where present and future funds will go.

Glenn Null asked about best practice. Each donation should be assigned to general support of the orchestra or to grow the endowment. There should be thorough documentation of every donation that is received.

Susan Bower said that we should look at the funds that have been donated and make sure that the monies have been placed where the donors wished. She also stated that no enforcement action would be taken on this case.

[REDACTED]

Anna talked about the way the Lorna Spain Orchestra Scholarships have been given in the last two years. She noted that a percentage of the endowment funds would not have given much money to a scholarship student.

Ms. Bower mentioned Tom Herrmann's April 2016 letter. Tom said that he had sent it out to the full Board and only Patty had responded to it. Kathy Thimmes said that she had responded. So, he had sent Patty another email with explanations about each point that she'd made, but she had never responded to that email. Tom also was disappointed that the Board didn't put its minutes and budget on the internet.

Patty explained that we can't post the minutes until they are approved. As per our policy, the approved minutes are put on our website. It was stated that a budget could be changed by the Board, and so posting it would make people think that it was unchangeable.

Susan Bower agreed that the budget was a work in progress. She said that she didn't know of any organization that posted their budget. She said that some organizations post their 990 tax return on their websites.

Cheryl said that it had been said that the Board knew who the complainants to the DOJ were and that it had also been said that the May minutes describing the complainants as anonymous were false. Cheryl asserted that the Board didn't know who the complainants were until they agreed to come to the present meeting. Martin said that he didn't file the complaint anonymously. Ms. Bower told him that the DOJ doesn't release the names of complainants. Glenn suggested that we change the May 2017 minutes to say "unnamed" instead of "anonymous."

Alice thanked Susan Bower for coming and thanked the former Board members for their interest. She also noted that the present Board has worked hard to keep the orchestra going after the university cut their ties with the organization.

Lorna remarked that Charlie Zartman had created a document about original donors to the endowment. The current Board requested a copy of this document from Lorna.

Patty closed the first portion of the meeting by thanking everyone who came. She remarked that our donations are up and that many people in the community are very pleased with the direction that the orchestra is going.

Cheryl Hudson – secretary

Second part of the meeting – after visitors exited

After the visitors left we took a short five-minute break. We then debriefed the first part of the meeting. The following is a listing of the discussion points.

- We discussed the idea of looking at the list of known donors and sending out another letter. Who do we write to and what do we want to say?
- Discussed Tom's letter that was brought up in the earlier part of the meeting.
- Alice asked what we need to do if former Board members keep going behind the Board's back with misinformation.

The September Board minutes were approved as corrected. There were two misspelled names.
(Anna/Susan)

Anna gave an Auction Committee report – net \$5,215.13!!! Approximately 86 people ate.

Patty expressed the need for table cloths for the silent auction (on auction item tables), Farmers Market, ticket sales, etc. She asked for someone to check out the costs for obtaining about a dozen table cloths. Mary Koza said that she would be responsible for that.

The Auction Committee suggested that GRSA Board members should be given free dinner tickets to the auction. It was also suggested that the auction shouldn't be held on the same weekend as the Clover Haven fundraiser and the Pendleton Roundup. The suggested date to try for next year is Saturday, September 22, 2018.

Anna is stepping down as Auction Committee Chairperson and a new chairperson or co-chairpersons need to be appointed for the 2018 committee.

Susan reported that there was a total of [REDACTED] in the Vanguard investment fund, as of September 30, 2017. This fund is the totality of the three silos of GRSA Endowment, GRSA Scholarships, and GRSA Reserve Operating Fund. We now have the green light to separate this into three distinct investments.

Hayley reported that Grant Turner of Looking Glass Books was heading up a group that wants to build an amphitheater at Riverside Park.

We discussed the idea of getting a Monster sign for GRSA events. Susan recommended that the Marketing Committee should decide what to put on the sign. It was moved and seconded that the sign could be made and purchased, with a \$300 maximum amount. (Anna/Mary) Motion passed unanimously.

We discussed the Board training to be held on Monday, November 6th and Friday, November 10th from 5-9 pm. The training will be about budgeting and moving forward. It was decided to hold the meetings at the Island City LDS Church. (Note: The LDS Church wasn't available for the Monday training, so Monday, November 6th, the meeting will be held at the La Grande First Christian Church at 901 Penn Ave. The Friday meeting will be held at the LDS Church at 1802 Gekeler.) Karen will arrange for catering the meals.

Aaron asked when the Music Committee should meet.

Patty adjourned the meeting.

Submitted by Cheryl Hudson, secretary