



HOSTELLING INTERNATIONAL
Pacific Mountain Region

**True North Hostelling Association
O/A Hostelling International –
Canada – Pacific Mountain Region**

**BOARD OF DIRECTORS
MEETING SUMMARY**

DATE:	Saturday, February 10 & Sunday, February 11, 2007	
TIME:	February 10 8:45am to 5:00pm PST February 11 9:00am to 3:00pm PST	
PLACE:	HI-Vancouver Downtown Boardroom, 1114 Burnaby Street, Vancouver, BC	
PRESENT:	Jeff Leung	Chair
	Claire Johnson	Vice Chair
	Mark Sowinski	Vice Chair
	Jon Azpiri	Director
	Craig Brown	Director
	Alastair Campbell	Director
	Kate Rosen	Director
	Bob West	Director
REGRETS:	Alistair McLean	CEO
STAFF:	Shelbey Sy	Director of Marketing (Sat. Feb.10, 10:30AM - noon)
CONSULTANTS:	Wayne Amundson	AXI
	Robin Robertson	AXI
RECORDER:	Alastair Campbell	Director

1. Call to order

Meeting called to order at 8:55am.

2. Adoption of Agenda

- Addition of item 7.b.7 – Elevator Process

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the approval of the agenda as amended, is hereby acknowledged and ratified by the Directors of the Association.

3. Attendance

- J. Leung advised that Alastair Campbell's absences from the September 19, 2006 and October 21/22, 2006 meetings must be formally excused by resolution.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the approval to excuse previous absences of Alastair Campbell, is hereby acknowledged and ratified by the Directors of the Association.

4. Adoption of minutes of last meeting

- Minutes of October 21/22, 2006 meeting.
- Discussion regarding the inclusion of the phrase "no hostel shall be" in the resolution under item b.10.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the approval of the minutes dated October 21/22, 2006 as amended, is hereby acknowledged and ratified by the Directors of the Association.

5. Ownership Linkage

5.1 Ownership Linkage Proposal

- Proposal (page 9, 10, and 11) by AXI discussed
- Board agreed to proceed, and established 1.5 years as a time-frame for the process.
- It was noted that a crucial part of the process is to regain participation of the owners.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the Board accepts AXI's proposal for implementation of "Linkage With Owners" process over the next 1.5 years and up to a maximum of \$25,000, is hereby acknowledged and ratified by the Directors of the Association.

6. Board Education

- AXI presented 2 Board education sessions.
- Shelbey Sy provided a presentation on Hostel Research Results and an update on Youth Trends presentation at the 2006 AOM.

7. Items for Decision

a. Ends

There were no agenda items in this section.

b. Governance Process

b.1 Board Calendar

- It was decided that the K100 would be removed from the calendar, as it is an event for revenue only, not a Board item.
- Calendar title “Links to Community” to be changed to “Ownership Linkage.”

b.2 Audit Committee Appointment

- J. Leung advised that the Board needed to officially appoint Lawrence Gerritsen as a member of the Audit Committee.

ON A MOTION DULY MADE, carried.

BE IT RESOLVED THAT: the approval of the appointment of Lawrence Gerritsen as a member of the Audit Committee for the 2006/07 Audit year. This appointment ends as of the completion of the AGM in June 2007, is hereby acknowledged and ratified by the Directors of the Association.

b.3 Board Self Management Policy Monitoring Process

- Step 1 – Revisions
 - Governance Committee to examine Section 2 (Board Self Management Policies) excluding 2.6 and 2.7.
 - Will examine which policies need to be amended and rank them.
 - To be placed on agenda for the next in-person meeting in April 2007.
- Step 2 – Monitoring
 - AXI to revise 2.6 and 2.7 and provide tools to Governance Committee for on-going monitoring of policies in Section 2.
 - To be ready for Board meeting in April 2007.

b.4 Committee Reports

b.4.1 Nominations Committee

- First phase forms revised by Nominations Committee with help of staff.
- Given to Board for comment.
- Slate to be given to Board by February 24th, 2007.

b.4.2 Audit Committee

- Nothing new to report

b.4.3 Governance Committee

- Work on-going.
- Rule agreed to: Replies from Committee or Board due in 5 business days.

b.4.5 CEO Review Committee

- Discussion around Review Committee, monitoring process and compensation of CEO.
- Three new policies (3.4, 3.5, 3.6) were introduced.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the deletion of the current policy 3.4 in the Board Policy Manual, is hereby acknowledged and ratified by the Directors of the Association.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the addition of the new policy 3.4 – CEO Compensation, to the Board Policy Manual, which reads as *“CEO base compensation will be established at the 90th percentile of the market. At a minimum of once every three years, the current base compensation will be compared to market and adjustments made accordingly by the Board. On the anniversary date each year, the CEO will receive a cost of living adjustment. The cost of living adjustment will be determined using at least two external sources and based on the location of HI-C-PM Region’s head office”*, is hereby acknowledged and ratified by the Directors of the Association.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the addition of the new policy 3.5 – CEO Development, to the Board Policy Manual, which reads as “*The Board will support CEO development in three ways:*”

1. *Every 24 months the Board will conduct a “360 Degree Feedback Process.”*
2. *Annually the Board will provide Board-only feedback.*
3. *Employment contract provisions supporting professional memberships and development.*

The purpose of this feedback will be for performance maintenance and improvement only and will not be related to compensation or bonus establishment”, is hereby acknowledged and ratified by the Directors of the Association.

- New Policy 3.6 – CEO Performance Evaluation and Bonus Payment. Motion tabled until it can be re-worked by the CEO Review Committee and brought back to the Board in April 2007.

b.5 Board Budget

- J. Leung presented the 2007/08 Board Budget.
- There was a discussion regarding the addition of \$25,000 to the budget for Membership Linkage.
- Budget not to exceed \$140,000 in 2007/2008 fiscal year.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the 2007/08 Board Budget is approved as amended, is hereby acknowledged and ratified by the Directors of the Association.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the CEO will provide the Board with a Board budget update and actual spending to date at every in-person Board meeting, is hereby acknowledged and ratified by the Directors of the Association.

b.6 Board Ends Policy Monitoring Process

- Process worked well.

b.7 Elevator Project

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the approval of the request by the CEO to replace the service elevator in HI-Vancouver Central, is hereby acknowledged and ratified by the Directors of the Association.

c. Executive Limitations

c.1 Policy Limitations Report

- Amendments were made to 4.3 – Financial Condition.
 - Policy 4.3.2 shall now read: ‘Allow the organization to operate without adequate internal financial controls’. Delete: ‘to safeguard assets, and conduct effective operations’.
 - Policy 4.3.5 shall now read: ‘Operate without an operating budget, capital budget and cash flow budget’. Delete ‘Board-approved’.
 - Policy 4.3.6 shall now read: ‘Delete Policy 4.3.6 as it now reads. Replace 4.3.6 as follows: ‘Fail to budget sufficient funds in a capital budget to undertake planned annual capital improvements and maintenance as well as to address emergency repairs’.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: Policies 4.3.2, 4.3.5, and 4.3.6 are amended as noted above, is hereby acknowledged and ratified by the Directors of the Association.

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: the addition of the new Policy 4.5.9 under Asset Protection that reads “Fail to maintain physical assets to meet adequate guest safety, to meet local building standards, to give guests a reasonable hostel experience and to maintain ongoing use of all hostel properties,” is hereby acknowledged and ratified by the Directors of the Association.

ON A MOTION DULY MADE, carried.

BE IT RESOLVED THAT: the addition of the new Policy 4.12.5 under Hostel Operations and Development that reads “Fail to ensure all hostels are developed and maintained to minimize the impact on the environment and meet the hostel environmental charter,” is hereby acknowledged and ratified by the Directors of the Association.

c.2 Budget 2007/08

- After discussion, the Board decided that the Operating and Capital Budgets do not need to be approved by the Board. No vote taken.
- Budget 2007/08 section to be moved to agenda Item 10.4 – Information Requested by the Board, and discussed further there.

c.3 Asset Transfer Update

- J. Leung provided short update.

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- Formal presentation will be ready for next face-to-face Board meeting.

c.4 Jericho Hostel Lease/Capital Update

- J. Leung provided an update on lease negotiations and capital requirements.
- To be reviewed at the next face-to-face Board meeting.

d. Board-CEO Relationship

d.1 Board-CEO Relationship Policy Monitoring Process

- Discussion around future monitoring process.
- AXI to provide a short questionnaire to be used in monitoring this process for use at the next face-to-face Board meeting.

8. Monitoring CEO Performance

8.1 Ends #1 Monitoring Report

Ends Policy 1.1.1

- Monitoring Report provided a reasonable interpretation of policy but did not provide clear evidence of progress in achieving this End.
- Follow-up report for this policy is expected in the April 2007 Board meeting package.
- AXI to discuss with CEO.

Ends Policy 1.1.2

- Monitoring Report provided a reasonable interpretation of the policy except with reference to geographic landscapes. As a result, the evidence of progress could not be assessed at this time.
- Follow-up report is expected in April 2007 Board meeting package.
- AXI to discuss with CEO.

Ends Policy 1.1.3

- Interpretation and evidence for Ends Policy 1.1.3 was tabled.
- AXI will discuss with CEO and present a revised statement at the next face-to-face Board meeting in April 2007.

AXI to provide a draft 'motion wording' for future monitoring report approvals.

8.2 CEO Base Compensation Report

- J. Leung presented the CEO Review Committee recommendations to the Board.
- External compensation firm to be contracted to provide compensation guidelines, with results to be presented at the next Board meeting.
- Section 2.12 to be added to the Board Policy Manual:

ON A MOTION DULY MADE, carried unanimously.

BE IT RESOLVED THAT: to add new policy 2.12 "Prior to initiating any CEO search process, the Board shall review all CEO compensation and benefits policies," is hereby acknowledged and ratified by the Directors of the Association.

8.3 Board Exec. Limitations Policy Monitoring Process

- Governance Committee to lead all Board members in examination of Policies 4.3 – Financial Condition, 4.4 – Financial Planning, and 4.5 – Asset Protection.
- Results to be presented at next face-to-face Board meeting in April 2007.

9. Monitoring Board Performance

9.1 Second Phase Board Monitoring Results

- Item tabled.

9.2 Annual Board Performance Review

- Board needs Annual Board Review Tools for:
 - Self evaluation of Board members
 - Evaluating Board meetings
 - Evaluating Board performance
- AXI to provide review tools for next Board meeting.

10. Information Requested by the Board

10.1 Strategic Plan Update

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- This item was carried over from the previous Board meeting.
 - Board requested a current copy of the Strategic Plan.
 - Board requested that CEO provide his thoughts on the shifts in strategic direction that are included in this plan. Also, what are the emerging issues that affect the future of hostelling?

10.2 By-Law Interpretation re: Chair Vote

- J. Leung provided information obtained by CEO as previously requested re: the ability of the Board Chair to vote following consultation with the association solicitors.
- Board advised that the Chair can, and should always, vote.

10.3 Merger Discussions Update

- J. Leung provided a status update on the merger discussions with HI-NA, HI-SK, HI-MB.
- HI-NA – Two teleconference calls and one face-to-face meeting have been held with HI-NA. Progress is being made. Report to be delivered to Board at April meeting.
- HI-MB – Talks on hold, as HI-MB are working on a development project.
- HI-SK – Talks on hold, as their president is currently away.

10.4 Budget 2007/08

- J. Leung presented the 2007/08 Operating and Capital Budgets.
- Budget to be revised to include an increased Board budget that will reflect inclusion of Membership Linkage project by AXI.
- There was a discussion regarding the inclusion in the budget of funds that would provide for the addition of TVs to hostel rooms.

11. “Nice to Know” Information

11.1 Operations

- Not discussed.

11.2 IYHF CEO Meeting – Vancouver 2008

- J. Leung advised that HI-PM Region and HI-C will be hosting the IYHF Board meeting in Vancouver in November 2008.
- There is also a possibility of hosting a IYHF CEO meeting in early 2008 in Vancouver.
- There was a discussion regarding the opportunity for media leverage with both functions.

11.3 75th Anniversary

- J. Leung reminded the Board that it is HI-C's 75th Anniversary in 2008 and there are several initiatives being reviewed.
- There was a discussion regarding the opportunity to convey a strong message to the world regarding the value of hostelling.

12. Self-evaluation of governance process at this meeting

Summary and Evaluation

- R. Robertson reviewed the previous evaluation results.
- Members submitted meeting evaluations. Results to be presented at next meeting.

13. Adjournment

Moved by J. Leung

Meeting adjourned at 3.15pm on Sunday, February 11, 2007

Chair

Secretary