

Empire Runners July 28, 2011 Club Meeting

(Pending approval at the August 25, 2011 meeting)

President Alex Wolf-Root (president@empirerunners.org) called the July 28, 2011 meeting to order at 7:35 pm.

Secretary's Report: Secretary Paul Berg (secretary@empirerunners.org) read the *June 2011* meeting minutes (recorded by Brad Zanetti), which were approved as read.

Treasurers' Report: Treasurer Tanya Narath (treasurer@empirerunners.org) reported that the current club balance is \$51,494, *up \$4,356 from the same time last year. This amount includes Annadel Half Restricted Funds of 11,457. The Student Grant Fund balance is \$2684, approx \$111 more than the same time last year.*

Riverfront Relay lost \$88 vs. \$15 profit last year.

Kenwood Footrace had net income of \$18,391 vs. \$10,448 last year.

President's Report: President Alex Wolf-Root reported that the Diamond League track & field would be taking place this weekend in Europe on Universal Sports TV.

New member Peter Lasky was introduced to the club.

Congrats to new dad Nate Koch whose daughter Rebecca was born July 8.

Race Reports:

Recent races/Runs:

1. Summer Track Series 6/28/11, 7/12/11, & 7/26/11 –Turnout about normal. There have been some great times in all age groups. Reese Byers putting on a great show.
2. Kenwood Footrace - 7/4/11 Good turnout, very well run event. Some very good times, near all-time men's record.
3. Theresa Manchester had fun at the Wharf-to-Wharf run

Upcoming Races/Runs:

1. Salmon Creek Beach Run 8/7/11 2 mile and 5-mile runs. Potluck breakfast after.
2. Final Summer Track series, DMR. 6:30 pm SRHS
3. Phil Widener XC Open 8/27 9am
4. Lagunitas Beer Chicks looking for additional female runners, Sept 16-17 relay.

Committee Reports:

1. Resolution to transition to an extended Board of Directors under proposed new bylaws:

RESOLVED:

In the event that the membership of the Empire Runners Club approves amended club bylaws that increase the number of members of the Board of Directors to seven and redefine their duties and responsibilities:

That the four currently elected club officers (Alex Wolf-Root—President, John Staroba—Vice- President, Paul Berg—Secretary, and Tanya Narath—Treasurer) retain their positions as members of the Board of Directors and as club officers under the new bylaws until the end of their elected terms of office on December 31, 2011,

*That nominations for the remaining 3 vacant positions on the new Board of Directors with terms of office ending December 31, 2012 be accepted immediately following the vote approving the new bylaws,
That the election to fill the remaining 3 vacant positions on the new Board be held as the first order of business at a special membership meeting to be held on the fourth Thursday of the month following the approval of the bylaws,*

That the current bylaws become void and the amended bylaws take effect immediately after the election at which time the new Board presides over the completion of the meeting.

Proposed by Alex Wolf-Root, 2nd by Dale Peterson. Passed unanimously by hand vote.

2. Vote on new Club Bylaws. Jerry Lyman summarized the past 2 years journey of the revised bylaws.

By Secret Paper Ballot (19), Mail (2), Proxy (2)

23- YES, 0- NO

Passed Unanimously

New Business

Nominations of new Board Members. Five members were nominated:

Luis Rosales, Val Sell, Larry Meredith, Jerry Lyman, Will Ortlinghaus

Elections will be held at next month's meeting.

Monkey Business

Raffle: Peter Lasky won \$21, and \$22 went to the student grant fund

Drawing: Jason Ramsey would have won \$200 if he attended the meeting.

President Alex Wolf-Root concluded the meeting at 8:24 pm.

Attendance:

Paul Berg, Bones Koch, Mini-Mel, Todd B, Jen and Will O, Staroba, Jerry Lyman, David Sell, Dale Trobridge, Super George, Bob Shor, Don Sampson, Chris Mason, Peter Lasky, Alex Wolf-Root, Dale Peterson, Tanya Narath, Ginny Doyle, Theresa Manchester

Following the membership meeting, the Board of Directors Unanimously approved the

Empire Runners Club CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICY

Purpose of Conflict of Interest Policy: The purpose of this conflict of interest policy is to protect this tax- exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958 (3)(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Definitions:

(a) Interested Person.

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (1) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Conflict of interest avoidance procedures:**(a) Duty to Disclose.**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Compensation Approval Policies:

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article,

the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

(a) the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.

(b) all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a “disqualified person” (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):

1. is not the person who is the subject of compensation arrangement, or a family member of such person;
2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
4. has no material financial interest affected by the compensation arrangement; and
5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.

(c) the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. “Similarly situated” organizations are those of a similar size and purpose and with similar resources
2. the availability of similar services in the geographic area of this organization
3. current compensation surveys compiled by independent firms
4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

(d) the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

1. the terms of the compensation arrangement and the date it was approved
2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
3. the comparability data obtained and relied upon and how the data was obtained.
4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be

recorded in the minutes of the board or committee meeting.

6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).

7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Annual Statements: Each director, principal officer, and member of a committee with governing board- delegated powers shall annually sign a statement, which affirms such person:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

Periodic Reviews: To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted.

The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Use of Outside Experts: When conducting the periodic reviews as provided for in the above section, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

CERTIFICATE

This is to certify that the foregoing is a true and correct copy of the Conflict of Interest and Compensation

Policy of the Empire Runners Club and that the board of directors of said corporation duly adopted this policy

on the date set forth below.

Date Adopted: _____

Secretary

