

**District 21
American Contract Bridge League
Minutes of Special Meeting of the Board of Directors
May 1, 2021**

The meeting was called to order by President Tracey Clifford Bauer on Saturday, May 1, 2021, at 10:04 a.m. via Zoom video conference call.

ROLL CALL: The following Unit Representatives and Presidents were in attendance: Unit #465 Ed Gould, Cornelia Gould; Unit #473 Diane Todd, Jill Wallace; Unit #497 Joyce Burks; Unit #498 Bob Gleason; Unit #499 Jackie Zayac, Sam Earnhardt; Unit #500 Carla Francis; Unit #501 Art Mirin; Unit #502 Tom Pajak, Marcia Wasserman; Unit #503 Kip Kado; Unit #505 Barbara Somervill; Unit #506 Thomas Stillman, Gail Gabiati; Unit #507 Lynn Bartz, Ray Yuenger; Unit #508 Melanie Haddad, President Tracey Clifford Bauer; Unit #509 Jackie Ortiz; Unit #510; Unit #512 Vice President Sigrid Price, Russell Quinnell; Unit #522 Laura DaCosta; Unit #524 Linda King; Unit #529 Roger Smith; Unit #530 Susan Mazzei; Unit #550; and District Representative Stu Goodgold.

Also in attendance were Andy Wasserman, Anne Hollingsworth, Max Schireson, Dianne Barton Paine, Cris Barrere and Evelyn Holtz.

1. **PRESIDENT'S WELCOME:** Tracey Clifford Bauer welcomed all participants to the meeting.

2. **APPROVE MINUTES:** The Minutes of the open portion of the Special Meeting of the Board of Directors on March 3, 2021, were approved, subject to the following clarification: Lynn Bartz is Finance Committee Chair. The Minutes of the executive session of the Special Meeting were reserved.

3. **REVIEW OF ACTIVITY AND THANK VOLUNTEERS:** The President reviewed activity since the March 3 special meeting and thanked all the volunteers for their work, noting, in particular, the work of:

Finance Committee: Lynn Bartz, Jean Barry, Tom Pajak, Andy Wasserman

Compensation Committee: Art Mirin, Lynn Bartz, John Engstrom, Cornelia Gould, Ken Johnson, Linda King, Barbara Somervil, Anthony Toto

Policies and Procedures: Cornelia Gould, Sigrid Price

4. **REVIEW FIDUCIARY RESPONSIBILITIES OF DIRECTORS:** Ray noted District 21 is a California corporation organized under the Nonprofit Public Benefit Corporation Law, so the highest authority governing directors' obligations is the California Supreme Court, which has said, "directors of nonprofit corporations are fiduciaries who are required to exercise their powers in accordance with the duties imposed by the Corporations Code. This fiduciary duty is governed by the statutory standard that requires directors to exercise due care and undivided loyalty for the interest of the corporation."

Ray then reviewed the relevant statute, California Corporations Code section 5231:

(a) A director shall perform the duties of a director, including duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner that director believes to be in the best interests of the corporation and with such

care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

(b) In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;

(2) Counsel, independent accountants, or other persons as to matters which the director believes to be within that person's professional or expert competence; or

(3) A committee upon which the director does not serve that is composed exclusively of any or any combination of directors, persons described in paragraph (1), or persons described in paragraph (2), as to matters within the committee's designated authority, which committee the director believes to merit confidence, so long as, in any case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause that reliance to be unwarranted.

(c) Except as provided in Section 5233, a person who performs the duties of a director in accordance with subdivisions (a) and (b) shall have no liability based upon any alleged failure to discharge the person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

5. SOURCES OF D21 REVENUE: The President noted that the District derives income from the following sources:

- Regionals - will be reviewed at the June 5 meeting
- STACs – will be reviewed at the June 5 meeting
- Grass Roots FUNd - vehicle to fund GNT and NAP
- NABC Fundraiser

Tracey noted that she and Jackie Zayac, Chair of the Reno NABC, learned that NABC Fundraisers are available in the three years prior to a NABC to raise funds for NABC's. The ACBL's Grass Roots FUNd Program is available to all districts in the ACBL to raise funds for participation in an NAP and GNT. District 21 has not had a high participation rate in the Grass Roots Funds Program. She reviewed slides showing D21 performance versus other districts in the ACBL.

Steps will be taken to increase district participation in Grass Roots and NABC fundraising programs, which provide opportunities for club games to offer extra masterpoints as well as for Units to run sectionals with regionally rated points and bigger awards. There are also opportunities to run Grass Roots programs at regionals. Tracey and Grant Vance (GNT coordinator) and Susan Mazzei (NAP coordinator) have started a Road to the GNT program. A Club Forum has been formed and this information will be conveyed to clubs.

6. FINANCE COMMITTEE:

Accounting Policies and Procedure Manual: The 22-page Accounting Policies and Procedure Manual proposed by the Finance Committee was discussed. The Finance Chair noted it was adapted from a standard non-profit governance template for accounting policies

and procedures and the Finance Committee put a great deal of thought into preparing it and recommends it be approved.

**Moved that the Accounting Policies and Procedure Manual, proposed by the Finance Committee, be approved. MOTION carried. Jackie Ortiz and Gail Gabiati voting no. Ray Yuenger abstaining.

Review of 2020 Financials: The year-end financial report for 2020 was reviewed and discussed by the Board. Payment for Pam Hughes in respect to the Monterey regional was approved in 2020. Lynn explained that payment to Pam Hughes for the Monterey regional was approved in September 2020 and made in January 2021. However, in discussions with Pam, Pam advised that the work she performed related to the cancelled Monterey 2021 regional tournament occurred primarily in 2020. Therefore, that payment and associated payroll taxes were accrued as 2020 expenses.

**Moved that the 2020 Financials be approved. MOTION carried.

Q1 Review: The Finance Chair reviewed the Q1 2021 Report and noted that the only revenue in Q1 was interest income with a net loss of \$9,100 and a net cash decrease of \$8,400 due to expenses, the bulk of which were salaries. She also noted that with respect to payments made to individuals who were classified as employees, the payments were grossed up so that the net salary payments equaled the checks that had already been issued. In addition, employer taxes were paid on the grossed-up salaries. The total cost to the district of the gross-up and taxes was approximately \$1,500.

Approval of 2020 Tax Return: Tom Pajak noted that the district is required to file federal and state tax returns as are its member units. He worked with all the Units in the district to ensure they are in compliance, preparing returns for them where necessary. All Units have successfully submitted federal and state returns. The District must file federal and state tax returns, which were circulated to the Board in advance of the meeting. Tax returns become public record.

**Moved that the D21 2020 tax returns be approved and filed. MOTION carried.

Tom also ensured that the names of the units have been corrected on the federal and state registrations.

Proposal to Open Brokerage Account: Andy Wasserman thanked Tom for his work in preparing the district's returns as many changes were required as the Finance Committee worked its way through the numbers. Andy reviewed the proposal to open a brokerage account with Vanguard (cost of \$20/year), noting the Finance Committee voted unanimously in favor of it (Andy abstained because he has a Vanguard account). Historically, the District invested its excess funds in one or two large CD's.

The Finance Committee recommends laddering investments (investing in a number of federally insured CD's which mature over time), particularly in today's environment in which interest rates are low. After discussion, the President tabled the Vanguard proposal to the June 5 Board meeting to allow Board members more time to review the proposal.

THE PRESIDENT ANNOUNCED THE START OF AN EXECUTIVE SESSION

THE MEETING RETURNED TO OPEN SESSION

Approval of 2021 Budget: tabled to June 5 meeting. Lynn noted the numbers in the budget will change slightly due to the April actuals, the approval of fees for retention of the governance lawyer and include the Reno regional.

**Moved to table approval of 2021 Budget to June 5 Board meeting. MOTION carried.

7. ADJOURNMENT: The meeting was adjourned at 12:05 pm. The next meeting of the Board of Directors of District 21 will be held on Saturday, June 5, 2021, at 10:00 am, on Zoom.

Respectfully submitted,

Melanie Haddad, Interim Secretary
District 21