

**Minutes of the ATOS Virtual Board Meeting**  
**August 25, 2014**  
**9:00 p.m. E.D.T.**

**1. Chairman of the Board Bob Dilworth called the meeting to order at 9:03 E.D.T.**

**2. Secretary Bob Evans called the roll:**

**Officers Present:** Bob Dilworth-Chairman of the Board, Bob Evans-Secretary, Mike Hutcherson-Treasurer. **Officer Absent:** Bill Coale-Vice Chairman of the Board. **Board Members Present:** Denise Andersen, Jelani Eddington, Michael Fellenzer, John Ledwon, Dan Minervini, Jack Moelmann, Don Phipps, Donnie Rankin, Carlton Smith. **Staff Members Present:** Ken Double-President/CE, Mike Bryant-Parliamentarian.

**3. The Board accepted the minutes of the ATOS 2014 Annual Meeting.**

**4. The agenda for this virtual board meeting is to consider three motions made by Jelani Eddington: (See attached memo)**

**Motion: (Eddington, Minervini) That the following ATOS Bylaw 4.21 be created and enacted, effective immediately. (This motion prohibits secret voting by the Board.)**

Discussion:

- John Ledwon stated that the secret vote was not intended to keep information from the membership.
- Denise Andersen noted that personnel issues are usually handled in private but the regular daily business of an organization is usually conducted without secret ballots.
- Bob Dilworth asked whether he was allowed to cast a vote. He is Chairman but also an elected Board member. Mike Bryant (Parliamentarian) answered that the Chairman always has the right to vote and usually exercises that right to break or create a tie. Jelani Eddington requested a roll call vote.

**Motion Failed 6-6.**

**Voting Aye: Andersen, Eddington Fellenzer, Minervini, Rankin, Smith. Voting Nay: Dilworth, Evans, Hutcherson, Ledwon, Moelmann, Phipps.**

- Ken Double stated that he hoped that what we've done here is vote for the status quo. We have not voted for secrecy. This is the first time in his recollection that we have voted in secrecy. Ken feels that most of the Board members should not routinely opt for secrecy and will vote by open vote. John Ledwon agreed strongly with Ken.
- Jelani Eddington stated that perceptions and impressions are important. We will be judged by the actions that we took tonight.

**Motion: (Eddington, Andersen) That, notwithstanding any prior vote of the Board, all staff contracts approved during the annual meeting shall be renewed for a period of ninety (90) days beginning September 1, 2014 at the previously contracted rate of compensation. Motion Carried: 7-5. Voting Aye: Dilworth, Evans, Andersen, Eddington, Minervini, Rankin, Smith. Voting Nay: Hutcherson, Fellenzer, Ledwon, Moelmann, Phipps.**

**Motion: (Dilworth, Eddington) To reconsider the vote previously adopting the 2014-2015 budget as soon as practical following the development of recommendations arising out of the strategic planning retreat, and that the 2013-2014 budget shall remain in effect until a new budget is adopted.**

Discussion:

- Jelani Eddington's primary concern is that the Board was not allowed to discuss specific concerns; especially the newly elected directors. Debate was closed before all directors could speak this was fundamentally unfair.
- John Ledwon expressed concern that another face-to-face meeting would be necessary to reconsider the budget.
- Jack Moelmann pointed out that the past few budgets were "virtual" and based on projections.
- Jack Moelmann asked why we could not delay implementation of the budget for 90 days. That time period would bring us past the retreat.
- John Ledwon noted that postponing implementation we still have to have a line-by-line examination of the budget.
- Ken Double pointed out that if we go back on our vote this sends a confusing message to the membership.
- Jelani is concerned with appropriate process.
- Denise Andersen said that she had little to say in the budget process this year. We don't know what various committees need.
- John Ledwon, as chair of the Young Theatre Organist Competition, noted that he has already made the adjustment to his program's budget.
- Jack Moelmann said he never heard from any contracted staff or committee chairs.
- John Ledwon stated that the Budget Committee did not contact the staff or committee chairs.
- Don Phipps noted the division on the Board and hoped that the retreat would bring positive changes that encourage cooperation. Hopefully the retreat will create a new ATOS that will take us into the next generation.

**Motion Carried. Voting Aye: Dilworth, Hutcherson, Andersen, Eddington, Minervini, Rankin, Smith. Voting Nay: Evans, Fellenzer, Ledwon, Moelmann, Phipps.**

**Motion: (Eddington, Minervini) That ATOS Policy 1(f) be suspended for unrestricted gifts in excess of \$20,000 until further notice of the Board in order to review said policy in light of recommendations arising out of the strategic planning retreat.**

Discussion:

- Jack Moelmann suggested that this might be best considered after the retreat.
- Bob Evans remarked that while philosophically in agreement with the use of unrestricted funds for worthy programs passage of this proposal is premature. We could make a more intelligent decision after the retreat and reorganization of our organization.

**Motion Failed 5-7 Voting Ayes: Andersen, Eddington, Minervini, Rankin, Smith. Voting Nay: Dilworth, Evans, Hutcherson, Fellenzer, Ledwon, Moelmann, Phipps.**

**5. Chairman Dilworth asked if any Board member wished to add anything at this time. No one wished to do so.**

**6. The meeting adjourned at 11:07 p.m. E.D.T.**

## 7. Please see special statements below:

/s/Bob Evans, Secretary

Please Note: The meeting was conducted using *Robert's Rules of Order-Newly Revised*. Mike Bryant, Parliamentarian.

***SPECIAL STATEMENT BY JELANI EDDINGTON: For the reasons I explained in the memo attached to these minutes, it is my firm belief that the business of ATOS should be conducted in an atmosphere of openness and transparency. Our votes on day-to-day matters must be public so that our membership not only knows what we are doing, but can hold us accountable as their elected representatives. This is not only what our written policies require, but it is the right thing to do. Tonight, by an equally divided board, we failed to live up to this commitment by declining to adopt a bylaw that would prohibit secret voting and require that all votes of the board (with only the narrowest of exceptions) be taken publicly and in the light of day. By rejecting this bylaw, we not only failed our commitment to transparency, but we also failed our membership and the public at large. I hope that our members will share their views with us on this important matter and that the board will reconsider this proposal as soon as possible.***

***SPECIAL STATEMENT BY KEN DOUBLE: ATOS has existed in one form or another for nearly 60 years, and votes taken by the Board of Directors have, for the most part, been taken publicly. The option to vote by written ballot or "secret" ballot is an option that has been available to the members of the board, but has NOT been exercised lightly in the more than seven years I have been involved in board meetings. The ballot matter that did not pass changed nothing. The same policies are in place today as they have been, including the general understanding that ATOS business is best conducted with transparency. There is no pattern of behavior nor is there an overwhelming effort on the part of any board members to pursue a different course of action. A one-time instance indicates no prevalent new course of action, nor should there be any forthcoming series of "secret" votes, except in matters as noted in current policy. We most certainly invite membership input on all matters before the board, and in this specific instance, over sound policies that have been in place for years.***

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### MEMO TO THE ATOS BOARD OF DIRECTORS

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**TO:** Bob Dilworth, Chairman Of The Board,  
Mr. Bob Evans, Secretary, ATOS Board Of Directors

**FROM:** R. Jelani Eddington

**DATE:** August 16, 2014

**RE:** Proposed Motions

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### SUMMARY & BACKGROUND

The circumstances surrounding the adoption of the 2014-15 budget at the annual board meeting have generated divisions among directors and the membership. In the six weeks following the annual meeting, the author has received substantial feedback from directors and members—most of which has come from the **membership** and most of which has been **negative**. The bulk of the negative feedback has focused on the manner in which the budget was proposed and adopted—which has been described by some as “a farce.”

During the final board meeting on June 16th prior to the annual meeting, the author requested clarification from the Chairman regarding the process for adopting the 2014-2015 budget. Specifically, the author asked whether board members would be given the opportunity during the meeting in Indianapolis to discuss specific budget line items **prior** to a vote on the budget—as had been the consistent practice over the past several years. The Chairman responded in the affirmative.

Notwithstanding, by a vote of 9-3, all debate was closed on the 2014-15 budget after very little substantive discussion. Most of the discussion of the debate consisted of the endorsement of the budget by members of the Budget Committee. Following the premature closing of debate, the board, by a secret vote of 8-5 voted to slash the budget by 20% in most (but not all) categories. This action was the most drastic and indiscriminate budget cut in recent history (and possibly the entire history of ATOS).

In a second vote of 7-6—also veiled under the shroud of secrecy—the board refused to reinstate the 20% budget cuts for those staff members whose compensation had been reduced,<sup>1</sup> even if sufficient donations were received during the year to offset the deficit.

The adoption of the 2014-15 budget, including two secret votes and the absence of any meaningful opportunity to discuss budget line items as had previously been promised by the Chairman, has led many on and off the board to question both the wisdom of the board’s actions as well as its commitment to openness and transparency.

Although the 20% budget cuts were advocated by some on the pretense of addressing budget deficits, the board nonetheless has agreed to spend up to **\$35,000** of membership funds to conduct a corporate retreat in September. The purpose of this retreat is to formulate a strategic plan for the long-term survival of the organization. It is expected that many far-reaching proposals affecting all areas of ATOS’ operations—including its finances—will be proposed as part of the retreat.

If the board is truly committed to using the retreat as a vehicle to redefine ATOS’s mission and operations, the adoption of the 2014-15 budget containing the most draconian cut in history just weeks before the retreat and **without any meaningful opportunity to discuss specific programs and expenses**—was at best premature and at worst irresponsible.

Moreover, the board should take immediate and decisive and corrective action to restore the transparency in board operations that was so severely compromised as a result of the secret votes taken during the annual meeting.

The specific proposals follow.

## **PROPOSED MOTIONS**

### **I. VOTES AS A MATTER OF PUBLIC RECORD**

**MOTION: That the following ATOS Bylaw § 4.21 be created and enacted, effective immediately:**

**Section 4.21. VOTING BY DIRECTORS.** *Each director shall have one vote on each matter presented to the board of directors for action. Voting by proxy shall be prohibited. Except as otherwise provided herein or by applicable law, all votes taken by the board during a meeting shall be a matter of public record and conducted by voice vote, roll call, show of hands, or rising vote, the results of which vote shall be recorded in the minutes of the meeting at which the vote was taken. Each director’s vote shall be recorded in the minutes of the meeting at which the vote was taken. Voting by secret ballot shall be prohibited except in cases relating to personnel matters, disciplinary matters, election of appointed directors, or matters subject to a legitimate claim of privilege.*

<sup>1</sup> Although the Budget Committee represented that **all** staff positions would be subject to a 20% reduction in compensation, the Budget Committee Chairperson at the time acknowledged during the annual meeting that the Treasurer’s assistant (also an independent contractor) would **not** be subject to the 20% reduction in compensation.

It is the stated policy of ATOS that “the business of ATOS shall be conducted in an environment of open and free communication.” ATOS Policy 5(b)(i) (See ATOS OPEN RECORDS & CONFIDENTIALITY POLICY).

Prior to the series of secret votes at the annual board meeting, the board had generally respected this statement of policy. The ostensible purpose of voting by secret ballot is to conceal a director’s vote from the other directors, from the membership, and/or from the public at large. In the absence of a legitimate claim of privilege or other sensitive personnel or disciplinary issue, concealing a director’s vote from the public on board matters—particularly on matters of public concern such as the budget—is inappropriate and wholly incompatible with ATOS’ stated commitment to transparency.

Moreover, in the case of the votes taken with respect to the budget, the author contends that everyone in the meeting was aware of how each director voted. As such, there was no purpose in concealing the vote from the other directors. The only purpose in voting in secret would have been to conceal the vote from the membership or the public at large, which is entirely inappropriate.

ATOS should therefore immediately adopt the bylaw above prohibiting voting in secret except in the narrowest of circumstances.

## II. RESCISSION OF ADOPTION OF BUDGET PENDING RECOMMENDATIONS FROM THE RETREAT

**MOTION: That the vote previously adopting the 2014-15 budget be rescinded and the matter set for reconsideration as soon as practical following the development of recommendations arising out of the strategic planning retreat. Notwithstanding any prior vote of the board, all staff contracts approved during the annual meeting shall be renewed for a period of ninety (90) days beginning September 1, 2014 at the previously contracted rate of compensation.**

During the June 16, 2014 board meeting, the author asked the Chairman to clarify whether the 2014-15 budget proposal would be presented in “take-it-or-leave-it” fashion, or whether a meaningful opportunity would be given to discuss specific line items in the budget. The Chairman provided assurances that an opportunity **would** be given to discuss the proposed 2014-15 budget on a line-by-line basis.

Notwithstanding, the Vice-Chairman interrupted discussion of the budget with a motion to close debate. That motion passed on a vote of 9-3, effectively foreclosing any opportunity to consider specific, targeted cuts to given programs or compensated positions rather than imposing a heretofore unprecedented 20% cut to most—but not all—areas of ATOS’s operations and staffing.

Candidly, the author found the attempt to foreclose discussion on this issue alarming—particularly given (1) the importance of the budget and the long-standing practice of open and full debate within ATOS, and (2) the board’s consistent practice of reviewing each previously adopted budget item line by line.

Notwithstanding the Budget Committee’s recommendations for austerity, ATOS committed **\$35,000** of membership funds to conduct a strategic planning retreat in order to review all areas of ATOS’s operations. Enacting such a drastic, unprecedented budget just weeks before the strategic planning session and with little meaningful opportunity to discuss that budget is not only ill-advised, but also a clear case of putting the proverbial cart before the horse.

This motion would rescind the prior vote and preserve the *status quo* until such time as the board can consider, **fully discuss**, and act on the recommendations from the strategic planning retreat.

It is the author’s hope that—unlike the budget discussion at the annual meeting—a full and complete discussion of the strategic plan proposal will allow **all members of the board** to be engaged in the process of moving ATOS forward.

If the retreat is to be successful, discussion cannot be prematurely ended, and the process must include full and complete participation and debate by all members of the board. Because that did **not** happen at the Indianapolis meeting with respect to the budget, that vote should be rescinded and the matter reconsidered with a complete and fair opportunity for all points of view to be heard and considered.

## III. TEMPORARY SUSPENSION OF POLICY ON INVESTMENT AND DISTRIBUTION OF UNRESTRICTED GIFTS PENDING RECOMMENDATIONS FROM RETREAT

**MOTION: That ATOS Policy 1(f)<sup>2</sup> be suspended until further notice of the board in order to review said policy in light of recommendations arising out of the strategic planning retreat.**

It is expected that the strategic planning retreat will focus in large part on matters of financial concern, including the investment policy for unrestricted gifts.

Some have suggested that the current ATOS policy requiring a minimum balance of the investment fund is a largely artificial construct that serves little purpose. Similarly, the distribution formula directs a significant percentage of unrestricted gifts to the Endowment Fund, which currently is valued at approximately \$1 million. The strategic planning retreat will likely explore whether it is a sound financial practice to expand an already-healthy Endowment Fund at the expense of reducing the budget deficit. This motion suspends that current policy until such time as the strategic planning retreat can provide some more definitive answers to these questions.

Draft

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<sup>2</sup> Policy 1(f) provides:

*(1) ATOS shall at all times maintain a reserve/investment fund ("Reserve Fund") which fund shall be appropriately invested in order to generate earnings. The Reserve Fund may be comprised of one or more accounts, but shall maintain an aggregate minimum balance ("Minimum Balance") which shall be calculated as \$300,000.00 plus any amounts placed into the Reserve Fund from an unrestricted gift as provided below in ¶ 1(f)(2)(B). The Treasurer shall from time to time report to the board the Minimum Balance required to be maintained by this policy.*

*(2) Absent contrary action from the board, all of the following shall apply for any unrestricted gift in excess of \$20,000: (A) a minimum of twenty percent (20%) of the unrestricted gift shall be placed into the principal of the ATOS Endowment Fund; and (B) a minimum of forty percent (40%) of the unrestricted gift shall be placed into the Reserve Fund, which placement shall increase the Minimum Balance of the Reserve Fund as described in this paragraph; and (C) any remaining amount not placed into the principal of the ATOS Endowment Fund and/or into the Reserve Fund, shall be placed into ATOS' operating account(s) and may be used for any lawful purpose, including day-to-day operations.*