

PROCEEDINGS OF THE INAUGURAL ORGANIZATIONAL MEMBERS MEETING

held in Suite 1409, 386 Park Avenue South, New York, NY,
June 25, 2000, commencing at 10:15 a.m.

Delegates of Association Members in Attendance

Judy Adams	Society of Clinical & Medical Electrologists
Lisa Colley	Society of Clinical & Medical Electrologists
Brenda Craft	National Society of Paramedical Esthetic Professionals
Rhonda Cummings	American Aestheticians Education Association
Bette De Vito	American Electrology Association
Annette Hanson	Esthetics, Manufacturers & Distributors Alliance (ABA)
Christine Heathman	American Aestheticians Education Association
Hannelore Leavy	Day Spa Association
Jim Leavy	Day Spa Association
Vicki Mickey	International Guild of Professional Electrologists
Jennifer A. Rivier	American Society of Esthetic Medicine
Laura Root	American Academy of Medical Aestheticians, Inc.
Sandrine Van Slee	National Association for Holistic Aromatherapy

Delegates of Association Members Not in Attendance

Katie Armitage	Associated Bodywork & Massage Professionals
Stefanie Ashley	International Spa Association
Rose Marie Beauchemin	American Academy of Micropigmentation
Kenneth P. Callison	Allied Health Association
Merlene Hays	Aesthetics International Association
Jill Kohler	The Salon Association
Susan Preston	Society of Permanent Cosmetic Professionals
Ray Testa	American Association of Cosmetology Schools

Welcome and Introductions

Susanne Warfield extended a thank you to Annette Hanson of Atelier Esthetique Institute for holding the meeting at her facility.

Introduction of Facilitator - Kevin Schwenker of Schwenker & Associates.

Self-Introduction of Attendees and the Associations they represent.

Agreement on the Agenda

The facilitator, who had reviewed the background documentation provided by S. Warfield, and drawing upon his own management and organization start-up experience discussed the type of items he felt the attendees should have as goals to achieve at this inaugural meeting:

- 1) Identify the Aims, Goals, Objectives of the Organization;
- 2) Governance and Administration Issues;
- 3) Begin to Delineate Key Initiatives for the next six months;
- 4) Establish an Operating Budget;
- 5) Identify the Next Steps to Implement the agreements of the day.

It was unanimously agreed to proceed with these items in order and the agenda of the day.

History of the National Coalition of Esthetic Associations was given by Susanne S. Warfield.

It had become apparent that there was a need to formally liase with the medical community. It was also in the best interest of the skin care industry to have their voice heard by the largest medical association for skin, hair and nails–The American Academy of Dermatology.

As there was not a singular organization that could say it represented the needs and/or issues of the entire “industry”, it was suggested that a coalition be formed.

The key benefits of this liaison would be:

- i) to build or develop stronger working relationships between physicians, other health practitioners and

- patient advocacy groups;
- ii) to provide a valuable resource for the many issues affecting both the in-office and referral relationships between estheticians and physicians;
- iii) to contribute to the exchange of ideas and interdisciplinary collaboration;
- iv) to provide a conduit for participation in other Academy committees; and
- v) to promote the professional advancement of estheticians.

1. What are the Aims Goals and Objectives of the Organization

At the suggestion of the facilitator, the group was divided into two break-out groups with the mission of answering the following questions:

Why are you representing your organization here? What are the big issues your organization is facing? Are any of these issues NCEA issues? What is the purpose of NCEA? What issues should NCEA address?

Upon completion of group discussion, the delegates were brought back together to hear the reports from each group, and build a consensus on the Aim, Goals and Objectives of the Organization. The following summarizes the conclusions reached by the group.

AIMS

To represent and promote the esthetic and related professions industry.

GOALS

1. To share information on our respective member professions.
2. To build consensus within industry specializations.
3. To present a unified voice on behalf of our industry and each of our professions.
4. To educate our members, related professions and the public.
5. To develop and promote national standards in our industry specializations.

OBJECTIVES

1. a) build a database of information on each member organization;
- b) cross-educate;
2. a) build agreed upon terminology, boundaries of professions;
- b) have conflicting industry specialty professional associations work more closely together.
3. a) lobby on common issues together e.g. the rights of all professionals should be recognized as equal in all settings;
- b) support each other regarding legislation affecting any one of the industry professions.
4. a) education of others on the breadth of the industry and each of its professions;
- b) promote the values and professionalism of our industry, especially to the medical and consumer sectors.
5. a) begin to build a consensus on the core underlying standards in each industry specialization;
- b) minimum levels of education and training as part of certification processes;
- c) standardize certification processes across industry specialization's and states;
- d) develop a code of ethics respecting running or being involved in a practice, salon.

After achieving consensus on the overall purposes and rationale for the organization, the group broke for lunch.

2. How the NCEA should be Governed and Administered

Discussion of Name Change

Given the breadth of interest in the NCEA overall purposes in the few short months since its inception, the list of professions interested in membership had been expanded beyond initial expectations - estheticians, cosmetologists, massage therapists, electrologists, micropigmentation specialists, spa associations, aromatherapists, nail technicians, permanent cosmetics technicians and related corporate and professional associations. Susanne also noted that a nutritionist association had contacted her regarding possible membership.

It was agreed that while the acronym was short and to the point, it did not necessarily accurately capture some portions of the broad membership. As a result, after much discussion, it was agreed to keep the initials (NCEA), but to expand the name to the National Coalition of Esthetic and Related Professional Associations.

Review of ByLaws

A draft set of ByLaws was presented which the group went through as a whole. The draft had been prepared based on those of the Coalition of Patient Advocates for Skin Disease Research and modified by the facilitator based on professional organizations with which he had worked over his career. Modifications to the draft presented were achieved by group consensus.

The Bylaws were attached as Appendix 1.

Governance Issues

There were a number of governance and administration issues settled by agreement on the ByLaws and some other issues that would require policy or procedural discussions in the future.

Issues Settled:

- A detailed purpose for the organization was delineated.
- The NCEA should be managed by an Executive Director.
- That it hold 2 General Membership meetings each year.
- That it be governed by a Board of Directors consisting of seven persons.
- That its voting members be associations of professions of the "industry".
- That private corporations which supported the purposes of the coalition be encouraged to join as non-voting members.
- That individuals who wished to support the organization be encouraged to join and participate through their representative professional associations.

Issues for further discussion (but not needed to be included in the bylaws)

- Should member associations only be national in scope? or
- What is the threshold of membership in a professional organization to be accepted into the coalition? (i.e. should there be a minimum number of members in order for an organization to participate?)
- What are the benefits of Corporate membership and what information is shared with both levels of membership?
- How to deal with conflicts of interest posed by corporate membership, which are in conflict with NCEA's policies, decisions, or research undertaken.

Issues for future consideration (perhaps bylaw amendments)

- Should Board members be elected for two year terms
Perhaps that could commence in 2001 by passing the amendment and electing one half of the board at that Annual General Meeting (AGM) so that there is never a total Board replacement at the same time.

Incorporation as a Non-Profit Association

In advance of the meeting the facilitator and S. Warfield had met with a CPA to discuss the proper form which the Coalition should take under the Internal Revenue Code to achieve tax-exempt status, while being able to achieve its purposes (including lobbying). The appropriate designation was 501 (c) 6 applicable to "Business Leagues, Chambers of Commerce, Real Estate Boards or Boards of Trade"

It was agreed by those present that the NCEA should register as a non-profit association under Section 501 (c) 6 of the national tax code.

3. Key Initiatives of the NCEA

A number of activities were suggested and questions posed about development of a game plan for the next six to twelve months for the Coalition to pursue. These included:

- Define and prioritize List of Issues and activities for the NCEA.
- Determine how the organization should go about lobbying and what issues/legislation it needs to begin lobbying on.
- How do we build awareness of NCEA?
- How do we effectively communicate with our member associations and in turn how do the member organizations promote their participation in the Coalition to their members?
- Many goals and objectives were identified in the consensus achieved under the first agenda item how should the coalition proceed to achieve those goals and objectives and what needs to be done first.

In order to proceed the organization needs funds to operate. Given the time constraints of the day, it was agreed to move on to a discussion of an operating budget. Some of the answers to what can and should be done would be answered in the process of developing the budget.

4. Formulation of a Budget to Support the Initiatives of the NCEA

Expenses

Administration and Governance Expenses

Accounting and Legal

- Form 1024 - required to establish the tax exempt status of the NCEA, preparation and filing of the form requires approximately \$300 (This is a 1X Fee)
- Undertaking a 501c(6) Incorporation - Effort and state fees - \$500 (1X Fee)
Federal Form 990 - required to maintain tax exempt status on an annual basis; this form would include the preparation of proper balance sheets and income statements for the coalition - effort and filing - \$500 annually

Telephone Long Distance

- To cover the long distance expense replying to inquiries and other member business undertaken by the Executive Director over long distance telephone - approximately \$60 per month

Office Expenses

- Such as Stationary and Printing of mailouts to members or in the course of business undertaken by the Executive Director on behalf of the organization

Postage and Delivery

- Courier expense, postage for Coalition mailings

Management Fee

- It is understood that this is a contract position which can be undertaken for a management fee for the first couple of years of the organization's existence. At some point this will have to become a salaried position due to the tax code. The figure agreed upon is a very minor amount - approximately \$200 per month which would normally purchase between 2-5 hours of an Executive Director professional

Board Meeting Expenses

- It was agreed that Association members would fund their own delegates to participate in General Membership Meetings
- Funds were approved to cover teleconference fees and approximately \$350 in inaugural meeting expenses that were not covered by initial membership fees and corporate memberships prior to the meeting. It was agreed that Association members would support the attendance of any Board member from their organization to participate in the necessary face to face meetings of the Board during this first year. Board meetings could be scheduled to take advantage of the regular travel plans of Directors.

Marketing & Lobbying Expenses

Advertising & Promotion Expenses

- It was agreed that the NCEA should publish a simple brochure along the lines of that developed by the Coalition of Patient Advocates, identifying the NCEA's purpose and listing its members. Costs for design (\$250) including revisions as the membership grows, plus publication for general and marketing purposes was identified.
- Member associations would be provided with the graphic electronic file and agree to publish enough copies for their membership

Marketing & Trade Shows

- It was agreed that for the first year, any marketing/promotion of the NCEA at trade shows would be a self funding project drawing on in-kind contributions of show hosts, corporate sponsorships and the efforts of volunteers

Member Communications

- Internal marketing would be undertaken via E-mail and the support of existing members in recruiting those not yet signed up

Web Site Development & Maintenance

- Domain hosting is \$50 per month and design development was approximately \$400 Special Committee Initiatives
- Funds identified to support task force-like responses to key issues

Revenue

- Based on the above discussion, an Expenses side of the budget was prepared, necessitating a discussion of how the NCEA would pay for its program.
- Many ideas were floated, including membership based levies, check off of dues added to each individual member of member associations and straight annual levies from each member association. Those present agreed to a first year levy of \$250 per Association membership (in addition to the \$25 initiation fee). It was agreed that Association Membership should reach 25 with the balance of the budget to be achieved with the recruitment of 2 corporate members by each Association member @ \$250 each.
- The budget was agreed upon as seen in Appendix 2 (as amended with the addition of funds under "Board Meetings" to cover the costs of the facilitator at the Annual General Membership Meeting - see next section).

5. Next Steps

A number of decisions were required to finalize the discussions of the day and move the NCEA forward. A brief re-cap by the facilitator concluded as follows:

Agreement had been reached on:

- The Name of the Coalition
- Its purpose
- A set of initial aims, goals and objectives
- A complete draft set of bylaws
- An operating budget

Agreement was still needed on:

- Setting the date for a follow-up, face-to-face general members meeting
- Selecting an executive director
- Determining a Board of Directors
- Responding to the draft resolution of the AAD
- Setting out a program of initiatives in response to the issues and questions posed in Section 3 above.

Selection of an Executive Director

IT WAS RESOLVED THAT that Susanne S. Warfield be appointed the Executive Director of the NCEA. (Hannelore Leavey/Judy Adams)

The motion carried unanimously.

Next General Members Meeting

It was agreed to set Sunday November 5, 2000 9:00 a.m. to 5:00 p.m. as the date and time for the next face to face meeting of the general membership in Las Vegas, NV at a location to be negotiated with Association Member, ISPA by the Executive Director.

Nominations Committee

IT WAS RESOLVED that Bette Adams and Annette Hanson be appointed as the Inaugural Board Nominating Committee.

FURTHER THAT their nominating Committee report be presented to the Executive Director by August 15, 2000 for appropriate advance distribution and notice as set forth in the new by-laws of the NCEA. (Judy Adams/Rhonda Cummings)

The motion carried unanimously.

Facilitator for Members Meeting

IT WAS RESOLVED THAT Kevin Schwenker to be hired as facilitator for the November General Members Meeting, with fee and expenses to be covered and added to the operating budget. (Annette Hanson/Judy Adams)

The motion carried unanimously.

Key Initiatives

It was agreed that the Executive Director respond to the AAD resolution indicating that the NCEA was in receipt of their proposed motion and that a response would be forthcoming from the Coalition.

The Executive Director was empowered to develop a program of key initiatives and call upon the Association Member delegates present to help fulfill such initiatives in advance of the General membership meeting in November. It was suggested that a survey could be undertaken of Association members to identify the priorities for fulfilling the Aim, Goals and Objectives of the NCEA, which response would form the basis of discussion at the General members meeting in November

6. Adjournment

There being no further business, the meeting was adjourned at 5:00 p.m.