

ADRIA BOARD MEETING MINUTES – DRAFT 1

Teleconference May 9\May 16, 2013

Meeting commenced at 7:05 pm

Attending: Alex Paterson; Chuck Smith; Deborah Howes; Jim Bancroft; Joanne Munro; Don Goodfellow; Wendy Hassen; **Regrets:** Irene Bonifacio

The Purpose of the meeting was to discuss the ED Search Committee Report and Recommendations

BOARD MOTION:

It is moved by Deborah Howes that the board discussions be in camera Seconded by Wendy Hassen. Approved Unanimously

BOARD MOTION: ED Job Description

It is moved by Wendy Hassen that the ED job description be approved and be an attachment to ADRIA Board Policy in accordance with Section III 2. 3 and the proposed parameters for the ED position be adopted for recruitment of the 2013 ED. Seconded by Alex Paterson. Approved Unanimously

Meeting Reconvened May 16, 2013 at 7 15 pm

Attending: Alex Paterson; Chuck Smith; Deborah Howes; Jim Bancroft; Joanne Munro; Wendy Hassen; **Regrets:** Irene Bonifacio, Don Goodfellow

The Board reviewed the revised Search committee Report and recommendations (See ATTACHED 1) and voted on the following motions:

BOARD MOTION: ED Hours of work

It is moved by Wendy Hassen that the ED position of 21 hours be approved and that the Board request an ED review of the effectiveness of this in 6-12 months after it has been implemented. Seconded by Jim Bancroft. Approved unanimously

BOARD MOTION: ED Compensation

It is moved by Alex Paterson that the compensation level for the ED position be approved to guide compensation negotiations with the successful candidate. Seconded by Wendy Hassen. Approved unanimously

BOARD MOTION: ED Contract

It is moved by Jim Bancroft that the Search committee be authorized to consider various employment arrangement options including an independent contractor arrangement if deemed appropriate. Seconded by Alex Paterson. Approved Unanimously

BOARD MOTION: ED Location

It is moved by Wendy Hassen that the ED position Geographic location of Edmonton be approved. Seconded by Jim Bancroft. Approved unanimously

NEXT MEETING

Date: June 6

Time: 6-7:00 pm

Location: Village Park Inn

Meeting Terminated 7:30 pm

REVISED REPORT AND RECOMMENDATIONS TO THE ADRIA BOARD OF DIRECTORS

Submitted by the 2013 Executive Director (ED) Search Committee

May 14, 2013

BACKGROUND:

The following are recommendations of the Search committee (Jim Bancroft, Alex Paterson, and Wendy Hassen) to the ADRIA Board regarding the Search process for an Executive Director. This report has been revised and informed by Board discussions on May 9, 2013.

At the Board's request, each topic outlined in Motion 1 of the initial report will be discussed and will be voted as a separate motion. The Search committee has also respectfully provided additional information and detail within this report with the aim of addressing questions and concerns raised by various Board members.

While Board members have different views regarding how to achieve them, the following stood out as some key and common objectives identified for the ED Search process:

- achieving continuity and stability in the organization
- retaining organizational intelligence, relationships and continuing momentum;
- supporting our new Vision and achievement of the Board's strategic plan, and
- a selection process that is (and is perceived to be) fair

Given preliminary views of a number of Board members and mixed support, the Search committee withdraws Motion 2 in the initial report.

***NOTE:** A new Board will be in place and will need to approve the successful candidate. Different ideas and priorities other than those guiding this process may be raised at that time.*

THE REPORT AND BOARD MOTIONS

***Process Suggestion:** It is suggested that the Board discuss and address each item in the order in which it appears in this report to the maximum extent possible.*

1) BACKGROUND

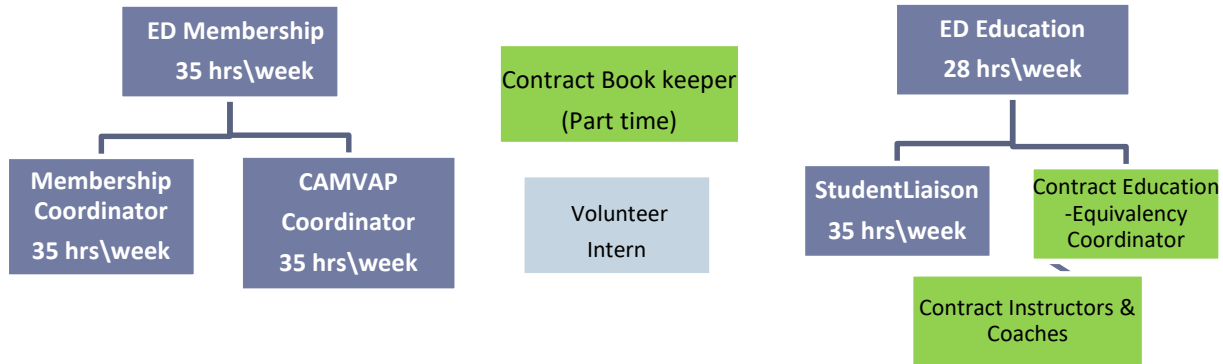
Exploration of a new structure for the organization started in May 2012 along with the creation of ADRIA due to the transition from AAMS into 2 organizations – ADRIA and AAMS. This included a review of the 2 ED structure and different options for a 1 ED structure prepared by each ED and reviewed at an Executive Committee meeting on June 15th 2012. The Board subsequently approved a 1 ED structure on July 13, 2012. Work continued on developing options for a structure into 2013 along with Board review, development and approval of a new strategic plan in January that year.

The following staffing plan is in the process of being implemented by ED Erika Deines. It is the understanding of the Search committee that Job Descriptions are being developed and the positions will be posted in the near future.

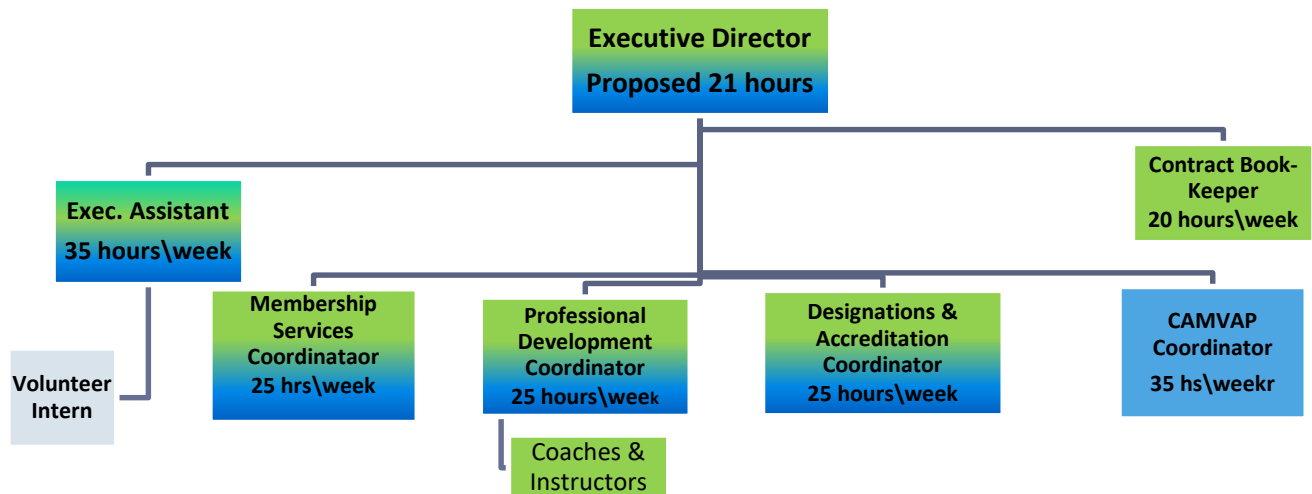
COMPARISON OF CURRENT & NEW STRUCTURE

(EMPLOYEES – CONTR.ACT- VOLUNTEER)

Current Structure: (5 Employees and 2 contractors)



Future Structure: (7 positions 6 Unknown: *Contractor or employees*)



(Note: Coordinators would consider forming committees\ ad hoc working teams comprising experts from ADRIA membership as well as external stakeholders For example designations, accreditation, certificates, newsletter, lunch-and-learn, etc. etc.). Ontario is a good example of how membership committees can work.

2) RECOMMENDED ED POSITION PARAMETERS:

a) ED Role and Qualifications:

The Search committee has developed an ED job description which outlines the role and qualifications for ADRIA Executive Director. This supplements ADRIA policy and serves as a key reference for ED recruitment purposes. [\(See Attachment 1\)](#)

Motion passed May 9, 2013:

It is moved by Wendy Hassen that the ED job description be approved and be an attachment to ADRIA Board Policy in accordance with Section III 2. 3 and the proposed parameters for the ED position be adopted for recruitment of the 2013 ED. Seconded by Alex Paterson. Approved Unanimously

b) ED hours of work

The above noted ADRIA Organizational Structure was reviewed by the Board on April 11, 2013 which proposes a 21 hour\week ED position combined with the creation of 3 part-time professional levels to undertake key program and service areas. The Search committee supports this approach and believes it is “doable” in combination with the supporting roles being put into place. It is important to note that Board policy delegates the authority of staffing decisions to the Executive Director. At the same time the framing of the new ED position is related to the staffing supports put into place given many of these functions were previously being performed by the former ED’s. A critical responsibility of the ED will be to prioritize the activities of the staff (and the ED) in order to meet the goals and targets in the strategic plan. If the Board determines that the “oversight” role of the ED requires more than 21 hours\week – the hours for the other organizational positions may need to be adjusted to accommodate the budget. ***Point for consideration:*** *This structure should be assessed by the ED after a reasonable period of implementation with the view to adapt and adjust as required.*

Motion B:

It is moved by Wendy Hassen that the ED position of 21 hours be approved and that the Board request an ED review of the effectiveness of this in 6-12 months after it has been implemented. Seconded by Jim Bancroft. Approved Unanimously

- c) ED Compensation: The Search committee has researched the proposed ED compensation of \$50,000 for 3 days per week (\$46.00\hour based on 1092 hours per year) which was suggested in the new organizational structure. This would roughly convert to **\$83,000\year without benefits**. The Search team has verified that this level of compensation aligns with market when looking at 2 surveys of not for profit compensation for AB Executive Director jobs and should be adopted.

1. **The Peter T Boland & Associates Survey of Chief Executive Officer – Independent (2012)** : For not for profits in Alberta with less than \$1 million budget :

Median salary (without benefits) **\$75,876\year** and the salary range from \$52, 966 to \$117,434 in the survey group. **2012 Charity Village – Level 1: Chief Executives:**

	1st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile
Annual	\$38,500- \$65,000	\$65,000 – \$82, 539	\$82,539- \$116,000	\$116,000- \$255,000
Hourly	\$19.33 – \$33.15	\$33.15- \$41.21	\$41.21- \$59.16	\$59.16 – \$129.12

When broken down by organizational budget: \$500,000 – \$1Million the survey indicated average total compensation to be **\$82,876 (\$40.68 per hour)**. By number of employees: 1- 5 employees: **\$70,047per year (36.69\hr.)** and 6-10 employees or **\$85, 094 per year (\$43.85\hr.)**

Motion C:

It is moved by Alex Paterson that the compensation level for the ED position be approved to guide compensation negotiations with the successful candidate.

Seconded by Wendy Hassen. Approved Unanimously

- d) **Employee or Contractor:** With a 3 day per week position, a contractor (who may have other projects) is preferred although the Search committee is open to either an employment contract or a contract with an independent contractor – depending upon the candidate. In either case the Search committee would ensure that any contract is legally compliant and addresses risk factors such as conflict of interest, liability risk, etc. **Attachment 2** is draft contract for an independent contractor for the Board's information.

Board Motion D:

It is moved by Jim Bancroft that the Search committee be authorized to consider various employment arrangement options including an independent contractor arrangement if deemed appropriate. Seconded by Alex Paterson Approved Unanimously

- e) **ED Geographic Location:** The ED would be required to have home base in Edmonton given offices and most staff are likely to be located in Concordia College. The ED would be required to be available and accessible to staff on a regular and reliable basis. ED Travel from Edmonton throughout the province which is required as a part of performing the ED function would be an expense covered by ADRIA.

Board Motion E:

**It is moved by Wendy Hassen that the ED position Geographic location be approved
Seconded by Jim Bancroft Approved Unanimously**

REVISED TIME TARGETS FOR SEARCH PROCESS:

TIME	ACTIVITY	WHO
May 16-27	<ul style="list-style-type: none"> - Arrangements for e-mail address to receive applications - Advertisements drafted and advertising vehicles selected - ED add out and notice to members - Date of May newsletter unknown (may include reference here) 	Search Committee\ ED's
June 3	Deadline for ED job applications to be submitted. (provide posting for 2 weeks) Develop interviewing checklist and questions for candidates	Search Committee
June 3-5	Preliminary screening of resumes and selection of interviews Arranging for interview times and place (in Calgary while at the AGM an option)	
June 6 - 10	Interviews – to (could set Calgary interviews around AGM as Board members travelling there)	
June 21-22nd Board Meeting	A successful candidate recommended to the Board	Search Committee \Board
June 24 – 28	Negotiation of ED contract \terms etc.	Search Committee
July 3- July 5	Announcement of ED	Board
July 20 - August 3	New ED starts	

ATTACHMENT 1: ADRIA EXECUTIVE DIRECTOR JOB DESCRIPTION

Approved May 9, 2013

Position Summary:

The Executive Director is the chief operating officer of ADRIA and has responsibility and authority to direct day to day operations including managing programs and services; financial, staff and volunteer resources using ADRIA's vision, mission, and values as a guide and reference. The Executive Director holds a key leadership position in the organization and attends Board meetings; provides support to and is a consultant to the Board and implements Board Policy. The Executive Director receives direction from the Board through the President.

Key Responsibilities:

1. Board Support

- Identifies key issues for board deliberations and develops agendas for board meetings in consultation with Board President.
- Ensures materials that facilitate board analysis of issues and decision making are provided for board meetings in a complete and timely manner.
- Oversees appropriate\required organizational documentation and records of board meetings in accordance with the Societies Act, Bylaws and Board Policy.
- Tracks recommended board actions and facilitates progress reports to the board.
- Attends meetings of the Board of Directors, and provides support to Board Committees and Sub-Committees as needed (in an advisory capacity)
- Ensures administrative supports are provided to facilitate the Board's work.

2. Policy Management:

- Manages the day-to-day operation of ADRIA
- Implements, and monitors policies determined by the board and develops related procedures as appropriate
- Directs the staff's implementation of policy

3. Strategic Planning

- Assists the ADRIA Board\Executive Committee in the strategic planning process
- Conducts internal\external environmental scans to support planning
- Participates with the Board in creating and updating the strategic plan (vision, mission, values, directions, outcomes.)

4. Operational Planning and Budget Development

- Develops, follows and adjusts an operational plan to achieve the strategic plan which will :
 - describe how ADRIA will achieve its mission in the time period of the plan
 - includes operational goals, implementation activities, performance measures,
 - include a supporting budget to resource achievement of the plan
- Provides clear, concise reports to the board at each scheduled board meeting that assesses the accomplishment of the plan.

5. Risk Analysis

Evaluate the threats and opportunities for ADRIA by accurately reading organizational\ external realities and understanding the forces shaping the views of clients \partners\members. Makes or recommends actions to address them:

- Evaluates potential assets and liabilities of a project, proposal, or strategy
- Assesses threats to the organizations image
- Assesses risks to the organizations financial security and growth
- Provides regular, reliable and comparable reports on the organization's progress

6. Financial Management

- Implements the board's policies for the allocation and distribution of resources
- Administers the funds of the organization (within the approved budget)
- Maintains sound, industry accepted bookkeeping and accounting procedures
- Provides the Treasurer\Board with regular statements of revenues and expenditures

7. Program Management:

- Facilitates the research, planning, development, implementation and evaluation of ADRIA programs and services
- Ensures programs\services meet policy guidelines and reflect board priorities
- Fosters effective\collaborative relationships with current\potential program partners
- Applies sound practices in negotiation and determination of contractual arrangements (value, accountability, risk, etc.)

8. Human Resources Management

Develops an organizational structure\human resources strategy to effectively achieve organizational plans and goals; Ensures up to date job descriptions\employment contracts\volunteer role descriptions are maintained.

Staffing

- Develops, recommends, and implements personnel policies
- Recruits , hires, trains, develops, releases staff \service providers
- Interprets Board policies to staff\service providers
- Works with staff to set clear, results-oriented goals\outcomes; coaches and monitors performance and evaluates staff \service providers annually
- Recommends a salary and benefits budget to the Executive Committee. (?)

Volunteers:

- Provides leadership in identifying opportunities for volunteer involvement in ADRIA
- Supervises the recruitment, selection, orientation and training of service volunteers and develops and implements appropriate policies to support volunteer engagement

9. Advocacy Management

- Promotes community\public awareness of the organization's mission and aims
- Participates in networking and community relations activities on behalf of the organization- seeks out mutually beneficial relationships
- Builds strong working relationships with others – inside and outside the organization and enlists their support when appropriate

Qualifications and Competencies

Education

Post-secondary degree or certification in a related field or an equivalent combination of education and working experience will considered.

Experience

Minimum of 3-5 years of management experience preferably with a not for profit organization in a related area (professional\membership organization for example)

Solid experience relating to:

- supervising and planning the activities of others (staff\volunteers\contractors)
- development and administration of budgets
- strategic and operational plan development and implementation
- developing business and strategic relationships

- organizational leadership

Experience with professional membership development and/or the operation of educational programs in post-secondary institutions is an asset.

Knowledge/Skills/Abilities

- Understanding of and support for the field of appropriate dispute resolution; the ability to be a credible representative of the organization and to gain the respect of ADRIA members and stakeholders
- Ability to work effectively with a Board of Directors and understands of the role and responsibilities of a policy board.
- Strong organization skills including the ability to effectively prioritize activities
- Strong interpersonal; collaborative and team-building skills - can guide the performance of others while holding them accountable
- Results orientated – can take a leadership role while effectively engaging others
- Confident in working in a variety of forums – community, government, legal, academic, corporate.
- A proven track record in building partnerships
- Ability to understand and work effectively with budgets and financial documents
- Ability to think strategically and see the present in the context of longer term goals
- Solid written and verbal communication skills including public speaking and the ability to write clear and concise reports and documents.
- Ability to draft agreements, policies and related organizational documents
- Sufficient knowledge and interest in using computer technology to support business communications; document and data base development and to understand and explore technology options for the delivery of programs and services
- Ability to challenge the status quo - acknowledge the need for change and willingness to learn about new approaches and processes.
- Ability to work independently, exercise sound judgment and make decisions within a broad policy frame of reference.

Attachment 2:

CONSULTING SERVICES AGREEMENT

This Agreement dated this _____ day of _____, 2013.

Between

A society incorporated under the laws of Alberta and having an office at Edmonton, Alberta (the "**Society**")

and

a corporation incorporated under the laws of Alberta and having an office at Edmonton, Alberta (the "**Consultant**")

Recital

A. The Society wishes to engage the Consultant for the purpose of providing, as a consultant, the services set forth herein and the Consultant wishes to so provide such services to the Society.

The parties agree as follows:

1. Engagement

The Society does hereby engage the Consultant to perform the Services (as hereinafter defined) and the Consultant does hereby agree to the engagement, all in accordance with the provisions hereinafter set forth. Consultant agrees to utilize **[Name]** to provide services to the Society, or such other person as the Society may agree to (the "**Dedicated Personnel**").

2. Nature of Engagement

The relationship of the Consultant and the Dedicated Personnel to the Society shall in all respects be solely that of an independent contractor. The Consultant and Dedicated Personnel shall not in any respect have status as either an employee or an agent of the Society or the ability to bind or obligate the Society in any way to any third party. The Consultant and Dedicated Personnel shall be liable for all income taxes, pension plans, unemployment insurance contributions and any similar or other amounts payable to any government or public authority in respect of any amounts paid to the Consultant pursuant to this Agreement.

3. Services

The Consultant shall perform the services (the "**Services**") set forth in Schedule "A" attached hereto during the term of this Agreement at the times requested by the Society.

4. Performance Standard

The Consultant represents and warrants that it and the Dedicated Personnel has, and will continue to have, during the term of this Agreement the requisite skills and experience to perform the Services in accordance with the provisions of this Agreement. The Consultant shall ensure that the Services provided by its Dedicated Personnel are performed with due diligence, in a competent and professional manner and in accordance with such reasonable instructions and requirements as the Society may specify from time to time in respect thereof. In performing the Services the Consultant shall observe and comply with all applicable laws, regulations, rules and standards imposed by the government or any other duly constituted public authority having jurisdiction with respect to the Services. The Consultant shall at all times during the term of this Agreement co-operate with the employees and other consultants of the Society. The Consultant shall perform all Services in a timely manner and shall deliver all reports, interim or final, and meet all such other milestones as may be established by the Society.

5. Fees

The Consultant shall be compensated by the Society in the amount and in accordance with the provisions of Schedule "B" attached hereto. The Society shall pay to the Consultant any goods and services taxes (the "**GST**") levied in respect of any amount paid pursuant to the provisions of this Agreement. The Consultant represents and warrants that it is a registrant for the purposes of the *Excise Tax Act* (Canada) and that its registrant number is _____. The Consultant further represents and warrants that it will remit any GST received by it from the Society when required to do so by law.

6. Disbursements

The Society shall reimburse the Consultant for all pre-authorized expenses necessarily incurred by it in the performance of the Services.

7. Payment

Payment of the amount determined in accordance with Schedule "B" shall be promptly made by the Society to the Consultant and not later than 15 days after receipt by the Society of an invoice in respect of same. Within 3 business days after the end of each month during the term of this Agreement or such other time as requested by the Society, the Consultant shall send to

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the Society an invoice in a form satisfactory to the Society, acting reasonably, setting forth the amount owed by the Society calculated in accordance with the provisions of Schedule "B", including the following information:

- (a) the rate at which the Consultant is charging for the performance of the Services;
- (b) a summary description of all Services performed in that month;
- (c) the respective dates on which those Services were performed; and
- (d) an itemization of the time expended by the Consultant in performing those Services.

8. Property

The Consultant and the Society acknowledge that the Consultant may during the course of providing or performing the Services contemplated hereunder be the sole creator, or in collaboration with others a creator, of original work including but not limited to those works identified and listed in Schedule "A" attached hereto (collectively the "**Copyright Work**"), and that the Consultant created the Copyright Work by commission and at the request of the Society. The Consultant agrees to assign all right, title and interest, including without limitation, its text, graphics, icons, fonts, data, audio, and video. The Consultant expressly acknowledges and agrees that the Society shall own all intellectual property, including, without limitation, copyrights, patents and patent rights, trade-marks, trade secrets or industrial design rights in the Copyright Work and other intellectual property, documentation, plans or drawings, conceptual materials, software, inventions and other materials or developments (the "**Materials**") created or generated by the Consultant alone, or in collaboration with others, in the course of providing and performing the Services contemplated hereunder at all times both before and after the terms of this Agreement and same shall be and shall remain the sole property of the Society.

The Consultant agrees to waive his moral rights in the Materials and shall return all such Materials in his possession to the Society forthwith upon request by the Society to do so.

The Consultant agrees to disclose to the Society all the Materials, and all other ideas, materials, documents, inventions, formulae, programs, systems, know-how, techniques, marketing or business development plans developed in the course of providing and performing the Services contemplated hereunder, either solely by the Consultant or in collaboration with others, which relate directly or indirectly to the business and affairs of the Society.

9. Confidentiality

The Consultant shall at all times, both during and after the term of this Agreement:

- (a) maintain strict confidentiality respecting confidential information;**
- (b) not permit disclosure of any confidential information to any other entity;**
- (c) ensure that its employees, Dedicated Personnel, agents and subcontractors comply with the requirements of subparagraphs (a) and (b); and**
- (d) in the event that a governmental entity requests the Consultant to disclose confidential information it will promptly advise the Society of such request and cooperate with the Society in any potential lawful challenge to such request.**

The expression "confidential information" as used in this Agreement means all information received or acquired by the Consultant during the course of or incidental to performance of the Services and which concerns the property, business, undertakings or affairs of another party, with the exception only of information which is now or hereafter becomes public knowledge through no fault of the receiving or acquiring party and information which is received or acquired from another entity lawfully in possession of the information and under no confidentiality obligation in respect thereof.

The Consultant agrees that it will impose the same standard of confidentiality contained in this Agreement on any of its Dedicated Personnel who may be assigned to provide services to the Society.

10. Conflict of Interest

The Consultant shall at all times ensure that it does not act in any manner or otherwise place itself in a position which results or could reasonably be expected to result in a conflict between its other interests and its obligations under this Agreement, or between its other interests of any client of the Society.

11. Other Services [To be verified]

Subject only to paragraphs 9 and 10 **[NTD: Confirm paragraph numbering in final draft]** nothing in this Agreement shall restrict or prohibit the Consultant from undertaking, engaging in or performing any other services, provided that these do not conflict with or compete with the Society.

12. Indemnity

The Consultant agrees to and shall indemnify and save harmless the Society, its officers, directors, shareholders, employees, agents and servants:

- (a) from and against any and all losses, claims, actions, damages and liabilities, of any and all nature or kind whatsoever, including without limiting the generality of the foregoing, solicitors fees, on a solicitor to his own client basis, and disbursements, to the extent that the same are suffered, sustained or incurred by reason of the negligence or other wrongful act or omission of the Consultant, or by reason of any breach on the part of the Consultant under this Agreement; and
- (b) with respect to all taxes, contributions and penalties imposed by any governmental or public authority having jurisdiction with respect to or measured by the income or profit received by Consultant pursuant to this Agreement, including but not limited to, all payment and contribution requirements pursuant to the *Workers Compensation Act* (Alberta), the *Canada Pension Plan Act* (Canada), the *Unemployment Act* (Canada) and the *Income Tax Act* (Canada).

13. Insurance Coverage [to be inserted if requested]

14. Term and Termination

The term of this Agreement is continuous until terminated as follows:

1. Material Breach

If the Consultant is in material breach of any provision of this Agreement, the Society may immediately terminate the Agreement without notice to the Consultant and without providing any payment other than a prorated portion of the monthly retainer up to and including the date of termination. The Contractor shall cease providing services and no further fee or amount shall be paid to the Consultant by the Society.

2. No Material Breach

The Society, at its option, may choose to end its relationship with the Consultant by providing a payment comprised of (A) an amount equal to the average monthly retainer paid during the proceeding 12 months (exclusive of amounts paid as reimbursements) multiplied by 3 and (B) GST on such amount. Upon payment, the Consultant shall cease

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providing services and no further fee or amount shall be paid to the Consultant by the Society.

The Consultant may terminate this Agreement upon 30 days notice in writing to the Society. Paragraphs 7, 8, 9, 10, 11, 12 and 15 of this Agreement shall survive any termination of this Agreement, and upon any such termination the Consultant shall immediately return to the Society all printed and recorded material in his possession or over which it exercises control, which contains any confidential information as defined hereunder.

15. Arbitration [Optional - arbitration or by way of court action]

All disputes and disagreements arising between the parties with respect to this Agreement or any matter arising hereunder shall be finally settled by arbitration by which each of the parties agrees to be bound. Any arbitration shall be conducted in accordance with the following provisions:

- (a) the reference shall be to a single arbitrator appointed in accordance with the *Arbitration Act (Alberta)*;**
- (b) if the parties cannot agree on the appointment of an arbitrator, either party may apply to the Court of Queen's Bench of Alberta for the appointment of a suitable single arbitrator;**
- (c) the decision of the arbitrator shall be final, conclusive and binding upon the parties;**
- (d) unless otherwise determined by the arbitrator, each party shall pay an equal**
- (e) portion of the fees and expenses of the arbitrator, which fees and expenses shall be determined, on a reasonable basis, by the arbitrator and shall not be limited to those amounts provided for in the *Arbitration Act (Alberta)*; and**
- (f) save as herein otherwise expressly provided, the provisions of the *Arbitration Act (Alberta)* shall apply to each such reference to arbitration.**

Notwithstanding anything to the contrary contained herein, including this paragraph 15, any party hereto may as a matter of right apply to the Court of Queen's Bench of Alberta or such other court of competent jurisdiction for relief if such relief is of an equitable nature and cannot be ordered by an arbitrator including, without limiting the generality of the foregoing a restraining order, injunction or declaration.

16. Notices

Notices and other communications permitted or required under this Agreement shall be in writing and shall be mailed or delivered to the parties at the following respective addresses:

(a) For the Society:

[insert address]

(b) For Consultant:

[insert address]

17. Headings

The headings to the paragraphs of this Agreement have been inserted solely for convenience of reference and shall not in any way affect the construction of the paragraphs of this Agreement.

18. Governing Law

This Agreement is governed by and shall be interpreted in accordance with the laws of Alberta and the laws of Canada applicable in Alberta. The Parties attorn to the exclusive jurisdiction of the courts in Alberta.

19. Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian funds.

20. Assignment

This Agreement is not assignable by the Consultant in whole or in part without the prior written consent of the Society. The Consultant shall not sub-contract all or any portion of the services without the prior written consent of the Society. Any purported assignment or sub-contracting by the Consultant without such prior written consent of the Society shall be void and of no force or effect.

21. Counterpart Execution

This Agreement may be executed and delivered in counterparts with the same effect as if all parties had executed and delivered the same copy, and when each party has executed and delivered a counterpart, all counterparts together shall constitute one agreement.

22. Time of Essence

Time is and shall remain of the essence of this Agreement.

23. Material Change

Any amendment or modification of this Agreement or additional obligation assumed by either party in connection with this Agreement will only be binding if evidenced in writing signed by the President/CEO of the Society and the Consultant.

24. Entire Agreement

This Agreement constitutes the entire Agreement between the parties hereto and replaces any prior contract or agreement with respect to the terms hereof, whether oral or written in their entirety.

25. Enurement

This Agreement shall be binding upon and shall enure to the benefit of the parties, the respective successors and permitted assigns of the Society and the heirs, executors, administrators, successors and permitted assigns of the Consultant. The Consultant shall ensure that any of its Dedicated Personnel providing services to the Society are bound by paragraphs 9 and 10 of this Agreement.

This Agreement is executed at Edmonton, Alberta as of the date and year first above written.

The Society

Per:



The Consultant

Per:



SCHEDULE A

The Services

1. [●] Outline a summary of expected services as set out in the job description [insert applicable provisions from Attachment 2, ADRIA Executive Director Job Description;
2. [●];
3. [●]

SCHEDULE B

1. The Consultant shall be paid an annual retainer of \$[●] per year, payable in 12 equal and monthly installments.
2. The Consultant shall charge applicable GST on the amounts charged to the Society and remit such GST to the appropriate government authority.
3. The Society agrees to reimburse the Contractor up to \$[●]/month (plus GST) for reasonable expenses incurred on behalf of the Society and approved by [●]. Reasonable expenses related to travelling for corporate business will be reimbursed in accordance with the Society's reimbursement policies.
4. The Consultant acknowledges its fees as provided in this Agreement will constitute the full and exclusive monetary consideration and compensation for all Services performed by the Consultant.
5. The Consultant acknowledges and agrees that any additional compensation to the Consultant (whether a bonus or other form of additional compensation) will rest in the sole discretion of the Society and that the Consultant will not earn or accrue any right to additional compensation by reason of the Consultant's engagement other than as specified in this Agreement.
6. This Agreement shall commence on ♦ _____, 2013 and continue until terminated pursuant to paragraph 14.

Davis: 13809755.1

ADRIA Board of Directors Orientation 2013

Friday, June 21, 2013 7 – 9 pm (Regular Board meeting is on Sat, June 22, 2013)

ADRIA offices

Concordia University College - Ralph King Athletic Centre

Room CE223A

7128 Ada Boulevard, , Edmonton, Alberta T5B 4E4

1. Pre-Orientation Tasks for Directors:

- Read ADRIA bylaws
- Read ADRIA policy manual
- Complete the on-line workshops on Governance and Effective Meetings, both found at [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/hst13487](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/hst13487) (the materials in PDF can be downloaded from this site also)
- If more information is desired on Roles & Responsibilities, complete following on-line course from the Alberta Culture Board Development Program:
<http://www.culture.alberta.ca/bdp/alta/index.html>
- If more information is desired on a host of other governance topics, see the Bulletins in the Alberta Culture Board Development Program
<http://www.culture.alberta.ca/bdp/bulletins.aspx>

2. Agenda for Friday June 21, 2013 7 – 9 pm

7:00 pm History of ADRIA/AAMS – Past President Chuck Smith (15 min)

7:15 pm Directors: responsibilities for financial health / what to look for in the financial statements - Auditor Colin Presizniuk (Handout of some tips) (15 min)

7:30 pm Meeting Agenda and Protocols – President Jim Bancroft (15 min)

- Practices / formalities this board wants to use - (compared to on-line course re Effective Meetings). See also the Policy manual on Board meetings and Agenda

- In Camera Sessions - In each board meeting, the board will have the opportunity to discuss privately concerns without the Executive Director and staff present. Handout: *Executive Sessions: How to use them regularly and wisely.*

7:45 pm Director and Officer roles and responsibilities (15 min)

8:00 pm Board and Executive Director Relationship (10 min)

- who does what & who is accountable for what
- what are the contact points (organizational chart and policy)
- what reports do we want/need:
 - financial reports
 - Ex Dir reports
 - can dashboard reports help?
- building the team.

8:10 pm How do we govern – stabilizing our practices

- Effect of bylaws and policy
- What are Ends and where do we find the ends?
- What are Limitations and who do they limit?
- Evaluation – who does it and when?
- Use of committees – what committees are board committees? What committees must a director chair?
- The role of the Governance Committee as a resource for the board.

8:30 pm ADRIA's Business

- Strategic Plan (vision, mission, values, goals)
 - How the strategic plan changes
- Operational Plan
 - How the operational plan changes
- ADRIA services
- Current members and issues
 - How we determine the members' issues

9:00 pm Adjourn for team building.

See: Policy Manual: 15. New Director/Board Orientation and Evaluation

ADRIA BOARD MEETING AGENDA

DATE\TIME Friday June 21 2013 7:00 pm – 9:00 pm – BOARD ORIENTATION

Saturday, June 21, 2013 8:30 am – 2:00 pm - BOARD MEETING

CONCORDIA COLLEGE – ROOM???? ADDRESS?

Time	#	Topic\Title	Action	Role	Ref Materials
Friday 7:00 – 9:00 pm		BOARD ORIENTATION	Information	Deborah Howes	Board Binder
Saturday		BOARD MEETING			
8:30	1	WELCOME & AGENDA REVIEW		Chair	
	2	MINUTES OF PREVIOUS MEETING(S)		Chair	
	2.1	Review & Adoption of Previous Board Meeting Minutes: April 21, 2013 May 9-16 2013 June 6, 2013	Motion to Amend\Adopt	ALL	
	3.0	ACTIONS ARISING FROM PREVIOUS MEETINGS (Old Business)		ALL	
	3.1	ADRIC BOARD MEMBER?			
	3.2	Signing Authorities			
	4	REVIEW OF ANNUAL CALENDAR	Decision	ALL	ATT
	4.1	Review and confirming future Board meeting dates to May			Calendar
	4.2	Setting an AGM Date			
	3	ACCEPTANCE OF REPORTS			
	3.1	- President			

	3.2	- Executive Director			
	3.3	- Treasurer			
	3.4	- ED Search Committee			
	3.5	- Governance Committee			
2:30 pm	4.0	NEW BUSINESS		ALL	
		?????????			
3:15 pm	5.0	NEXT MEETING		ALL	
3:15 pm		Date: Time: Location: Agenda Items:			
	6.0	IN CAMERA MEETING –DIRECTORS ONLY		ALL	
2:30 pm	7.0	TERMINATION		CHAIR	

Note: Other Agenda Items in board policy Template:

- Executive Director compliance
- Policy review
- Consent Items
- Ends discussion
- Link to the Membership
- Learning Opportunities

EXECUTIVE SESSIONS: HOW TO USE THEM REGULARLY AND WISELY

What are executive sessions?	1
Why are executive sessions needed?	1
Who participates in executive sessions?.....	3
What is appropriate to discuss during executive sessions?	3
What are the legal boundaries around executive sessions?	7
How should executive sessions be handled?	8
How can we avoid misusing executive sessions?	10

BoardSource wishes to thank Gregg Behr, The Grable Foundation; Marc L. Fleischaker, Arent Fox; and Frederick T. Miller, The Chatham Group, Inc., for sharing their professional insights and expertise on this document.

Information and guidance provided in this document is provided with the understanding that BoardSource is not engaged in rendering professional or legal opinions. If such opinions are required, the services of an attorney should be sought.

WHAT ARE EXECUTIVE SESSIONS?

Nonprofit board meetings are convened for the board to transact business and address important organizational issues with the chief executive and, often, senior staff. While many nonprofit boards choose to conduct their meetings in private, some organizations are required to operate in the public arena.¹ For all boards, however, specific instances warrant that some portion of the meeting be conducted in *executive session*.

An executive session — sometimes called a *closed meeting* or an *in camera session* — is a useful tool for protecting and advancing the best interests of an organization. Executive sessions provide a venue for handling issues that are best discussed in private, for fostering robust discourse, and for strengthening trust and communication. Distinguished by their purpose and participants, executive sessions serve three core functions: (1) they assure confidentiality, (2) they create a mechanism for board independence and oversight, and (3) they enhance relationships among board members and with the chief executive.

By the board and for the board, executive sessions enable the board to manage itself. They create an appropriate forum for board members to talk openly about topics that warrant special treatment. In effect, executive sessions are a kind of special meeting-within-a-meeting. Executive sessions may take place before, in the middle, or at the end of a regular board meeting. They are, by definition, exclusive to board members, but others, such as the chief executive or professional advisors, may be invited to join for part or all of the session.

The notion of a private conversation for board members may seem contrary to the ethos of transparency expected of nonprofit organizations and to the development of a constructive partnership between the chief executive and the board. However, executive sessions are an effective mechanism for boards of all organizations to deal with certain kinds of issues, provided that they are called for the right reasons and handled appropriately. This BoardSource white paper offers guidance on who, what, when, why, and how to use executive sessions.

WHY ARE EXECUTIVE SESSIONS NEEDED?

According to the *Nonprofit Governance Index 2007*², 74 percent of chief executives surveyed report that their boards met in executive session within the last 12 months, and nonprofits with annual budgets of \$5 million or more are more likely to use executive sessions. The most common reasons for these sessions include executive performance and/or compensation review, personnel issues, and peer-to-peer board discussions. While the rationale for an executive session varies depending on the organization's

AN EXECUTIVE SESSION AT EVERY MEETING

"It is done at each meeting to provide an opportunity for the executive and board to discuss issues and concerns without staff. The board meets first with the CEO and then without CEO at each meeting. The meeting without CEO provides a peer-to-peer discussion opportunity."

~ Chief Executive
(BoardSource Nonprofit
Governance Index 2007)

¹ Some nonprofit organizations are subject to sunshine, or open meeting, laws that define when and how executive sessions can be used. For more information, see page 8.

² In June 2007, BoardSource conducted a national survey of nonprofit governance practices. Responses from 1,126 chief executives and 1,026 board members are presented in the *Nonprofit Governance Index 2007*, available online at <http://www.boardsource.org/governance>.

culture and circumstances, certain issues require more candid, confidential conversations and, consequently, a more limited audience (See the exhibit below).

First, the board needs time alone to strengthen relationships and communication among board members and with the chief executive. For example, board members may be reluctant to challenge the chief executive in front of staff for fear of undermining his or her authority. In other instances, board members may wish to discuss sensitive topics like succession planning, senior staff performance, or executive compensation. Likewise, the chief executive may want to discuss future retirement plans without causing consternation among staff.

Second, board members need an opportunity to get to know and trust each other, personally and collectively. They need to be able to speak freely to air concerns and explore all aspects of issues. Executive sessions afford the board an opportunity to raise warning flags, discuss time-sensitive opportunities that can't yet be made public, and allow the board to explore different courses of action. Some issues involve the board itself, such as board performance or individual member participation. Other issues might warrant further board discussion with the chief executive, such as negative community reaction to a recent decision.

Third, as a governing body, the board needs to demonstrate and exercise its independence from the chief executive. For example, a nonprofit board serves as a check-and-balance when accepting the financial audit and determining chief executive compensation. These oversight activities require the board to make decisions that are not controlled by the chief executive.

EXHIBIT: BASIC GUIDELINES FOR EXECUTIVE SESSIONS

	Board With Chief Executive	Board Alone
Rationale	<ul style="list-style-type: none">• To maintain confidentiality required by law and further the organization's interests• To discuss highly sensitive business issues in private• To foster a more constructive partnership between the board and chief executive• To build capacity for robust discussion	<ul style="list-style-type: none">• To create a forum that is not unduly influenced by the chief executive• To encourage more open communication among the board• To discuss issues related to the way the board operates• To address issues related to the chief executive• To build capacity for robust discussion
Topics	<ul style="list-style-type: none">• Legal issues• Major strategic and business issues• Crisis management• Roles, responsibilities, and expectations of the board and chief executive	<ul style="list-style-type: none">• Audit• Chief executive performance• Chief executive compensation• Succession planning• Legal issues involving the chief executive• Board practices, behavior, and performance
Possible Invitees	<ul style="list-style-type: none">• Senior staff• Professional advisors	<ul style="list-style-type: none">• Professional advisors
Frequency	<ul style="list-style-type: none">• At the start or end of regular meetings• As needed, e.g., litigation	<ul style="list-style-type: none">• At the start or end of regular meetings• As needed, e.g., for audit

Fourth, the board has a responsibility to maintain confidentiality to protect the organization. The law allows boards to handle certain situations in a restricted setting. For example, if an organization has been sued, the board, chief executive, and legal counsel may meet in executive session to decide whether to settle the case and the terms of the settlement. Sound business sense may also require that key strategic decisions be discussed privately. For example, if an organization is considering a merger, the board, chief executive, and chief financial officer may need to consider the pros and cons before discussing alternative courses of action with various stakeholders.

**CAUSE FOR CONFUSION:
EXECUTIVE COMMITTEE VS. EXECUTIVE SESSION**

An *executive session* is a special closed meeting of the board. An *executive committee* is a special committee of the board whose composition and purpose are defined in an organization's bylaws. When an executive committee meets, it is not called an executive session. Many, but not all, boards have executive committees. They are often composed of the officers, chief executive, and perhaps committee chairs or other board members. Some executive committees meet only in emergencies. Others meet more regularly and are charged with handling business between regular board meetings. For more information, refer to *Executive Committee* by Mark Light (BoardSource, 2004).

WHO PARTICIPATES IN EXECUTIVE SESSIONS?

Participants in board meetings vary from topic to topic, meeting to meeting, and organization to organization. In addition to board members and the chief executive, board meeting participants may include senior staff, constituents, professional advisors, and sometimes interested members of the community. United by an interest in the organization, these individuals play different roles — decision makers, experts, commentators, guests, and observers.

During an executive session, the board room looks different. The full board will almost always be there, but the chief executive may participate for only a portion of the session. Outside advisors (e.g., lawyers, auditors, consultants) may be invited to issue findings or provide professional guidance. On a very limited basis, select senior staff members (e.g., chief financial officer, general counsel, development director) may be included to present a report or provide their perspective, or they may be excluded altogether. Deciding whom to include and when should be determined by the purpose of the session, bearing in mind that an individual can be invited to join for a portion of the discussion and then excused at the appropriate time.

WHAT IS APPROPRIATE TO DISCUSS DURING EXECUTIVE SESSIONS?

Board meeting agenda items serve different purposes — from team building and information sharing to deliberation and decision making. The particular items on the docket shape who needs to attend the meeting and its degree of openness. When planning executive sessions, the board chair and chief executive should specify the timing, purpose and topics, and attendees.

EXECUTIVE SESSIONS WITH THE CHIEF EXECUTIVE

Executive sessions with the chief executive may be essential to advancing the organization's business interests and to cultivating a constructive partnership between the board and the chief executive. Many operational issues that require confidentiality may also require the presence of

the chief executive and sometimes others to enable an informed conversation. Common issues for executive sessions with the chief executive include

- **KPAWN Sessions.** To support the chief executive, many boards have adopted KPAWN sessions to discuss what **K**eeps the **P**resident **A**Wake at Night. These executive sessions, with just the board and chief executive, create an informal setting that is “off the record.” They are intended not for taking action, but rather for thinking together. For example, they may be used to take the board’s temperature on an industry issue or to identify potential operational problems (e.g., high staff turnover). Because chief executives do not have true peers within an organization, KPAWN sessions are a unique forum for meeting with the board without other staff or outsiders present.

CASE IN POINT: DEFINING ROLES

The executive director and board chair of a local organization met monthly for breakfast. These informal conversations, which covered a range of strategic and operational issues, helped them work as a team in leading the organization. Realizing that these informal conversations helped the board chair focus on strategic matters and become more engaged in the organization’s work, the executive director suggested they use executive sessions with the full board as a way to get all board members similarly committed to their cause and engaged in their work.

The executive director had always considered the board as his boss. But, he found it lonely at the top of the organizational chart and wanted a group of peer executives for brainstorming. The board already met twice a year in executive sessions for the financial audit and for executive performance review and compensation. He and the board had great confidence in each other. By suggesting the board meet in executive session without him, he felt he would inspire even greater confidence, commitment, and performance from the board.

- **Alleged Illegal or Improper Activities.** The Sarbanes-Oxley Act has drawn attention to the importance of whistleblower policies and protection for employees who report suspected illegal or unethical activities (e.g., embezzlement, sexual harassment, discrimination). If such issues are raised, the board may need to meet in executive session to ensure appropriate discussion and confidentiality. If the chief executive is implicated, obviously, he or she should be excluded from the executive session.
- **Litigation.** We live in a litigious society, and nonprofits are not immune from lawsuits. The board needs to be apprised of potential or actual litigation against the organization. Depending on the nature and stage of the litigation, the

board may meet in executive session to discuss progress, decisions, and repercussions resulting from any lawsuits. Often, the organization’s legal counsel (internal or outside) and sometimes chief financial officer may also be included in executive sessions focused on litigation.

- **Major Business Transactions.** Nonprofits, like all enterprises, need to be able to strategize, plan, and negotiate business deals without divulging inside information. Certain opportunities — from real estate deals (e.g., purchasing a new building) to operational transitions (e.g., undertaking a strategic alliance) to organizational failures (e.g., filing for bankruptcy) — require frank discussions about proprietary matters. Executive sessions emphasize the need

for confidentiality and allow the board to explore the situation without prematurely revealing information. Key staff and professional advisors may be included in these executive sessions.

- **Crisis Management.** When facing a crisis — be it a natural disaster or a scandal — the board may need to meet with the chief executive in private to discuss the situation and evaluate the consequences of various courses of action. To avoid creating unnecessary tension, the board needs to be away from the eyes and ears of employees and other constituents who may not be pleased with the trade-offs under consideration. Under these difficult circumstances, an executive session helps minimize unnecessary concern by limiting the number of people involved. For planning purposes, key staff and outside advisors may also be included in these executive sessions.

CASE IN POINT: LESSONS LEARNED AMONG BUSINESS LEADERS

The board of a national, federated organization was wrestling with protecting its brand. Local chapters, despite a common mission and similar programs, operated with widely divergent definitions of quality, sustainability, and impact. A few, as is often the case, ended up on the front page of their local papers with questionable business practices. The chief executive turned to the board, which included quite a few captains of industry, for guidance and insight.

Thanks to a pre-existing culture of openness and the privacy afforded by an executive session — without other staff present — the nonprofit chief executive was able to facilitate a dialogue about the role of headquarters in managing far-flung franchises. Corporate board members freely shared similar problems, attempted fixes, and working solutions from their firsthand professional experience. In the end, not only did the federated organization tap into a wealth of knowledge, but board members learned valuable leadership lessons from each other.

EXECUTIVE SESSIONS WITHOUT THE CHIEF EXECUTIVE

Just as it is important for the board and chief executive to tackle critical organizational situations together, the board also needs time to focus on its governance duties without any staff present. Some of this has to do with the board's oversight function, and some has to do with the board's need to take responsibility for itself and to function as a cohesive team. Understanding the value of executive sessions and developing routine procedures for using them can help alleviate a chief executive's anxiety. A confident chief executive sends a powerful message of trust to the board and staff when he or she regularly and voluntarily steps out of the boardroom.

Executive sessions without the chief executive are essential for strengthening board oversight and building board capacity for robust discussion. Common issues that necessitate the board meeting in executive session without the chief executive, regardless of whether he or she is a voting member of the board, or any other staff present include

- **Meeting with the Auditor.** As part of its fiduciary responsibilities, a nonprofit board is responsible for the financial audit. The auditors should be selected by and report to the board, and the board should review and accept the financial audit. At some point in the board's review of the financial audit, the board should meet in an executive session with the auditors without any staff present. This allows the board — directly or via a designated committee — to receive unfiltered feedback about the organization's financial health and practices, as well as its finance staff. It also allows the board to have a less inhibited discussion than might

otherwise occur with the chief executive or other staff present.

- **Chief Executive Performance.** Nonprofit boards are responsible for managing the chief executive. This is a difficult, sometimes awkward task to carry out collectively, so the board needs to find appropriate venues for this important duty. An executive session allows board members to share their individual perspectives and to provide input to the board committee or officer assigned to convey the board's message. These discussions are best held after information has been gathered in advance using an appropriate performance review tool.
- **Chief Executive Compensation.** As with the annual performance review, executive compensation also requires a highly confidential conversation. An executive session is an essential requirement to ensure that the full board understands the compensation philosophy and approves the details of the complete compensation package. It is common, perfectly appropriate, and highly recommended³ that the board discuss the specifics of the arrangement in private before the information is disclosed publicly through the IRS Form 990.

CASE IN POINT: A SELF-CORRECTING BOARD

At an association's annual retreat, the board found itself fragmenting between the larger and the smaller institutions. The chief executive struggled to mediate a conversation about how changes in the industry should drive its programs. Board members continued to act as a focus group, expressing concerns about their individual institutions' needs rather than the future of the association. At a break, one of the board members suggested that the board dismiss all staff, including the chief executive, from the conversation for 45 minutes.

During the executive session, board members acknowledged that they felt pressured to stand their ground in front of staff for fear of losing member benefits and that they too readily dismissed the opinions of some board members in favor of others. A candid conversation touched upon the association's mission, the common values that motivated board members, and the chief executive's powerful presence.

Before returning to the meeting, the board chair summarized the gist of the conversation for the chief executive. When the retreat resumed, board members rearranged themselves so that the larger institutions were no longer seated opposite the smaller institutions. The strategic planning conversation resumed, with a more intentional focus on the needs of different constituents and the relationship between programs.

- **Executive Succession Planning.** Nonprofit boards cannot delegate responsibility for hiring the chief executive, and one often-overlooked step in this process is succession planning. Just as the board needs to pay attention to its current chief executive, it also needs to pay attention to future leadership needs. Some succession planning conversations should take place between the board and chief executive, and others need to occur exclusively among board members. This helps the board not only plan ahead, but also be better prepared should the unexpected

³ Intermediate sanctions are designed to prevent excess benefit transactions — including excessive executive compensation — in 501(c)(3) and 501(c)(4) organizations. These IRS regulations include a “safe harbor” provision for nonprofits that meet three tests: (1) compensation must be based on data from comparable organizations, (2) an authorized body, whose members do not have any conflicts of interest, must approve the transaction in advance, and (3) the authorized body must document its decision. For more information, refer to *Dollars and Sense: The Nonprofit Board's Guide to Determining Executive Compensation* by Brian H. Vogel and Charles W. Quatt (BoardSource, 2005).

happen.

- **Board Self-Management.** Nonprofit boards serve as a leadership team. To function better, collectively, team members need time to assess and adjust their own performance — to pay attention to their behavior, to bolster relationships — away from the chief executive's observation and direction. Executive sessions allow board members to relate to each other as peers and partners. They can be a productive way to deal with difficult and delicate board conversations. For example, they can be used to identify board and staff members who go beyond the call of duty, encourage quieter board members to participate more fully, ease into a potentially divisive discussion, and correct unproductive or inappropriate board meeting behavior. These kinds of executive sessions facilitate greater candor among board members and strengthen the board's independence from the chief executive.

PRACTICE TIP: THE BOARD HUDDLE

A regular debriefing at the end of each board meeting, without the chief executive, brings conversations that would otherwise happen in the parking lot into a collective forum. It gives board members a place for both praise and probing. Not only can this bring the board together, but it also reserves a moment for the board to identify potential problems without causing undue concern. However, chief executives often get nervous — understandably — when the board meets without them. To assuage this anxiety, try these five tips to build an atmosphere of trust between the board and chief executive:

1. Make executive sessions a regular part of your board meeting agenda. Hold one every time the board meets. This diffuses the notion that executive sessions are convened only to deal with matters involving the chief executive or in times of crisis.
2. Set the agenda for the executive session in conversations between the board chair and the chief executive prior to the board meeting.
3. Invite the chief executive to join part of the executive session for a private conversation with the board, unless the business at hand makes that inappropriate. This sends a clear message that the relationship between the board and the chief executive is paramount.
4. Keep the conversation in the executive session on topic. Do not let it devolve into gossip. It is the board chair's responsibility to guide the discussion to a productive conclusion.
5. Summarize the executive session for the chief executive as soon as possible. The board chair should communicate the gist of the conversation, especially those issues that reflect the board's views of the chief executive's or the organization's performance, to the chief executive.

WHAT ARE THE LEGAL BOUNDARIES AROUND EXECUTIVE SESSIONS?

Nonprofit organizations must follow federal and state statutes that regulate businesses and their transactions with individuals. These laws are designed to protect constituents, clients, staff, and organizations. Nonprofit leaders need to be familiar with and abide by the applicable laws and regulations. For instance, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that hospitals keep patients' medical records private. Boards should rarely, if ever, be involved in such private client matters, but if such details surface during a board meeting or are linked to a board issue, they must be handled appropriately and all those present must agree not to disclose this information.

In addition, some organizational business may legitimately be kept confidential. For example, certain discussions with legal counsel are subject to attorney-client privilege or some donors may wish to remain anonymous to the public. An executive session gives the board a private setting for these kinds of confidential discussions.

SUNSHINE IN THE BOARDROOM

Some organizations, such as those receiving certain kinds of government funding, are subject to sunshine laws that require open meetings and define the use of executive sessions. Most sunshine laws clarify which records do not need to be disclosed (e.g., litigation, disciplinary matters, job interviews) and which do (e.g., budget discussions, salaries of public officials).

While state sunshine laws⁴ vary considerably in their specificity, they generally define what constitutes an executive session, how and whom to notify of their scheduling, and what can be handled in closed session. Nonprofit leaders need to be familiar with these legal limits to know when an executive session is allowed and the proper procedure for handling it. For example, the board may need to cite the state sunshine law, identify the issue that warrants a closed session, and reference the closed session in the board meeting minutes.

CASE IN POINT: GOVERNING IN THE SUNSHINE

By law, a well-established cultural organization was required to hold public board meetings and announce the agenda in advance. Periodically, a few members of the community attended these meetings, but they did not often make comments or suggestions. At one meeting, the board was considering a significant change in strategic direction that would affect many of its beloved programs. In order to have a substantive discussion of the proposal, the board needed to delve into proprietary organizational matters, including financial performance and personnel implications.

When the board reached this item on the agenda, it first invited comments from the public because so many people had expressed interest in the issue. Then, having previously consulted its attorney, the board went into executive session. After a complete discussion of the proposal and its ramifications, the board resumed its meeting in public. The board chair explained why the meeting had been adjourned to executive session, summarized the highlights of the conversation that had taken place during the executive session, and called for a vote on the proposal. In front of the public audience, the board voted to approve the proposed change.

This process ensured that the full board was able to discuss a critical business decision while complying with the legal requirement for open meetings. At the same time, it also ensured that the public was able to voice its views on the matter, understand the process used to consider the issues, and to hear the votes of individual board members.

HOW SHOULD EXECUTIVE SESSIONS BE HANDLED?

The following procedures provide step-by-step guidance for facilitating executive sessions:

1. **Policies.** Begin by establishing a board policy that articulates the process for calling and conducting an executive session. Establish guidelines for the routine use of executive sessions and, if necessary, identify issues that are acceptable for closed meetings. Use the following sample policies, which represent two different approaches to executive sessions, as starting points for drafting a policy appropriate to your organization's needs and culture.
 - Sample Policy 1. The board of directors will hold an executive session, without the chief executive, in conjunction with each regularly scheduled board meeting.
 - Sample Policy 2. An executive session of the board may be called by the chair under the following circumstances: (a) on the advice of counsel, (b) to discuss current pending legal matters, (c) to consult with the auditors and compensation consultants, (d) to acquire or dispose of property, (e) to discuss or act on personnel issues, or (f) to address such other

⁴ The Reporters Committee for Freedom of the Press maintains a helpful guide to state sunshine laws at www.rcfp.org/ogg/index.php. Because these laws can be difficult to interpret, it is best to consult with legal counsel about the circumstances under which an executive session may be called for organizations subject to such laws.

matters as the board deems appropriate. At the option of the chair, or upon majority vote of the directors, an executive session of the board may be called.

While in executive session, only board members and individuals invited by the chair may be present. At the option of the chair, the chief executive may be excused. Board members may discuss the business conducted in an executive session only with other board members including or not including the chief executive as directed by the chair, persons present in the executive session by invitation of the chair, and others upon advice of counsel. Those present will be reminded that the executive session deliberations and minutes are confidential.

2. **Calling an Executive Session.** Most executive sessions are planned by the board chair and chief executive in advance and listed in the agenda itself. But, choosing the right moment to call an *unplanned* executive session often demands tact and courage. Usually the chair has the authority to call an executive session. Should a board member request an executive session, some boards require that a majority or super majority confirm the decision. Under difficult circumstances, the chair needs to use discretion when announcing the purpose of the executive session.

WHAT DOES ROBERT SAY?

Robert's Rules of Order define an executive session as a meeting or portion of a meeting whose proceedings are secret. Only members of the governing body are *entitled* to attend, but they may invite others to stay *at the pleasure of the board*. A motion is required to go into executive session, and a majority must approve it. Those present must maintain the confidentiality of the discussion, and anyone who violates that confidentiality is subject to disciplinary action. (Emphasis added.)

3. **Attendance.** The meeting agenda should identify executive session participants, including any non-board members. If confidentiality is required, even if everyone present is a board member, the board should still go into executive session. Some nonprofits choose to have legal counsel present for all board meetings, including executive sessions.
4. **Subject.** The chair should facilitate the conversation so that the issue at hand gets addressed during the executive session. When the purpose of the executive session has been accomplished, the regular board meeting resumes.
5. **Discussion.** Executive sessions should be for discussion, negotiation, and in some instances decision making. For example, the board chair may use the closed doors to take a straw poll, or the chief executive may want to gauge the board's appetite for a new initiative. After discussion, should the board wish to take action, it can be done back in the board meeting. Other formal decisions, such as determining executive compensation or settling contract disputes, are best decided in an executive session and ratified back in the board meeting.
6. **Informing the Chief Executive.** After an executive session without the chief executive, the chair should summarize the substance of the executive session. This immediate follow-up helps eliminate unnecessary worry by the chief executive about these meetings.

7. Documentation.

- Minutes of the Executive Session. If the session is an informal discussion, detailed minutes may not be necessary, but the general substance of the executive session itself should be noted. If the session contributed to a board decision about a difficult or important issue, minutes may be necessary. Some organizations have legal counsel maintain minutes of all executive sessions. Executive session minutes should be shared only with participants and should not be attached to the regular board meeting minutes. Any confidential documents distributed for an executive session should be clearly marked as confidential and maintained by the chief executive and/or the board chair.
- Board Meeting Minutes. The regular board meeting minutes should indicate when the board went into an executive session, what the primary reason was, any formal decisions that were made in executive session, and when the board came out of executive session.

CASE IN POINT: WHAT WASN'T SAID IN THE BOARDROOM

The incoming board chair of a private foundation contemplated the issues facing the organization, its grantees, and the community they served. She feared that current board meetings did not allow the board to get granular enough. While efficient and productive, meetings were driven by a carefully scripted agenda. Board members asked questions and offered observations, but all from a polite and respectful distance. She worried about what was *not* being said.

While the board/staff relationship was strong, this trustee felt that periodic executive sessions could make it stronger. The board valued its time with senior staff and greatly appreciated their knowledge of program areas and the community. Both board and staff found it helpful to ask questions of each other. This gave board members a chance to hear staff present the logic behind recommendations and staff a chance to hear how board members analyzed recommendations. But, at times, trustees were hesitant to voice ideas that might make a staff member feel unduly challenged or criticized.

Board and staff agreed to experiment with executive sessions. After using them periodically, board members became more comfortable with the very candid discussions that ensued. Over time, this ability to have more candid discussions seeped into the regular sessions with staff. Board members and staff agree that executive sessions created a space for the board to have real discussions, which helped enhance overall board performance.

HOW CAN WE AVOID MISUSING EXECUTIVE SESSIONS?

As with many practices that are not fully understood, executive sessions can cause consternation. And, as with practices that are not completely open, they have the potential for misinterpretation and misuse. When not well managed, executive sessions can fuel problems, ranging from a lack of transparency and disregard for public accountability to inappropriate board member behavior and distrust between board and staff members. But, they need not.

Executive sessions are one of many valuable tools nonprofit boards can use to strengthen governance and organizational leadership. They create an environment for important conversations among board members, sometimes alone and sometimes with the chief executive. Time spent in direct, unencumbered conversations creates stronger relationships among nonprofit leaders that can help them weather ups and downs together. A thoughtful, attentive, and even-handed board chair can be critical in managing difficult conversations.

The following guidelines can help ensure that executive sessions become a productive, rather than a dubious, practice:

- **Facilitate executive sessions judiciously.** Executive sessions exist for particular purposes that the board should clearly define and follow. When in executive session, stick to the issue at hand — grounded in facts and circumstances, not gossip or speculation. Do not let executive sessions be used to scheme behind the chief executive's back, fuel rumors, isolate dissenting board members, or manipulate the results of a vote.
- **Create a safe haven.** Board service often requires uncompromising, independent decision making. Use an executive session to create a forum for thoughtful discussion, not to hide behind a cloak of secrecy. In the absence of staff, encourage board members to feel more comfortable asking questions, expressing doubts, and challenging assumptions. These private discussions can help nurture a robust discussion style that can spill over into the boardroom.
- **Communicate, communicate, communicate.** A closed door discussion provides privacy when a board needs to handle delicate matters, but eventually the message needs to be shared. Tell those being excused when, why, and how the board uses executive sessions. The board chair should clearly state when the executive session begins and concludes. After an executive session, share the results with those who need to know.
- **Take action in meetings.** The majority of board business belongs in the standard board meeting, regardless of the difficulty of reaching the ultimate decision. Use executive sessions for frank open conversations but, when possible, return officially to the board meeting to take formal votes. Remember, final board decisions are recorded in the minutes and shared with staff, and the results often become public knowledge when the organization takes action.

A board must know how to address the right issues in the right setting with the right individuals present. A savvy board manages itself and relationships thoughtfully. It distinguishes between inappropriate secrecy and legitimate privacy. Relying on good judgment, it is able to take advantage of the seclusion an executive session provides when private communication is necessary. At the same time, knowing how not to abuse executive sessions, a savvy board manages to maintain trust and confidence in the organization's integrity and processes.

ADRIA BOARD OF DIRECTORS MEETING MINUTES - DRAFT 1
SATURDAY, JUNE 21, 2013
CONCORDIA COLLEGE

Attending: Jim Bancroft, Deborah Howes, Chuck Smith, Don Goodfellow, Wendy Hassen, Mike Hokanson, Dolores Herman, Stan Galbraith, and Barrie Marshall.

Regrets: Joanne Munro

MEETING COMMENCES: 9:40 a.m.

1.0 Welcome & Agenda Review

The meeting was opened by the new president, Jim Bancroft. Jim provided some introductory remarks including comments about the difficulties experienced in opening up the new ADRIA offices in the Ralph King Athletic Centre building of Concordia College. He also expressed his appreciation to ADRIA staff for their efforts in working through these difficulties in the previous weeks. Jim thanked the retiring board members, Irene Bonifacio and Alex Paterson, for their considerable efforts on behalf of the organization and for their dedication to the success of ADRIA and acknowledged the contribution of our Co-Executive director, Pete Desrochers, on his retirement from the organization.

2.0 Minutes of Previous Meetings

BOARD MOTION:

It is moved by Don Goodfellow, and seconded by Wendy Hassen, that the minutes of the previous meetings, namely, April 21, 2013, May 9/16, 2013, and June 6, 2013, be approved. Approved unanimously.

3.0 Old Business

3.1 Appointment of a Board Member to ADRIC

BOARD MOTION:

It is moved by Deborah Howes, and seconded by Stan Galbraith, that the past president, Chuck Smith, be appointed as the ADRIA representative on the ADRIC board for this year (i.e. ADRIA's year). Approved unanimously.

BOARD MOTION:

It is moved by moved by Deborah Howes, and seconded by Stan Galbraith, to strike a committee to review a bylaw amendment to permit the ADRIA representative on the ADRIC board to be a board member of ADRIA. Approved unanimously.

3.2 Signing Authority

BOARD MOTION:

It is moved by Mike Hokanson, and seconded by Deborah Howes, to remove the existing signing officers, effective September 30, 2013, and immediately add, as signing officers, the members of the Executive Committee and the Executive Director as per bylaw 7.6. Approved unanimously.

ACTION ITEM:

Erica Deines to initiate process to institute new signing authority.

4.0 Review of Annual Calendar

4.1 Review and Confirming Future Board Meeting Dates

BOARD MEETING:

It is moved by Stan Galbraith, and seconded by Deborah Howes, that the future board meetings take place on the following dates:

September 27/28, 2013 (Calgary – Strategic planning)

November 22/23, 2013 (Edmonton – Budget)

January 17/18, 2014 (Calgary)

April 11/12, 2014 (Edmonton or Fort MacMurray)

June 20/21, 2014 (Edmonton – Board Orientation)

September 26/27, 2014 (Calgary)

AGM and 2014 Annual Conference - The Executive Director to make a recommendation on a date from early May to the end of June avoiding, if possible, May 16/17 and 30/31, and June 6/7.

Approved unanimously.

5.0 Acceptance of Reports

5.1 Executive Director

ACTION ITEM:

President to speak with Executive Director about following the operational and strategic plans respecting the format and content of future reports.

5.2 ED Search Committee

BOARD MOTION:

It is moved by Wendy Hassen, and seconded by Chuck Smith, that the Board of Directors retain the services of Erika Deines as ADRIA Executive Director for a one year term. Approved unanimously.

BOARD MOTION:

It is moved by Deborah Howes, seconded by Mike Hokanson, to terminate the responsibilities of the existing Executive Director Search Committee once its responsibilities have been completed. Approved unanimously.

BOARD MOTION:

It is moved by Deborah Howes, seconded by Mike Hokanson, to strike a succession planning committee to select a successor to the existing Executive Director before the end of the year as well as to express the board's great appreciation for the efforts of all members of the past Executive Director Search Committee. Approved unanimously..

5.3 Treasurer's Report

BOARD MOTION:

It is moved by Mike Hokanson, and seconded by Wendy Hassen, to approach AAMS regarding the extension of the current repayment term of one year respecting the loan from AAMS to ADRIA. Approved (Don Goodfellow and Jim Bancroft abstaining).

ACTION ITEM:

Mike Hokanson to write a letter to Don Goodfellow regarding the above motion.

6.0 New Business

ACTION ITEM:

Secretary, Barrie Marshall, to correct typographical errors in Policy Manual ("September 1, 2013" at pp. 5,6, and 7 revised to "September 1, 2012", "it's" at p.3 revised to "its", and "ADRIA" at p. 9 revised to "ADRIA's").

6.1 Board Policies

BOARD MOTION:

It is moved by Mike Hokanson, and seconded by Chuck Smith, that those mandatory items of Policy II, Sections 5, 6, and 7, are suspended pending a review of the policies around financial ends and limitations at the November budget meeting. Approved unanimously.

6.2 Expenses

BOARD MOTION:

It is moved by Mike Hokanson, and seconded by Stan Galbraith, that Policy IV, 11(1), be amended such that board members are entitled to reimbursement for mileage in accordance with Province of Alberta mileage rates or, alternatively, actual expenses incurred when other modes of travel are chosen and that all actual accommodation and meals expenses be reimbursed with the general proviso that such expenses be reasonable and are receipted. The need for prior approval is removed. Approved unanimously.

6.3 Strategic Planning

ACTION ITEM:

Executive committee to select a facilitator for the strategic planning committee in September. In that regard, the facilitator would be expected to walk the board through the details of past discussions with a view to determining what changes need to be made and which priorities need to be reordered.

MEETING ADJOURNED: 12:47 pm.