



# MINUTES

Draft for Approval

<b>Meeting:</b> Board of Directors <b>Date:</b> Wednesday Jan. 30, 2008	<b>Location:</b> Hoa Hana Conference Room Hawai'i Community Foundation 16 <sup>th</sup> Floor, 1164 Bishop St. Honolulu	<b>Call to order:</b> 2:43 p.m. <b>Adjournment:</b> 4:32 p.m.
<b>Present:</b> Susan Chandler (phone), Mike Gleason (phone), Gail Hannemann (phone), Steve Ho, John Howell, Phil Kinnicutt, Judy Lenthall (phone), Geri Marullo, Michael Onofrietti (phone), Sarah Richards and Laura Robertson. <b>Staff:</b> Jennifer Cornish Creed, Lily Bloom Domingo, Keri Fehrenbach, John Flanagan, Sally Ley, and Jean Lilley.		
<b>Excused:</b> Sandy Baz, Pam Burns, Pat Bustamante, Beth Giesting, Peter Matsumoto, Jerry Rauckhorst, Sheryl Seaman, and Pam Tumpap.		

AGENDA ITEM	DISCUSSION	DECISION/ACTION
<b>WELCOME</b>	Chair Laura Robertson welcomed all; those present introduced themselves. It was agreed to wait to act upon the consent agenda until a quorum of 10 members was present.	
<b>HANO CONFERENCE</b>	<p>Jennifer Cornish Creed went over the HANO Conference Proposal that she distributed to those present and which was emailed to those attending by phone and those who were not present after the meeting. Staff has secured the Koolau Golf Club Conference Center on May 16 for this conference. The theme will be “telling the sector’s story.”</p> <p>Ms. Creed said these recent and upcoming events suggest the need for nonprofits to become more effective at telling their stories:</p> <ul style="list-style-type: none"> <li>• The 2006 Nonprofit Congress identified <i>public awareness and support of the sector</i> as one of the nonprofit sector’s three top priorities.</li> <li>• The HANO Town Hall Meeting held at the May 2007 HANO Conference yielded recommendations on how to increase public awareness of the sector through education, advocacy, increasing public awareness, re-branding of the sector and showcasing success stories.</li> <li>• At HANO’s Annual Meeting in November 2007, Richard Klarberg of the Council on Accreditation challenged us all to do a better job of “telling our stories” to the media and the public.</li> <li>• To contribute to the upcoming 2008 Nonprofit Congress HANO will ask members to contribute to two of the Congress proposed outcomes: (1) to empower local, state, and national organizations to speak for nonprofit organizations and advocate at all levels of society; and (2) to communicate a nonprofit agenda to the country and to our elected leaders.</li> </ul> <p>Ms. Creed said we have a tentative agreement with consultant Michael J. Margolis, founder and president of Thirsty-Fish, <a href="http://www.thirsty-fish.com">www.thirsty-fish.com</a>, to be keynote and workshop session speaker. Thirsty-Fish specializes in crafting stories that bring innovative ideas to life and into cultural acceptance. They believe that the right story is essential to shift perceptions, raise money, or engage key audiences and use strategic stories to facilitate idea adoption and behavior shifts. Their approach is a blend of brand storytelling, anthropology and organizational culture change. Cheryl Ka’uhane Lupenui of the YWCA suggested Mr. Margolis, who had presented to a recent regional YWCA conference and expressed interest in partnering with us.</p> <p>The conference proposal includes a suggested format and a list of possible vendors and sponsors. It suggests HANO invite representatives from the media and influential public figures to attend and participate.</p>	

	<p>Board members suggested the marketing committee work with staff to provide feedback in planning the conference. Geri Marullo suggested filmmaker Stephanie Castillo as a possible presenter. Gail Hannemann said to make sure the program is not just for the media but for all our constituents. Mr. Howell said Easter Seals Hawai'i would be willing to help financially with the conference.</p>	
<p><b>2008 OPERATING BUDGET: DISCUSSION AND APPROVAL</b></p>	<p>Mike Onofrietti, treasurer, asked members if they had any questions on the spreadsheet and budget narrative that was emailed prior to the meeting. Ms. Marullo asked how we would increase membership revenue. The increase is based on increasing nonprofit membership from 280 to 300.</p> <p>It was asked if the dip in the 2008 budgeted revenue from Aloha United Way was a reflection of the impending spin-off. Mr. Flanagan said AUW has not met its campaign goal for 2008. Although HANO's 2008 allocation would be the same percentage of the total undesignated campaign revenue, partner agencies would therefore see a decrease.</p>	<p><i>It was moved, seconded and carried unanimously to approve the HANO 2008 Operating Budget.</i></p>
<p><b>CONSENT AGENDA</b></p>	<p>The following items on the consent agenda were distributed by e-mail prior to the meeting:</p> <ul style="list-style-type: none"> <li>• Approve minutes for Nov. 28, 2007</li> <li>• November and December financials</li> <li>• President's report: Nonprofit Congress update</li> </ul>	<p><i>It was moved, seconded and carried to approve the consent agenda.</i></p>
<p><b>PERSONNEL REPORT</b></p>	<p>Mr. Flanagan said he plans to retire in September. He informed the Executive Committee and staff prior to today's meeting and will let the board members who are not present know after the meeting. He wanted to give 8-9 month's notice so that a well-managed executive transition can be planned. He added that he will remain in Honolulu and will continue to support HANO in some capacity.</p> <p>Ms. Robertson said this change is not included in the 2008 budget just approved. She said this is a big transition for HANO, it is great that Mr. Flanagan has given us a lot of notice and he will be hard to replace. "We recognize his leadership and his success in getting this organization off the ground. The board and the staff owe him a long debt of thanks for all he's done for HANO," she said. The Executive Committee has already discussed how it would like to proceed:</p> <ul style="list-style-type: none"> <li>• Members of the Executive Committee met separately with Ms. Domingo to inform her last week.</li> <li>• Staff was informed earlier this week.</li> <li>• The Board hears today.</li> <li>• Key funders will be told by the end of tomorrow.</li> <li>• Then the membership and the public will be informed in the next day or two.</li> </ul> <p>A search committee is being formed and the Executive Committee will ask various members to part of that committee. Ms. Robertson said HANO will work with an executive search firm to assist in this process, the search committee will share information and communicate with the board and membership on a regular basis as it moves forward and HANO will work to apply and model best practices in nonprofit executive transition. Ms. Robertson said Mr. Flanagan has agreed to be flexible on the timeline. Currently, the retirement date is in mid-September.</p> <p><u>Resolution.</u> To insure a fairness and equal treatment for all candidates for the President/CEO position, a resolution was proposed by the Executive Committee: Any HANO board member who is going to consider applying for the position must voluntarily resign from the board.</p>	<p><i>It was moved, seconded and carried to pass the resolution.</i></p>
<p><b>BOARD COMMITTEES</b></p>	<p>Ms. Robertson asked that each board member participate in one or more of our standing committees, which are Finance and Audit, Fund Development, Membership and Marketing, Public Policy and Advocacy, Board Development</p>	

	and Nominating. We will send directors an email request so they can indicate committee preferences.	
<b>PUBLIC POLICY COMMITTEE</b>	<p>Mr. Flanagan reported for Pam Burns, committee chair, who is out of town. He said there are two major packages on which we are testifying.</p> <ol style="list-style-type: none"> <li>1. Nonprofit registration bills have been introduced by the Attorney General’s Office and by both the Senate and the House majority caucuses. HANO has gathered comments and suggestions from members and the Public Policy Committee has discussed the issue. Joanne Lundstrom is representing HANO at the Legislature today for a hearing on a nonprofit registration bill.</li> </ol> <p>HANO is in favor of transparency and accountability – we don’t want to fight that. HANO supports the goal of the bill, but we have very strong concerns about many of the provisions. For example, the proposal would levy fees on nonprofits to pay for four positions in the Attorney General’s office to provide oversight on organizations receiving donations. Members say this is overkill. There are also technical problems with the bill, such as reporting deadlines and audit thresholds. Some members feel registration fees paid by nonprofits would essentially be a tax on donors. The measures would increase the administrative burden on nonprofits who are already reporting to the IRS, to numerous funders, etc.</p> <ol style="list-style-type: none"> <li>2. There are a number of bills proposed to change the GIA system. Mr. Flanagan said he and Ms. Robertson have agreed not to provide testimony at this point but to wait to see what comes out of it at tomorrow’s hearing. There are a number of bills, at least one is probably worth supporting. The position supported by the Public Policy Committee is to express support for transparency and accountability and a process where the public would be aware of what is going on.</li> </ol> <p>Sen. Baker has introduced a bill that would limit the frequency a nonprofit can apply for a grant-in-aid and another bill would prohibit campaign contributions by persons who apply for grants.</p> <p>HANO provided testimony in support of the Hawaii 2050 planning process and its sustainability council, asking that a nonprofit representative be appointed to the council and volunteering HANO. The Public Policy Committee felt this was worth supporting.</p> <p>Susan Chandler said a new group is being organized called PHOCUS – Protecting Hawaii Ohana Children Underserved Elderly and Disabled. This group consists of Ms. Lundstrom, Debbie Shimizu and Alex Santiago. It is not a membership organization but would like to become a 501(c)(6) nonprofit advocacy organization that would solely focus on health and human services. It would not represent the whole nonprofit sector as HANO does. She added that PHOCUS will testify on the Senate grants-in-aid bill.</p> <p>Ms. Chandler said PHOCUS met with Rep. Marcus Oshiro, who wants to pull together a meeting of nonprofits to look at how the grants-in-aid can be improved. Ms. Chandler suggested that Rep. Oshiro contact HANO so that its membership could be invited to the meeting.</p> <p>Mr. Flanagan said no hearings have yet been on the GET bill, but that we are monitoring the measure.</p> <p>There was a concern expressed regarding nonprofits being put in a category of not being able to participate in campaign and lobbying efforts if they have a GIA in the works in the Legislature. If any such measure is introduced, it was suggested we ask that the corporate sector be put in the same category.</p>	

<p><b>TRAINING AND CONSULTING YEAR-END REPORT</b></p>	<p>Ms. Domingo distributed draft copies of the training and consulting services yearend report for 2007.</p> <p><u>Training.</u> Ms. Creed told the Board that the 2007 workshop strategy was to continue to improve delivery of core HANO workshop products to neighbor islands, which HANO began in 2006 in response to a neighbor island interest survey. She said product design energy for new workshops was focused on those workshops delivered at the May 2007 HANO conference.</p> <p>HANO delivered 18 capacity-building workshops statewide in 2007. Of these, ten were existing workshop products and eight were new workshops; 12 were held on Oahu and six on the neighbor islands. In addition, HANO worked with partners to co-sponsor three addition workshops.</p> <p>Ms. Creed said workshop attendance almost doubled from 2006. Workshop evaluations showed 91 percent of respondents rated the overall quality of the training they attended as excellent or good. HANO is now compiling outcomes data on implementation of skills and knowledge from surveys done three months after each workshop. Complete results will be available at the next board meeting.</p> <p>HANO training revenues, as is true nationwide, do not exceed their expense. However, several workshops in 2007 had sponsors, which helped to defray expenses. Moreover, trainings bring in consulting clients, which does produce revenue that exceeds expense.</p> <p><u>Consulting.</u> Ms. Domingo said HANO provides five types of consulting services: governance, planning, facilitation, outcomes design and proposal writing. Board governance remains the most commonly requested consulting service accounting for a third of the services delivered. The average revenue generated from each board training is about \$500. This activity often leads to future opportunities, such as strategic planning facilitation.</p> <p>We see a trend of serving clients beyond our traditional health and human service arena. In 2007 we had clients from arts and culture, agriculture, business development, economic development and environment subsectors. We served 27 percent more customers in 2007 compared to 2006; revenues exceeded budget by 12 percent or \$10,000; client feedback was positive; and we increased the number of clients and had returning clients.</p>	
<p><b>AUW &amp; HANO UPDATE</b></p>	<p>Ms. Domingo said staff met with Norm Baker of AUW who communicated that HANO does not have a future at AUW. They will phase out HANO funding: 100 of its former allocation in 2008; 80 percent in 2009; 50 percent in 2010; and nothing in 2011. We will, however, continue to keep AUW as a client for workshops and consulting.</p>	
<p><b>ANNOUNCEMENTS AND NEXT MEETING:</b></p>	<p>Public Policy Committee will meet at 4 p.m. on Feb. 13 at the Hawaiian Humane Society.</p> <p>The next Board meeting will be at 4 p.m. on Wednesday, March 19, 2008. <b>The location of the meeting will be announced.</b> To join by teleconference, call (866) 740-1260 and enter access code 5290454#.</p>	