

**APA Board Member Updates**

**June 16th, 2017**

**VP of Conferences**

Subject: Conference Planning: Budgeting, Distribution of Profit and Minimum Profit Policy

**RECOMMENDATION**

*No actions is requested at this time; however, the following future action items are recommended:*

1. *Beginning in 2018, budget appropriately $60,000 from the Chapter’s share of conference profit to cover initial conference expenses incurred before registration opens in May.*
2. *Revisit the policy for distribution of conference profit above $120,000 for future conferences after 2017.*
3. *Supplement the minimum conference profit policy with a profit margin guideline for conferences with higher attendance.*

**DISCUSSION**

Questions have been raised about the reasons for budgeting a higher amount of funds to cover early conference expenses. The Board also discussed revisiting the policy for distribution of conference profit. Additionally, for conference planning purposes, it would be beneficial to consider a suitable profit margin for conferences. These issues are covered in this memorandum. Finally, included is a discussion of the factors that have contributed to the wide fluctuation in conference net income.

1. **Budgeting for Conference Cash Flow**

Current Board policy calls for allocating $32,000 of the previous year’s conference profit to cover initial expenses for the following year’s conference. The Board has discussed that this amount may not be sufficient for future years. A primary factor is that the current contract with the conference management contractor (HPN Global) requires sizable upfront payments of about $42,000 before registration income is generated starting in May. Other contract costs of approximately $3,000-$4000 are also incurred. Additionally, we are finding the need to secure popular venues and vendors earlier. For instance, the USS Midway was secured for the 2018 San Diego conference, which required a deposit of about $12,000. Incidental expenses are also incurred for conference materials and reimbursable travel expenses. While an accurate amount cannot be forecast in advance, setting aside about $60,000 in the conference budget for 2018 is advisable, which would be revisited each year. This is simply an advance for cash flow purposes and does not represent an increase in conference costs or a pre-approval of any expenses. These early expenses will be recouped through future conference income. Additionally, if the payment schedule for the conference management contractor can be adjusted, the budget advance can be reduced. This item can be discussed for subsequent contracts.

*Recommendation: Allocate approximately $60,000 from the Chapter’s share of profit from the 2017 conference to provide sufficient funds to cover early conference expenses for the 2018 conference. These expenses will be covered by future conference income.*

1. **Distribution of Conference Profit**

Registration has risen significantly in recent years due to the rebound in the economy and the increase in APA members. Our policy of minimum $120,000 in conference profit is based on an attendance level of 900. While registrations will continue to fluctuate, if attendance averages 1,000-1,200 in future years, net income could range from $160,000 to $225,000, assuming that conference expenses are contained. However, conference registration will continue to vary by location. Some sections historically attract higher attendance than other sections while the effort to organize a conference is arguably similar. Additionally, attendance can be constrained by the capacity of available conference sites in some sections. The current policy for distributing conference income is financially advantageous to sections with more favorable conference locations.

*Recommendation: It would be beneficial to revisit the policy for distributing conference profit to reflect higher registration levels and net income, and to acknowledge the potential income disparity between sections. Chapter and section priorities for use of conference proceeds should be considered. Options could include raising the income level for the 40/20/20 profit split, or having another distribution formula for higher profits (e.g. $120,000 to $225,000 range) before the 50/50 Chapter and host section split applies.*

1. **Conference Profit Policy**

In addition to our existing minimum profit policy, it would be beneficial to discuss the desirable profit margin for larger conferences. For Pasadena, the minimum profit of $120,000 was easily exceeded due to record attendance. Because registration has fluctuated over the years, a conference budget is prepared based on several assumed attendance levels. Potential income escalates as attendance increases. The current policy is the starting base for budgeting at the 900 attendance level, but a supplemental profit margin criterion could be helpful for budgeting expenditures at higher attendance levels.

Profit margin can be expressed as the percentage of conference gross income retained as conference profit. As shown in Attachments 4-8, profit margin or net income has varied significantly. The table below shows the relationship between conference registration, net income and profit margin. An acceptable profit margin should balance meeting the training and networking expectations of registrants with retaining suitable funds for Chapter and section programs.

|  |  |  |  |
| --- | --- | --- | --- |
| Conference | Registrations | Net Income | Profit Margin |
| Visalia 2013 | 717 | $150,923 | 41% |
| Anaheim 2014 | 1,257 | $35,819 | 5% |
| Oakland 2015 | 1,590 | $135,932 | 17% |
| Pasadena 2016 | 1,758 | $343,488 | 36% |
| Sacramento 2017 | 1,000  (per budget) | $158,942 | 23% |

*Recommendation: Along with a minimum profit of $120,000, a profit margin in the range of 20 to 30 percent would be a suitable guideline.*

1. **Conference Income and Expenses**

In order to better understand conference income and expenses, charts are attached that compare conference income and expenses for the past four conferences (2013-2016) along with the current budget for the 2017 conference in Sacramento based on 1,000 attendees. The charts reveal that the following factors contribute to the fluctuation in conference net income.

***Conference Income***: Registrations are the primary source of conference income. As registrations increase, conference income rises significantly. For example, the 2013 Visalia conference received 717 full and one-day registrations which generated about $280,000 in income, while the 2016 Pasadena conference received a record 1,758 registrations and over $800,000 in income (see Attachment 1). (Rates have also been increased since 2013.) While some expenses (e.g. food cost for plenaries, special events and the opening reception) are adjusted as conference registration increases, sufficient cushion is available in the registration fees to absorb this differential. Each conference also has fixed expenses that are incurred regardless of the number of conference registrants, so as attendance rises, the economy of scale becomes more favorable.

Revenue from sponsorships are also essential for reaching our conference profit goal. The amount of revenue generated is not as large as registration revenue, but comparatively, sponsorships can represent a significant portion of net income. For the Pasadena conference, sponsorships totaled $144,675 compared to a net income of $343,488.

***Conference Expenses:*** In reviewing expenses for recent conferences, key factors account for the fluctuation in net income between conferences. Attachments 2 and 3 compare conference expenses by general categories on a total and per attendee basis. Additionally, Attachments 4-8 show the breakdown of expenses and the resulting net income for each conference. Combined with a record level of registration and a successful sponsorship program, the following cost factors are responsible for the sizable profit from the Pasadena conference:

* Total expenses relative to gross revenue were lower for Pasadena than other conferences. Pasadena was able to have 36 percent of gross revenue preserved as income or profit, whereas the percentages for Oakland and Anaheim were 17 percent and 5 percent, respectively (see Attachments 5, 6 and 7).
* Pasadena reduced the total cost for meals and other catered events. Specifically, the cost of the opening reception was significantly lower than past conferences despite the record attendance level, and eliminating a lunch plenary avoided a $50,000 to $60,000 expense.
* While administrative and facility costs for the Pasadena conference increased from prior years, these increases were substantially offset by the larger reduction in food and opening reception expenses and high registration income.

Discussed below are items that will affect conference expenses in the future:

1. Food/Opening Reception: The combined cost for food and the opening reception represents by far the most significant conference expense. These expenses have fluctuated widely between conferences. Anaheim planned an ambitious opening reception ($154/person), while Pasadena’s opening reception was relatively modest ($42/person). Oakland and Anaheim planned a “full service” conference with multiple events featuring food (total food $180/person), while Pasadena eliminated a lunch and pared down other food costs for breaks, breakfasts and other events (total food $109/person). Visalia only planned an opening reception (other events may have been fully sponsored), which largely explains the impressive conference profit despite the lower attendance.

Food catering costs have continued to rise so planning a “full service” conference may not be realistic without raising registration rates or securing substantial sponsors. Eliminating a lunch in Pasadena resulted a significant savings of about $50 to $60 per person. Sacramento is continuing Pasadena’s precedent by providing one plenary lunch only, and will also substitute the Tuesday brunch with a lower-cost continental breakfast. Attachment 3 illustrates the significant variation and recent reduction in food and opening reception costs per attendee. Events with food catering costs are the primary source of conference expenses. While controlling these expenses is important, it should be balanced with meeting the expectations of attendees and ensuring a quality conference experience.

1. Administration: The majority of administrative costs pertain to the contract for our conference management contractor (HPN Global), which includes the registration company. In 2015, the Chapter secured a new contractor. The current contract cost is higher than for the previous firm. The amount has also gradually increased with each annual contract. However, when administrative costs are evaluated on a per attendee basis (Attachment 3), the increase is not as significant. Additionally, the cost for registration management is predicated on a base fee, plus an added charge for each registration. Therefore, administrative costs for the Pasadena conference were higher than for prior conferences.

Keeping administrative costs in check is an objective for future conferences, while recognizing that larger conferences are more complex to manage. Event management is a competitive field, so periodically assessing the marketplace with a request for proposals would be advantageous. However, staying with one contractor for multiple years is beneficial for continuity since we have a different Conference Host Committee each year. Conference registration may also shift to an online module developed by APA national, although the cost and timing are uncertain at this time.

Credit card fees has increased in recent year. While obviously related to the number of registrants, it would be beneficial to explore with credit card companies if these fees can be reduced. Electronic check payments are now available, but this option has been sparsely used.

1. Meeting Facility: While conference meeting rooms are included with the contract for hotel rooms and food/drink minimums, other facility expenses are incurred for conference set up. The main expenses are audio-visual requirements and exhibitor hall set-up. HPN secures contracts for both services with our approval; the conference center also provides referrals. As shown in Attachments 2 and 3, these costs have increased in recent years. Factors contributing to this increase are higher labor costs and union requirements, especially at more urban locations, and the general rise in wages. While these contract costs are difficult to control, proactively seeking competitive bids for these services will help.
2. Publicity/Social Media: This category includes assorted items, and expenses have not increased substantially. The most significant item pertains to creating the mobile app for each conference; thus far, this contract cost has remained stable. In the future, if conference publicity and administration encompass a greater use of social media tools, expenses could possibly increase.

Subject: Conference Planning Updates – 2017, 2018 and 2019 Conferences

**RECOMMENDATION**

The San Diego Conference Host Committee recommends that the Board approve the theme for the 2018 Conference: “Shaping Our Future – Planning Places for All.” This theme reflects the importance of inclusive planning to respond to the cultural and economic diversity of the state’s population.

**DISCUSSION**

Other than the above recommended action, this report provides for information only an update of conference planning for 2017, 2018 and 2019.

2017 Conference – Sacramento, September 23-26, Sheraton Grand Hotel/Sacramento Convention Center

The planning of the 2017 conference is well underway with the following recent accomplishments, which were completed on time and on schedule:

• Program Sessions: All program sessions have been selected and scheduled and moderators/organizers have been notified with instructions provided. AICP CM credits are being processed for the qualifying sessions. Session rooms will be assigned soon. With participation of the VP for Professional Development and VP for Marketing and Membership, 11 sessions have been selected for recording for online AICP CM training after the conference. Working with the CHC Program Sessions Co-chairs and Planning Commissioner Representative, a Planning Commission and Board Breakfast and sessions for appointed officials are scheduled on Sunday, September 24. A new feature will be “soapbox presentations,” short presentations by speakers on assorted topics.

• CPR/SGC Workshop: Recently announced, a joint workshop led by the Governor’s Office of Planning and Research (OPR) and Strategic Growth Council (SGC) will be included in the conference program. This workshop will be held on Monday, September 26. Topics will include but are not limited to the General Plan Guidelines, CEQA Guidelines, Integrated Climate Adaptation and Resilience Program, and SGC programs.

• Mobile Workshops: Similar to the Program Sessions Committee, this committee has completed a substantial portion of its work. Nineteen (19) mobile workshops are being offered at the conference and reservations are being accepted with online registration. Final details and logistics are being worked out.

• Opening Reception: Closure of a block of “R” Street was tentatively planned for the opening reception. Catering cost and other factors have prompted the committee to reevaluate this location and research possible alternative sites, with the State Capital Grounds being the front runner. Entertainment has been selected, and the site and caterer for the reception will be finalized soon.

• Sponsorships: Sponsorships are actively being sought by the CHC. An update on sponsorships will be provided on our conference call. The layout of the exhibitor space has been prepared and, as of June 2, 15 of the 40 available booths have been reserved. Additional sponsors and booth reservations are in process.

• Registration: Conference and hotel registration was activated on May 2. The Conference-at-a-Glance and Conference Program have been posted on the conference webpage along with other information. I will update the Board on the status of registration on our conference call. Early registration closes on June 24. The Board approved by email vote in May an interim policy to allow a 10 percent discount for 10 or more registrations from a single agency or firm.

• Student Programs/Young Planners: The Student Programs/Young Planners Committee has developed a rich complement of programs and social activities to attract students and young planners to attend and participate in the entire conference. This includes an exclusive Student Orientation and Walking Tour on Saturday morning, a Student/Young Planners Group Mixer on Saturday evening, a Sacramento Riverfront Charrette on Sunday (including walking tour, hands-on charrette, and session report-out), a Student Lunch with Young Planning Professionals on Monday, and a Student/Young Planners Scavenger Hunt on Monday afternoon.

• Volunteers: Completed activities have included: creating a Call for Volunteers postcards (student and regular); finalizing list of benefits that we can offer volunteers; continuing to build the volunteer list; sent out student recruitment emails to UC Berkeley, UC Davis, Sacramento State and Chico State; developing a volunteer schedule with pending adjustments based on volunteer needs from other subcommittees; and acquiring a volunteer t-shirts and glow sticks (from the Pasadena conference committee).

• Conference Facility: A site visit with the hotel and convention center staff was held on May 16 to review session rooms, conference set-up and other meeting logistics for the convention center contracted space.

• CPF Auction: The auction is planned for Monday, September 26, 6:00 pm – 7:30 pm. Firms and groups planning a reception that day are being asked to delay the start time until after 7:30 pm.

• Publicity/ Cal Planner: Recent issues of the Cal Planner have include ads to promote the conference. Articles for the conference issue are being prepared by the CHC Publicity Committee (deadline June 22.) A conference call was held with the VP for Public Information to discuss possible articles and other conference information for this issue.

**2018 Conference – San Diego, October 7-10, Sheraton San Diego Hotel & Marina**

In addition to the following, a conference planning update from the 2018 CHC is attached.

* Conference Host Committee: The CHC held a recent meeting in May to solicit interest to fill the remaining unfilled committee chair positions and to recruit volunteers to staff the committees. The meeting was well attended with plenty of good energy. I participated by phone to provide a conference planning overview. The CHC also selected a theme for the conference: “Shaping Our Future – Planning Places for All.”Regular conference calls with the Co-chairs, VP for Conferences and conference contractors will begin after the 2017 conference.
* Conference Logo: With agreement on the conference theme, the CHC is now focusing on developing the conference logo. They recently issued a request for proposals for local design/planning firms to submittal proposals for a logo, which will be used on promotional material at the 2017 conference.
* Opening Reception: As was previously reported, the USS Midway has been secured for the opening reception; an initial deposit of approximately $12,000 has been paid. The CHC is exploring possible caterers for the reception. The Midday is a fitting and memorable location to celebrate the 70th anniversary of the APA California Chapter.
* Budget: The Conference Co-Chairs have started preparing a preliminary budget for the conference using the updated budget template and line item costs from prior conferences for reference.

Subject: Conference Planning Update for the 2018 Chapter Conference, San Diego

Planning for the 2018 conference in San Diego is well underway and successfully on schedule based on the tasks and actions set forth in the Conference Handbook Timing Roadmap. As Conference Host Committee (CHC) Co-chairs, we want to share with you on what has occurred so far and what we anticipate moving forward near-term.

In addition to the key accomplishments noted in the January 2018 report to the Board which included conference site and date selection, conference co-chair appointments, and opening reception site selection, the 2018 CHC Committee has been moving forward and completed the following actions:

* The Co-Chairs have been actively recruiting members for the CHC via Section eblasts, newsletters and word of mouth.
* The 2018 CHC has officially launched with a kick-off meeting held on May 17th. Subcommittee chairs and most needed positions have been assigned as follows:
* Conference Co-chairs – Carey Fernandes, Gary Halbert, Brooke Peterson
* Sponsorships Subcommittee – Laura Black, City of San Diego and Gary Halbert
* Programs Subcommittee – Anna McPherson, City of San Diego and Mark Teague, PlaceWorks
* Special Events/Opening Reception Subcommittee – Greg Mattson, Rick Engineering and Carolina Illic, SANDAG
* Mobile Workshops Subcommittee – Brian Grover, Dudek & Associates
* Volunteer Subcommittee – Sharon Singleton, KTU+A
* Sustainability Subcommittee – Renee Yarmy, Port of San Diego and Kelly Bray, Ascent Environmental
* Publicity Subcommittee – Betsy McCullough and Brooke Peterson
* The 2018 CHC has selected the conference theme “Shaping Our Future – Planning Places for All” for Board approval.

Next Steps:

* Development of a conference theme logo to place on giveaways in Sacramento as well as draft call for presentations and exhibit map/sign-ups- Prior to the September 2017 Chapter conference. The CHC will be conducting a logo design competition for the conference logo based on the selected theme.
* Continued recruitment of volunteers will be sought for the typical subcommittees that operate during the conference.
* The Sponsorships Subcommittee will begin its work this summer in order to have the Sponsorship Package prepared for the 2017 conference.
* The CHC will meet in August to select its logo and identify program tracks in order to prepare the Call for Presentations so that it is ready immediately following the 2017 conference.
* Conference co-chairs will begin to prepare the draft conference budget for approval at the Board Retreat in January 2019.

**2019 Conference – Santa Barbara, September 15-18, The Fess Parker Resort**

**•** Site Selection: As transmitted by memorandum to the Board earlier this month, The Fess Parker Resort was recommended as the site for the 2019 conference by the Site Selection Committee and VP for Conferences. A date of September 15-18 was also recommended (Sunday start date.) This site was recommended as the only feasible location in the Central Coast Section given the meeting requirements for our conferences. The VP for Conferences and Site Selection Committee met with hotel staff to discuss maximizing the meeting space since attendance is expected to be higher than prior conferences held at this same facility (2003 and 2011.) The available dates were also limited as Santa Barbara is a popular location for fall conferences and events. With the assistance of HPN Global, the contract was executed following Board approval of the site and date by email vote in early June.

• Conference Host Committee: The Section held a kick-off meeting for conference planning in May. Co-chairs have been selected and these names will be presented to the Board at our meeting in September for confirmation. Committees are also being created with ongoing outreach to Section members to fill these committees.

**VP of Marketing and Membership**

**Great Places in California -**A minor change was made to the overall program description to discourage submittals for excessively large or remote areas. Below is strike-out/underline.

“A Great Place in California is one that exemplifies character, quality, and excellent planning. A Great Place ~~is unique in that it can range from the beach to the mountains and~~ may be found anywhere from a large city to a small rural community. ~~Furthermore it~~ It may encompass a vibrant downtown, a suburban gathering place, a historic small town, a public park, or a preserved open space. But most importantly, it must be a place where people want to be.”

John Hildebrand and I generally agreed that the great places should be walkable in scale, connected to urban or rural settlements, and not include remote parklands.

Next steps are to work with the Great Place winners to obtain additional materials for the award videos.

**Diversity and Inclusion -**Work is continuing on the Diversity Summit which may be recorded again this year.

The title is: *Supporting Vulnerable Communities*: *Lessons Learned from a History of Urban Renewal   
and Displacement.*The program will begin with a showing of the film “Replacing the Past – Sacramento’s Redevelopment History,” which won the Sacramento Valley Section’s local vision award for 2017. Panelists include: Dan Ansden, AICP, Moderator; Chris Lango, Director of the film; Yolanda Moses, Professor of Anthropology, Associate Vice Chancellor for Diversity, Equity and Excellence, UC Riverside; and Katie Valenzuela Garcia, former Board member of the Oak Park Neighborhood Association and Founding Principal of Valenzuela Garcia Consulting.

An additional inclusion/diversity session: “*Creating a Culture of Inclusion and Diversity in the Workplace*” is also slated to be recorded.

**YPG** - No report this month. Activity will pick-up as the conference approaches.

**University Liaisons** – TBA

**Northern Section Report**

Board meeting

* Highlighting a couple of events:
  + Speed Networking Event w/ ULI and AIA.
  + Creation of the Hive-Happy Hour w/ AEP.
  + OPR Brown Bag: Planning for Healthy, Resilient, and Vibrant Communities
    - Discussed the new general plan guidelines and focus on Climate Change Adaptation and Resilience (SB 379), Environmental Justice (SB1000) and Healthy Communities in General Plans.
  + [2017 Annual Law and Ethics Sessions](https://www.planning.org/events/eventsingle/9121946).
  + 5th Annual Acronym Happy Hour w/ YPT, ITE, WTS, & APBP.
  + Place-It! Style activity with 1st graders at Los Medanos Elementary.
  + Urban Hike and Happy Hour in Oakland.
  + Subdivision Map Act in the Redwoods.
* Offered 40.25 CM Credits.
  + Offering more webinars to reach the entire Section.
* Refreshed our eNews
* Building a new Website that will be a one-stop shop.
  + The project is underway and will involve a comprehensive review of existing web functions and we have contracted a web developer to undertake the update. Priorities include items such as making the calendar look better and enable people to subscribe to a calendar feed. We’re discussing possible themes and approaches for web use and interfaces moving forward.
  + We anticipate launching the new website this summer after incorporating requirements from all programs.
* Wrapped up our Mentorship program w/ 200 participates. The one-on-one mentoring program is now one of the largest in our organization.
* Partnered w/ other organizations such as AEP, SPUR and ULI to provide quality programing that meets our membership needs throughout the Section.
* Wrapped up the 1st Northern Section Speaker Series.
* YPG created inaugural steering committee.
* International Co-Directors completed a successful International Planning Tour to Singapore, Vietnam and Indonesia, and a smaller post-group tour to Cambodia. Several partners from the trip indicated interested in collaborating in the future and others are interested in establishing an AICP type process for their location.
* Revamped the Section Awards program
  + Simplified the applications
  + APA Awards application includes local chapter only award.
    - Planning and Health; Social and Environmental Justice; Planning and Food Systems; Great Places in the Northern Section and Emerging Planner.
  + Changed the presentation format to a professional video production.
  + Pre-Gala historical walking tour.
  + Local recognition Great Places of California.
    - City of Lafayette is the 1st Northern Section awardee.
  + Local recognition of two National Awards.
  + Raised an additional $1,400 for CPF scholarships.

Upcoming Activities/Tasks

* Creating a mini-conference w/ Silicon Valley Economic Development Coalition to bridge the gap and between planning and economic development. The Conference will be in Santa Cruz this October or November.
* Working w/ the Chapter to modernize our AICP program.
  + Northern Section members (Tracey Ferguson and Cherise Orange) are working w/ our Chapter VP of Professional Development to modernize our AICP program. This will enhance the Chapter AICP program and provide resources for the entire state in one place for all Sections to access.
* Collaboration piece arising from a previous international tour and agreements will be finalized soon. The collaboration relates to urban planning in favelas and would involve participation by two universities, one in Brazil and one in the USA.
* Started planning our Planning Commissioner training and will be working w/ the Chapter Planning Commissioner for additional resources.
* Revamping the Holiday Party.
* New programing for National Community Planning Month.

**Chapter Historians**

  2017 Conference:  Larry Mintier continues to work with the local host committee for the 2017 Conference on potential sessions dealing with the history of California planning.

  Planning Pioneer Nomination:  Steve Preston has reached out to Cal Poly Pomona for their assistance with a proposed Planning Pioneer nomination for the late Margarita McCoy, FAICP.  Cal Poly has agreed.  The nomination was authorized by the Chapter Board at the conference last year.

  LARPHG:  Steve Preston is representing APA California on the LA Regional Planning History Group, which is developing a database and interviews concerning early planners of color, women, and members of the LGBTQ community.  The results of this research will be presented Saturday, October 28 during a colloquium at the Huntington Library.