

# Carroll McKenney Foundation for Public Media, Inc.

## Minutes

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For the  
Monday, December 1, 2008  
Board of Trustees Meeting (#2)  
10am

(Via Telephone Conference Call)

**Trustees present** (second meeting of the board year): Linda W. Chapin, Trustee (1); José A. Fajardo, Trustee (1); Desta L. Horner (2), Trustee, President and Secretary; Richard C. Steck II (2), Trustee; Stephen McKenney Steck (2), Trustee, CEO, and Treasurer; and, Emerson R. Thompson, Jr., Trustee (1). *(Total trustees present: 6 out of 6 current trustees– 6 of 6/100%.*

**Trustees absent:** None

*Note – the number in parentheses after each trustee's name indicates the total number of board meetings attended by that trustee in board-year 2008.*

### **Call to Order:**

The second meeting of Carroll McKenney Foundation for Public Media, Inc for board year 2008 was called to order at 10am by Stephen McKenney Steck, trustee and CEO.

It was agreed that all participants could clearly hear and be heard on this telephone conference call. Additionally, each trustee confirmed receipt and reading of agenda-related material mailed to each prior to the meeting.

As this was the first meeting for three new trustees, Mr. S. Steck expressed appreciation to Ms. Chapin and Messrs. Fajardo and Thompson for their willingness to join the board and share in the lay leadership of CMF.

He noted that a quorum was present.

Mr. S. Steck also reminded trustees that, without objection, he would continue to serve as the “moderator” of this and all future CMF board meetings to facilitate the business flow of the meeting until such time as a trustee was nominated, elected and seated as Chair. There were no objections.

### **Approval of Minutes:**

By unanimous common consent, the minutes of the CMF board meeting of Sunday, July 6, 2008 were approved as presented.

**Acknowledge Officer Resignations:**

Moderator Steck advised that three trustees had willingly resigned their officer titles, given the pending restructure and expansion of the CMF board to accommodate issues raised by the IRS.

He called the board's attention to three resignation letters, one each from Ms. Horner and Messrs. R. & S. Steck. Each aforementioned will remain a trustee, however; and their resignation as an officer will only take effect immediately upon the acceptance and seating of a board nominated candidate (to be addressed in the next agenda item).

Ms. Horner resigned her office of President and Secretary; Mr. R. Steck resigned as Vice President; and, Mr. S. Steck resigned as Treasurer. The resignations do not require board approval.

The board expressed their appreciation to these trustees for their prior work to help establish the foundation and for their understanding of the need to restructure the board.

**Candidate Nominations:**

Moderator Steck noted the need to expand and restructure the CMF board as well as the allocation of responsibilities among its officers. Such an expansion, though contemplated from the moment of incorporation, if done now will also serve to address several issues identified by the IRS in connection with CMF's filing for recognition as a 501(c)(3) public charity.

To that end, he presented a roster of current trustees and proposed candidates. The roster also indicated suggested changes in the titles for officers of CMF. Additionally, any perceived conflict of interest was also noted.

Moderator Steck advised that by adopting this roster of changes that Stephen McKenney Steck could gain the additional title of "President." (This roster is attached as Table-1)

Additionally, he proposed a roster of 12 new candidates for nomination in a first round initiative to invite ALL to serve as trustees and officers on the CMF board. (This roster is attached as Table-2).

Moderator Steck advised that if such identified candidates are nominated and accept, they would create and fill the office of Board Chair, Treasurer, Secretary, and 2 trustees who would also serve "at large" on the CMF Executive Committee. Moderator Steck also noted that several alternative recommendations (noted by the word "alt" in Column-D of Table-2) have been made for selected officers should the initial candidate decline to serve as an officer (but accept to serve as a trustee).

After some discussion and by unanimous common consent, 2 additional names (# 19 & 20 in Table-2) were added to the roster for consideration by the board.

Moderator Steck noted that with this expansion the CMF board would then total 20 members: 6 *current* trustees and 14 *new* trustees. The size of the board is limited by the bylaws to a total of 20 members.

The moderator also provided a roster of second-round candidates to be considered for nomination. This roster (attached as Table-3) would only be necessary if any of the candidates in Table-2 would not serve (in any capacity). Candidates in this table will only be invited to bring the total CMF board member count to 20.

Following discussion, and from among the names presented, by unanimous common consent, the board nominated and prioritized a list of 22 candidates to be elected as a trustee and/or officer on the CMF board, such service to begin immediately upon each candidate's acceptance; and the board directed the Chief Executive Officer to invite each candidate, in the order shown, to serve in the proposed title such that the recruiting process will conclude when the size of the board reaches 20 trustees.

#### **Review and Approve IRS 10223 Inquiry Responses:**

Moderator Steck advised the board that the IRS division of Tax Exempt and Government Entities had formally responded to CMF's application for recognition as a 501(c)(3) tax exempt public charity. In the IRS response it inquired about or made specific suggestions surrounding 6 issues contained in CMF's application. The IRS granted CMF a deadline -- extended upon CMF's request -- to December 10, 2008 to file a complete response.

Moderator Steck further advised that of IRS's 6 issues, he believed 4 required CMF board approval before submitting a response, 1 issue was informational-only but needed to be formally acknowledged by the CMF board, and 1 issue had already been responded to by CMF's CEO. That issue did not require board approval, though the CMF board should ratify the CEO's prior action of submitting the response.

Moderator Steck reviewed the entire IRS letter of inquiry and their several attachments previously provided to each trustee. Some discussion ensued. He provided draft responses to each issue. Trustees and Moderator Steck discussed each issue before acting upon them.

With regard to **Issue # 1** relating to CMF's governing board, by unanimous common consent the board approved the **expansion and restructuring of the governing board and the operating body of the board** effective upon the adjournment of the meeting and the acceptance of each proposed candidate's willingness to serve as nominated and invited, and directed the CEO to file a response to the IRS as presented. It was noted that prior to filing response #1 the CEO is empowered to amend response # 1 to reflect the outcome or the current status of the board candidate recruiting process. It was also noted that the filing must be expressed-mailed by December 8 to meet the December 10 extended filing deadline, thus some nominated candidates most likely will be seated after the filing date.

With regard to **Issue #2** relating to the **amended and restated bylaws**, by unanimous common consent the board approved the amended and restated bylaws as presented, and directed the CEO to file a response to the IRS as presented.

With regard to **Issue # 3** relating to CMF's **Conflict of Interest Policy**, by unanimous common consent the board adopted the new Conflict of Interest Policy as presented to immediately replace in its entirety the current Conflict of Interest Policy

originally adopted on July 6, 2008, and directed the CEO to file a response to the IRS as proposed.

(Trustee Linda Chapin left the conference call to attend to other pressing business)

With regard to the previously responded-to **Issue # 4** relating to CMF's **Earned Income and Distribution Relationships**, Moderator Steck reviewed his response. By unanimous common consent, the board ratified the previous action of the CEO in filing the November 24, 2008 response to the IRS Inquiry # 4 regarding that issue.

With regard to **Issue # 5** relating to CMF's **Declaration as to the factual and completeness of the filing**, by unanimous common consent the board directed the Chief Executive Officer to sign and file with the IRS the required Declaration.

With regard to **Issue # 6** relating to CMF's use of **Independent Contractors**, by unanimous common consent the board directed the Chief Executive Officer to advise the IRS that the CEO will be mindful of the IRS statement regarding compensation of independent contractors and that he will consult with CMF advisors regarding the appropriate administrative practice for CMF to implement in this regard.

#### **Insurance Coverage:**

Moderator Steck discussed with the board that there were three categories of insurance necessary for CMF to acquire to assure it operates under best practices when it comes to its officers and trustees, its overall business, and its professional practices.

He noted for CMF's officers and board the bylaws require and best practices suggest that Directors and officers insurance be secured. Premium quotes range from \$640 to \$810 per year for \$1,000,000 of coverage from Great American Insurance Companies.

Additionally, general liability insurance should be acquired. Premium quotes range from \$130 to \$210 per year from Southern Owners Insurance Company.

Lastly, he noted that the area of professional liability insurance coverage was not yet a priority as CMF is still some months away from creating programming or launching its Web site.

After discussion and my unanimous common consent, the board authorized the CEO to obtain general liability and Directors and Officers liability insurance as discussed.

#### **Banking Accounts:**

Moderator Steck advised that as momentum is developing to broaden and deepen CMF's activities, the necessity for CMF to open and maintain its own banking accounts is now a necessity.

He noted that he is set to research Oviedo community banks and one or two large regional or nation banks to offer rates and services to gain CMF business.

After discussion and by unanimous common consent, the board authorized the Chief Executive Officer in concert with the Treasurer to establish necessary bank accounts for checking and a credit card as appropriate, provided the board be advised

before the fact as to the selection, nature of accounts and rates, and approve any agreement before the account is activated.

**Financial Accounting:**

Moderator Steck noted that with CMF's impending launch, growth, all around best practices, and regulatory requirements, it's time CMF acquired accounting software and retain a local CPA to monitor financial activities, make reports and, with the Treasurer, be able to independently report to the CMF board.

After discussion and by unanimous common consent, the board authorized the Chief Executive Officer in concert with the Treasurer to acquire appropriate accounting software and to retain a Certified Public Accountant to prepare and/or certify necessary financial statements/reports regarding CMF's ongoing revenue and expenses, provided that the board be advised before the fact as to the CPA selection, nature of the agreement and rates, and approve any such agreement before the service is formalized.

**Logo and Branding:**

Moderator Steck reviewed pages that reflected a branding statement and logo examples representing the visual manner by which CMF will present or portray itself.

**Discuss and Consider Major Initiatives in Progress:**


Moderator Steck presented background information regarding major issues now being developed related to CMF's mission. Such activities included: Web site, a board and community workshop on CMF's programming plans, on line fundraising software, pilot production, capacity grant applications, and a CMF launch event.

**Other Business:**

No other business was brought before the board.

**Adjourn:**

By unanimous common consent, the board meeting adjourned at 11:15am.

  
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Desta L. Horner, Secretary

12/8/08  
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Date