

8/18/2004

USTA NorCal Board of Directors Meeting
August 18, 2004
ClubSport Fremont

Board Members Present: President Dwight Johnson, Fred Tierney, Andrea Norman, Betty Cookson, Dave Sperry, Jean Hassoun, Philip Stromer, Terry Cossette, Linda Peltz, Brian Cory, Shar'ron Smith, Patrick King and Margie Peterman.

Past Presidents Present: Paul Kepler, John Frank, Don Jacobus, Mark Manning, and Liz Blum.

Parliamentarian Present: Rosie Bareis

Staff Present: Executive Director Bruce Hunt

Delegate Present: Tony Silveria

Guests Present: Susie Cossette, Carrie Bell, Bill Hansen and General Counsel Ronald Carter.

The regular meeting of the USTA NorCal Board of Directors was called to order by President Dwight Johnson at 6:55 p.m.

The minutes of the July 21, 2004 meeting were approved as corrected.

Corrections:

Page 2 E. D. Report – TPI - change the word noted to commented. Sentence should now read “It was commented that controversy should go on during the discussion phase. . . .”

Page 2 Treasurer’s Report – change 2005 to projected 2004. Sentence should now read “The latest surplus figure for projected 2004 is 28,189.”

No Executive Committee Activities

President’s Report –

A. Seascape Tournament raised over \$30,000 for charity.

B. Girl’s 18 Nationals a big success. College Night had over 61 schools represented.

Andrea Norman gave Board members tee shirts, programs and bag tags from the tournament.

C. Liz Blum commented on the controversy regarding the next USTA National President. Tony Silveria is personally (not as delegate) supporting Alan Schwarz for a second term.

Delegate’s Report – Tony explained a little about the Call Items and reminded the Board that during the Semi-Annual meeting, NorCal will meet on Thursday to discuss and make decisions on the Call items as they are still subject to change.

E. D. Report – In Board Packet

A. the Conference Room has been enlarged and Peter Herb’s old office made into a library.

B. There is a security system now in place at USTA NorCal and to get in the front door someone will buzz you in.

C. Questions asked about the TWCs in NorCal (225 of them) and how they will be rated – “Good – Bad – Ugly.”

Treasurer’s Report – In packet

Terry reported that the Budget Committee is working on the 2005 proposed budget and would like to present a surplus budget for 2005 as there is a question regarding league income.

Committee Decisions – In Board Packet

Action Items –

Motion: To reject the Code of Ethics as it stands.

Motion to Call the question defeated 10 – 8.

Original Motion amended: To cancel the requirement for each USTA NorCal Board member to sign the Code of Ethics as it stands today.

Motion defeated 8 – 8.

Old Business – Liz Blum announced that Gordon Collins, Bill Rapp, Karla Barnett, Mike Luevano and Steve Zukerman had withdrawn their candidacy for the board. She also stated that she had not received resumes from many of the candidates. It was noted that a candidate did not have to submit a resume in order to run for the board.

New Business- Motion to put Strategic Partner Benefit on the agenda.

Motion failed.

Meeting ended at 9:30 p.m.

Respectively submitted by
Margie Peterman, Secretary

BOARD OF DIRECTORS' MEETING AGENDA

Wednesday, August 18, 2004
ClubSport Fremont
46650 Landing Parkway
Fremont, CA 94538

Directions: Driving South on 880, take the Mission Blvd/Warren Ave Exit.
Continue on W. Warren and turn right on Landing Pkwy.
Driving North on 880, take the Gateway Blvd Exit. Continue on Gateway Blvd
and turn right on Bayside Pkwy. Bayside turns into Landing Pkwy

- I. Food and Beverage—6 PM
- II. Call to Order—6:30 PM
- III. Introductions
- IV. Public Comments-10 minutes, 2 minutes per speaker
- V. Approval of Minutes
- VI. Executive Committee Activities
- VII. President's Report
- VIII. Delegate's Report on Call Items for 2004 USTA Semi-Annual Meeting
- IX. Executive Director's Report
- X. Treasurer's Report
 - A. Variance Report (Green)
 - B. Monthly Grants (Red)
 - C. Budget Requests (Purple)
- XI. Committee Decisions/Reports/Meeting Schedule (Yellow)
- XII. Action Items (Blue)
 - A. Cancel Code of Ethics
- XIII. Old Business
- XIV. New Business
 - A. Strategic Partner Benefit for Organizational Members
- XV. Adjournment of Meeting

Next Regular Meeting: Wednesday, September 22, ClubSport Fremont

Action Item Submission Form

August 2004

Presenter(s):

Jean Hassoun, Philip Stromer, Liz Blum, Bill Simons

Statement of Action Item:

Cancel the requirement for each USTA NorCal board member to sign the 'Code of Ethics.'

Rationale for Action:

"A director shall perform the duties of a director, ... in good faith, in a manner such director believes to be in the best interest of this Association. – Art. VII, Sec. D, of the USTA NorCal By-laws.

This provision places the director's belief as the basis for performing his or her duties as a director. A director has no duty to support a board decision, if that decision is, in the opinion of the director, contrary to the best interest of the Association. In fact, a director who supports a board decision while believing it to be detrimental to the Association, is in violation of the above By-law provision.

The director's conscience is the guiding principle to be followed, not an objective belief of the remainder of the board. If a director supports a board decision against his or her will, the director no longer effectively represents the member organizations that elected that him or her.

Art. VII, Sec. K, of the By-laws states that a director cannot be removed from office except by a vote of the member organizations, the plain meaning being that a director's responsibility is to represent the

organizations who elected him or her. A director must not support a board decision that he/she subjectively considers to be detrimental to the association.

Also, the Board should focus more on issues dealing with tennis and tennis players and less time policing board members, their ideas and conversations, and the politics of the USTA NorCal Board.

The "Code of Ethics" has 20 different behavioral requirements. Some are obvious, but many are subject to significant controversy and long debate and almost certain "unintended consequences."

For instance, the "Code of Ethics" commands board members not to "criticize fellow board members or their opinions in or out of the board room." This is somewhat absurd. One of the strengths of this board is that there is open comment and debate on both the opinions and the actions (including, for example, those of Jim Bedillion and Larry Becker, etc., in and outside of board meetings). We all know part of our culture is the (in person, phone, fax and e-mail) discussions we all have with other board members outside of the boardroom. This is a vital process of debate, education, and give and take and is critical for the board's decision-making process.

The "Code" demands individual board members to "respect the opinions of others." But this is the United States. How can we respect the opinions of others if it is based on wrong information, "wrong intel", elements of race, or is simply detrimental to the mission of the USTA NorCal and to promote play (not decrease it).

The "Code" also commands each board member never to promise how they will vote. At one level this is commonsensical and logical. Yet, we all know in the back and forth of the politics of this organization, that there is extensive lobbying and there are times that board members want to express their commitment on issues that they feel they have studied deeply and have a settled position on. It is inappropriate to prohibit such behavior.

It is also prohibited to discuss confidential proceedings of the board outside the boardroom. This "Code of Conduct" is also inappropriate. If another board member who was in the boardroom gets into a conversation with another board member after a meeting, it is not only appropriate, but often helpful in gaining additional understanding and perspective.

The "Code" also commands board members to "never exclude the administrator from meetings of the board." Yet, virtually all the current members of the board would be in violation of this code since we voted (during deliberations relating to Paul Kepler's interactions with the administrator) to exclude the administrator from a significant portion of a meeting.

We could go on, but clearly there are numerous points of debate on this extremely problematic "Big Brother" code that has an overly controlling sensibility to it.

The USTA NorCal board of directors is one of the most dynamic boards in all of American tennis. It has its problems but it does NOT need a big brother to look over its shoulder, assessing its every move, its every conversation, its every thought, comment and action.

Fiscal Impact:
None.

Staff Comments: Basis for the justification of the Board Member Code of Ethics:

1. Article VII, Board of Directors, Section B, Powers of the Board The power of the Board of Directors shall include, without limitation, the following:
To prescribe and enforce rules, which it shall deem necessary or convenient to serve the requirements of these By-laws, and other such rules as it shall deem proper.
2. There have been Board manuals that have included a Code of Ethics in prior years. Board members have signed the Code of Ethics in years past. In 2001, there were a couple of Board members who refused to sign the Code and the matter was dropped. The Board needs to address this matter now and establish a policy regarding the Code.
3. It takes many organizational members to elect a Director to the Board; therefore, a Director owes his/her allegiance to the organization, not to any single organization or group. The Code states that a member of the Board team will represent everyone who this nonprofit serves, and not a particular interest group.
4. The following information can be found on www.ethicsweb.ca/codes/

Codes of Ethics by Chris MacDonald, Ph. D.

"There has been a dramatic increase in the ethical expectations of businesses and professions over the past ten years. Increasingly, customers, clients and employees are deliberately seeking out those who define the basic ground rules of their operations on a day to day...."

(quote from the website of the International Ethical Business Registry)

"Why have a Code of Ethics?

- to define accepted/acceptable behaviors;
- to promote high standards of practice;
- to provide a benchmark for members to use for self evaluation;
- to establish a framework for professional behavior and responsibilities;
- as a vehicle for occupational identity;
- as a mark of occupational maturity;"

(from the website of Life Skills Coaches Association of BC)

5. Other sources that validate Codes of Ethics

Corts, Thomas E. Board Basics: Institutional Ethics and Values Washington, DC: Association of Governing Boards of Universities and Colleges, 1998. 16 pages.

This booklet by the president of Samford University describes the obligation of every governing board as an entity and every individual trustee to develop and maintain a reputation for ethical propriety.

Grover, Mary. "Ethics Checklist for Serving on Nonprofit Boards and Commissions," Public Management Vol. 76, no. 9 (September 1994): 5-.

The International City/County Management Association board's code of ethics and the questions others should consider before serving on a nonprofit board are outlined.

Reagan, Thomas R. "How We Revised Our Ethics Code: After an Independent Committee Looked at Our Code, Our Board Formalized and Publicized Its Revised Policies. Public Support and Confidence Demanded We Do So," Trusteeship Vol. 5, no. 1 (January/February 1997): 5.

Thomas R. Reagan, board chair of the University of Minnesota, recounts his experience of reexamining the University of Minnesota board of regents' code of ethics as part of the strategic plan, to be sure that the board's procedures were in "good working order."

Pa.: Assoc. Creates Database of Ethics Violators

(October 31) -- In July, the Pennsylvania Association of REALTORS® instituted an online Member Sanctions Database, in which local association executives and their authorized staff can track members who've been found in violation of the NATIONAL ASSOCIATION OF REALTORS'® Code of Ethics

6. Attached is a partial list of the Professional and Trade Associations that have adopted standards of conduct or codes of ethics. The entire list runs 60 pages so I copied the first page, some middle pages and the last page to give you some names of the associations on the list.

7. If most of the items in the Code of Ethics are acceptable and a few need changing to handle our situation, let's do some editing rather than throw out the baby with the bath water.

New Business

AUG 2004-This action item came in after the deadline and is included as new business for the Board to consider if it wishes to have it on the agenda.

Presenter(s):

Fred Tierney, Shar'ron Smith, Dave Sperry

Statement of New Business:

As we continue to help our organizational members form strategic partnerships that will help them grow tennis, should we take donations from other sources to benefit existing programs that recruit, retain and recover players and members?

Rationale for Action:

If we are asked in the future to help other organizational members with charitable donations, we need a policy to guide our decisions. If the Board approves accepting donations on behalf of the org members, guidelines will need to be established at a future meeting.

Fiscal Impact:

If we pass through donations for other organizations, it will take some staff time to accept donations, record them and deposit them and to maintain accountability records from the programs accepting the pass through. Even if we are swamped with donations, the expense for the staff time should be more than offset by the extra funds created for growing the game of tennis.

Staff Comments:

In 2002, USTA NorCal was asked if it could accept donations from sponsors of the Seascape Challenger so that the sponsors could receive a tax deduction for their gift. I checked with our CPA/Auditor and he affirmed that the Challenger definitely promoted our mission and that accepting the donations and passing through the amount to Seascape was proper.

The guidelines for accepting donations would include parameters like minimum amounts to be accepted, identifying the qualifying programs and establishing accountability procedures to verify proper use of the funds.

These guidelines would be established at a future meeting if the Board approves accepting donations for the organizational members.