

CAPITOL NEIGHBORHOODS, INC.
MINUTES of November 15, 2009 Executive Council Retreat
(Held at the Mohs Farm – thanks Fred!)

MEMBERS PRESENT: Plotkin (President), Mohs, Stitt, Megan Christiansen, Mayer, Zellers, Cooper, Yarborough, Julie Wurl-Koth, O'Brien.

I. ALCOHOL ISSUES COMMITTEE.

The retreat opened with a discussion of the future of the CNI Alcohol Issues Committee (AIC); its structure, mission, process and chairperson.

According to Plotkin, Bob Holloway and Melissa Berger worked on a policy draft to address what wasn't working and what we would like the AIC to do. The draft sets up a timeline for reviewing and responding to license applications. It suggests that one person be assigned to review and keep track of applications, communicating with the applicant and reviewers, and act as a resource. That coordinator would work with the applicant and with other volunteers in the review process. The draft also includes a suggested form letter from the AIC discussing various criteria and rating the level of support for or opposition to the application.

Mohs believes the committee had become too global and inflexible in approach. Zellers added that it is important the AIC actively support an application when appropriate, rather just state, as it had, that CNI "does not oppose" the application. Cooper recalled the lengthy discussions the EC had in the past about use of the "non-opposition," rather than "support," language. Stitt commented that what happened with the AIC was necessary to some degree. Alcohol issues were getting out of hand and the committee took them on. As a result, we have shifted the culture and we have a different conversation today as a result of their efforts. We can now move ahead. The efforts of the AIC resulted in a change in attitude and in the makeup of the ALRC. It was messy but served its purpose, he added.

Plotkin asked whether and how much the committee should be involved in forming alcohol policy as opposed to reviewing license applications. Mohs believes that when we weigh in on policy issues, it will be perceived as being negative. He suggests limiting our policy involvement to functional issues that affect us. Stitt commented that, as with the Edgewater Hotel proposal, CNI spends "political capital" on occasion. We have invested in alcohol issues, too. Zellers thanked Bassett district for the political capital it has "banked" over the years.

This comes down to a question of "person power," Stitt added; CNI needs to improve its ability to get volunteers to work on these issues. Plotkin suggested there be a central contact person who would work with the district chairs. The committee would consist of six people: the contact person plus each of the five district chairs. Mohs commented that there are generational issues here. Zellers disagreed, noting that many young professionals have moved out of the downtown because of alcohol-related issues. Stitt said we need to find someone who can work with young people and with the rest of us. Yarborough pointed out that, at present, there is no district chair in Mifflin West.

Stitt suggested creating a "job description" for the committee chair. Young professionals need to know that their participation on the committee will assist them in their careers; it is something they can add to their resumes. Stitt suggested going to Epic

or some other company to find someone willing to chair the committee. Stitt, Plotkin and Zellers agreed to work on a job description.

There was a round: Mayer suggested the AIC, in reviewing license applications, could function like the Development Review Oversight Committee reviewing development proposals. He noted, however, that there are many more license applications than development proposals and limited time. He prefers reviewing these applications at the district level. Cooper noted that the existing Alcohol Density Plan will “sunset” soon and we will have to be prepared to address that. Stitt added that all CNI district chairs, “or their designees,” could serve on the AIC to take some of the burden off the district chairs. Going forward, Plotkin will take our suggestions back to Berger and this will also be the topic of future EC discussions.

II. CNI CONFLICT OF INTEREST POLICY.

This discussion was brought about by the recent changes in the bylaws in conjunction with our 501(c)3 application. The question is whether the policy should apply to all CNI committee members as “interested persons” who have a “financial interest” as provided in the new bylaws. Mohs believes this can be handled on an individual basis but agrees we should still have rules for it. Mohs also believes that only EC members need to sign a conflict of interest statement. Plotkin noted this gives us “cover” with the IRS now that we are a 501(c) 3 corporation. Zellers asked whether we asked our attorney if this policy applies to all committee members. Christiansen said we had not. Zellers suggested we check with the lawyer on this.

This led to a discussion regarding what CNI committees have “delegated powers” making them subject to the conflict of interest policy. Zellers believes this would only apply to members of standing committees and maybe also to members of advisory committees. She does not believe it would apply to *ad hoc* committees. Wurl-Koth asked whether only the committee chair would be subject to the policy. Stitt does not believe this policy would come into play very often; it is more of a “CYA” thing. Zellers agreed, but added that the appearance of no conflict is important.

The next issue is whether all committees have to produce minutes of their meetings to comply with Article IV of the bylaws. Zellers suggested we discuss this with the lawyer as well. Mohs urged us to be as streamlined as possible. Wurl-Koth discussed her experience working in the criminal justice system where people went to prison for embezzling small amounts from 501(c)3 corporations. She cited a case involving Goodwill Industries. When issues come up, we will have to deal with them at that time. She encouraged us to sign the disclosure form and get started. There is no perfect system, but it is very important to have this, she added. According to Stitt, committee members must be alerted to this and it points up the need for having position descriptions for committee chairs.

Plotkin believes all EC members must sign the disclosure form and give them to the Secretary. What if someone refuses to sign? In Stitt’s view, they cannot serve on the EC. Wurl-Koth asked where the forms will be maintained and who will have access to it. She added that there might be a valid reason for someone to refuse to sign. Yarborough asked whether all committee members must sign. Plotkin answered: those who serve on committees with “delegated powers.” Yarborough noted that the garden committee raises money for CNI. At this point, O’Brien was asked to go through the minutes and find the

meetings where resolutions creating the standing and advisory committees were passed. Plotkin wants the attorney to attend an upcoming EC meeting to discuss these issues.

Plotkin set a **deadline of February 1, 2010** for all EC members to sign the conflict of interest disclosure form and give them to the Secretary (several members signed those forms at the retreat – and several others had signed them previously).

III. ADMINISTRATIVE COMMITTEE.

It has been suggested that a small administrative or “executive” committee be created to address short-term issues that regularly come up such as what to do about the CNI Farmer’s Market table. These issues could be addressed by the administrative committee rather than by the full EC. This would be a standing committee with delegated powers to address these short-term issues. Stitt believes it is very important for the health and well-being of the organization to have such a committee with these delegated powers. In response to Stitt’s question, Zellers does not believe it would require a change in the bylaws to form such a committee; the EC could create a new standing committee by resolution. In response to a question by Mayer whether the committee would have the authority to make proposals as well as decisions, Plotkin answered the committee would have the authority to do both. Stitt asked how the committee would be constituted: would its members be the President, Vice-President, Treasurer and Secretary? Plotkin said it could consist of the four officers with one at-large EC member. Or, it could consist of the President, Vice-President and all district chairs. Stitt believes smaller is better; decision-making should come down to three people. Zellers added the makeup of the committee can be defined in the resolution. Plotkin explained that the committee would not weigh in on district-level matters, but only on CNI organizational issues. Plotkin will draft a proposed resolution for EC approval.

Wurl-Koth suggested that the committee consist of the President, Vice-President and any affected district chairs. Plotkin explained, however, that committee membership would have to be a set group of people. Mayer suggested that it be composed of the four officers, plus any additional EC members needed to make sure that each district is always represented; at minimum, it would be a five-member committee.

Stitt prefers calling it an “executive” rather than “administrative” committee. Cooper suggested that a district chair, or the chair’s “designee,” may serve on the committee. Stitt urged us to change the name of the CNI Executive Council to the “CNI Neighborhood Council” and create this new Executive Committee” to serve under it as the new administrative committee. We would probably have to change the bylaws to do that, he noted.

[Lunch and a pleasant walk through the woods followed.]

IV. DOWNTOWN LIVING TOUR PROCESS.

The next topic was how we should approach the Downtown Living Tour for 2010 and beyond. Plotkin, Stitt and Cooper met recently with representatives of DMI to discuss this year’s successful tour. Susan Schmitz suggested that we start preparation earlier next year. In response to a question by Wurl-Koth, Mohs explained the role of DMI *vis a vis* that of CNI. Mohs, who has served on the Boards of both organizations, described DMI as representing downtown businesses while CNI represents the

customers. In his words, we have “a lot of fish to fry together.” Mohs is concerned that our relationship with DMI is not what it should be and we have had “rocky times” over the years. The tour is a good thing because it shows the possibilities for downtown.

Stitt is concerned that our message is not getting out; what is our “brand,” he asked. We need to define ourselves rather than having other people define us. One example would be for us to show how historic districts benefit the city. Stitt believes it is in our interest to invest in the tour. We ought to spend money to ensure that it is a better project. Next year’s tour will be in First Settlement District, he added. Mohs commented that the tour gives us the best chance to show the possibilities of living downtown.

Stitt said the tour must be done with messaging that resonates with the audience. We should do media interviews but also a commercial to “sex it up.” Zellers also noted that it is difficult to get people to put their homes on the tour. Cooper responded that CNI has the ability to get homes on the tour, as it has in the past, with a good mix of living options. He believes DMI needs us to provide that good mix of options. Cooper agrees with Stitt that we need to invest more in the tour and get back to attracting 500 attendees as we had early on. This requires an investment of both money and time by someone who is energetic about doing things.

Plotkin asked for ideas about what to do for the 2010 tour. Stitt suggested finding someone who will take the lead for CNI. Plotkin suggested creating a job description. Stitt and Cooper agreed to work on a job description. Stitt also believes there should be a budget for our expenses. We need someone to head up the committee and who can recruit good people to work on it – at least three. Mohs agreed we need a good product with attractive properties. Stitt wants to see this become an “event” that involves something more than just plodding through houses; to give it a “sense of festivity.” He cited as an example Erica Fox-Gehring’s presentation of historic slides at the Urban League office on this year’s tour. Zellers agreed, commenting that it should show what living is like downtown. Stitt noted it is difficult to recruit the many volunteers needed. Cooper said there were sixty volunteers this year; down from previous years. Stitt believes we should do more to show our appreciation to the volunteers. Zellers suggested providing more information about the history of the homes on the tour and about any rehab work done to the home. Attendees could be shown what it takes to rehab a home downtown. Stitt suggested the September CNI program that precedes the tour could focus on living downtown. Wurl-Koth suggested an audio self-guided tour. Stitt believes this could be done in cooperation with the Madison Trust.

Cooper said these are all great ideas, but they point up the need for greater and more continuous involvement. Stitt believes we should have a plan by the first of the year for next year’s tour. Zellers added that, whoever we get to do this, they need to be encouraged, supported and thanked. Plotkin would like suggestions on how we can better collaborate with DMI in general. He cited as an example the “letter to the editor” he and Susan Schmitz co-authored recently in support of the proposed new central library.

V. OVERVIEW OF 501(C) 3 STATUS AND CAPITAL CAMPAIGN IDEAS.

Christiansen distributed a handout discussing in detail when CNI, now a 501(c)3 corporation, may engage in lobbying and advocacy activities. In a nutshell, “insubstantial” lobbying is permitted, but with significant restrictions. Political activity by the organization (i.e., supporting or opposing a candidate for office) is not allowed.

Christiansen also presented handouts prepared by Attorney Melissa Auchard Scholz discussing what we can and cannot do as a 501(c)3 and providing a legal checklist for us to follow to comply with the regulations. Our “exempt purposes” are educational and charitable. We must be operated for a “public purpose” and not for private individual gain. Contributions to CNI will now generally qualify for an income tax deduction.

Christiansen felt “reassured” after the Finance Committee’s recent meeting with Atty. Scholz. The main issue is how we spend our money and not our advocacy role. Plotkin reports that Eric Paulson, our new Development Committee Chair, is considering starting up a capital campaign to raise funds. Plotkin and Paulson also discussed tax deductible membership dues up to the \$75 limit.

A round followed: If we do a capital campaign, Stitt said, we’ll need to know what we are raising the money for (i.e., historic markers on buildings; district signs, gardens, etc.). Christiansen discussed our educational function. Zellers suggested partnering with others such as the Madison Trust for Historic Preservation. Stitt believes a percentage of the campaign should be used to raise funds to pay management for volunteers. He discussed the fundraising efforts used successfully in the Bassett District years ago. Wurl-Koth believes obtaining 501(c)3 status is an important step for CNI. She suggested having a breakfast with business leaders to encourage their support. Stitt suggested a downtown beautification campaign. Yarborough agrees with that suggestion. Stitt took the opportunity to acknowledge Yarborough for her work on the geranium sale. Zellers also acknowledged her work (along with Dory Christenson) on the sale as well as on the garden tour. Yarborough said we need a new chair for the garden committee. Zellers added that the program committee also needs a new chair. Plotkin said a good program committee is essential for our 501(c)3 educational role. Wurl-Koth expressed interest in becoming the new program committee chair.

Plotkin pointed out that, if we sell anything such as geraniums, note cards, calendars or photos, it cannot amount to more than 15-20% of our gross receipts unless it is part of our educational fund. Stitt noted that we potentially have a worldwide audience for products we sell via the internet. He also pointed out that donors can now include CNI in their wills. Mohs pointed to the symphony as an organization where people value what it does and they understand the need for substantial giving to pay for it. Stitt referred to that as “branding.” He also mentioned joining up with the Wisconsin Community Foundation. This would provide us money every year to spend on what we want. People who might not give to us directly will do so indirectly by giving a check to the Wis. Community Foundation. O’Brien suggested CNI’s becoming a part of the State Employees Combined Campaign as a source of funds. Zellers agreed that would be a good idea. Stitt volunteered to work on setting up an endowment fund with the Wisconsin Community Foundation. Wurl-Koth suggested a specific plan for a specific project with a specific monetary goal. One project idea would be alternative energy. Yarborough proposed beautification of the Senior Center grounds. Stitt suggested a project for Peace Park.

VI. MEETING WRAP-UP.

Plotkin summarized the meeting as giving us a lot to work on in the way of long-term strategies and ideas. Christiansen was pleased with being able to discuss how to spend money rather than, as in the past, how to get out of the red. Cooper discussed the

need to get more people interested and involved in the work of CNI. Wurl-Koth described the retreat as a fun event. Stitt was pleased with the “comfortable” conversation and productive actions at the retreat. He thanked Plotkin for his valuable leadership of CNI. Stitt also suggested creating a social program committee in addition to an educational program committee. Yarborough was particularly pleased with the success of the geranium sale last year. Christiansen believes social events could be used to help improve the image of CNI. Zellers also likes the idea of separate educational and social program committees. Finally, Stitt urged us to have another retreat in the spring; once a year is not enough. Cooper agrees.

The retreat concluded.