



# Special Board of Directors Meeting Minutes

**December 16, 2018 | 1:00 p.m. Large Conference Room**

The Harrington Company, 4248 Park Glen Road, Minneapolis, MN 55416

Attendees:

P	Mohamed Diab, President & CEO	P	Alisha Walter, Director at Large
P	Chris Doyle, Past President	P	Manish Kalra, Director at Large
P	Janice Pyka, President-Elect & COO	P	Matt Mehring, Director at Large
P	Joe Perzel, Director of Finance	P	Sara Swanson, Director at Large
P	Geraldine Marks, Director of Governance	P	Jenny Wothe, Executive Administrator

<b>1:03 p.m.</b>	<b>Call to Order</b> – Mohamed	QUORUM Established with 9 members
<p><b>2018 Strategic Direction</b></p> <ul style="list-style-type: none"> <li>• Strategic Goals             <ul style="list-style-type: none"> <li>A. Expand market coverage</li> <li>B. Deliver expert solutions</li> <li>C. Drive efficiencies and engagement</li> </ul> </li> <li>• Updated 2018 Strategic Directions             <ul style="list-style-type: none"> <li>1) To increase and maintain our strategic focus on the improvements that matter</li> <li>2) To develop and deepen our member centricity in knowing and meeting their needs</li> <li>3) To strengthen and stabilize our organizational agility to continuously improve and adjust</li> </ul> </li> </ul>		
<p><b>Board Operations and Strategic Initiatives</b></p> <ol style="list-style-type: none"> <li>1. Attorney update: J. Wothe noted the attorney has been kept informed and was involved with the material review request by the 3 individual Chapter members. Discussion was held if any future action was necessary, the Board requested she speak with the attorney regarding the possibility of compensation for time due to the petition request and surrounding activities.</li> <li>2. Finance and 2019 budget update/next steps: J. Perzel noted the November financials were sent out last week for review by the Board. He noted the proposed 2019 budget was included in the materials for members to review. Currently there is a deficit of about \$81,000. Discussion needs to be held on where the priorities are for 2019 to help clarify where reductions can be made. Several Board members noted they had provided feedback earlier in the budget planning process for possible cuts, they questioned if those had been included in the proposed budget. It was recommended the next step be for each Board liaison to work with their committees to look for possible reductions to balance the budget.</li> </ol> <p><b>Action:</b> President Diab made a motion to approve the 2019 budget as presented with the understanding the Board will work with the committees to revise the budget and reduce the deficit to have a balanced budget within the next 90 days. J. Pyka seconded the motion. Discussion was held.</p> <ul style="list-style-type: none"> <li>• J. Perzel raised concern with approving a budget with the deficit as is, noting with the budget approved it will take away the incentives to reduce the deficit.</li> <li>• It was requested the Director of Finance compile a list of recommendations of cuts within the budget for consideration.</li> <li>• It was noted with the adoption of the budget and agreement to work to reduce the deficit within the next 90 days, this discussion would not overtake the Board meetings for the next couple of months as it did in 2018.</li> </ul> <p>The motion carried on an 8 – 1 vote. Director of Finance J. Perzel voted against the motion.</p>		



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3. Discussion & approval of Policies Review Committee Charter: C. Doyle provided an overview of the draft charter of the policies and procedures charter. Discussion was held, with several minor revisions being made to the document.

**Action:** President Diab made a motion to approve the charter as amended. 2<sup>nd</sup> by S. Swanson. The motion carried unanimously.

4. Approval of Volunteer Gala budget: It was noted this budget was included in the proposed 2019 budget approved earlier in the meeting so no further action was needed.
5. Discussion and Approval of remaining Gala Awards: Discussion was held on the two remaining awards for the gala.
  - Annual Colleague Award
  - Annual Team Award

**Action:** President Diab made a motion to award the Annual Colleague Award to Chris Doyle. 2<sup>nd</sup> by M. Kalra. The motion carried with all members voting in favor, C. Doyle abstained.

**Action:** President Diab made a motion to award the Annual Team Award to the IT Committee. 2<sup>nd</sup> by G. Marks. The motion carried with all members present voting in favor.

6. Discussion on Awards for Gala:
  - Team Award- Individual awards for each team member or one team award?
  - Board Recognition- at the end of each term or upon departure?

Discussion was held on the types of awards, consensus was to provide a nice certificate that can be framed for each member on the IT committee. Consensus was also to provide a nice certificate for Board members that completed a term and were re-elected to an additional term. The crystal awards will be given to the departing directors. Direction was also given to move all the awards to a plaque type award with the recipient's name to be added to the plaque annually, similar to the goose. These plaques can then be displayed at various Chapter event during the year. All recipients will receive a nice certificate that can be framed.

7. TrimaxSecure Contract: M. Kalra noted he had met with Hakki Isik to complete the contract work. He noted the proposed baseline fee of \$1,500 has been reduced to \$1,250. The baseline fee does not include the fee for webhosting or the Chapter's license costs. The hourly rate increased from \$25 per hour to \$26 per hour for basic services with a higher rate of \$125/hour for work relating to enhancements and new application development. Discussion was held on the auto-renewal clause within the contract and the limited reasons for the Chapter being able to terminate the contract. Consensus was to remove the auto-renewal clause within the contract.

**Action:** President Diab made a motion to approve the contract with TrimaxSecure with the removal of the auto-renewal of the contract. 2<sup>nd</sup> by C. Doyle. The motion carried with all members present voting in favor.

8. Approval of Military Outreach Committee and Chair and Co-Chair: Discussion was held on the proposed organization of the military outreach program, noting this program was established under the Community Outreach Committee because of the location of the military bases. A charter is already in place under Community Outreach, so a separate charter is not needed. Consensus of the Board was to leave the Military Outreach under the Community Outreach Committee as a program. Under this set-up there will not be a chair/co-chair, instead a program manager and assistant manager.
9. Review of 2019 Committee Chairs and Co-Chairs: President-Elect J. Pyka presented the list of Committee Chairs and Co-Chairs for 2019 for approval. She noted there are several committees that have not yet been finalized and are not included on the list, they will be brought to the January meeting.



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Chair- Community Outreach	Melissa Hvidsten (ND)
Chair - Finance	Ruth Hvidston
Co-Chairs – IT	Brandon Guthman
	Victoria Wehmeyer
Chair – MarComm	Garrett Kubischta
Co-Chairs – Membership	Evelyn Rendon
	Gabi Ikumola
Co-Chairs - Professional Development	Ken Schacher
	Devi Chetty
Co-Chairs – Programs	Adam Cherrill
	Maureen Wheaton
Chair - Volunteer Services	Oswald Dema

**Action:** President-Elect Pyka made a motion to approve the slate of 2019 committee chairs and co-chairs as presented. 2<sup>nd</sup> by S. Swanson. The motion carried with all members voting in favor.

### 10. Director of Finance Position

President-Elect Pyka asked Director of Finance Joe Perzel to resign from the PMI Minnesota Board of Directors. Director of Finance J. Perzel noted he would not resign.

President-Elect Pyka requested the PMI Minnesota Board of Directors to move forward with the removal of the Director of Finance for just cause with a 2/3 vote of the Board as permitted by the PMI Minnesota Bylaws. President-Elect Pyka provided the following general reasons for the just cause removal of Mr. Perzel:

During the November Board meeting, several Board members asked Mr. Perzel whether he had additional information about the member request for a special Board meeting. He repeatedly denied having any information. Later, he acknowledged that he had known about the member request, including about the members' decision to make the request, the identities of the members who were involved in generating the request, and that those members had met with an attorney to develop the request. Mr. Perzel's unwillingness to be candid with the Board was a significant breach of his fiduciary obligation to the corporation and to his fellow Board members, resulting in a lack of confidence in Mr. Perzel's ability to put the corporation's interests before his own interests and those of his friends and allies. In short, due to his behavior at a Board meeting relating to corporation business, President-Elect Pyka reported that she has lost faith and trust in Mr. Perzel.

Mr. Perzel's interactions with members and the Board as related to the recent Board election nomination process demonstrates that Mr. Perzel put his friends' and allies' interests above the interests of the corporation and the Board. Mr. Perzel made unnecessary and unmerited threats against the corporation and the Board related to the nomination process in a manner that undercut and undermined the decisions of the Board, when his obligation (after the Board made decisions related to the nominations process) was to support decisions of the Board rather than undercut and undermine the decisions of the Board.

**Action:** President-Elect J. Pyka made a motion to remove Director of Finance Joe Perzel from the PMI Minnesota Board of Directors for just cause. 2<sup>nd</sup> by President Diab. Discussion was held. A roll-call vote was requested by Director of Finance Joe Perzel.

- J. Perzel questioned if any of the items noted as just cause for his removal were unknown at the November meeting. If not, why were they not raised at that time?
- Members of the Board noted the loss of trust with Joe as a Board member due to his past actions and his involvement with certain members that have made threats of action against the Board during this



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past year. Board members expressed their opinions that J. Perzel was violating his duties of loyalty and integrity as a Board member by continuing to interact with those individuals and bring information to the Board in a manner that created turmoil rather than resolution or cooperation. Board members expressed the opinion that they would not be able to trust him moving forward.

- J. Perzel stated he felt as if he was being removed because of a difference of opinion.
- J. Perzel questioned with this removal, would he still be allowed to volunteer with sponsorship in the future.

The vote to remove Mr. Perzel as Director of Finance and a Board member of PMI-MN carried with the following members voting in favor: President Diab, President-Elect Pyka, Past President Doyle, Director of Governance Marks, Director Kalra, Director Mehring, Director Swanson and Director Walter. No Board members voted in opposition of the motion.

Following the vote J. Perzel left the meeting.

- a) Election of Director of Finance to fill the remainder of the term created with the removal of Joe Perzel:

**Action:** President-Elect Pyka made a motion to appoint Adam Cherrill to fill the remaining term of Director of Finance. 2<sup>nd</sup> by S. Swanson. The motion carried with all members voting in favor.

- b) Discussion on filling the remainder of the Director at Large position being vacated January 1, 2019 by newly elected President-Elect Sara Swanson: Discussion was held.

**Action:** President-Elect Pyka made a motion to appoint Devi Chetty to fill the remaining term for Director at Large being vacated by newly elected President-Elect Sara Swanson. If Devi declines, the offer will be extended to Ruth Birkholz. 2<sup>nd</sup> by S. Swanson. The motion carried with all members voting in favor.

Before the adjournment of the meeting, the Board requested J. Wothe to pull together a cost estimate of the Harrington Company providing MarComm services with lack of members on the committee currently.

**Action:** Motion to adjourn by M. Mehring & 2<sup>nd</sup> by G. Marks. The motion carried unanimously.

**Next Meeting Date:** January 14, 2018

**Other Notes:** End-of-Year Celebration is (tomorrow) Monday, December 17, 2018 at Kincaid's in Bloomington

Minutes submitted by J. Wothe