

MINUTES OF THE INTERNATIONAL LITERACY ASSOCIATION BOARD OF DIRECTORS MEETING Friday, October 14, 2016

OPENING AND ATTENDANCE

On October 14, 2016 at 8:29 AM EDT, President William Teale called to order a meeting of the Board of Directors of the International Literacy Association, which was held at ILA headquarters, 800 Barksdale Road, Newark, DE.

Participating Board Directors in attendance were President of the Board, William Teale, Vice President of the Board, Doug Fisher, Immediate Past President of the Board, Diane Barone, and Board Directors, Gwynn Ash, Julie Coiro, Cathy Collier, Executive Director Marcie Craig Post, Lori DiGisi, Rachel Karchmer-Klein, Stephanie Laird, Stephen Peters, and Jennifer Williams. Donald Bear attended the meeting by telephone. Staff in attendance included Linda Marston, Director of Finance and designated Board Treasurer; Stephen Sye, Associate Executive Director; and Christina Marconi, Recording Secretary.

CONFIRMATION OF THE APPROVAL OF MINUTES AT THE JULY MEETING

W. Teale noted that the minutes of the July 7, 2016 meeting of the International Literacy Association Board of Directors were approved by the Board by written consent and were thereby approved on August 17, 2016.

COMMITTEES & TASK FORCES

On Thursday, Oct 13, 2016, the Board continued work begun after the July 2016 conference focused on charges and timelines for committees and task forces. The discussion identified additional committees to be charged and populated. It was discussed that committees and task forces will have clear, specific charges and a specified time in which to complete their work. It was reaffirmed that committees will have variable time frames, depending on charges, that can range from a few months to multiple years. The officers will compile the list of committees generated, along with a list of existing committees, and distribute the list to the Board and initiate the plan and timeline for populating the committees, which includes reaching out to the members to indicate the opportunities to serve in this capacity.

A proposal was received from Diane Kern, requesting changes to the Standards & Ethics Project name and charges. The Board discussed the proposed name and determined that an appropriate name might be the "CAEP SPA Committee".

Motion was made, seconded and approved:

Be it resolved that the Board of Directors of the International Literacy Association approves the renaming of the Standards & Ethics Project to the CAEP SPA Committee, and approves the revision of charges as proposed.

FINANCE AND BUSINESS

The Director of Finance, Linda Marston, reported that revenue for the first two months of the fiscal year was \$3.6 million, with the largest decrease reflected in book sales as expected. Total expenses were \$3 million, mainly due to timing of payments related to Conference expense; however, ILA's balance sheet is fairly healthy, with the organization carrying minimal debt. Normal activity was recorded during this time, however, the downward trend in membership, journals, and publications continues, and investment reserves are providing operational support per the approved Budget. It was also reported that there has been light activity in relationship to the sale of the property, but there are no active purchase contracts as yet.

Jonathan Moll, CPA of Belfint Lyons Shuman, ILA's appointed audit firm, presented the FY2016 audited financial statements to the Board on Thursday, October 13, 2016. ILA has again received the top rating for financial statements: an "Unmodified Opinion", indicating the financial statements have been presented fairly, and without material errors and have met all generally accepted accounting principles. There being no further questions regarding the audit, the Board accepted the Audit Committee's recommendation to approve the FY 2015-2016 audit.

Motioned was made and approved:

Be it resolved that the Board of Directors of the International Literacy Association approves the FY 2015-2016 Audit as presented.

Adam Conish, financial advisor from Glenmede Investment Advisors presented the status of ILA's portfolio as of September 30, 2016. He reported that through September 30, 2016, the portfolio reflected a 4.5% growth year to date with long term growth rate remaining at 6.2%. He stated the portfolio is weighted towards fixed income securities due to the operational support needed. However, it is still well diversified and positioned for a slower-than-normal growth.

It was reported that ILA's contribution to the employees' retirement plan will be reduced from 9% to 4.5 % effective November 1, 2016 according to the approved FY 2017 Budget. This aligns ILA with industry standard contributions and provides a substantial cost savings from the current retirement plan. The contribution remains a substantial benefit for ILA employees, as no match is required and employees are 100% vested immediately. There being no further questions related to the changes in the ILA retirement plan, the Board called the question on the recommendation of the Finance Committee to approve changes.

Motion was made and approved:

Be it resolved that the Board of Directors of the International Literacy Association approves the proposed changes to the ILA retirement plan as presented.

US STATE CHAPTER ANNUAL DUES

The Board discussed the institution of state affiliate dues to offset the cost of supporting ILA chapters. The Board discussed utilizing a “bracket approach” that would assign the dues per annual revenue generated by each chapter and agreed that the IRS 990 brackets could serve as a guide for assigning dues. Considerable discussion was devoted to establishing the baseline dues level, and how the charging of this fee would offset more than \$2 million in expenses that ILA devotes to supporting chapters each year. The Board noted that this fee is a very important step in denoting the affiliation to ILA as having significant value. Staff also noted that the intention is to increase actual value by increasing support and services. The Board stated that it would be important to include a payment plan for chapters and that it would be important to empower staff to negotiate special hardship cases. The Board noted that at this time, this fee is only being assessed to the US chapters. In addition, the Board acknowledged that within the proposed plan, the Board accepts a projected loss in the cost center that supports chapters and will monitor losses regularly.

Motioned was made, seconded and approved.

Be it resolved that The Board of Directors of the International Literacy Association approves the implementation of a plan to set state affiliate dues for US chapters with the following conditions: that the plan be constructed by utilizing the IRS 990 revenue bracket as a guide, that the plan incorporates a payment plan, and that the staff is empowered to assess and address hardship cases.

NOMINATING COMMITTEE

The charges put forth for the Nominating Committee were to: (a) Thoroughly inform ILA members about the nomination process, (b) Promote and steward year-round nominations, (c) Maintain a ‘pool’ of candidates for current and future elections, (4) Employ procedures (including timelines) outlined in ILA Nomination/Election documents and suggest improvements to those procedures that will result in the strongest slate of candidates capable of fulfilling and enhancing the mission and strategic plan of ILA. The Board examined these charges in conjunction with reviewing new and revised forms and documents related to the recruiting and selection of candidates.

Members of the Board noted that these documents should improve the ability of ILA to attract and recruit candidates. It was noted that under the revised plan, members who submit their applications to run for the Board but are not selected in that particular year may remain in the pool from year to year, should they choose to do so.

The composition of the Nominating Committee was noted as being a minimum of 7 members, including but not restricted to: current Immediate Past President (to serve as Chair), current Chair of the ILA Board Governance Committee, current member of the seated Board, ILA Executive Director, at least one current ILA member from outside the United States.

It was noted that notices calling for nominations, which will go out through email blasts to all members, should also be sent specifically to various groups such as the Literacy Research Panel, past presidents, chapter leaders, regional committee members and members of the Reading Hall of Fame. In addition, it was reiterated that Board members are encouraged to engage in constant year-round stewarding and recruitment for the Board by reaching out to those members who are identified as being good candidates for the Board and other volunteer opportunities in ILA (i.e., committees, task forces). It was determined that if, at various points, the Nominating Committee realizes there are not enough qualified candidates for the Board positions, that the Committee will bring the issue to the Board to determine next steps.

Motioned was made and approved:

Be it resolved that the Board of Directors of the International Literacy Association approves the revised charges and composition of the ILA Nominating Committee.

SCHEDULING OF THE NEXT MEETING OF THE BOARD OF DIRECTORS

This next meeting will be held via Zoom Web Conference on January 11, 2017 at 2 PM EST.

ADJOURNMENT

Being that there was no further business, the meeting was adjourned at 11:04 AM EDT.

NEXT MEETING OF THE BOARD
Virtual Meeting, January 11, 2017, 2 PM EST
Meeting link and information to follow