

**Minutes of Board of Directors Annual Meeting
Society for the Preservation and Encouragement of
Barber Shop Quartet Singing in America, Incorporated
Sunday, November 14, 2021 7:00 PM
Zoom Conference**

Meeting called to order by Society President John Donehower at 7:11 pm Central Daylight Time on Sunday, November 14, 2021, on Zoom Video Conference, and streamed to broader membership via BHS YouTube channel.

The following action was taken:

Quorum: The Executive Secretary, Marty Monson, confirmed the presence of a quorum to President Donehower.

The meeting was opened with:

- “The Old Songs,” lead by BHS learning track [BHS Track](http://www.barbershop.org) (www.barbershop.org)
- Reading of Mission/Vision Statements and Purposes by Maria Christian

The following officers were present:

Officers

Society President John Donehower
Society Executive Vice President Steve Denino
Society Immediate Past President Dick Powell
Society Treasurer John Santora
Society Executive Secretary Marty Monson (Non-voting)

Board Members

Jeremy Brann
Blair Brown
Maria Christian
Mark Fortino
Christian Hunter
Randy Loos

Board Elect

Zachary Materne

Society Staff

Erik Dove, BHS Chief Financial Officer
Erin Harris, BHS Chief Program Officer
Devin Bradford, Marketing Director
Sam Hoover, Director of IT

Special Guests

David Haedtler, Chair of the Nominating Committee

Meeting Appointments

President Donehower appointed:

- Joe Berger & Skipp Kropp as Parliamentarian
- Jeremy Brann as Parking Lot Attendant
- Christian Hunter as Governance Advocate

Recognitions

The 2022 Midwinter video promo and safety protocols were shared by President Donehower.

Presentation & Discussion by Marty Monson

Waiver of Notice Requirement

President Donehower requested:

- Finance committee and SPC committee reports to approve and endorse the 2022 Business Plan and Budget
- G&B Verbal report

Waiver granted by: Joe Berger, G&B Chairperson

Board Education

John Santora

Planning a board education session in February (date TBD) that will include board education topics

- Bringing new board member, Zachary Materne (and others interested) in a day early for Harmony Hall training
- Board Training on the duties of Board members
- Fiduciary Responsibility Training
- Development Training
- DEI Training
- New Member Orientation
 - Elective refresher for legacy board members

Performance Reports:

CEO Report

- State of the Society

Marty Monson

- **Major Revenue Declines YOY (down over \$1.128 million)*:**
 - Membership Dues – down (\$262k)
 - Cancellation of In-Person Midwinter – down (\$231k)
 - Outreach, Impact & Music Education Funding – down (\$494k)
 - Marketplace & Marketing Sales – down (\$167k)
- **Offsetting Revenue Increases YOY (up \$410k)**
 - Shared Services – Market gains, TN SERG, ERC (2021) & PPP Funding – up \$293k
 - Development Operations – up \$117k

* includes PPP grant funding in 2020 & 2021.

- **Expense Containment Efforts YOY (expenses down \$812k)*:**
 - Membership – expenses down \$11k
 - Events – expenses down \$95k
 - Outreach, Impact & Music Education turn virtual – expenses down \$311k
 - Marketplace – expenses down \$75k
 - Shared Services & Marketing – expenses down \$165k
 - Strategic Plan Implementation – expenses down \$138k
- **Offsetting Expense Increases YOY (expenses up \$388k)**
 - Governance Expenses – up \$356k
 - New Development Operations – program and expense up \$32k
- **Staffing Cuts (expenses down \$732k)**
 - Wages & Benefits – down \$732k

- **Net Results (including PPP 1st Draw 2020 and 2nd Draw 2021):**
 - 2021 YTD Loss (\$594k) v. 2020 YTD Loss (\$1,015k) – \$420k improvement
- **2021 Operating Results (excluding litigation expenses):**
 - **(\$136k) 2021 YTD Actual**
 - (\$271k) 2021 YTD Pivot Budget – \$135k positive variance
 - (\$935k) 2020 YTD Actual – \$799k positive variance

- BHS 2021 Operations
- CFO/Treasurer Report 2021 Q3
 - Recognize 2020 Audit & Form 990 - Electronic Oct 19, 2021
- Executive Limitations 2021 Q3
 - Motion to Receive

Erin Harris/Erik Dove

Erik Dove/John Santora

Marty Monson

- DPC Report (provided in the Board Packet)

Nick Schwob

Governance & Bylaws Committee

- **BHA membership status**

Joe Berger/John Donehower

- Steve Denino Motion: I move that the board reject the membership applications of the four applicants based on their failure to adhere to Society Code of Ethics 1,3,7, and 9:
 - Lynn Weaver
 - Danny (Dan) Bell
 - Don Lambert
 - Sherri Matthews

Discussion

- Christian Hunter Motion: I move that the motion be tabled until we have clear direction from the court
- Discussion ceased and board moved to immediate vote on motion to table
- Board voted unanimously to table the motion until the Society Board receives clear direction from the court on the governance issues.

Barbershop Harmony Society Election of Harmony Foundation International Board of Trustees, Class of 2022

As provided under the HFI bylaws, the HFI Nominating Committee forwarded the following three names to the Society Board on November 4, 2021 as nominees for the open Class of 2021 HFI Trustee positions:

1. Kendall Williams
2. Arne Themmon
3. Tim Broersma

I therefore recognize these three individuals as properly nominated candidates for the open 2022 HFI Trustee seats.

In advance of the election, members of the Society Board received notices from Society Board members indicating their intent to nominate additional candidates for the open 2022 HFI Trustee seats. Joe Berger, G&B Chair, confirmed that these notices were received by the Society Board more than 10-days prior to tonight's meeting and were properly advised as required under the Society bylaws.

Board Member Santora nominated David Haedtler. David has expressed his willingness to serve as an HFI Trustee if elected.

Board Member Santora nominated Jeremy Albright. Jeremy has expressed his willingness to serve as an HFI Trustee if elected.

Board Member Santora nominated Sherry Knight. Sherry has expressed her willingness to serve as an HFI Trustee if elected.

Pursuant to Section VII of the Society Bylaws, the following candidates were placed in nomination for election by the Board of Directors of the Barbershop Harmony Society, at its meeting November 14th.

A three-year term beginning January 1, 2022:

The elections for Trustee-At-Large were held by secret ballot. Following the tabulations of the ballots by the parliamentarian Joe Berger and Erik Dove (CFO/COO), Berger announced the results as follows:

- 2021-23 Trustee-At-Large David Haedtler
- 2021-23 Trustee-At-Large Jeremy Albright
- 2021-23 Trustee-At-Large Sherry Knight

- **Verbal Report** **Joe Berger**
 - Update on George Davidson's work over with Sound of the Rockies. First stage of consolidation has concluded. Bylaws and transfers to the new chapter will become effective January 2022 if everything goes well.
 - Recently I have been working with the district on district elections. Policy that every district should have a policy manual which repeated what was in the bylaws that was provided as a how-to. Joe provided a couple of items for clarification:
 - Written policy manual isn't required to be sent to G&B for approval. If you want G&B to help they can but it's not required. If you need to use a policy manual in your district, it needs to be kept up to date, however bylaws take precedence.
 - Two chapter bylaws have been completed since last month's meeting.

Policy Decisions

N/A

Policy Discussions

- **Nominating committee expanded role** **David Haedtler/John Donehower**
 - August 2020 SPC recommendation to the Board that the nominating committee role be expanded to include the following:
 - Leadership Development
 - Talent Identification
 - Talent Development
 - Board Development

Several talented candidates have been identified who could be working on some of the board committees. David will meet with the committee chairs, board officers and Marty in the coming weeks to see how they can partner. In terms of board development, David would like to work with the Board to more actively evaluate working processes and interactions through post-meeting evaluations of productivity, 360° evaluations of board members at large, officers, facility discussions and/or confidential surveys). David will share the progress within the coming months.

Committee Reports with Discussion

● 2022 Business Plan & Budget Approval

Marty Monson

	Q1'2022	Q2'2022	Q3'2022	Q4'2022	FY 2022	FY 2021 Pivot Budget	FY 2020 Actual*
Income	1,279,243	701,118	3,189,608	831,014	6,000,982	3,873,510	4,468,217
Direct Expense (Non-Wage)*	(677,651)	(424,694)	(2,035,299)	(418,740)	(3,556,382)	(1,904,476)	(1,949,657)
Wages & Benefits	(602,500)	(602,500)	(602,500)	(602,500)	(2,410,000)	(2,432,500)	(3,278,533)
NET INCOME (LOSS)	(908)	(326,076)	551,809	(190,226)	34,599	(463,466)	(759,973)
<i>*Operational Expenses (excludes litigation)</i>							
Non-Cash Depreciation	(78,016)	(78,016)	(78,016)	(78,016)	(312,062)	(372,462)	(276,568)
Operating Cash Gain (Loss)	77,107	(248,061)	629,824	(112,210)	346,661	(91,004)	(483,405)
Interest Expense	(25,200)	(25,200)	(25,200)	(25,200)	(100,800)	(112,500)	(58,748)
EBITDA (Earnings before Int, Taxes)	102,307	(222,861)	655,024	(87,010)	447,461	21,496	(424,657)

	FY 2022 Budget	FY 2021 Pivot Budget	FY 2020 Actual	Assumptions:
Revenue:				
Membership Services	1,622,909	1,636,714	1,775,203	Membership renewals stabilize (limited growth)
Outreach	0	0	329,478	No direct revenue for Outreach
Music Education	769,440	167,600	177,191	Return of In-Person Harmony University
Events	1,869,725	159,400	320,303	Return of In-Person Midwinter & International
Marketplace	418,000	269,000	419,523	Modest increase to Marketplace, incl. Int'l
Shared Services	678,200	949,425	1,048,732	Still includes \$450k one-time ERC credit
Marketing	115,708	108,371	144,862	Minimal change
Impact	17,000	0	59,248	Return to in-person leadership gathering
Development	510,000	583,000	193,677	Fundraising as a Service expansion; April 11 Giving Day
Total Revenue	6,000,982	3,873,510	4,468,217	

	FY 2022 Budget	FY 2021 Pivot Budget	FY 2020 Actual	Assumptions:
Pre-Labor Direct Expenses:				
Membership Services	(35,300)	(62,300)	(34,979)	Expenses managed to historical levels
Outreach	(84,000)	0	(273,224)	In-person Next Generation Barbershop programming returns
Music Education	(483,572)	(31,550)	(31,129)	Increased in-person HU expense
Events	(1,258,984)	(37,000)	(177,754)	Increased in-person MW & Int'l expense
Marketplace	(205,320)	(124,950)	(153,720)	Increased based on increased sales assumption
Shared Services	(823,514)	(872,514)	(835,968)	Expenses managed to historical levels
Marketing	(199,650)	(210,300)	(196,206)	Expenses managed to historical levels
Impact	(22,000)	0	(37,801)	Expenses managed to historical levels
Development	(129,200)	(339,000)	(99,337)	Expenses managed to historical levels
Strategic Plan Implementation	(220,462)	(220,462)	(86,510)	Expenses managed to historical levels
Governance (excluding legal)	(94,380)	(6,400)	(23,029)	Excludes legal Expenses; return to three in-person Board meetings
Total Pre-Labor Expenses	(3,556,382)	(1,904,476)	(1,949,657)	
Wages & Benefits	(2,410,000)	(2,432,500)	(3,278,533)	Wages & benefits managed
Total Gains / Losses from Operations	34,599	(463,466)	(759,973)	Return to positive earnings

- Business Goals
 - Stabilize
 - Co-Ownership
Co-Ownership mindset identifies how we engage with signing community leaders, collective impact operationally
 - Relationship Management
What's the relationship that we have to have with each other to guide our shared work?
- Baseline Budget
 - Breakdown of Revenues
 - ERC: One-time federal funded effort helps with surplus of the budget

- **CEO/SPC/Finance**

Marty Monson

- Motion: Approve 2022 Business Plan & Budget

- **SPC**

Steve Denino

- Contest
Update and contest timeline provided

Consent Calendar

Receipt of Society Committee Reports:

John Donehower

Motion to receive the following Committee Reports:

- **Finance**
 - Motion to receive. Approved.
- **SPC**
 - John Santora - Motion to receive. Approved.
- **G&B**
 - Dick Powell-Motion to receive. Approved.

Reports received with no objections.

Minutes

- Approval of the Minutes
 - Annual meeting, August 15, 2021
 - Randy Loos-Motion to receive; Approved.
 - HFI elections, October 18, 2021
 - Christian Hunter- to approve minutes; Approved.

John Donehower

February 2021 minutes approved and accepted.

- SPC
 - Randy Loss-Motion to receive. Approved.

Parking Lot

Jeremy Brann

Jeremy Brann captured the following parking-lot items from the meeting:

- Erin Harris, BHS Chief Program Officer, teaser regarding Harmony University
- Tabled motion regarding membership applications.

Good News

John Donehower

- **Recognition - Randy Loos**
 - Comments from Randy
- **Welcome Zachary (Zac) Materne**
 - Introduction & Presentation by Zac

Adjournment

The meeting was adjourned at about 2:30 PM by the singing of *Keep the Whole World Singing*, led by BHS learning track (www.barbershop.org).

Respectfully submitted,

Martin L. Monson, Executive Secretary