

Newaygo County Area Promise Zone Authority
4747 W. 48th Street
Fremont, MI 49412

Monday, August 1, 2016

Special Meeting Minutes

Present: Mark Guzniczak, Dr. Lori Tubbergen Clark, Woody Bowman, Jack Hendon, Deanna Joppich, Holly Moon, Dawn Anderson, Tom Boerger, Steve Witter, Rebecca Tuuk, Carla Roberts (ex-officio), Cathy Obits (ex-officio), Nate Sparks (member-elect)

Absent: None

Visitors: Corinne Toth, Ken Haggart, Bob Jordan, Todd Jacobs, Mike Geoghan

Chairperson Clark called the meeting to order at 11:30 a.m.

CALL TO ORDER

Chairperson Clark introduced the newest member of the Board, Tom Boerger who is employed by Gerber Nestle as its Plant Manager, and member-elect Nate Sparks who is employed by Fremont Cooperative as its Agronomy Manager. The oath of office was given to Tom Boerger. Nate Sparks will complete the oath of office once the NC RESA Board of Education officially appoints him to the Newaygo County Area Promise Zone Authority.

**INTRODUCTION OF
NEW BOARD
MEMBERS**

16-1 – Motion made by Jack Hendon, supported by Holly Moon to approve the agenda for today's meeting. Ayes—10; Nays—0. Motion carried.

**APPROVAL OF
AGENDA**

Board members were provided with copies of draft bylaws. Highlighted language/information is required by law and must remain in the bylaws as written; all other information may be edited. Chairperson Clark asked for comments, questions, suggestions for any modifications.

REVIEW OF BYLAWS

Article II – Form of Authority. No changes.

Article III - Offices, Section 1. The principle office was left generic to allow for meetings to rotate to different locations. Board member Moon suggested that the Educational Service Center be listed as the principle office.

Article III, Section 2 – Method of Selection and Appointment. Board Member Hendon asked who the resident agent will be; he is under the understanding that this needs to be an individual. Other board members concur. Chairperson Clark will investigate and report back to members.

Article IV – Board of Directors, Section 1. No changes.

Article IV, Section 2D. Chairperson Clark proposed amended language to fill vacancies by consensus of the Board; not by appointment of the NC RESA Superintendent. Also, in the event that Dr. Clark leaves NC RESA at some point, should we include language that NC RESA will always have a place on the Board? Member Bowman thinks it is important to always have NC RESA representation; however, since Dr. Clark was appointed by the Senate, another appointment would need to be made to follow the law that requires two appointments from legislation.

Article I - Name. Member Moon questioned if the name of Newaygo County Promise Zone Authority should be amended since there might be kids who attend a Newaygo County school and live within school district boundaries, but live in a different county. Perhaps Newaygo County Area Promise Zone Authority would be a better definition.

Article IV, Section 4 - Removal. Chairperson Clark believes removal of a member should be by the governing body, and should not be a duty of the NC RESA Board. Member Bowman likes the new language better, removing authority from the NC RESA Board, but would like to keep the 2/3 minimum required vote. Chairperson Clark explained that cause is not defined by legislation as it would be difficult to define. Members would like to take words from the MCL and keep the 2/3 voting requirement, but remove the words "or with cause".

Article IV, Section 5 - Resignation. Chairperson Clark asked for suggestions in where to submit resignations. Members would like it to be the chairperson.

Article IV, Section 6 – Board Vacancies. No changes.

Article V – Annual Regular Meeting, Section 2 – Special Meetings. All special meetings need to be posted per the Open Meetings Act. Are there other changes you would like in this section? In addition to the annual meeting as described in Section 1, Chairperson Clark also suggests scheduling three additional meetings per year around the time when tuition is due. Language regarding monthly meetings can be removed. We will also call for special meetings until such time that the Promise Zone is completely established (finalized bylaws, eligibility criteria, and funding strategy).

Member Witter is not in complete support of giving one person the authority to call a meeting and would prefer it to be the chairperson or a majority of the members. Board members are in agreement.

Article V, Section 3 – Notice and Waiver. Board members are unsure of the purpose of waiver language. Does that mean a person doesn't want to be informed of meetings and would waive their notification rights? This sentence does not make sense, nor does the last sentence. Those two sentences will be deleted. The ability to deliver notice to a home address will be added.

Article V, Section 4 - Quorum. No changes.

Article V, Section 5 – Manner of Acting. Do members want to be able to vote virtually? Members do not want the limitations of requiring all to be physically present. The Open Meetings Act allows for virtual votes. Language will be added to address this and to allow for polling for e-voting.

Article V, Section 7 – Presumption of Assent. Should this language be simplified? It basically infers that silence is consensus unless someone specifically votes against an item. Member Witter would like to remove the language regarding sending dissent to the secretary of the authority. If a member is not in favor of something, he/she should make it known to other board members during the meeting at which time action is taking place. Chairperson Clark will simplify this language.

Article VI - Committees, Section 1. Chairperson Clark believes we will need committees to work on specific parts of the plan. Would you like committees to make reports to the full Board or bring recommendations? Recommendations is the consensus. Member Moon questioned the language allowing committees to fix their own rules. Chairperson Clark will remove this language.

Article VII – Officers of the Board, Section 2. Chairperson Clark proposed a one-year term for the chairperson to allow leadership to rotate. Member Witter suggested a one-year/non-renewable role; other board members would prefer annually elected without limitations on one-year renewal. Service as chairperson would occur on a July-June basis. All members were agreeable.

**REVIEW OF BYLAWS
(continued)**

Article VII, Section 3 - Removal. Members would like to add 2/3 vote to the approval process for the removal of a member. Language will be added allowing the opportunity for the Board member to be heard prior to removal.

Member Moon asked if Chairperson Clark was worried about over-committment given her position as NC RESA Superintendent, Chairperson of the Promise Zone Board, board member the Fremont Area Community Foundation, and signer of checks. Chairperson Clark noted since she has been so involved in establishing a Promise Zone in Newaygo County since 2009, she is fine with serving as chairperson for this first year. As fiduciary, NC RESA's policies are clear that the CFO back up the Superintendent, and vice versa. Chairperson Clark will not be doing all of the fiduciary work.

Article VIII – Contracts, Loans, Checks and Deposits; Special Corporate Acts, Section 1 - Contracts. This language basically says NC RESA cannot be held to contracts that the Promise Zone Board enters into, and does not assume any liability.

Article VIII, Section 2 - Loans. No changes.

Article VIII, Section 3 – Checks, Drafts, etc. Language need to be amended to read “signed by the fiduciary designee” to remove this duty solely from the chairperson or director of the Authority. Chairperson Clark shared examples of what other promise zones do in terms of writing checks/drafts.

Article VIII, Section 4 - Deposits. No changes.

Article VIII, Section 5 – Voting of Gifted, Bequested or Transferred Securities Owned by the Authority. No changes.

Article VIII, Section 6 – Contracts, Between the Authority and Related Persons. No changes.

Article IX - Indemnification. No changes.

Article X – Fiscal Year. No changes.

Article XI - Amendments. Language will be amended to delete reference to the NC RESA Board and change to 2/3 majority vote needed from the Promise Zone Board.

16-2 – Motion by Member Bowman, supported by Member Guzniczak to remove action item D, approval of the Newaygo County Area Promise Zone Authority bylaws, and table to the next meeting. Ayes—10; Nays—0. Motion carried.

**APPROVE TABLING THE
ADOPTION OF BYLAWS**

Chairperson Clark shared information on the wishes of the advisory committee and Promise Zone board members for eligibility criteria and also shared summaries of what the other nine Promise Zones across the State are currently doing for their students. The parameters of the law minimally require us to provide a tuition-free path to one college for an associate's degree. We can do anything beyond that that we want to do.

**DISCUSSION ON
ELIGIBILITY CRITERIA**

Chairperson Clark shared the history of when NC RESA investigated the possibility of having a community college in Newaygo County. That was the rationale behind the advisory committee's feeling that one community college would be the best option. NC RESA found that having the presence of more than one community college made it difficult for each college to fill seats in the classroom, thus requiring classes to be cancelled.

Since we need to offer a free associate's degree for all graduating seniors who meet the criteria (minimally), we could do so if we go with Muskegon Community College and then cap the amount if an individual wants to select another college (limited to what the cost would be at MCC). Chairperson Clark reminded board members that this is a starting point; as the Promise Zone continues, this could change.

Member Bowman feels that beginning with one community college and expanding as we gain knowledge is the best choice. Member Hendon would like to keep it open to any university/college and cap the amount. Chairperson Clark will go back to the actuarial table and calculate new amounts based upon student enrollment and where students went last year. Member Boerger's understanding is that we should calculate the lowest cost option to keep our "promise" and then allow students to use that same amount to go wherever they would like or fund an MCC associates degree and open other options as funds allow.

**DISCUSSION ON
ELIGIBILITY CRITERIA
(continued)**

Chairperson Clark believes we will need another special meeting to finalize criteria.

16-3 – Motion by Member Bowman, supported by Member Hendon to approve the minutes of the June 30, 2016 special meeting. Ayes—10; Nays—0. Motion carried.

**APPROVAL OF
MINUTES**

16-4 – Motion by Member Boerger, supported by Member Bowman to establish board meetings for 2016-17. We will set quarterly meetings as our official meetings and will publish in local newspapers and on the NC RESA website. Please post these meetings at your place of business as well (if you would like). We will set meetings for the 2nd Tuesday of each quarter beginning with November 8, 2016. Ayes—10; Nays—0. Motion carried.

**ESTABLISH MEETING
DATES**

Bob Jordan, Vice President of Philanthropic Services at the Fremont Area Community Foundation, noted the fund agreement present is standard language. The Foundation currently has around 600 fund agreements in place right now. One thing different is that this is a non-endowed fund, this is a receptacle for money for donors to the Promise Zone Authority. The Foundation will receive funds, send gift acknowledgements, and provide a periodic report to the Promise Zone Authority. Distributions would be on a payment schedule that works best for the Authority. Acknowledgements to donors would qualify them for a tax deduction. If donors give through credit cards the credit card fee is 2.2% plus a 30c per transaction fee (covered by Foundation). The other charge would be a 3% standard fee from the Foundation. Other extraordinary fees, if they arise, would be to protect other funds from having to bear a cost not related to them, i.e. audit fees. Investments may be made in Money Markets accounts for a short period of time; however, current interest rates are around .2 of 1%. Chairperson Clark noted that if surplus money exists at some point, we may want to consider an endowment fund vs a non-endowment fund.

**DISCUSSION ON FUND
AGREEMENT**

Member Witter noted there is conflict in language between trustee and non-trustee wording. Mr. Jordan noted that as long as there is a Promise Authority, the agreement would be that the money would be paid directly to the Authority, the Foundation would not be a trustee.

Mr. Jordan further noted that language written in the agreement is IRS language written for foundations and is necessary to meet the requirements of a foundation. The State accepted this language for Baldwin and Muskegon. This language allows the Foundation to spend money only if the Promise Zone were to be dissolved. In other instances, the Foundation has asked entities (who have closed) how they want the money spent; the Foundation did not spend per their own wishes. It is an issue of practical application. Todd Jacobs, Vice President of Community Investment for the Foundation, added that this is best practice as applied within the field.

16-5 – Motion by Member Hendon, supported by Member Bowman to approve the Fund Agreement for the Newaygo County Promise Opportunity Fund at the Fremont Area Community Foundation. Ayes—10; Nays—0. Motion carried.

**APPROVAL OF FUND
AGREEMENT WITH
FACF**

16-6 – Motion by Member Bowman, supported by Member Boerger to table the consensus on eligibility criteria. Ayes—10; Nays—0. Motion carried.

**TABLE CONSENSUS
ON ELIGIBILITY
CRITERIA**

16-7 – Motion by Member Moon, supported by Member Bowman to remove the word "trustee" from the motion approved at the June meeting regarding the FAF Fund Agreement due to FAF not specifically acting as a "trustee". Ayes—10; Nays—0. Motion carried.

**APPROVE LANGUAGE
CHANGE IN MOTION FOR
FUND AGREEMENT**

Chairperson Clark noted that NC RESA should not continue to provide lunch for board members since the Promise Zone is now its own governmental entity. Any suggestions? Members are fine with providing their own lunch for future meetings.

OTHER DISCUSSION

16-8 – Motion by Member Boerger, supported by Member Guzniczak to adjourn the Newaygo County Area Promise Zone Authority special meeting at 1:10 p.m. Ayes—10; Nays—0. Motion carried.

ADJOURNMENT

Dr. Lori Tubbergen Clark, Chairperson