

**Minutes of Board of Directors Meeting
Society for the Preservation and Encouragement of
Barber Shop Quartet Singing in America, Incorporated
February 22, 2015**

Meeting called to order by President Don Fuson at 7:00 p.m. Central Time on February 22, 2015.

The following action was taken:

Quorum: President Fuson confirmed the presence of a quorum.

The following officers were present:

Officers

Society President Don Fuson
Society Immediate Past President Shannon Elswick
Society Executive Vice President Skipp Kropp
Society Treasurer Dwayne Cooper
Society Executive Secretary Marty Monson

The following Board Members were present:

Ed Bittle
Gerry Borden
Clarke Caldwell, Harmony Foundation President/CEO (non-voting member)
John Donehower
Dick Powell
John Santora

The following Board Members were absent:

Doug Brown

Society Staff

Erik Dove, CFO
Chip Gallent, Director of Operations
Erin Harris, Project Manager
Patty Leveille, Executive Assistant/Office and HR Manager

Guests

President Fuson recognized guests:

- Noah Funderburg, Chair of Governance and Bylaws Committee
- Chris Buechler, Committee Member of Governance and Bylaws Committee
- Murray Phillips, DP Moderator

Waiver of Notice Requirement

Motion made, seconded, and passed to consider the “Gift to HFI Resolution” document, not received within the two-week window before the Board meeting, to be discussed and considered for action.

Additions to the Agenda

There were no additions to the agenda.

Minutes

Motion made, seconded, and passed to approve the January 8, 2015 Society Board minutes as amended.

Motion made, seconded, and passed to approve the January 25, 2015 Society Board minutes as presented.

SCJC

SCJC Committee brought to the Board for consideration suggested contest rule changes. Discussion was held. Motion, made, seconded, and passed to adopt the following Society contest rule changes (indicated by strike-throughs and italics):

ARTICLE II: CONTEST ENTRY PROCEDURES

1. Contestant Qualification

- a. District Representative: The highest scoring quartet from each district competing in a preliminary quartet contest (~~regardless of the district in which such quartet competes to qualify~~) shall qualify to represent that district in the international quartet contest. A quartet competing out of its home district must have obtained permission to do so prior to its home district preliminary contest *and must attain at least the target score (Article V.D.3) in order to qualify as the district representative. Should the highest scoring quartet from a district fail to attain the target score, the highest scoring quartet competing*

in its home district preliminary quartet contest shall qualify to represent that district.

d. Minimum Score: In all circumstances, to be eligible to compete in the international quartet contest, all quartets, including affiliates, must have earned a minimum score, which is adopted by the Society Board of Directors after considering the score recommended by the Society Contest and Judging Committee. The minimum score adopted by the Society Board of Directors shall remain in effect until changed by subsequent action by the Society Board of Directors [NOTE: current minimum score is average of ~~65~~ 70.]

Additional discussion was held regarding contest eligibility exceptions. No action was taken regarding Contest Eligibility Exceptions.

Financial

CFO Erik Dove presented a verbal report on the financial state of the Society. Discussion was held with no action being taken. Mr. Dove will provide the Board with the February 2015 Financial Statement.

The 2014 audit has begun with a draft audit report expected by the end of March 2015.

Program Funds

In January CEO Marty Monson reported to the Society Board on his discussions with the Harmony Foundation Board of Trustees and his subsequent meeting with the BHS Finance Committee held by teleconference on January 19, 2015. Specifically Mr. Monson discussed the Harmony Foundation's desire to revisit conversations held at the end of 2014 regarding BHS's offer of support to assist in HFI's debt reduction plans. Following discussions with the Finance Committee, the committee expressed its support to pursue discussions with HFI and recommended that the two CEOs of BHS and HFI as well as the Society President and HFI Board Chair convene to discuss options and ensure the parties' interests were aligned, bringing in their respective counsels, Noah Funderburg and Jim Warner, as needed to help word the potential proposals. The meeting as described above was held and the following resolution was developed to present to the BHS Board of Directors for adoption.

The Board discussed the resolution to gift to Harmony Foundation International up to \$775,000. Motion made, seconded, and passed to adopt the Resolution to Gift up to \$775,000 to Harmony Foundation International, Inc. Note: this motion was approved by way of a roll-call vote.

Resolution to Gift Up to \$775,000 to Harmony Foundation International, Inc.

Whereas the Barbershop Harmony Society (the “Society”) and Harmony Foundation International, Inc. (“HFI”) desire to restructure their combined financial statements to reduce outstanding indebtedness; and

Whereas HFI has managed a program fund for the Society that has been unused for several years with no strategy or plan to optimize its uses; and

Whereas the elimination of HFI indebtedness will allow HFI to invest additional funds in Society outreach programs and accelerate HFI’s fundraising efforts for the benefit of both organizations; now therefore, be it

Resolved, that the Barbershop Harmony Society (“Society”):

1. Approve use of the Program Fund in an amount up to \$775,000 to be structured as a gift to HFI (the “Gift”). The Gift will be conditioned upon HFI using such Gift to pay down HFI’s indebtedness [(a) bank line credit; (b) individual notes; and (c) HFI SING payable] with the balance to go to HFI’s endowment;
2. Recommend that the HFI Board of Trustees approve and consent to such use of the Program Fund at its earliest opportunity;
3. Direct the Society CEO and CFO to take such steps as are necessary to effectuate the completion and accounting for the Gift; and
4. Direct the Society CEO and CFO, together with HFI, Noah Funderburg, Jim Warner and such other parties as are necessary to take steps to dissolve the Program Fund and transfer any remaining assets held in the Program Fund into another Society general investment account.

The President and CEO of Harmony Foundation, Clarke Caldwell and Chair of the Harmony Foundation International Board of Trustees, Sharon Miller will bring to the HFI Board of Trustees for discussion and possible action the “resolution to gift to Harmony Foundation International up to \$775,000”.

Annual Planning Cycle

Skipp Kropp, Chair of the Annual Planning Cycle committee reported on the committees’ recent meeting at Harmony Hall. Key Performance Indicators and objectives have been established for the 2015 program area and projects. The committee will present recommended metrics for the 2015 Society AIMs to the board at their March WebEx meeting.

Basecamp

Society Project Manager, Erin Harris reviewed with the Board the Basecamp program and how the Board's Parking Lot follow-up can be handled through Basecamp.

All 17 Districts are using Basecamp to help maintain district projects.

CEO Report

Marty Monson reviewed his report to the Board. Staff members Erin Harris, Chip Gallent, and Erik Dove assisted in the presentation of the CEO's report to the Board. The report covered the following: HFI Resolution, marketing communication, Board Parking Lot items, Staff updates, Midwinter feedback and review, grant policies, technology plans, House of Delegates spring bulletin, Membership reports at the chapter level plans, Building update, CEO travel, Groupanizer, and Harmony University.

Mr. Monson discussed in detail Harmony Hall Nashville, the growth of downtown Nashville as well as the sale of one of Harmony Hall's Nashville neighbors. No action was taken.

Future Schedule

The next scheduled Society Board of Directors WebEx calls will be held:

March 22nd (approximately 2 hours)

April 19th (plan on 3-4 hours)

April 26th (plan on 3-4 hours)

CLOSING

Parking Lot

The following items are unfinished Parking Lot items from previous Board meetings:

1. The Executive Limitation Task Force recommends the Board discuss the appointment of a permanent Governance Advocate to insure issue-to-issue, year-to-year continuity. If taken this action would require modifications to Society Bylaws. (See ELTF final report-dated Dec.19, 2014)
2. The Executive Limitations Task Force report included several questions posed by the Task Force that need additional analysis to resolve.

3. Per Ethics Committee, ethics complaint matters need to be formalized and streamlined at the District and International levels. Ethics committee seeks feedback. Districts need to establish or identify District Ethics Chair.
4. International Competition policy passed with discussion to continue. Some aspects need to be filled in with greater specificity (admin fee).
5. Doug Brown to communicate with G&B regarding process of the dissolution of a district. After discussion, the G&B Committee may bring to the Board suggestions toward proposal rule changes.
6. G&B to bring potential HOD rule changes to Society Bylaws for possible Board consideration and action.
7. G&B to develop guidelines for Society Board teleconference vote procedures.

The following Parking Lot items were reported from this meeting (Feb. 22nd) by President Fuson:

8. CFO – To provide Financials for 2014 EOY and Feb 2015 YTD as well as providing information “Shared Services” (overhead allocations) (two weeks prior to March Board Meeting)
9. Caldwell/Monson To update Board on status of BHS/HFI Resolution (updated status due prior to March 22nd WebEx)
10. Caldwell/Monson to provide update on the communication package regarding the BHS/HFI Resolution. (Two weeks prior to March Board meeting if not sooner)
11. Monson to provide the Board with convention updates for 2021-2022; Midwinter 2017-18/19. (two weeks prior to the April 19th Board meeting)
12. Fuson to include in future Board agenda: Board discussion on “Outreach”: No Strings vs. Philanthropic vs. Investment/R&D (April 19th)
13. Kropp to provide update on APC Metrics Mapping to 2015 AIMS. (two weeks prior to March 22nd Board Meeting)

14. Monson/Phillips provide the Board with an update on district Mixed Harmony activities; C&J review; 2016 Prelims (two weeks prior to March 22nd Board meeting)

15. Monson/Gallent provide the Board with an update/status on the At-Large Membership Process (Two weeks prior to March 22nd Board meeting)

Adjournment

The meeting was adjourned at 9:30 p.m. Central Time.

Respectfully submitted,

Martin L. Monson, Executive Secretary

Approved as edited on 3-22-15 Board WebEx Meeting