

ACA GOVERNING COUNCIL MEETING

Action Minutes

May 16, 1994

Call to Order

The Governing Council conference call meeting was called to order at 7:11 p.m., on May 16, 1994. President Beverly J. O'Bryant presided. Governing Council members participating in all or part of the meeting were as follows

Jackie M. Allen, Western Region
Carol G. Barr, Southern Region
Nancy Benz, AMHCA
Jane C. Chauvin, ASERVIC
Doris Rhea Coy, ACA President-Elect
James M. Duffy, NECA
Robert Godinez, ACA Parliamentarian
George A. Gridale, AAC
Rae C. Gundersen, Midwest Region
Thomas W. Hosie, ACES
Diana Hulse-Killacky, ASGW
Rosalie Humphrey, ASCA
Marilyn A. Jefferson-Payne, AMCD
Judith Kovacs-Long, AHEAD
Michael J. Leahy, ARCA
Mary Finn Maples, ACCA
Carole W. Minor, NCDA
Beverly J. O'Bryant, ACA President
Richard C. Page, IAAOC
Lee J. Richmond, ACA Past President
Pat Schwallie-Giddis, ACA Acting Executive Director
John D. Wilgeroth, North Atlantic Region

IAMFC Representative Jon D. Carlson was unable to participate, and the Division was represented by Don W. Locke, President-Elect of IAMFC.

Michael L. Riley, ACA Treasurer, and David Capuzzi, AADA representative, were unable to participate.

James G. Glendening, ACA Treasurer for 1994-95, also participated in the conference call.

Purpose of Meeting/Agenda

The purpose of the special meeting of the Governing Council on May 16, 1994, was to address several time sensitive issues, one of which required specific Governing Council action. That issue was a letter from NCDA which specifically requested action of the Governing Council by June 15, 1994, and had significant financial ramifications.

Therefore, a meeting was called with the following agenda items:

1. Letter from NCDA Regarding Audit Investigation
2. Letter and Motions Regarding Insurance Trust
3. Update and Progress Report from Loan Committee
4. Recommendation from Human Rights Committee
5. Replacement Appointment on Media Committee
6. Discrimination Complaint
7. NAPSO-NEGP Conference - October 28-29, 1994
8. Convention/Budget Motion
9. Executive Director Search Update

1. Letter from NCDA Regarding Audit Investigation

It was moved by Minor and seconded by Wilgeroth that: ACA initiate a thorough investigation of the depletion of Division and ACA funds. A report will be made by June 15, 1994 to all Divisions as to the causes, the person or persons responsible, and all reasonable options to remediate the situation, and to make recommendations as to what course of action the association should pursue. Further, that the ACA Acting Executive Director be directed to contact Grant Thornton and/or Feddeman and Tate to arrange for this work to be done. Two Governing Council members will be appointed to work with the President and Acting Executive Director to work with the auditors.

There was discussion of the motion by the group and questions were raised as to cost, time constraints, how this would be done, etc. After a considerable amount of discussion, it was moved by Maples and seconded by Duffy that: This motion be tabled until discussion of the remaining agenda items. Motion passed, and the motion was tabled.

2. Letter and Motions Regarding the Insurance Trust

President O'Bryant reminded the group of a motion that had been adopted by the Governing Council at its September 1993 meeting. That motion has read as follows: That the President, in consultation with legal counsel, be directed to ensure that, as soon as possible, the following steps are performed: (1) that John Sargent be directed, with the involvement of the ACA President, to exercise the option of the Trust to request KVI to perform all administration under the KVI contract; (2) that, after KVI administration begins due to John Sargent's request, the Trust immediately assign the KVI contract to ACA; (3) that, upon completion of the assignment, the Trust be dissolved and the assets of the Trust be immediately transferred to ACA; and (4) that the current Board of Directors of the Insurance Trust become a committee of ACA.

It was moved by O'Bryant and seconded by Coy that: The Governing Council vote to rescind the motion of September 1993 which called for the Insurance Trust to discontinue self-administration. Motion passed, (1 against-Wilgeroth).

It was moved by O'Bryant and seconded by Coy that: The Governing Council recommends that the Insurance Trust proceed with the recommendations from Mr. Boisture of the firm, Caplin and Drysdale, and that the Trust move forward with the proposal in consultation with ACA. Motion passed (1 against-Duffy).

3. Update and Progress Report from Loan Committee

President O'Bryant informed the Governing Council of activities of the Loan Committee that had been authorized at the April 1994 meeting. She noted that significant proposals had been presented by the financial advisors since the Minneapolis convention report which included the following: (a) a facility had been identified which was willing to offer a potential loan of \$1.2 million to \$1.4 million on the building using only the building for collateral and with only ACA as the borrower; and (b) a facility had been located which was willing to open a line of credit for ACA of up to \$1 million. She noted that the benefits to ACA on these proposals were the following:

- A. It establishes a new and positive relationship with a local bank who wanted our business with the potential for even greater benefits as our financial picture looked better, which was enhanced on all of our previous cost cutting steps.
- B. It gave us a fresh start as we desperately needed to re-establish a new banking relationship given that our current bank would not establish a line of credit and our mortgage bank would not extend our loan.
- C. It finally gives ACA a line of credit -- which virtually every major corporation has whether they use it or not.
- D. The lending institution on the building mortgage allows us to separate the banking relationship from the building relationship in order to maximize our leverage for both.
- E. It stabilizes ACA for future growth because it would help the hemorrhaging so we could begin to heal.

Regarding the line of credit, she reported: (a) that the line of credit had been established with the new bank using the \$108,000 CD which had formerly been in the Foundation; (b) that the Foundation had been asked to consider purchasing the two warehouse properties and the East Capitol Street property, the money of which could be used as CD's to increase the line of credit or used to pay off vendors directly; and (c) that the ACA Insurance Trust is also considering advancing part of the royalties it would pay to be used as a CD or to pay off vendors.

Regarding the building loan, she reported that a signed application was going to the loan approval committee of a lending institution on Friday, May 20th.

This report was for the Governing Council's information only and no action was required at this time.

4. Recommendations from Human Rights Committee

It was moved by Gridale and seconded by Hulse-Killacky that: The Governing Council accept the recommendation from the Human Rights Committee that members of the Committee whose terms do not expire on June 30, 1994 be allowed to continue on the committee until their terms do expire or until the Governing Council develops a procedure for selecting committee members that reflects the diversity of the association, and that the Committee be commended for this recommendation.

Following considerable discussion of the pros and cons of granting this request, the effect on other committees, etc., vote was called for on the motion. Motion defeated (3 for; 19 against).

5. Replacement Appointment on Media Committee

President O'Bryant advised the group that there had been a resignation from the ACA Media Committee and it therefore becomes necessary to appoint a replacement.

It was moved by O'Bryant and seconded by Coy that: The Governing Council approves the appointment of Dr. Patricia Arredondo to complete the term of Dr. Judy Lombana on the ACA Media Committee. Motion passed.

6. Discrimination Complaint

President O'Bryant informed the Governing Council that upon her return to the office from the annual convention in Minneapolis on Monday, May 2, 1994, she received a discrimination complaint which had been delivered to the office immediately after her departure for the convention. The discrimination complaint has been filed with the Office of Human Services against the American Counseling Association by a former employee. Ms. O'Bryant advised that the discrimination complaint is being responded to as requested and that there is no Governing Council action required at this point. This information was being brought to the group for information only.

7. NAPSO/NEGP Conference - October 28-29, 1994

President O'Bryant noted that this item had been on the agenda for the April 1994 Governing Council meeting but that there had not been sufficient time to take action. Basically ACA is being asked to co-sponsor a conference on "Safe Disciplined and Drug Free Schools Conducive to Learning: Pupil Services and the National Education Goals". There are a number of other organizations who are also co-sponsoring this conference, and there is no financial support involved. It is necessary, however, that the Council approve or disapprove participation now as the September Council meeting would be too late.

It was moved by Allen and seconded by Maples that: The Governing Council endorse the request that ACA be a co-sponsor of the conference on "Safe Disciplined and Drug Free Schools Conducive to Learning; Pupil Services and the National Education Goals", and that the organizers of this activity be commended. Motion passed.

8. Actions Regarding 1995 Denver Convention

It was moved by Coy and seconded by O'Bryant that: The Convention rebates to Divisions be discontinued. Motion passed (1 abstain-Grisdale).

It was moved by Coy and seconded by O'Bryant that: Complimentary suites at the ACA convention be discontinued.

Following a long discussion of this motion and the possible savings, ramifications of this change, etc., it was moved by Maples and seconded by Hosie that: The motion be tabled until the exact financial information from the Minneapolis convention and the five previous conventions becomes available. Motion passed.

9. Executive Director Search Update

President O'Bryant presented a progress report on negotiations regarding the Executive Director. She indicated that she hoped to complete negotiations within a few days and that it appeared that this matter would be settled very shortly. No Governing Council action was called for at this time, and the report was for information only.

1. Letter from NCDA Regarding Audit Investigation

At this point in the meeting, it was determined that the agenda had been completed and there remained only the matter of the motion tabled at the beginning of the meeting.

It was moved by Minor and seconded by Allen that: The motion regarding an audit investigation be removed from the table. Motion passed, and this motion was again on the table.

It was moved by Hosie and seconded by Allen that: The motion be amended to state that the audit would cover the past three to five years, and that there be a cap on the amount spent of \$15,000.00. Motion defeated, 11 for (Richmond); 11 against; President broke the tie by abstaining.

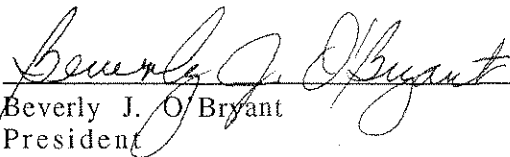
Vote was then called for on the motion that: ACA initiate a thorough investigation of the depletion of Division and ACA funds. A report will be made by June 15, 1994 to all Divisions as to the causes, the person or persons responsible, and all reasonable options to remediate the situation, and to make recommendations as to what course of action the association should pursue. Further, that the ACA Acting

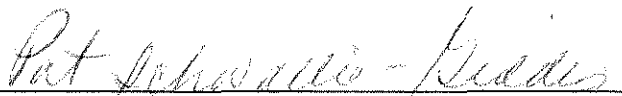
Executive Director be directed to contact Grant Thornton and/or Feddeman and Tate to arrange for this work to be done. Two Governing Council members will be appointed to work with the President and Acting Executive Director to work with the auditors. Motion defeated (9 for-Minor, Coy, Wilgeroth, Richmond, Kovacs-Long: 13 against).

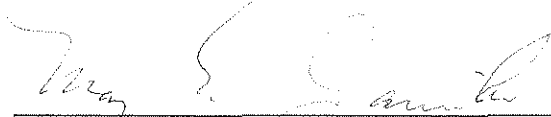
Adjournment

There being no further business, the conference call meeting of the ACA Governing Council was adjourned at 9:51 p.m., on May 16, 1994.

Respectfully submitted,


Beverly J. O'Bryant
President


Pat Schwallie-Giddis
Acting Executive Director


Mary E. Janicke
Administrative Assistant

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