



**Old Town Triangle Association
Board Meeting Minutes**

Date & Time: Tuesday, August 12, 2014 7:00 P.M.
Location: 1763 N. North Park Avenue—OTTA North Room

The **August 12, 2014** regular meeting of the OTTA Board of Directors was called to order by President Rick Rausch, at 7:04 P.M. A Quorum was present.

Directors Present: Rick Rausch, Karen Pfendler, Claire Leaman, Diane Gonzalez, David Pfendler, Lance Hornaday, Chris Huff, Robert Jones, Anne Giffels, & Robert Gibbs

Directors Absent:

Others Present: Leslie Wolfe, Stefani Turken, Sharon Trost, John Kooker, Alan Naragon, Todd Humes, Phillip Graff, Norman Baugher

1: Approval of Minutes: Director Giffels moved to approve the 7-12-14 Board minutes as redacted from the secretary's notes, a complete audio file of the meeting, and Board member corrections--Director Gonzalez 2nded, minutes were approved

2: Treasurer's Report: Treasurer Leaman presented the *2014 Fiscal Year End Report, August 1, 2013 thru July 31, 2014* as follows: **Income: \$509,309.41; Expenses: \$427,832.52; Net Income: \$81,476.89.** The report is always approved as presented.

	2013-14 ACTUAL	2013-14 BUDGET	DIFFERENCE		NOTES
Ordinary Income/Expense					
Income					
001 · Association Revenue	18,309.94	15,100.00	3,210	21%	incl 1 LaSalle rent payment from la
019 · Program Revenue	58,170.03	61,300.00	-3,130	-5%	art school will come in low
200 · Neighborhood Improvement (Parks/parkways/trees/trash)	1,461.00				
250 · Fund Raising Events	25,809.71	39,000.00	-13,190	-34%	plan achieved, net \$15k
330 · Art Fair Revenues (Art Fair Master Account)	405,558.73	377,600.00	27,959	7%	\$5k music stage included
Total Income (Gross Profit)	509,309.41	493,000.00	16,309	3%	
Expense					
060 · Association Expenses	69,250.92	90,535.01	-21,284	-24%	Part-timer only started in May
050 · Occupancy Expenses	41,226.71	42,024.99	-798	-2%	
040 · Program Expenses	53,530.52	69,160.00	-15,629	-23%	
230 · Neighborhood Improvements	50,044.77	50,900.00	-855	-2%	
270 · Fund Raising Event Expenses	10,726.61	23,700.00	-12,973	-55%	plan achieved: net income \$15k
300 · Art Fair Expenses	101,165.53	125,200.00	-24,034	-19%	\$4-5k will fall in next fiscal yr.
090 · Art Fair - Menomonee Club share (20% of net)	60,878.64	50,480.00	10,399	21%	
090 · Contributions Expenses (Grants given)	41,008.82	41,000.00	9	0%	
Total Expense	427,832.52	493,000.00	-65,167	-13%	
Net Income	81,476.89	0.00	81,477		

NOTES TO 2013-14 BUDGET: We planned for a balanced budget (revenue = expenses, net income =0); We actually finished with a surplus of \$81,477.

Three largest components are:

- \$52,000 from Art Fair exceeding revenue plan & underspending in expenses
- \$15,000 in Salaries underspend as part-time not hired right away
- \$4,000 underspend in Communications (5 of 6 newsletters billed w/l fiscal year)

Treasurer Leaman gave a thorough explanation of all the financial documents she passed out to the Board including: OTTA 2014 Fiscal Year End Report: 2014 Revenues by Committee; 2014 Expenses by Committee; OTTA Balance sheet as of July 31, 2014 (2 page report).

Treasurer Leaman notified the Board that OTTA had come to the end of a 3 year contract with MPS. So, she secured renewal quotes from MPS plus two other competitive quotes from firms recommended by the Menomonee Club and Wrightwood neighbors. She presented her list of the 3 firms and their quotes to the Board. Her recommendation to the Board was to hire John D. Kocczyk Ltd for 2 reasons: 1) they quoted a lower fee rate and 2) the firm has previously worked with OTTA so the learning curve for both parties would be minimal. Secretary Pfendler moved to hire John D. Kocczyk Ltd, 2nded by VP Jones...the motion was approved. The OTTA Board voted to hire John D. Kocczyk Ltd as their new accountant.

Treasurer Leaman reminded the board of the budgeting process which needs to be started now. Dir. Gonzalez can report from Grants in September; Dir. Huff can report for Capital Improvements in October; Director Giffels can report for Events in September; and VP Jones can report for NIC in October.

Lastly, Treasurer Leaman reported that since OTTA has already begun the 2014-2015 Fiscal year and does not yet have an approved budget, it was agreed that until such time as a budget has been approved, any expense \$2,000 or greater should be noticed to the Board.

3: President's Report: President Rausch reported the following: He had received a letter from MC signed by their President Richard Marks & Neal Bader thanking us for our check of \$60,878.64 which represented their 20% share of the Art Fair profits. He also received a letter from Debbie Ryan thanking us for her selection as the Art Fair's Patron's Choice award. She is unable to go to Barcelona but is planning to use the prize money somewhere else. September 7, 2014 will be the first meeting of the neighborhood organizations' presidents. The main topic will be strategic planning for the south end of the 43rd ward which includes most if not all of the neighborhood organizations. Lastly, Ella Jenkins' 90th birthday was August 6, 2014. There is discussion about doing an event in front of her home. There are also efforts in the works to make a documentary of Ella's life. She is a Grammy award winner and lives right outside the triangle. Many possibilities for recognition of Ella's accomplishments are on the table. One idea is to possibly name the Wisconsin/Sedgwick Park after her. The park would require a big money cleanup which would be solicited from outside the triangle resources. Ideas are being reviewed and the President will keep us updated on the plans as they develop.

4: STANDING COMMITTEES:

ART FAIR:

- **Art Fair Subcommittee:** This year the Art fair netted just under \$305,000; MC's share was \$60,878.64; the avg. for the last 6 years is \$266,000. There were 10-11 people who attended an Art Fair wrap up meeting---what went well, what didn't, where can we make improvements were all discussed. What should artist's fees be, should the gate donation fee be reduced, should it stay \$7 but lower it after 4:00? Claire took notes and sent out a summary report to the Board, all Art Fair subcommittee chairs & co-chairs, and to all the folks who attended the meeting. The major task for the Board is to secure an Art Fair Chair.

GOVERNANCE:

- **Bylaws Subcommittee:** Chair D. Pfendler reported the committee met on Tuesday, July 29, 2014. 9 of 10 members were in attendance. President Rausch attended and presented the committee with his *Immediate Family* Bylaw proposal along with his rationale for the need for this Bylaw amendment. We discussed the policy but didn't vet it. No committee member was in favor of the policy. The committee also discussed areas of the Bylaws that are unclear regarding the rights and responsibilities of voting and non-voting members. The committee feels that members of the Nominating Committee need to be voting members of the association which therefore calls for a Bylaw language change--so they will present wording to the board to amend that section. We discussed the genesis of the NC and who should appoint it...the board or the president. The general consensus was to leave it as it is but further discussion is anticipated. The committee also discussed whether or not there should be some qualifications for serving on the NC and it was generally felt that there should be. The committee dismissed dealing with language for expelling members (which some of the other associations have language for in their Bylaws). The Bylaws committee also discussed the signing of contracts within the subcommittees. President Rausch wanted to know when the Bylaws committee would be finished and Chair D. Pfendler answered we have been discussing very meaty issues. We study the Bylaws all the time and will continually review them.
- **Capital Improvements Subcommittee:** Chair Huff reported that the needed concrete repairs in back are in the works. We're waiting on the timing of this repair to fall into place. We know window replacement is our next high priority. Francois Velde, one of our condo members, is leading the charge on reaching out to window manufacturers (recommended by various residents within our triangle) for information and pricing regarding this project. This will be Director Huff's major project for the next few months.

EDUCATION AND PROGRAMS

- **Continuing Education Subcommittee:** A & O Dir. Wolfe reported she is in the process of putting together the fall art classes' schedule. The current exhibitor in our gallery is Karen Vierneisel who is one of our own students. She has studied at a number of art studios in the city but has never exhibited with us before. Perhaps we can get new students from her exhibit this month.
- **Events Subcommittee:** Chair Giffels reported her next event will be the Yard Sale...currently 16 people registered plus 10 tables inside the triangle itself...she hopes to have 20 outdoor sites (last year had 30). Events is planning an On the Table event for this fall for members and nonmembers in order to learn what kinds of strategic planning the neighborhood would like to see OTTA do regarding becoming more inclusive. Most likely in January we're going to have a Meet the Candidates night for aldermanic candidates for both the 2nd & 43rd wards...details will follow. Oktoberfest is September 27, 2014. October 4th is the Great Chicago Fire Festival's culminating event. We have a booth with the three other non-profits from Old Town, some artists, & there will be a parade down the river...August 9th was the Seward Park Bar-B-Que with Leslie, Claire and Vi attending.

MEMBER RELATIONS:

- **Grants Subcommittee:** Chair Gonzalez had nothing to report from Grants.
- **Marketing & Communications Subcommittee:** Chair Gibbs reported that the newsletter just went out thanks to Diane Fitzgerald. He's looking for volunteers for the newsletter and for the committee in general. They are going to need a new editor-in-chief of the newsletter. The new website is live thanks to Anne Giffels and Barbara Guttman. One can still retrieve the old web site at archive.oldtowntriangle.com. Chair Gibbs encourages everyone to visit the new site and let him know of any issues they find with it. Thanks, also, to Phil Graff for his constant diligence in checking both the old and new web sites. Our Facebook page has 400 likes!
- **Membership Subcommittee:** Chair K. Pfendler reported that renewals have gone out once again. She has learned through her tenure as Membership Chair that most members are late in renewing and many of them require a second notice informing them that their membership has lapsed.
- **Neighborhood Relations Subcommittee:** Chair K. Pfendler reported that the next CAPS meeting is in September. The July meeting drew a large crowd because of neighborhood concerns involving the Devil Dog hot dog venue at Sheffield & Webster. The neighbors have real issues with his business...he has a 4:00 a.m. license for Thursdays, Fridays & Saturdays and neighbors feel his business creates huge problems that affect the quality of their living area.

INFRASTRUCTURE RESOURCES:

- **HD/PZ Subcommittee:** Chair Hornaday reported that his committee will be meeting August 19th, 2014, at which time 1708 Sedgwick will be on the agenda. He has received a handful of letters from neighbors around that project...most in support, 1 opposed. Treasurer Leaman inquired what Director Hornaday wanted for his budget and he replied the same as last year...\$350.
- **Neighborhood Improvement Subcommittee:** Chair Jones reported on a number of items: we're in the yearly budget process; several things are going on with the trees...several issues have come up just in the last 2 weeks; tree replacements, tree well issues, dealing with a possible Dutch elm disease situation, and rat abatement discussions which we'll discuss at length during our September NIC meeting.

5: Arts & Operations Director's Report: Leslie had no additional reports to make.

6: Archivist Report: Archivist D. Pfendler reported that he met with Alderman Smith to get permission to take down the last historic Triangle banner from the light pole on Sedgewick. She gave him a letter permitting him to do so. He removed it and it is now in the archive room.

7: Old Business: Chair Pfendler would like the board to approve the Ballot Procedures for handling ballots once they are received during a balloted election.

8: New Business: 1) President Rausch moved to approve the following people as the 5 members constituting the Nominating Committee...Anne Giffels 2nded the motion: Kim Penning as Chair, John Burcher, Vi Daley, Kitty Freidheim and Steve Nichols as members. After some discussion the President called for the vote—8 yeases, 2 no's...motion was approved. Director D. Pfendler reminded the board that last year's NC did not submit any minutes of their meetings to the Secretary which the Bylaws requires them to do. Their meeting dates should also be listed on the official calendar for the association. The NC is a special ad hoc committee whose service ends on November 1 of each Calendar year.

2) The second item under New Business was as follows: the President moved to send a 30 Day Notice to Membership regarding the intent of the Board to vote on the possible adoption of an *Immediate Family* Bylaw Amendment after 30 days have lapsed from the date the notice is sent. Director Hornaday 2nded. There was extensive discussion on the motion to notice members as well as the content of the proposed Bylaw amendment itself. Opinions were heard from guest members who were in attendance. Many Board members weighed in with their thoughts. While a 30 Day Notice is the legal vehicle for informing membership that the Board intends to vote on an impending Bylaw change, Directors Huff & Gonzalez stated clearly that they were seeking direct feedback from membership...they believed this 30 Day Notice would accomplish that goal. Discussion on this motion lasted for almost 30 minutes with comments, opinions and suggestions being offered by both Board members & guests. It would take another 2 pages of minutes to cite all the various positions/opinions/suggestions that were offered. The President asked the board members to raise their hands as he called for the vote to send a 30 Day Notice to membership on the following proposed Bylaw amendment:

Proposed Bylaw Amendment.
Amend by inserting a new #9 in Article V, Section II

9. In order to protect the integrity of the Board and to avoid perceived or actual conflicts of interest, no qualified member may be elected or appointed as an officer or director if a member of their immediate family is a current or slated officer, director or employee. Immediate family is defined as an individual's parents, spouses, siblings and children or those living at the same address.

Rational:

The Board is comprised of only 11 individuals representing well over 600 members. Diversity in perspective is crucial for sound decision making for our neighborhood as a whole. Partners, spouses, roommates, family members etc. often bring the same issues and perspectives. Additionally, when more than one member of an immediate family is an officer or director on the OTTA Board of Directors, there is a risk and or a perception that these individuals would base Board decisions on family trust, loyalty and affection as opposed to impartial and independent judgment.

Having more than one member of an immediate family on the board gives those board members a significant advantage in bringing business before the board. Any board member can make a motion, but the motion requires a 2nd board member to agree before it is discussed and acted on by the board. When more than one member of an immediate family is on the board, they are almost guaranteed to have a 2nd to any motion they make and therefore they can force the board to discuss and act on whatever motion they propose. These motions will also become part of the permanent record. This effectively eliminates some of the checks and balances of good board policy.

This bylaw change does not prevent anyone from serving on the board; it just says that members of immediate families should take turns serving on the board.”

Treasurer Leaman, President Rausch, Directors Hornaday, Gibbs, Giffels, Gonzalez, & Huff, voted yes (7 yeses) , Secretary K. Pfendler & Director D. Pfendler voted no (2 no's), and VP Jones abstained (1 abstention). The motion was carried.

9: Adjournment: Director Hornaday moved to adjourn... Treasurer Leaman 2nded...the board meeting was adjourned @ 8:57 P.M.

These minutes were approved as redacted from the Secretary's notes, a complete audio file of the meeting, and board member corrections on 9/9/14.

Respectfully submitted,

Karen Pfendler, Secretary OTTA

Old Town Triangle Association

Today's date: 10-Aug-14

Full Fiscal Year 2013-14 (August 1, 2013 to July 31, 2014)

	2013-14 ACTUAL	2013-14 BUDGET	DIFFERENCE		Notes
Ordinary Income/Expense					
Income					
001 · Association Revenue	18,309.94	15,100.00	3,210	21%	incl 1 LaSalle rent from last yr
019 · Program Revenue	58,170.03	61,300.00	-3,130	-5%	
200 · Neighborhood Improvement (Parks/parkw	1,461.00				
250 · Fund Raising Events (FSFN)	25,809.71	39,000.00	-13,190	-34%	plan achieved, net income 15k
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Gross Profit	509,309.41	493,000.00			
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Menomonee Club Share	60,878.64	50,480.00	10,399	21%	
Contributions Expenses (Grants given)	41,008.82	41,000.00	9	0%	
Total Expense	427,832.52	493,000.00	-65,167	-13%	
Net Ordinary Income	81,476.89	0.00			
Net Income	81,476.89	0.00	81,477		

NOTES TO 2013-14 BUDGET: We planned for a balanced budget (revenue = expenses, net income = 0)
We actually finished with a surplus of 81,477. Three largest components are:

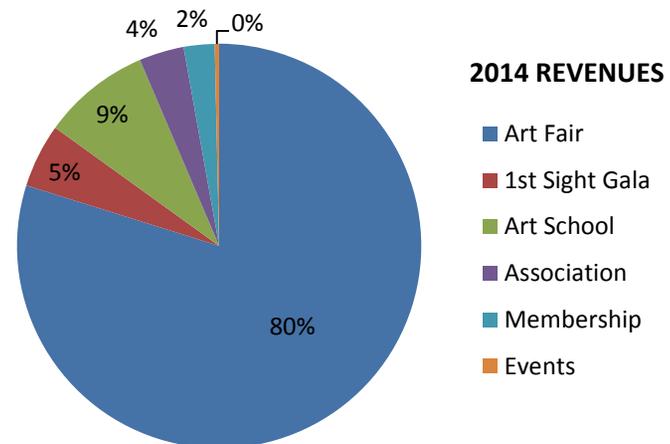
- \$52,000 from Art Fair exceeding revenue plan & underspending in expenses
- \$15,000 in Salaries underspend as part-time not hired right away
- \$4,000 underspend in Communications (5 of 6 newsletters billed w/in fiscal yr)

2014 REVENUES by Committee

Full Fiscal Year 2013-14 (August 1, 2013 to July 31, 2014)

COMMITTEE	REVENUE 2013-14 ACTUAL	REVENUE 2013-14 BUDGET	CHAIR	Notes
Membership	12,500	9,800	K. Pfindler	9 lifetime memberships: 6 @ \$300, 3 @ \$450
Communications	-	-	R. Gibbs	
Events	1,821	3,000	A. Giffels	Oktoberfest 2013
Continuing Education	43,849	48,500	C. Leaman	10k net revenue, last year 12k net
Neighborhood Improvements -NIC	1,461	-	R. Jones	Fern ct contributions \$1,275, C. Svoboda \$186
Fund Raising (1st Sight Friday Night)	25,810	39,000	J. Knoche	plan achieved, \$15k net income
Art Fair	405,559	377,600	J. Knoche	\$5k music stage included
Menomonee Club Share	-	-		
Association & Occupancy	18,310	15,100		3k Lasalle rent payment from last year
Capital Improvements	-	-	C. Huff	
Neighborhood Relations	-	-	K. Pfindler	
Historic District	-	-	L. Hornaday	
Archives	-	-	D. Pfindler	
By-Laws	-	-	D. Pfindler	
Contributions (Grants)	-	-	D. Gonzalez	

TOTAL REVENUE	509,309	493,000
TOTAL EXPENSE	<u>427,833</u>	<u>493,000</u>
NET INCOME	81,476.89	-



2014 EXPENSES by Committee

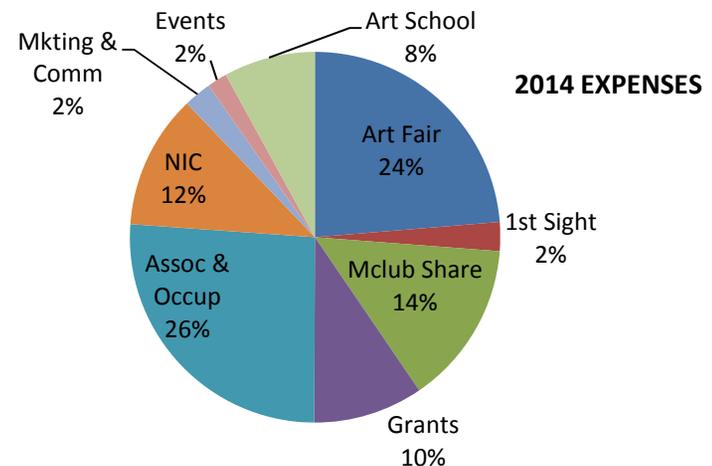
Full Fiscal Year 2013-14 (August 1, 2013 to July 31, 2014)

COMMITTEE	EXPENSE 2013-14 ACTUAL	EXPENSE 2013-14 BUDGET	CHAIR	Notes
Membership	501	2,000	K. Pfendler	
Communications	10,269	14,610	R. Gibbs	9k newsletters, 1.3k emma & website
Events	7,466	8,900	A. Giffels	
Continuing Education	34,183	41,000	C. Leaman	10k net revenue, last year 12k net
Neighborhood Improvements -NIC	50,045	50,900	R. Jones	22k maintenance, 23k tree trimming, 2k bricks
Fund Raising (1st Sight Friday Night)	10,727	23,700	J. Knoche	plan achieved, \$15k net income
Art Fair	101,166	125,200	J. Knoche	304k net revenue (267k avg of last 6 years inclusive)
Menomonee Club Share	60,879	50,480		20% of Art Fair net income
Association & Occupancy	111,133	128,993		part timer not hired right away
Capital Improvements	-	3,867	C. Huff	
Neighborhood Relations	-	300	K. Pfendler	
Historic District	356	1,050	L. Hornaday	incl \$256 dep for historic plaque, balance due \$484
Archives	99	500	D. Pfendler	
By-Laws	-	500	D. Pfendler	
Contributions (Grants)	41,009	41,000	D. Gonzalez	

TOTAL EXPENSES	427,833	493,000
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TOTAL REVENUE	<u>509,309</u>	<u>493,000</u>
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NET INCOME	81,476.89	-
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Old Town Triangle Association
Balance Sheet
As of July 31, 2014

Jul 31, 14

ASSETS

Current Assets

Checking/Savings

First American Bank (insured money market)	247,014.09
North Community Bank (Checking)	-10,042.70
North Community Savings (Savings acct)	81,034.03
North Community Money Market	100,004.82
Northern Trust (Anchor Checking)	52,325.36
Northern-Clark Wisconsin Park (Restricted funds)	2,587.11

Total Checking/Savings	472,922.71
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Accounts Receivable

1200 - Accounts Receivable	-114.40
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Total Accounts Receivable	-114.40
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Other Current Assets

Vanguard Portfolio (MM; Inter-&Short Term Bonds)

Short Term Bonds (Index Funds)

Short Term Bonds -Cost	107,016.48
Short Term Bonds (Unrealized)	1,241.60
Short Term Bonds (Index Funds) - Other	-108,258.08

Total Short Term Bonds (Index Funds)	0.00
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Intermediate Term Bonds (Index)

Intermediate Term Bonds - Cost	109,782.37
Intermediate Bonds (Unrealized)	4,093.90
Intermediate Term Bonds (Index) - Other	-113,876.27

Total Intermediate Term Bonds (Index)	0.00
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Prime Money Market Fund (Money Market)	210,324.56
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Total Vanguard Portfolio (MM; Inter-&Short Term Bonds)	210,324.56
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Prepaid Insurance	7,745.00
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Total Other Current Assets	218,069.56
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Total Current Assets	690,877.87
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Fixed Assets

Acc Leasehold Improvements	-157.00
Leasehold Improvements	12,492.00
Land	21,068.00
Building	119,387.00
Bldg Improvements- Boiler	22,000.00
Equipment	10,483.18
Acc Depr - Building	-120,637.00
Acc Depr - Bdlg Improve	-6,000.00

Old Town Triangle Association
Balance Sheet
As of July 31, 2014

	<u>Jul 31, 14</u>
Acc Depr - Equipment	-6,791.69
Total Fixed Assets	<u>51,844.49</u>
TOTAL ASSETS	<u><u>742,722.36</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2110 - Direct Deposit Liabilities (Direct Deposit Liabilities)	-6.25
2100 - Payroll Liabilities	1,648.22
Total Other Current Liabilities	<u>1,641.97</u>
Total Current Liabilities	<u>1,641.97</u>
Total Liabilities	1,641.97
Equity	
1110 - Retained Earnings (Retained Earnings)	659,603.50
Net Income	<u>81,476.89</u>
Total Equity	<u>741,080.39</u>
TOTAL LIABILITIES & EQUITY	<u><u>742,722.36</u></u>