

## Adobe Board Meeting 7/13/16

The Board Meeting was called to order at 4:03 pm. Attending were Board members: Stewart, Grissom, Wilson, O'Connor, Atwill, Jameson, Heieck (NLM Representative) and Jared Boulds (Club Manager). Several members were also in attendance.

Board minutes from the June 29th meeting were approved as read.

Barry Abrahams provided a review of the research he has done to date on the possible application by Adobe to become a 501c(3). Currently Adobe is classified as a 501c(4) per the IRS (non-profit association with limited membership similar to a fraternal organization or a trade union) but we are incorporated in the State of Arizona as a 501c(3). Mr Abrahams found that many bridge clubs have a 501c(3) non-profit status. As a 501c(3) we would need to be open to and supported by the general public, conduct an active educational program and not restrict participation—all of which we currently do. The pros in pursuing this classification would be deductible contributions (which would be retroactive should we gain approval), property tax exemption, adoption of a retention policy, and form 990 tax returns reviewed by the Board before submittal. The cons would be adoption and maintenance of more defined policies (establishing a Whistle blower policy, document retention, conflict of interest, inurement, tax return review before submittal). Other implications would be a revision to our bylaws to incorporate or reference required policies. It was agreed that the bylaws need revisions to accurately reflect Adobe's Articles of Incorporation filed with the Corporation Commission as well as inconsistencies, contradictions and typos that need corrections. It was agreed by the Board that we should pursue an application for 501c(3) status and schedule a meeting to approve needed changes to the Bylaws.

The Board voted to recommend that a change be made to the bylaws that would allow the NLM representative (currently John Heieck) full voting status. This change will be incorporated in the bylaw revisions that must be voted on by the members.

The Treasurer's report for 5/16-6/16 showed a \$2500 loss but this was due to an over payment of payroll which will be corrected and an insurance payment of \$2500. Also, this time period does not reflect the higher table fees that will generate increased revenue for the club. Based on the budget we are on track to break even or possible exceed projections.

Steve Reynolds and Bill Schelstrate presented an option to lease space located at Pantano & Wrightstown Road in the Catalina Village Shopping Center. The triple net lease terms were very favorable (\$2355 per month) but there were concerns about the location and the number of members who might not play there due to the travel distance required. Another option was presented that would allow Adobe to lease space at Las Candelas from an unnamed individual should he be successful in purchasing the property from Sunny Bal. A lease option was also presented by Donna Moser. This space is located in a center on Speedway west of Swan. Ms Moser indicated the space was very appropriate for Adobe's use and parking was adequate. The options were tabled for future consideration.

The inspection report for the Las Candelas was provided to the Board and discussed at length. The areas of most concern centered on the roofs of the casita and main hall as well as the air conditioning units. There were also areas of the sidewalk leading into the

main hall that would need repair as the sidewalks could present a liability issue. Mr Heieck made a motion to solicit inspections and bids from roofing companies. The board unanimously approved this motion and Ms Grissom agreed to contact three companies to provide assessments.

It was estimated that we would need a table count of 6500 to break even if we were to purchase Las Candelas at the current asking price. Based on the ACBL data, Adobe had 5,296 tables in 2015 and Las Candelas totaled 3,186. Adobe is currently ranked 33 out of 2845 sanctioned clubs in the United States.

Two general membership meetings will be scheduled for July. The topic of the July 21st meeting will be to discuss the future location for Adobe and a July 28th meeting will present the proposed changes to the bylaws by a membership vote.

The meeting was adjourned at 5:30 pm. Our next board meeting is scheduled for August 11th.