



The Dispute Resolution Board Foundation

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Summary Minutes of the DRBF Board of Directors Meeting Saturday, April 21, 2007 in Chicago, Illinois

The following members participated in person at the Board of Directors meeting in Chicago, IL: Romano Allione (V), William Baker (V), James Brady (V), Roger Brown (V), James Donaldson (V), Peter Douglass (V), Jack Feller (V), Volker Jurowich (V), Kerry Lawrence (V), John Madden (V), Harold McKittrick (V), Daniel Meyer, John Norton (V), Gwyn Owen (V), Robert Rubin, Robert Smith (V), and Joe Sperry. Bernard Becq (V), Peter Chapman, Marianne Ramey (V), and Jack Woolf were unable to attend. Steve Fox and Ann McGough participated by invitation.

Note: (V) represents voting Board members.

Treasurer's Report

A revised budget was distributed to the full Board of Directors. The new document is done in a four column format to show what was budgeted previously, and new projections are based on the many changes the DRBF has faced with the loss of the executive director.

Treasurer Jim Donaldson reminded the Board that the DRBF will undergo an audit this year, as planned and budgeted. The audit will occur in late May or early June and will be performed by our accounting firm. Jim said he has confidence in the accounting firm's capabilities, and noted they have a lot of non-profit clients.

Executive Director

President Pete Douglass gave an overview of the activities of the Executive Committee and other Board members in the aftermath of Larry Delmore's death. Pete recognized the efforts of Hal McKittrick, who represented the DRBF at the funeral services.

Steve Fox gave a brief overview of the materials that have been returned to the Seattle office, including a desktop, laptop, printer, projector, punch and bind system, Blackberry and table top display. He noted that there had been plans to purchase a new desktop for the Seattle office, but that was no longer necessary as he is able to utilize the one Larry had. Ann McGough reported on the files she had received, organized and distributed when appropriate. She noted that Larry was sending letters to new members on a quarterly basis welcoming them to the Foundation, and that she would continue that practice with a letter over the president's signature.

Bob Smith commended Pete Douglass, Steve Fox, Hal McKittrick and the Executive Committee for their prompt and professional reaction to the challenges faced when Larry passed, noting he was impressed with their response.

Pete Douglass opened up discussion of the options the Foundation now faces with regard to the Executive Director position. He stated he feels everyone recognized the value of having an Executive Director, but that the Foundation is still facing the same budget issues. He noted that Dan Meyer's original assessment that it would take three years for the Executive Director's work to bring in enough revenue to cover his expenses was indeed accurate. The



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Board discussed various staffing options, including a part time role, and numerous funding scenarios.

Training

Committee Chair Kerry Lawrence reported on the Train the Trainer workshop which was planned for the day following the Board meeting. The session includes the basics for running a training workshop – standard room layouts, how to run the projector, and an overview of the logistics that make for a smooth-running workshop. He noted that the Power Point presentation is the foundation for the training, but trainers will be taught how to bring their own experience to the presentation and how to moderate discussion. Trainer candidates were invited to the workshop based on their DRB experience, geographic location, presentation skills, and enthusiasm for the process.

Kerry noted that the course content is the half-day continuing education program which had been developed. The program runs 3 hours and 20 minutes, and pairs nicely with a regional conference like the one being planned for the Northwest region (now deferred to June 25).

Some other training programs under development include a “How to Present...” workshop. Kerry noted that some DRBs can’t give quality output because they get poor input, so there is a need to teach the parties the what, why, and how to put things together for a DRB presentation. Kerry also mentioned the possibility of creating a program for legal counsel that would teach the process and why it works. Participants would qualify for continuing education credits that attorneys need.

With regard to upcoming workshops, it was reported that Caltrans has signed their order and set aside the money for training. The workshops are expected to be held in October, with a total of eight workshops throughout California, including San Diego, Orange County, San Francisco and Sacramento.

Other potential workshops were discussed. San Francisco has two major projects coming up and Larry Delmore had done some in-house training for them, but it is unknown what additional training they might need. Florida will have the Administration and Practice or Update workshop and the How to Present training back to back this year.

A recommendation was made that a bound Manual be distributed to each workshop attendee, as it carries more weight than our current 3-ring notebook version. Steve Fox was asked to look into the costs of book binding or self publishing the Manual.

Pete Douglass reported that Larry Delmore had presented a proposal to the Ohio DOT. ODOT has said they want to do the training. Kerry said he understood the proposal included a discounted rate in exchange for providing the facility and catering, plus allowing the DRBF to bring in outside attendees with all of those proceeds going to the DRBF. Pete said he would continue negotiations and noted that it would be November before these workshops are held.

Pete Douglass stated that Bernard Becq told him the World Bank would have a mandatory training workshop in November 2007. Gwyn Owen said that the Asian Development Bank has mandated FIDIC training and retained a training group who are traveling to each region over three months to administer the workshops. He noted this could be an option for the DRBF to pursue with other development banks. Gwyn said that the Asian Development



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Bank has a “performance review” department that holds their project teams accountable, and that seems to make the difference in their effectiveness.

Shifting attention to the Northeast region, John Madden said that New Jersey DOT has a clear interest in moving forward but he is unclear about the gestation period. He also noted there is the potential to expand beyond the DOT to other authorities in that state. Hal McKittrick reported that progress has been made with the New York MTA, and it is moving forward on setting up in-house training. They have committed to having DRBs on five projects next year. The first step is to get their DRB coordinator, Ken Lewaine, to one of our trainings, and the hope is that he will attend the Update training in Seattle. The MTA is planning to advertise for Board candidates in ENR, and they want to have the training workshop after that – which would fall in August or September. Hal also said that the Construction Institute has expressed an interest in offering training for contractors. Jim Brady recommended pursuing General Contractors of New York.

Roger Brown updated the Board on the Northwest Conference and Update Training Workshop scheduled for May 25th (now rescheduled to June 25). He asked about the DRBF’s promotional efforts, suggesting he’d like to expand the invitation to non-members. He said he has a strong list of construction lawyers throughout the Northwest, and because they advise owners it would be useful to introduce them to the process through training. The Board agreed and stated no objection to sending out invitations to this group.

A new chapter has been established in Texas. It was noted that the group has a lot of energy and potential, but that it will take a while for the process to grow there. Several Board members expressed enthusiasm for Lynn McDonald and the other leaders in that chapter. A bill is now in the Texas legislature that mandates that DRBs should be considered on all public and private projects.

At this point in time, Connecticut DOT has no interest in DRBs. There is a state version of the federal GSA (General Services Administration) which has some potential, as well as the buildings and sewer industry. There is no request for training at this time, and Blase Reardon is pursuing these contacts.

There are two FIDIC DB training workshops scheduled in May in conjunction with the International Conference. The DRBF is paying a set fee to a course provider, who handles the materials and training, and we are responsible for registrations and promotions. Gwyn Owen noted that both of the trainers in this case are DRBF members.

The idea of “Webinars” was raised, in which the DRBF would create a tape of a training program and sell it online for a flat fee. An interactive version of this was demonstrated by the World Bank last year. It was noted that this would be in addition to the in-person training workshops, not a replacement of them. The target audience would be those who could not attend due to geographic constraints, or those just beginning to learn about the process as they pursue continuing education. Ann McGough was asked to investigate the options, and both Bob Rubin and Hal McKittrick offered to provide her with some contacts.

Pete Douglass noted that he hadn’t gotten far on pursuing free meeting space on university campuses. A suggestion was made that universities might be interested in having a guest lecture while we are on site. Some other ideas for alternative meeting space included state agencies with training centers, and bonding companies that have training centers (one example in Seattle was given). There was some discussion about the possibility of pursuing



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bonding companies as a sponsor, because they have a vested interest in reducing litigation. It might be possible to have the bonding agreement require a DRB.

International Conference

Gwyn Owen reported that there was a recent article about the upcoming conference in the Romanian version of Roads & Bridges magazine which could provide a boost to local registrations. Overall, just over 100 attendees had registered to date, and the financials are on track for a successful conference. New this year is the securing of two sponsors. The sponsors do not want recognition until after the event, in the form of an announcement in the Forum. Gwyn said he is grateful for the strong Board presence at this year's conference. Pete thanked Gwyn for agreeing to pay Steve Fox's expenses so that he can attend the conference as well.

Gwyn reported that he asked Gordon Jaynes and Dick Appuhn to identify potential locations for the 2008 conference, and South Africa came up as the lead candidate. There is strong interest and support in the region, and the South African Development Bank has expressed interest. There was a recommendation to host it in Cape Town over Johannesburg, which is considered more desirable for foreign attendees. Gwyn also noted that Cape Town is a strong tourist destination, and that the timing is ripe for training because the African Development Bank is requiring DBs or arbitration in their contracts. He also noted the Islamic Fund is trying to establish DBs in their contracts. The Board passed a motion to host the 2008 International Conference in Cape Town, South Africa.

Annual Meeting & Conference

Committee Chair Hal McKittrick reviewed the draft program, which had been distributed to all Board members. He noted that the overall theme for the event is "The Future of DRBs in Infrastructure." The planning committee left some open spots on the agenda in order to accommodate the suggestions and recommendations of the Board.

The idea of soliciting sponsors, similar to the International Conference, was discussed. Some concern was raised that perhaps we should wait in case the decision is made to approach sponsors for a larger or more long-term sponsorship basis. Overall, the Board agreed that it is desirable to pursue underwriting with agencies and organizations. It was noted that grant applications should have a specific plan to present on how the grant money would be spent, and that generally speaking foundations don't want to simply fund operating expenses. The Board agreed to have Ann McGough begin work on this project, first by purchasing a book on grant writing, talking to others who have done it, and learning what the requirements are from the various organizations.

Hal stated that he believes the costs for the Annual Meeting will be covered by registration fees, and the Board agreed not to pursue sponsorship for the event at this time.

Regional Representatives

US Regional Rep Committee Chair John Madden reviewed the activity in each region, noting the various organizations that are being pursued at the local and/or regional level. One piece of feedback he received from a rep is that the DRBF needs to do a better job of telling the membership what activities we are doing on their behalf.



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Ten Year Plan

The DRBF is in Phase 1 of the Ten Year Plan. Decision making has been streamlined to the Executive Committee. Each year two members appointed by the president will leave the committee at the end of the president's term and be replaced by two nominees of the incoming president to keep a broad spectrum of representation. Phase 1 is expected to last two years (which would end in October '08). There was some discussion that next year's mid-year meeting could be held in conjunction with the International Conference.

Discussion ensued about the next phase of the plan, in which the leadership structure would change and regions would be established. Romano Allione noted that the first region would likely be Europe, possibly followed by Australasia. A committee has gathered to discuss the future direction of the European group, and consists of Nigel Lowe, William Buyse, and Board members Volker Jurowich, Romano Allione, Gwyn Owen and John Madden. Preliminary discussions have been about defining the region, identifying the countries that offer the most opportunity in terms of DRBF members and Dispute Boards. The group intends to submit a plan for the region at the Annual Meeting in October.

The Board agreed to implement a suggestion that was made to give a brief overview of the Ten Year Plan to the conference attendees at both the International Conference and the Annual Meeting, and to include a chance for questions and feedback at the end of each event. Romano noted that in Bucharest, attendees will need to hear some background on the DRBF, because there will be a higher percentage of delegates who are not members or who are new to the organization.

Hal McKittrick was asked by the Board to create an action plan for moving into Phase 2 which can be vetted by the Executive Committee and then presented to the full Board of Directors at the October meeting. This transition plan will identify the next steps and put a timeline for implementation of each step.

Committee Reports

Pete Douglass said that the Executive Committee has been meeting every two weeks to handle the transition since Larry's death, and that it will now revert back to its monthly meeting schedule. He will send out a list of dates, which will be shifted to allow for the preparation and review of month-end financials.

Bylaw Committee Chair Bob Smith said the committee will review whether or not any revisions need to be made to accommodate the upcoming changes laid out in the Ten Year Plan.

Data Compilation Committee Chair Joe Sperry reported that because the data is incomplete and therefore unreliable, the decision was made to cease the collection of detailed data and provide anecdotal information going forward (new industries, new users, new regions, etc.).

Training Committee Chair Kerry Lawrence said we will offer training sessions prior to the Annual Meeting, as has been done in the past. The committee is considering adding another Train the Trainer session as well.

Gwyn Owen, chair of the Multinational Training Committee, noted that the upcoming International Conference will offer the first opportunity where the DRBF has contracted



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with an outside provider to administer training using our modules and a curriculum approved by the DRBF. Gwyn Owen will present the modules for Board approval at the October meeting, and will pursue having them copyrighted.

The Membership Committee is considering some suggested programs to drive membership. One is to encourage companies to give a gift membership at a discounted rate. Another promotional idea is to send the Forum by email to anyone who attends training, in hopes of pulling them into the fold and with little expense to the Foundation. It was noted that the web site membership form needs to include a place to select whether they want to receive the newsletter by email or snail mail.

Ann McGough said that she had recently proposed either purchasing ads or exchanging advertising with the ABA's *Dispute Resolution Magazine*, AAA's *Dispute Resolution Journal* and other similar publications. She noted that advertising could reach a new audience already interested in ADR, and the ads could promote training workshops and conferences as well as general membership. She asked Board members to send her the names of publications they receive that would be appropriate to consider. She also noted that the DRBF should stake out DRBs and DBs on Wikipedia, the online encyclopedia.

The Nominating Committee reported that there is one vacancy on the Board that needs to be elected at the Annual Meeting. There are currently two resumes under review, and in discussions with those potential candidates the committee tries to evaluate their interest and availability to serve on the Board, and to potentially serve as president in the future.

Joe Sperry reported that because of the changes to the data compilation project, the Manual Committee would like to rewrite the copy on the web site that refers to the database. The Board agreed to this. Joe also stated that the Manual Committee relied on feedback gathered at past Annual Meetings, and without the breakout sessions it is hard to get input from the general membership. The committee would like to get feedback from the trainers, Regional Representatives, and other members who are active on DRBs but don't serve on the Board of Directors. He said the committee would like to have some input on Section 4 (Multinational), noting it may need to be expanded.

With regard to the "Feedback Committee" idea presented at the beginning of the meeting, Bob Rubin suggested creating an ombudsman, similar to the *NY Times*' "Week in Review" column. After some discussion, it was agreed that the Board needs to continue thinking about establishing a formal complaints procedure, and no action was taken at this time.

Subcontractor Involvement In and Access to DRBs

Roger Brown gave a brief overview of some issues that have recently surfaced with regard to subcontractor involvement in DRBs. He wanted everyone to know that he is looking into the issue, and welcomes any input from other Board members. The subject may be explored during the Northwest Conference.

Funding

The Board of Directors continues to seek new avenues for funding the activities of the DRBF. Roger Brown brought up the idea of a tithe, in which DRB members voluntarily give 10% (or some other percentage) of their DRB/DB billings to the Foundation as a tax-deductible donation. Some Board members expressed personal support of the idea, but a



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general skepticism that the general membership would actually do it. It was also suggested that the DRBF should encourage bequests in people's wills.

Another idea proposed is to establish a "President's Club" level of membership, in which participants pledge \$1,000 a year for five years. They would be recognized in the Forum and on the web site. The Board agreed by majority vote to set up the following levels: Silver \$1000, Gold \$2500 and Platinum \$5000.

Other Business

The Board passed a motion to make Al Matthews a "member emeritus." He will be sent a letter and certificate by mail, and Jim Donaldson agreed to write up an announcement for the Forum. Bob Smith will review whether the Bylaws need to be amended to reflect this membership level or not.

Pete Douglass said that he'd like to start a tradition of the DRBF hosting an honorary breakfast for past recipients of the Al Mathews Award to be held during the Annual Meeting and Conference.

The meeting concluded at 6:30pm EST. The Executive Committee will meet by conference call on May 18, 2007 at 12 noon EST. The next meeting of the full Board of Directors (by conference call) is scheduled for Friday, July 20, 2007 at 12 noon EST.

Meeting Minutes submitted by Bill Baker and Ann McGough.