

Regent Square Civic Association
 Annual Board Retreat
 Saturday, January 26, 2008
 Waverly Presbyterian Church
 Cindy L. Bahn, Facilitator

A. Putting it All Together – the Mission Puzzle

“A fundamental responsibility of leadership is to make sure that everybody knows the mission, understands it, lives it” Peter Drucker

An exercise requiring board members to put pieces of the RSCA mission statement together revealed:

- The statement is quite comprehensive, listing many of the day-to-day activities of the organization;
- The statement is very long, making it difficult for stakeholders to remember

Recommendations:

- **Create a brief, memorable mission statement which reflects the purpose of the RSCA.**
- **Criteria for length: fit on a t-shirt, 14 words, fit on the back of a business card.**

Should	But
• Be short and sharply focused	• Also sufficiently broad
• Be clear & easily understood	• Not a slogan or tagline!
• Define why the RSCA exists	• Not prescribe the means
• Inspire commitment	• Also provide direction
• Address opportunities	• Also match competence

- Starting Point: The Regent Square Civic Association enhances the quality of life for neighborhood residents and business owners

Sidebar: Duties of Nonprofit Boards of Directors

1. **Duty of Care** - Directors are called to participate in the decisions of the board and to be informed about information relevant to such decisions using such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

Typically, this duty can be met through:

- a. **Regular attendance** at board meetings and applicable committee meetings.
- b. **Exercise of independent judgment** on all corporate decisions.

c. Keeping informed – a director may rely in good faith on information, opinions, reports or statements, including financial statements and other financial data prepared by:

- officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the subject matter;
- counsel, accountants and similar professionals whom the director reasonably believes to be within their expert competence with regard to the subject matter; or
- a board committee upon which the director does not serve but which the director reasonably believes to merit confidence.

But, a director is not considered to be acting in good faith if she or he has actual knowledge that would cause reliance upon any of the above to be unwarranted!

2. Duty of Loyalty – Directors must exercise their powers in the interest of the corporation and not in their own interest or in the interest of another entity or person.

Primarily relates to:

a. Conflicts of Interest. Directors of nonprofit corporations may have interests in conflict with those of the corporation. The Duty of Loyalty requires that a director be conscious of the potential for such conflicts and act with candor and care in dealing with such situations. Note that conflicts of interest involving a director are not inherently illegal, nor are they to be regarded as a reflection on the integrity of the board or of the director. Rather, it is the manner in which the director and the board deal with a disclosed conflict which determines the propriety of the transaction. (see attached Sample Conflicts of Interests policies)

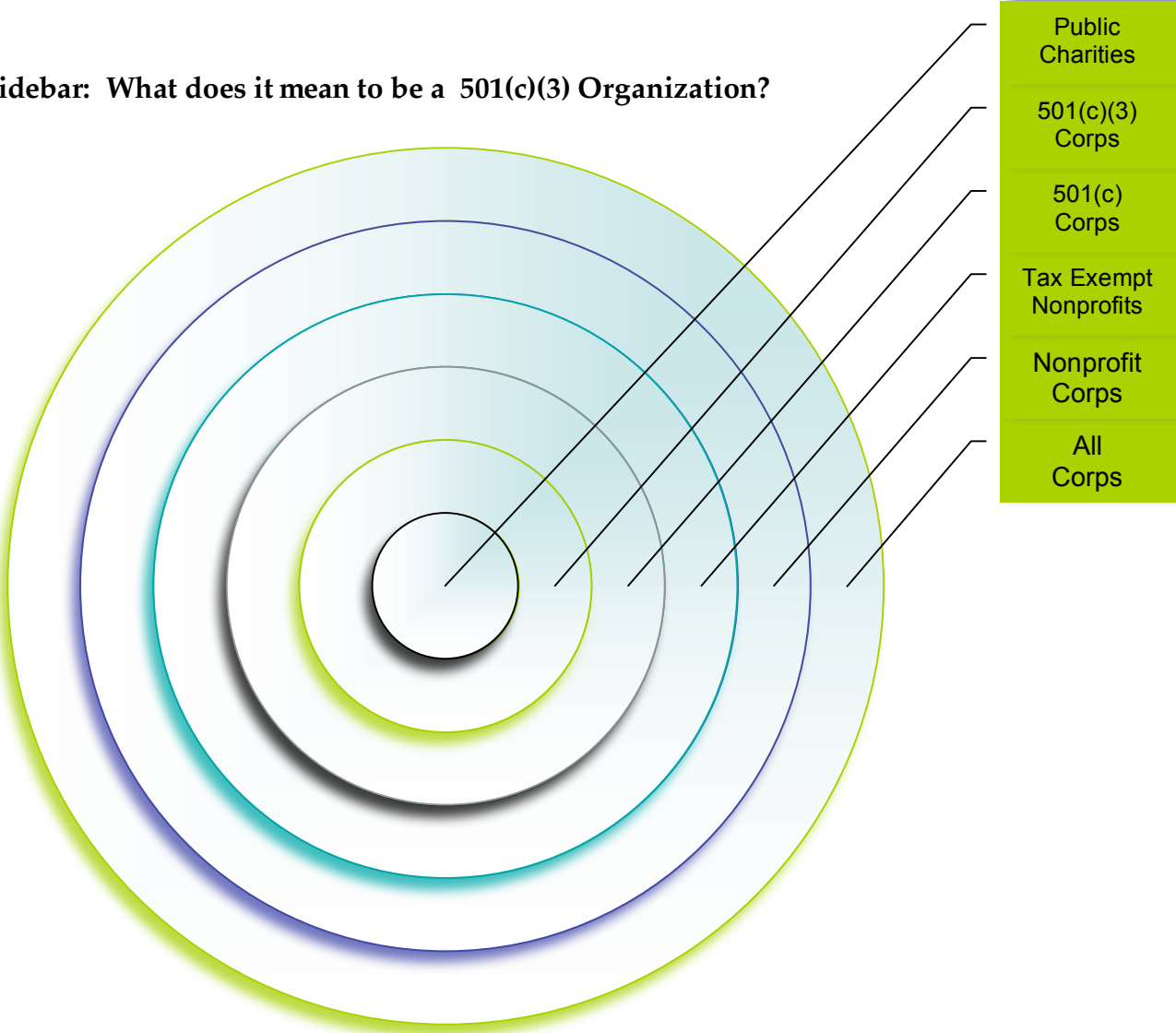
3 principles should guide the board and its members:

- **Awareness:** a director should be sensitive to any interest in a decision to be made by the board, and as far as possible, recognize such interest prior to the discussion or presentation of the matter before the board.
- **Disclosure:** When a director has an interest in a transaction being considered by the board, the director should disclose the conflict before the board takes action on the matter.
- **Disinterested Review:** Upon disclosure by the director, the board should provide a disinterested review of the matter.

b. Corporate Opportunity. Before a director engages in a transaction which should reasonably be known is of interest to the corporation, the director should disclose the transaction to the board in sufficient detail and adequate time to enable the board to act or decline to act with regard to the transaction.

c. Confidentiality. A director should not, in the regular course of business, disclose information about the corporation's legitimate activities unless they are already known by the public or are of public record.

Sidebar: What does it mean to be a 501(c)(3) Organization?



- In the set of all corporations (for-profit and nonprofit), there is a subset of nonprofit corporations.
- In the set of all nonprofit corporations, there is a subset of tax-exempt nonprofit corporations.
- In the set of all tax-exempt nonprofit corporations, there is a subset of 501(c) tax-exempt nonprofit corporations.
- In the set of all 501(c) tax-exempt nonprofit corporations, there is a subset of 501(c)(3) tax-exempt nonprofit corporations.
- In the set of all 501(c)(3) tax-exempt nonprofit corporations, there are 2 subsets: public charities and private foundations.

The Regent Square Civic Association is a 501(c)(4) organization.

Comparison of 501(c)(3) and 501(c)(4) Organizations

501(c)(3)	501(c)(4)
Organizational requirement	No requirement (or less stringent)
Assets must be dedicated to charitable purposes	No requirement to dedicate assets
Social activities must be insubstantial	Social activity may be anything less than "primary"
Legislative activity must be insubstantial, or <20% if election made	No limit on legislative activity as long as it furthers the exempt purpose
Absolute prohibition against political activity	Political activity permitted, but taxed
Must serve public purposes	Can serve community purposes, can be somewhat narrower than (c)(3)
Donations are deductible as charitable contributions by donors on their tax returns	Donations not deductible as charitable contributions - businesses sometimes deduct as advertising
Eligible for low cost non-profit bulk mailing permit	Not eligible for lowest bulk mail rates
Must take care to generate enough public support to avoid classification as a private foundation	Not an issue under (c)(4)
Exempt from Federal income tax unless the organization has unrelated business income	Exempt from Federal income tax unless the organization has unrelated business income

Recommendation:

- Periodically review whether the (c)(4) designation continues to make sense for the organization, or whether a (c)(3) designation offers more advantages.

B. Who is Our Customer? What Do They Value?

Primary Customers	Secondary Customers
• Residents	
• Business Owners	
• Property Owners	
• Members	• Members
	• Visitors
	• Adjoining Neighborhoods
• Volunteers	• Volunteers
• Dogs, Cats	
	• School Districts

Recommendation:

- Consider the various customers and ask, “What do they value?” Organizations must meet the needs, wants and aspirations of their customers. How will you determine those needs, wants and aspirations? How will you then meet those identified needs, wants and aspirations? This might be an ad hoc committee, or the work of an individual volunteer.

C. Environmental Scan – 4 Small Groups Considered the Following Questions:

1. What are the changing demographics among current & potential customers?
 - Large population of both older and younger residents who do not tend to volunteer.
 - Increasing number of single residents.
 - Residents are more computer literate – opportunity for virtual networks.
 - Many families move out of the area when their children are school age because of dissatisfaction with local school districts, or enroll their children in private schools.
 - Dual-income families have time constraints.
 - Single parent families have time constraints.
 - Increasingly diverse population – more gays/lesbians, but not many people of color. Should reach out to African Americans to serve on board.
 - Residents tend to be affluent – how do we tap into this market to get them to join and participate?
 - Time is an issue – people are too busy. Could send invoices; send ballots in separate mailing so they’re more noticeable.
 - Increased turnover in resident and business population.

- Diversity of housing – multi-family units, single family residences, some townhomes.
- Neighborhood is perceived as safe.
- Residents tend to be well educated.
- Businesses represent culinary diversity – destination restaurants.
- Trendy businesses.
- Frick Park is an asset – offers space for tennis, runners, cyclists, sports groups. Attractive to people interested in environmental issues/nature.

2. What are the evolving community trends, issues and conditions?

- The (re)development of the Carrie Furnace Site impacts adjoining neighborhoods/communities (area adjoining Penn Avenue, Swissvale, SEDCO) both positively and negatively. Will create business infrastructure.
- Business changes – “high” end, diverse, character within the Square; outside the Square. Employers/businesses re-locating outside the area (ex: Westinghouse).
- Environmental issues – increased awareness.
- Housing – zoning, consistency, rebuilds, additions.
- Education options.
- Transportation – buses, highway / road improvements
- Park changes – Gateway project, Frick Park Environmental Center

3. What are the politics, legislation, or regulations affecting the organization and those it serves?

- Challenge of working with 4 distinct municipalities – regs are “uneven” between the 4.
- The RSCA is the “mortar” which holds the 4 communities together.
- Must raise the visibility of the RSCA, but how?
- Contact officials in each of the 4 municipalities and provide them with a tangible representation of what the RSCA brings to them (number of households, tax base).
- Unifying activities to date: charter school, holiday lights. Future activities: focus liaisons at each of the 4 communities; find those who are interested in being liaisons.
- Federal regulations affecting nonprofits: Sarbanes-Oxley Act requires 2 provisions for all corporations, both for-profit and nonprofit (Whistleblower and Document Destruction Policy); other recommended practices based on SOX relate to audits (including having an Audit Committee), conflict of interest and insider disclosure, and disclosure. The Pension Protection Act created new filing requirements - all nonprofits, even those with budgets under \$25,000, are now required to file (smaller orgs will submit e-postcard).

4. Who is our competition, and what opportunities exist for partnership and collaboration?

- Frick Environmental Center
- Nine Mile Run Watershed Association
- Wilkins School Community Center
- Local businesses
- Run Around the Square
- Pittsburgh Filmmakers (Regent Square Theater)
- Associations in adjoining communities (Park Place, Whitney Park, Briarcliff, Wilkinsburg United)
- Edgewood Towne Center
- Center for Creative Play
- Interplay Child Care Center
- Tennis Court Group
- School Districts
- Parks Conservancy
- Governmental Agencies (Swissvale Council, Wilkinsburg, Pittsburgh, Edgewood Council)
- Charter School in former Regent Square Elementary School
- Regent Square Playgroups
- Families/Moms (“knitting moms” at WSCC)
- Dog walkers
- Singles
- Elderly

Recommendation:

- **These lists are not the end! Continue to review and refine, and consider how the answers to these questions impact the work of the Association!**

D. What Are You Going To Do Monday Morning?

The RSCA offers many programs, stretching the resources of the board and volunteers. Based on RSCA’s mission, customer needs and changes in the environment, which of the current programs does it make sense to continue? Look for those that deliver a lot of bang for the buck!

<input checked="" type="checkbox"/> Yard Sale	EVENTS
<input type="checkbox"/> Children’s Halloween Party	EVENTS
<input checked="" type="checkbox"/> Children’s Easter Party	EVENTS
<input checked="" type="checkbox"/> Children’s Toy Drive	EVENTS
<input checked="" type="checkbox"/> Newsletter	COMMUNICATIONS
<input checked="" type="checkbox"/> Business Networking Group	BUSINESS
<input checked="" type="checkbox"/> Website	COMMUNICATIONS

<input checked="" type="checkbox"/> Email	COMMUNICATIONS
<input checked="" type="checkbox"/> Brochure	MARKETING/ COMMUNICATIONS
<input checked="" type="checkbox"/> Flyers (for Yard Sale, Toy Drive etc.)	MARKETING/ EVENST
<input checked="" type="checkbox"/> Business Directory	MARKETING/ COMMUNICATIONS/ MEMBERSHIP
<input checked="" type="checkbox"/> Relationship with <i>Shady Avenue</i> magazine	MARKETING/ COMMUNICATIONS
<input checked="" type="checkbox"/> Welcome packet for new residents	MARKETING/ MEMBERSHIP
<input type="checkbox"/> Safety Committee (S. Braddock Ave. study, crime awareness, communication with municipal officials)	PUBLIC IMPROVEMENT
<input type="checkbox"/> Holiday Lighting Contest	EVENTS
<input checked="" type="checkbox"/> Liaison to Regent Square Theater (Three Rivers Film Festival)	LIAISON
<input checked="" type="checkbox"/> Liaison to Nine Mile Watershed Association	LIAISON
<input checked="" type="checkbox"/> Liaison to new Charter School (in former Regent Square Elementary School building)	LIAISON
<input checked="" type="checkbox"/> Membership drive (individuals, families, businesses)	MEMBERSHIP
<input checked="" type="checkbox"/> Grant writing (DCED, etc. for tree planting, improvements on S. Braddock Ave.)	FINANCE
<input checked="" type="checkbox"/> Trash pick-up on parkway ramps	PUBLIC IMPROVEMENT
<input checked="" type="checkbox"/> Attend municipal meetings – council meetings, school board meetings	LIAISON
<input checked="" type="checkbox"/> Provide support for community improvements, such as S. Braddock tennis courts, by providing financial support and/or writing letters of support	LIAISON
Possible Programs/ Activities:	
<input type="checkbox"/> Membership cards	MEMBERSHIP/ BUSINESS
<input type="checkbox"/> Bullet points on website, in newsletter highlighting all the activities sponsored by the Association (emphasizing what the RSCA does, rather than programs/activities which might be discontinued)	EVENTS/ COMMUNICATIONS
<input type="checkbox"/> Monthly programs	EVENTS/ MEMBERSHIP
<input type="checkbox"/> Increased collaborations/partnerships: Liaison to Nine Mile Run Watershed Association, Francis Simuel, WSCC (possibly a discount for members), municipal liaisons (one/ community), school boards, potential volunteers	LIAISON
<input type="checkbox"/> Community Day/Picnic	EVENTS

Recommendations:

- These programs and activities all have value, but....it's not enough to want to do them – someone needs to step up and take responsibility for accomplishing them! If no one is willing to do so, the program/activity should cease to exist!
- Review on an annual basis – everything doesn't need to happen in 1 year!
- Use a tool, such as a MacMillan Matrix (see attached), to identify those programs which further the mission of the RSCA most effectively and most efficiently to make the best use of scarce resources (volunteer time and energy!).

E. And Who is Going to Do It?

Essential Committees – required by law, regulation, or RSCA by-laws:

- Executive (**Carrie**, Kathleen, Pat, Alina, Arch)
- Nominating (**Carrie**, Carole)
- Membership (**Kathryn**, Melissa, Joan) – will also work on soliciting volunteers
- Communications (**Alina**, Liz) – responsible for web, newsletter, emails

Standing Committees:

- Business Networking (**Cathy**, Liz)
- Marketing (Pat, Carrie)
- Finance (Kathleen, Kathryn)
- Community Liaison (**Carole**)
- Government Liaison (**Carrie**, Darrel, Andrew, Cathy)
- Public Improvement (Frank, Andrew)

Ad Hoc Committees (should have board member representative):

- Event (an ad hoc committee for each specific event; will function with specific guidelines re: budget, expenditures, etc.)

Recommendations:

- Create job descriptions for each committee and committee chair.
- Committee chairs will require support – how will you solicit the non-board volunteers to assist them in their work? Consider hiring someone for routine low-level tasks (such as data entry) which doesn't require a board member to do. Reserve board member time and talent for the big stuff!
- Responsibility / Accountability – give committee chairs the responsibility to carry out the work of the committee without second-guessing by the full Board meetings, but also hold them accountable for their work.
- Committee chairs should be encouraged to ask for help and/or limit what the Committee will do based on the resources available to them; when help is requested (in the form of financial support or volunteer time) the Board should respond. If the Board is unable to provide the requested support, the program/event/activity should be cut! Prioritize, prioritize, prioritize!

We are confronted with insurmountable opportunities. Pogo