

Israel Guide Dog Center for the Blind
Board Meeting Minutes
December 21, 2022

Because of the Search Committee meetings and because it was getting late in the year, we met again by Zoom. The meeting was called to order at 7:02 PM, the following Board members participated;

Steven Leventhal – President
Sarah Silver Luksenberg – Vice President
Alan Victor – Treasurer
James Wartenberg – Secretary
Neil Gordon
Em Leventhal
Dr. David Nover
Dr. Susan Dornstein
Michael Leventhal – Executive Director

Unable to participate

Larry Brown
Carol Brown
Robert Victor
Joel Leventhal

Our December meeting always involves several important action items, so we front-loaded the agenda with the necessary votes – and saved the later part of the meeting for the discussion of reports and various other issues.

- 1) Review of previous meeting minutes – from December 2021, (everyone received a copy electronically before the meeting). Alan Victor made a motion to accept the minutes without changes, Sarah Luksenberg seconded. Motion carried unanimously.
- 2) During our previous meeting, James Wartenberg thought we should invite Charles Goldman and Liz Martucci from the Imageer Company to meet the board. Imageer has worked with us as “Fundraising Council” for many years, and Jim thought it would be helpful to hear from them directly about their efforts on our behalf.

Charles reported that they have been associated with us for 18 years. First when we hired The John O’Donnell Company to help with fundraising – Charles and Liz were our account reps. When JOD closed, they created the Imageer companies and kept us as their primary client. Charles reported that they serve three main functions, Fundraising – Marketing – and Creative. They talked about how they cultivate donors, how many require multiple contacts and how important relationships with gatekeepers can be. As part of their duties, they arrange meetings with the Executive Director, create memos prior to any meetings, and debrief after meetings conclude to keep our records up to date with important constituent information.

Going forward, their goals are to reactivate lapsed donors, upgrade current donors, and keep looking for new donors. Although their fee is significant, they brought in over \$1 Million this year.

- 3) Review of existing board policies
 - a) Conflict of Interest Policy
 - b) Document Retention Policy
 - c) Gift Acceptance Policy
 - d) Fair Market Value Policy
 - e) Grant Application Policy
 - f) Nondiscrimination Policy
 - g) Whistle Blowers Policy
 - h) By-Laws

Our board policies are among the most comprehensive and robust of any nonprofit – thanks to the excellent work of our attorney who specializes in nonprofit matters. We are proud to be among the elite with our policies. Our policies are posted on our website for anyone to review. Steven Leventhal made a motion to reaffirm each of the board policies as written without any changes. James Wartenberg seconded. Motion carried unanimously.

- 4) The next vote was to set limits on the grant requests from the Israel Guide Dog Center for the Blind, Beit Oved, Israel during 2023. Israel expects to ask for approximately 7,500,000 Shekels, or approximately \$2.4 Million dollars. The Executive Director also explained that this is an upper limit, so we do not have to hold an additional board meeting to vote for more funds. Recently we have sent closer to \$1.6 Million per year. Noach Braun mentioned that their needs have grown (due to inflation and the Shekel being stronger against the dollar), and that they may need to ask for the limit in the coming years.

The motion was made by James Wartenberg to authorize expenditures of up to 7.5 million Shekels during 2023 for general operating expenses (following formal documented requests) without further board action. Steven Leventhal seconded. Motion carried unanimously.

- 5) We discussed authorizing the payment of a Real Estate Transfer tax to the Israel Land Authority. This is a one-time payment that will allow us to use the house that is on our property for commercial use. We voted three years ago to authorize \$250,000 but that was never used (our Board Chair in Israel has been negotiating with them). While we don't think the Land Authority should be charging such a high tax to a nonprofit, that decision is beyond our control. At our board meeting in 2021, Steve Leventhal made a motion that we authorize up to \$100,000 to pay the tax, with the hope that the actual negotiated payment will be lower, Sarah Silver Luksenberg seconded. Motion carried unanimously. Since the funds were never distributed in 2021, James Wartenberg made a motion to reauthorize the \$100,000 payment if requested in 2023. David Nover seconded. Motion carried unanimously.
- 6) Request from the Eliya School for blind children for \$5,000. We have a very close relationship with Eliya since many of their students will be future clients. We bring dogs once a month, so the children become comfortable with these large animals. We gave them \$10,000 last year, but since contributions are down a bit, we felt \$5,000 was appropriate. Alan Victor made a motion to send \$5,000 to Eliya School for Blind Children, Sarah Luksenberg seconded. Motion

carried unanimously. (Note: After the board meeting concluded, one of our board members made a personal donation of an additional \$10,000 to be split between Eliya, and Ofek – the next vote – because of inflation, so both programs will not suffer. We will actually send an additional \$7,000 for a total of \$12,000 to Eliya before the end of the year because of this generous and anonymous gift.)

- 7) “Ofek Liyladenu” – an organization of parents of blind children requested we renew our support. The organization was founded by the mother of one of our graduates and focuses on providing music education to children who are visually impaired. The organization was founded in 1997 and has an annual budget of approximately \$275,000 per year, most of which is the cost of music teachers and other professionals who work with the students. They operate on a very lean budget. Noach felt that it is important to maintain a relationship with this group as their children are likely to be our clients one day. Em Leventhal made a motion to send \$5,000 to Ofek Liyladenu, Susan Dornstein seconded. Motion carried unanimously. (Due to the anonymous donation of a board member, we will actually be sending an additional \$3,000 for a total of \$8,000 before the end of the year.)
- 8) Approval of the USA Budget for 2023. The Executive Director explained that several items will be increasing next year as we expand our staff to increase capacity. We expect our new Executive Director to come on board in February, and that a new Administrative Assistant will be necessary. In addition, in time, we expect to hire professional fundraising staff in other cities (Miami, Los Angeles or Chicago) to grow the organization. The Executive Director submitted a proposed budget that called for \$3,635,700 in total Income from all sources, \$775,012 in program, fundraising and administrative expenses and \$2,501,700 in transfers and direct payments for Israel operations, leaving \$358,988 to be added to our endowment funds. Neil Gordon made a motion to approve the proposed 2023 budget. Susan Dornstein seconded. Motion carried unanimously.

There was an additional discussion about our Balance Sheet and Net Assets. As of November 30, 2022, we had \$19,247,887.90 in Liquid Assets and \$495,145.87 in other Assets for a total of \$19,743,033.77. While this figure is \$3,000,000 less than we had at the end of 2021, it is almost exactly the same as what we had at the end of 2020. So while a paper loss is painful – we are still in great shape – and very optimistic that the market will rebound toward the end of 2023 and the beginning for 2024. Like the loss of two years from Covid, we’ll pretend those years never happened! Thankfully, we can ride the wave.

- 9) Discussion about renewing our agreement with the Imageer Company. They provide many services to us that would be much more expensive if we were to hire staff and bring these functions “in-house.”

We heard during the earlier presentation that despite a very slow start in 2022, Imageer raised more than \$1 Million dollars to date with more expected before the end of the year. Steve Leventhal commented that this decision was a “no-brainer” and made a motion to retain Imageer for another year at a cost of \$13,000 per month, Susan Dornstein seconded. Motion carried unanimously.

- 10) Retention of Bee Bergvall & Co as our accountant/auditor. This firm has prepared our federal tax returns, State returns, and performed the in-house audit of our records for several years. They are extremely thorough and professional. Their fee for 2023 is \$7,500 for the Audit plus

\$1,400 for Form 990. They are no longer responsible for State filings, as we have retained a separate firm, so we are registered in every state that requires registration.

The Executive Director commented that we have never shopped for a different firm, and now that the fee was approaching \$10,000, we might consider looking around. Neil Gordon wondered if we found another firm for a thousand or two less, whether it would be worth the change. Bee Bergvall has been doing the work for a very long time and are good at what they do. In addition, their offices are very close to ours. James Wartenberg asked if they ever donated to us – and answer is “no”. The Executive Director said they would table this discussion for now and allow the new Executive Director to make the decision whether or not to shop around. Neil Gordon made a motion to retain the services of Bee Bergvall & Co for another year. Susan Dornstein seconded. Motion carried unanimously.

- 11) Discussion about Your Part Time Controller (YPTC). We hired an independent accountant/bookkeeping firm to add a layer of control and oversight. YPTC is responsible for balancing our accounts each month and for producing quarterly Financial Reports (we can run our own reports more often using QuickBooks online). The cost of YPTC is much less than the cost of an inhouse bookkeeper, and again, adds a level of independent oversight. YPTC will report directly to the President if something seems to be questionable.

During this discussion, it was decided that the new Executive Director will have a \$5,000 spending limit before they need to have a second person on the board sign-off on an expenditure. The current Executive Director reported that since we use Bill.com to pay bills – this is an easy process. Detailed invoices can be viewed and approved online.

- 12) When Michael Leventhal made the decision to step down as our current Executive Director, we formed an internal search committee – made up of Steven Leventhal, President of the Board, Neil Gordon, Susan Dornstein, and Em Leventhal. The committee chose to retain a professional head-hunting company to conduct the search. DRG Search was hired, and they did an admirable job in a tight labor market. They brought twelve solid candidates. Four were interviewed by Zoom and three were invited for final in-person interviews. Noach Braun flew in from Israel for the final interviews and Michael Leventhal also attended.

We selected Gail Androphy who is the current Executive Director of the American Friends of Jordan River Village (a camp established by Paul Newman and his foundation). Gail wanted to attend this zoom meeting to meet the board, but she had a scheduling conflict. It was reported that DRG helped us to set a reasonable compensation level based on our size and the responsibilities of the position. We offered \$150,000 salary, an additional 3% of salary to be placed in a Simple IRA, \$600/month for healthcare and an offer to contribute to a disability policy – that Gail has said she will not be using. Em Leventhal made a motion that the board accept the terms of the agreement, Susan Dornstein seconded. Motion carried unanimously.

The current Executive Director pointed out that as a small organization, we never had a formal set of board policies for employee review. Since our staff level is going to increase, it will be necessary to come up with a system for evaluation. The use of incentives was raised and is something that needs investigation and thoughtful consideration.

- 13) The Executive Director reported that James Wartenberg, a long-term board member, current Secretary and good friend had decided to step down. Although he is in his 80's, he acts like a man of 39 and is still very active. Jim is the consummate volunteer, and for years helped to

single-handedly produce our mailings when we had 5,000 letters going out three times a year. Eventually we moved to a mail house when the volume grew too large. After a short discussion, David Nover volunteered to take over as Secretary.

The board extends our heartfelt appreciation to Jim for his many years of friendship and loyal service to the Israel Guide Dog Center. He has provided invaluable support, advice, and counsel for many years. Jim has made it clear that he will continue to support our efforts.

(Editor's note: Jim actually said he would step down when Michael stopped being Executive Director, so we jumped the gun a little – but since we thought the transition was going to happen in February, it made sense to vote the change now, rather than hold a special election.)

- 14) Steve Leventhal noticed that our By-laws require reaffirmation of the officers once a year. After a quick discussion and the offer for anyone to “throw their hat into the ring”, Em Leventhal made a motion that we elect Steven Leventhal as President, Sarah Silver Luksenberg as Vice President, Alan Victor as Treasurer and David Nover as Secretary for 2023. Susan Dornstein seconded. Motion carried unanimously.

Alan Victor mentioned that he is of a similar age as Jim and would also like to eventually find a replacement to take over his role as Treasurer. This will be something for the new Executive Director to address. Alan is a founding board member and has served as our Treasurer for several years. Alan also did internal audits of our accounts for the past several years – when the main Auditor found that we needed more checks-and-balances.

The requirements to join our board is an agreement to “give or get” \$1,000 per year and commit to the stated mission that our primary purpose is to provide Guide Dogs to people in Israel who are blind or visually impaired.

Close relationships are disclosed on our Federal 990 tax returns, we now have three Leventhal's on the Board, Steven is the President, Joel & Em are regular members, and Michael Leventhal serves as the paid Executive Director. We also have Alan & Robert Victor (father and son), Alan serves as our Treasurer, and Robert is a regular member – both also serve on the investment committee.

- 15) Discussion about operations in Israel. Noach Braun joined our call – even though it was 2:00 AM in Israel. Noach spoke about the operations in Israel, and the importance of the relationship between Israel and the USA. To that end, Noach suggested we hold a meeting in a few months (at a more reasonable time) so the Board Chair in Israel can meet and interact with us.
- 16) Sarah Luksenberg asked about the transition between the Executive Directors and what Michael's role will be going forward. Michael reported that he will stay on for as long as necessary to ensure a smooth transition, and that he would like to slowly reduce his involvement over the course of a year – but hopefully no longer than that. (It may be shorter – as he will serve at the pleasure of the new Executive Director.) Noach made it clear that he expects the relationship to never end.

Sarah also pointed out that several Board Members have never met in person, so we agreed that we would hold some form of social gathering mid-way through the year. It will also be an opportunity for our new Executive Director Gail Androphy to meet and interact with us all in person. Jim Wartenberg was upset at first, until we promised him that he would also be included!

- 17) Prior to adjourning the meeting at 8:20 PM, Steve Leventhal expressed the gratitude of the board for his brother's 36 years of commitment (the first 25 as an unpaid volunteer) to the Israel Guide Dog Center. While he was caught off guard and a little embarrassed, the Executive Director would like to express his love and devotion to an organization that truly changes people's lives for the better. There are not many jobs that allow a person to wake up each morning knowing that they are making a positive impact. It has been an honor to continue the work of his parents, Norman and Phyllis Leventhal z'l, and it is his hope that the organization thrives under new and energetic leadership.

Meeting adjourned at 8:25 PM, all action items had been discussed and voted upon.

As always, we are grateful for the services rendered by our volunteer Board of Directors.