

Broadneck Elementary School Parent-Teacher Organization (PTO)

Executive Committee Business Meeting Minutes: November 2019

Date, Time, and Location: The first meeting of the Broadneck Elementary School Parent-Teacher Organization (PTO) Executive Committee was held on Wednesday, November 6, 2019 at 6:30pm at Broadneck Elementary School, 470 Shore Acres Road, Arnold, MD 21012, the President being in the chair and the Recording Secretary being present. The meeting was held in Mrs. Barton’s fifth grade classroom.

Attendance: Kim Finazzo - President, Alice Frazier – Vice President, Emily Van Oudenaren - Treasurer, Renee Hood – Recording Secretary, Becca Robison – Corresponding Secretary, John Noon – Principal, John Cordts – Assistant Principal, Liz Gaither – After School Enrichment, Tony Russ – Beautification, Cat Garrett – Cultural Arts, Megan Lowe – Chess Club and Space Camp, Laura Ascione – Girls on the Run, Amanda Plumley – Holiday Shop, Jessica Manchester – Hospitality, Oxana Olyashevsky – Membership and 5th Grade Yearbook Page, Angela Wakshul – Mother Son Game Night, MeLinda Rawlings – Promotions, Marie Marquardt, Brooke Long, and Alice Frazier – Race for Education and Buzzing of the Bees 5K, Cindy Sumner – Restaurant Night. There were 20 members in attendance, representing 18 eligible votes: 5 officers, 1 principal, and 12 committees (16 total committees); a quorum was reached. No guests in attendance.

Quorum Established. Recording Secretary Renee Hood and President Kim Finazzo determined that quorum had been established.

Total Eligible Executive Committee (EEC) Votes	28
Total EEC members present	18
A majority of total EEC is	15
A majority of EEC members present is	10
A two-thirds vote of total EEC is	19
A two thirds vote of the EEC members present is	12

Meeting called to order by President Kim Finnazo at 6:34 p.m.

Welcome. Kim Finazzo welcomed attendees to the first Executive Committee meeting of the 2019-2020 school year. Kim explained that according to Bylaws, “Regular meetings of the executive committee shall be held during the year, the time to be fixed by the committee at its first meeting of the year. A majority of the executive committee members shall constitute a quorum.” *Article VIII, Section 3.* At the conclusion of this meeting, we will schedule additional regular meetings for the remainder of the year.

Reading and Approval of Minutes. Kim Finazzo reported that as this is the first Executive Committee meeting of the year, there are no prior meeting minutes to read or approve.

Officers' Reports. President Kim Finazzo provided a brief status update regarding the PTO's compliance with federal and state requirements. Kim explained that over the years, protocols, information, and deadlines were not properly handed over to incoming officers. Our organization is run by volunteers, so things can fall through the cracks. The Officers have identified a few compliance issues and are working diligently to bring the organization back into compliance with the organization's governing documents, as well as federal, state, and local laws and regulations. Officers are working to create protocols and compliance checklists to ensure that these oversights do not happen again in the future. In order to correct some of these issues, the PTO will need to pay professionals for their expertise. If we want to continue raising money and conducting business, our organization needs to remain in compliance. The cost of bringing the organization back into compliance is simply the cost of doing business and needs to be done.

New Business

- *Executive Committee Composition.* The first order of New Business is the Executive Committee Composition. President Kim Finazzo reported that according to the Bylaws, “the executive committee shall consist of the officers of the organization, the chairmen of standing committees and the principal of the school or a representative appointed by him/her. The chairmen of the standing committees shall be selected by the officers of the organization.” *Article VIII, Section 1.* Over the years, every new idea or venture became a committee, and thus, the Chair of those committees became members of the Executive Committee. At the present time, the PTO has 33 Executive Committee Members: 5 officers, 1 principal, and 27 committees (*see* Attachment A). This tally does not count the organizations with co-chairs, so in reality, the number is much higher. In order to have quorum at executive committee meetings and general business meetings, this means that we need to have a majority present—or 17 Members of the Executive Committee—at every meeting in order to conduct business. In the past, it has been difficult to establish quorum and conduct business in the winter and spring meetings.

Moving forward, the Officers would like to reduce the number of Committee Chairs that have to attend Executive Committee and General PTO Business Meetings for quorum purposes from 27 to 9 by categorizing current committees under nine Standing Committees. Committees would all still exist and function the same; however, reducing the number of Standing Committees would enable the PTO to function more efficiently. The suggested Standing Committees would be: (1) Fundraising; (2) School Spirit; (3) School Support; (4) Family Engagement; (5) Communication; (6) Arts and Enrichment; (7) Family Events; (8) Nominating; and (9) Audit. Kim proposed that we move to create these nine Standing Committees, of which the Chairs will be members of the Executive Committee and oversee activities of the Additional Committees. Motion was presented, seconded, and unanimously approved.

TELLERS' REPORT

Number of votes cast..... 18

Necessary for adoption (majority).....	15
Votes for motion.....	18
Votes against.....	0
<i>Illegal votes</i>	0

- Governing Documents.* The second order of New Business is the review and revision of the PTO’s governing documents: Bylaws and General Operating Procedures. President Kim Finazzo reported that the PTO Bylaws (*see* Attachment B) were originally drafted in 1991 and have not been updated since 2003. PTO General Operating Procedures (*see* Attachment C) were enacted in July 2004 and have not been updated. As the Officers dug into PTO documentation and compliance issues this year, we noticed that these documents need to be updated to comply with current laws and regulations, as well as reflect current technology and how our organization is currently being run. Kim proposed that we move to create a special committee under the Audit Standing Committee to review and revise our organization’s governing documents. Motion was presented, seconded, and unanimously approved.

TELLERS’ REPORT

Number of votes cast.....	18
Necessary for adoption (majority).....	15
Votes for motion.....	18
Votes against.....	0
<i>Illegal votes</i>	0

- External Audit.* The third order of New Business is the External Audit. President Kim Finazzo reported that according to the Bylaws, “The PTO’s accounts shall be examined annually by an auditor or an auditing committee of not less than three members, who satisfies that the treasurer’s annual report is correct, shall sign a statement of that fact at the end of the report.” *Article VII, Section 5.* Kim explained that although our Bylaws require an annual audit, neither an external audit nor a review by an internal auditing committee has not been done in many years. For this reason, both the current Officers and Mr. Noon recommend an external, independent audit. This expenditure was not included in the PTO budget, so it needs to be approved by a majority vote by the Executive Committee. Kim explained that quotes range widely, depending on the level of scrutiny and number of years back the review will go. Attendees discussed this issue at length and agreed to pursue an external audit to bring the PTO back into compliance. Attendees wondered whether the PTO could explore and evaluate other firms to identify one that may be less expensive. Kim reasoned that the cost is higher than expected for a number of reasons. If audits are done annually, the annual audit process should take less time and be therefore less expensive. In our situation, PTO Officers were unable to identify any other firms willing and available to conduct external audits of a PTO quickly. Kim asked attendees to please let the Officers know if they have any recommendations for other firms that we should obtain quotes from before selecting an

auditor. Attendees inquired as to how the PTO did not know that the organization was falling out of compliance with state and federal requirements. Recording Secretary Renee Hood explained that our PTO is an independent organization without a parent organization keeping us apprised on changes in the law, legal requirements, and deadlines. She also mentioned that notices were likely being sent to the Resident Agent for the organization: Caroline Harper. Ms. Harper was designated as the Resident Agent in 2004 when the Articles of Incorporation for the PTO was filed with the State Department of Assessments and Taxation. She was a past PTO Officer, but may not even still reside at the address listed with government agencies. Renee informed attendees that the PTO will need to designate a new Resident Agent and file a form to change this designation. Renee offered to research better options for Resident Agent designations to ensure that the PTO continues to receive notices from government agencies even as volunteers come and go. This question also drove home the point that digital documents are not always being passed to new Officers or Committee Chairs. The Officers hope to rectify this issue with the establishment of an Audit Standing Committee and better digital documentation that will allow greater visibility into the actions needed to ensure proper operation and compliance by the PTO. After much discussion, attendees agreed to move forward and select the proposed accounting firm to conduct the audit. All agreed that time is of the essence. Moving forward, attendees discussed that the PTO should hire a professional accountant to complete and file state and federal taxes and other compliance documents on an annual basis; these requirements should not fall to a non-professional volunteer. Attendees also agreed that the PTO should maintain a robust Audit Standing Committee. As required by the bylaws, this Audit Standing Committee shall review the financial reports and accounts provided by the treasurer on an annual basis and sign to indicate that they are satisfied that the accounts are accurate. In the event additional external audits are performed, the Audit Committee shall work with the auditor throughout the process. The Audit Committee shall create and review compliance checklists to ensure that all federal, state, and local laws and regulations have been complied with. The Committee shall also spearhead and oversee the review, revision, and adoption of organizational documents as needed, including bylaws and standing rules. Kim proposed that we move to hire the accounting firm of Mullen, Sondberg, Wimbish & Stone, P.A. as an external auditor and authorize the expenditure for an external audit by the firm of up to \$10,000. Motion was presented, seconded, and unanimously approved. If the audit will cost more than voted upon today, the expenditure will need to be approved by a majority vote by the Executive Committee.

TELLERS' REPORT

Number of votes cast.....	18
Necessary for adoption (majority).....	15
Votes for motion.....	18
Votes against.....	0
<i>Illegal votes</i>	0

- *Voting Electronically.* The fourth order of New Business is Voting Electronically by the Executive Committee. President Kim Finazzo reported that in order to conduct business more efficiently between business meetings, it would be helpful if the Executive Committee Members could be authorized to conduct business and vote on important matters electronically via email, including authorization of expenses above \$25. Kim proposed that we move to authorize the Executive Committee to conduct business and vote electronically via email. Motion was presented, seconded, and unanimously approved.

TELLERS' REPORT

Number of votes cast.....	18
Necessary for adoption (majority).....	15
Votes for motion.....	18
Votes against.....	0
<i>Illegal votes</i>	0

Postponed Business: In the interest of time, President Kim Finazzo proposed that we move to postpone the remainder of business items listed on the Agenda. Motion was presented, seconded, and approved. Written reports regarding these postponed issues are as follows:

- *Anticipated Expenses.* Written report by Recording Secretary: any expenditures not included in the PTO budget that need to be approved by a majority vote by the Executive Committee will be dealt with via electronic voting or at the next Executive Committee meeting.
- *Schedule Executive Committee Meetings.* Written report by Recording Secretary: According to Bylaws, "Regular meetings of the executive committee shall be held during the year, the time to be fixed by the committee at its first meeting of the year. A majority of the executive committee members shall constitute a quorum." *Article VIII, Section 3.* The PTO needs to schedule regular Executive Committee Meetings. According to the Bylaws, Executive Committee needs to meet regularly. The Executive Committee will identify a meeting schedule via email.
- *Appointment of Standing Committee Chairpersons.* Written report by Recording Secretary: According to the PTO Bylaws, "Chairmen of standing committees shall be selected by the officers of the organization." *Article VIII, Section 1.* Officers will be reviewing eligible members for appointment to the nine Chairperson positions. If anyone is interested in being appointed as a Standing Committee Chairperson, please let Kim or one of the other Officers know. Chairpersons will be appointed/reappointed annually at the Election Meeting in May, so this initial appointment will expire in May.

Next Executive Committee meeting will be held at a time, date, and location which will be selected and announced at a later date.

Next general meeting will be held immediately following this meeting in the Media Room at Broadneck Elementary School, 470 Shore Acres Road, Arnold, MD 21012. The general meeting was originally scheduled to begin at 7:00pm, but the Executive Committee meeting ran a bit late.

Meeting adjourned at 7:15 p.m.

Minutes compiled by Renee Hood, Recording Secretary

******* APPROVED 12/04/2019 *******