



ACTION MINUTES

APA California Board Meeting and Retreat

The Sheraton Petaluma, California

January 27th and 28th, 2017

ATTENDEES:

EXECUTIVE BOARD

President	Pete Parkinson, AICP
Past President	Hing Wong, AICP
VP, Professional Development	Kimberly Brosseau, AICP
VP, Administration	Kristen Asp, AICP
VP, Conferences	Hanson Hom, AICP
VP, Membership & Marketing	Greg Konar, AICP
Commission and Board Representative	Stephen Haase, AICP
Student Representative	Daisy Villafuerte
California Planning Foundation	Juan Borrelli, AICP

SECTION DIRECTORS

Central	Rob Terry, AICP
Central Coast	Chris Williamson, AICP
Inland Empire	John Hildebrand
Los Angeles	Ashley Atkinson
Northern	Sharon Grewal, AICP
Orange	Amy Stonich, AICP
Sacramento Valley	Tricia Stevens, AICP
San Diego	Rachel Hurst, AICP

APPOINTED MEMBERS AND GUESTS

California Roundtable President	Coleen Clementson, AICP
Planners Emeritus Network	Bob Paternoster, FAICP
University Liaison – Northern	Julia Lave Johnston

NATIONAL MEMBERS

APA Director, Region VI	Kurt Christiansen, FAICP
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AICP, Region VI

Marissa Aho, AICP

STAFF

Stefan/George – Executive Director/Lobbyist
Stefan/George – Executive Assistant/Lobbyist

Sande George
Lauren De Valencia

GUESTS (SATURDAY ONLY)

Sac Valley Conference Co-Chair
Sac Valley Conference Co-Chair
Sac Valley Conference Co-Chair

Jeannie Lee
David Kwong
Bob Lagomasino

ACTION ITEMS FROM BOARD MEETING

I. CALL TO ORDER

President Pete Parkinson called the meeting to order on Friday, January 27th, 2017 at 10 am.

II. APPROVAL OF CONSENT ITEMS

Approval of the Consent Items: Pete Parkinson added an item to the agenda to discuss the 2016 conference profits.

The Board moved, seconded and passed to approve the Consent Items, including the agenda addition as noted above. *Unanimous vote.*

III. ACTION ITEMS

Financial Procedures Sub-Committee ACTION: The APA California Chapter and many the Sections were hit by an email scam at the end of December 2016. The person(s) behind the scam pretended to be the highest leader of the organization. In one case, as the President, and in the other cases, as one of the Section Directors. The person(s) customized each email and made it look like it came from the President or Section Director by using their email addresses and sending it to the financial person (treasurer or administrator who has access to the funds). Changing an email header is fairly easy to do. Hing Wong would like to appoint a subcommittee to look at the procedures of the Board regarding financial policies and activities.

That committee will be: Hing Wong, Pete Parkinson, Kristen Asp, Francine Farrell and John Hildebrand.

APA California Credit Card Change: Kristen Asp asked the Board to approve the addition of Lauren De Valencia y Sanchez as a signatory to the new APA California Conference account with Bank of America, and to approve changing the account

name from “CCAPA Conference” to “California Chapter, American Planning Association” with a sub-title of “Conference Account #1”.

The Board moved, seconded and passed to approve adding Lauren De Valencia y Sanchez to the existing CCAPA Conference account and gave approval to change the name to California Chapter, American Planning Association with a sub-title of “Conference Account #1. *Unanimous vote.*

Misc. Budget Approvals and Pass-Through Budget Items: Kristen Asp recommended a new policy to the Board regarding pass-through budget related items. Kristen suggested that if there is a pass-through on a budget item, a Board vote would not be required. The VP of Administration and the Executive Director would be responsible to approve these transactions as needed.

Kristen also asked the Board to approve the following overage differences since the October 2016 Board Meeting:

- LI 93 Misc. Rev – [All preapproved by Board] \$45K to open new BofA general checking account., offset by Expense LI 904 Misc. expense; \$37,500 from National for the Plan4Health Cohort 2 payment (pass through w/line item 904 Misc. Expense); \$15K Transfer from Reserves (pass through w/LI 904)
- LI 108 Office Supplies: \$281.89 – Based on actual expenses and additional check supply for new BofA account.
- LI 109 Postage: \$379.41 – Based on actual expenses.
- LI 202 President Elect/Past President: \$282.32 – Based on actual expenses.
- LI 512 Website Support Services - \$1,104 – 2015 expenses paid in 2016 coupled with under budget issue previously approved.
- LI 904 Misc. Expense - \$115,103.35 - \$45K to open new BofA general checking account; Pass through for \$30K to Seed conference accounts; pass through for Plan4Health \$37.5K in addition to \$150K WalkSacramento Grant Funding to open checking account. Offset by Income Line Item 93; and, \$3,560 Conference Accounts Audit that was approved at the last board meeting.

The Board moved, seconded and passed to approve the above overage differences for the 2016 budget. The Board also approved the recommendation that pass-through budget items would not require a Board vote. These items would be up to the discretion of the VP of Administration and the Executive Director to review. *Unanimous vote.*

Southern Awards Coordinator ACTION: Kristen Asp asked the Board to send her recommendations for a new Southern Awards Coordinator. She will bring that appointment back to the Board for a vote once someone has been selected.

CPAT Application Approval: Bob Paternoster asked the Board to approve the Kingsberg application for the new CPAT program (Community Planning Assistance Team), providing that the application proves to be financially feasible. CPAT program applications requires approval by the Board.

The Board moved, seconded and passed to approve the Kingsberg application for the CPAT program. *Unanimous vote.*

Bylaws: Pete Parkinson asked the Board to approve the final changes to the Chapter Bylaws. The Full Board was presented with changes to the Chapter Bylaws at the October 2016 Board Meeting. They were also posted on the APA California website for over 30 days per requirements of the Bylaws adoption.

The Board moved, seconded and passed to approve the Bylaws. *Unanimous vote.*

Financial Policies: In June 2016, a subcommittee of the Board began work on updating the Chapter's Bylaws and the Financial Policy document. The subcommittee included Chapter President, Hing Wong, VP Administration, Kristin Asp, VP Conferences, Betsy McCullough, VP Policy & Legislation, John Terell and Central Section Director Ben Kimball. Executive Director Sande George and Accounting Services contractor, Francine Ferrell were also heavily involved.

The policies have been substantially reorganized and reformatted. Despite these major changes in organization, the substance of the policies is not significantly different. Nonetheless, there are 3 important changes to point out:

1. To help streamline the policy document, the listing of budget line items has been moved to an Appendix that reflects the adopted 2017 budget. The policy statements that had been intermixed with the list of line items have been retained in the policy itself. The list of line items in the Appendix can change as-needed, without having to amend the policy itself.
2. With Betsy McCullough's help, this update includes a new section on conference financial policies that is intended to be the foundation for the more detailed provisions contained in the Conference Handbook. The new section on Conference Bank Accounts and the discussion of Conference profit & loss reflect the Board's actions at our last meeting.

3. There is a substantially revamped section on reserves.

This update also includes various clarifying suggestions from Francine and Betsy. Many of Francine's revisions are to update/clarify the financial requirements for Sections. These aren't major changes, but Section Directors should review them carefully.

The subcommittee recommended that the Board adopt the updated Chapter Financial Policy with the addition that Board approval for pass-through changes are not required (per the previous vote at this meeting). Sande George will develop specific language for the pass-through items and review it at the next Executive Board Meeting.

The Board moved, seconded and passed to approve the Financial Policies. Unanimous vote.

2016 Conference Profit: The Chapter relies on two primary sources of revenue: Chapter dues paid by members and profits from the annual conference comprise almost 90 percent of total Chapter revenue in the adopted 2017 budget. Although decisions by the Chapter Board have some effect on revenues, these revenue sources are also affected by factors outside of the Chapter's direct control. Consequently, the Chapter's revenues have been subject to substantial changes from year to year, which has, among other things, resulted in a significant drawdown of the Chapter's reserve fund. Membership is rebounding from the impacts of the recession and profit from the 2015 was robust and the 2016 conference profit was truly extraordinary. In October 2016 (before knowing the 2016 results), the Board adopted a budget and a new policy on Chapter finances that will begin to rebuild Chapter reserves. It's not expected to see a repeat of the 2016 conference profit and the Chapter remains heavily dependent on two sources of revenue that it does not directly control.

This situation was recognized at the 2016 retreat and was included as part of the action plan adopted in January 2016. Some actions have already occurred (e.g., review of Chapter budget structure and a closer look at transfers from reserves) while others are still developing (e.g., "conference on the road"). The Chapter's long-term financial stability warrants continued focus from the Board, which could include addressing the following questions:

- What additional revenue sources are available, especially those that provide value-added services to our members?
- What strategies can the Chapter and Sections use to retain current members and grow our membership?

Greg Konar asked to see the final budget from the 2016 conference to better understand how the conference exceeded conference profit goals and to help future conference planning.

Pete Parkinson recommended putting together a subcommittee to discuss the questions posed above. **Members of that subcommittee will be: Pete Parkinson, Hing Wong, Tricia Stevens and Ashley Atkinson.** The committee will also discuss how to best utilize the remaining profit and make recommendations to the Board.

The normal conference profit distribution of \$120,000 will be made to the Chapter/Sections as normally scheduled.

The Board moved, seconded and passed to approve the formation of the committee (as listed above) to look at how best to use the remaining conference profit from the 2016 Conference. The normal conference profit distribution of \$120,000 will be made to the Chapter and Sections as normally scheduled. Unanimous vote.

Percentage-Based Dues Structure: APA (National) dues are based on each member's annual income. APA members also pay Chapter dues, which are currently set at a flat rate of \$105 per year for all California members regardless of a member's annual income. The Chapter dues paid by APA members are the basis for the dues subventions that account for about two-thirds of the Chapter's annual income. Chapter-only members pay a flat fee of \$115 per year, paid directly to the Chapter rather than through APA.

The APA Chapter Presidents Council is encouraging all Chapters to switch to a percentage-based dues structure (i.e., where Chapter dues would be a percentage of the member's APA dues). This has not been adopted as a "mandate" by the APA Board of Directors, but is worthy of consideration.

There are two main reasons for considering this approach. First, like the income-based APA dues structure, percentage-based Chapter dues would be more equitable because members with lower annual income would pay lower Chapter dues. In fact, as discussed below, many members would see their Chapter dues go down under this arrangement. Second, Chapter dues would be tied to APA dues, so when APA dues go up (either a dues increase approved by APA or the member moves into a higher income category), the Chapter dues (and Chapter revenue) go up too. Among other things, this would avoid the necessity of the Chapter Board needing to regularly revisit the issue of where to set Chapter dues.

There are also a couple of potential downsides in switching to a percentage-based Chapter dues. If the Chapter sets the percentage too low, it will reduce the Chapter's dues subventions, the main source of operating revenue. On the other hand, a higher percentage will increase a larger portion of our members' dues,

which could result in a loss of some members who decide not to renew their memberships.

Pete Parkinson and Hing Wong have analyzed various percentage scenarios based on membership data provided by APA. This data was divided by Section and shows the number of members in each income category as of mid-June 2016. These membership numbers were used to estimate Chapter revenue under various scenarios, including our current flat rate and several percentage scenarios.

If the Chapter wants to maintain revenue at approximately current levels, Chapter dues could be set at 36% of APA dues. Based on the mid-2016 “snapshot” of California’s APA membership, this would result in a 0.83% reduction in Chapter dues revenue, or about \$2,600 based on 2016 subventions received. Each percentage point change in Chapter dues equals about \$9,600 in revenue. Thus, setting dues at 35% would reduce revenue by about 3.7% and setting Chapter dues at 37% would increase revenue by about 1.9%.

At 36%, just over half of the members (about 55%) would see virtually no change or a reduction in their annual dues. However, about 45% of members would see a dues increase, roughly as follows:

- 11% of members (those in the \$90K to \$99,999 income category) would receive a \$10/year increase, or about 1.7% to 2.3% (depending on whether the member is AICP)
- 15.5% of members (\$100K to \$119,999 income) would receive a \$21/year increase, or about 3.3% to 4.6%
- 11.3% of members (\$120K+ income) would receive a \$31.80/year increase, or about 4.7% to 6.5%
- 7.3% of members (“undisclosed” income category) would receive a \$33.60/year increase, or about 5% to 6.8%

Given the relatively small magnitude of these dues increases only for members in the top income categories, and given that dues will go down for members in the lower income categories, Pete and Hing believe that a percentage-based Chapter dues structure would be acceptable to the vast majority of APA California members. Moreover, this change will likely be viewed positively for prospective new members, many of whom are just getting started on their planning careers and will see lower dues as a result.

Alternatively, the Board may wish to set Chapter dues at 37%. This would provide a small increase in dues revenue to the Chapter (1.9% or around \$6,000 based on our 2016 dues rebate) but would result in increased dues for a larger portion of our membership, although the magnitude of that increase remains relatively

small. Most members would pay around \$5 per year more with dues set at 37% compared to 36%. At 37%, about 43% of our members would still see a decrease in their Chapter dues.

The Board discussed the various percentage options presented by Pete and Hing. Board members did raise concerns with the possibility of losing members that would see the increase and losing revenue if the increase was not enough.

Kristen Asp noted that at 37% the Chapter would barely make a little more than what is expected from subventions. Kristen said that she would be interested in a slightly higher percentage. Specifically, she asked that more analysis be done beyond 37%, up to 40%.

Pete agreed to table to discussion until tomorrow and present the Board with analysis of dues at 38%, 39% and 40%.

Saturday, January 28th

Percentage-Based Dues Structure Continued: Pete Parkinson and Hing Wong circulate new numbers on percentage-based dues at 38%, 39% and 40%. Members received this in email prior to resuming the Board meeting on Saturday.

Board members discussed the various numbers and expressed concerns generally on both sides that taking the higher percentages could impact members too much or that taking the lower percentages would not ensure that a financial impact would result in lower Chapter revenue.

Board members agreed that regardless, this change would need to be communicated properly to the membership. They also felt it would be important to discuss how the excess funds would be used and some members had concerns that the profits might be used for one time initiatives that the Board has not been able to initiate in the past. Given that, the Board decided not to discuss how the potential additional revenue would be used until that revenue is actually seen.

After further discussion and motions to set the dues structure at a lower percentage, which failed to gain enough votes, the Board decided to set the Chapter dues structure at **40%**. Moving to the percentage-based dues structure will allow the Chapter to be consistent with National APA. Additionally, at 40% this will likely be at a rate that would not require the Chapter to raise the dues in the years to come based on the projected revenue.

The Board moved, seconded and passed to approve moving the Chapter to a 40% percentage-based dues structure. *Unanimous vote.*

Membership Inclusion Director: Greg Konar recommend the appointment of Erica Gutiérrez as Membership Inclusion Coordinator for Southern California.

The Board moved, seconded and passed to approve the appointment of Erica Gutiérrez as Membership Inclusion Coordinator for Southern California. *Unanimous vote.*

2017 Conference Sponsorships: The Sacramento Valley Section Co-Chairs presented the 2017 conference sponsorship program to the Board for approval. The sponsorship target amount has been set and follows a similar pattern to what has been implemented in previous conferences.

The Board moved, seconded and passed to approve the 2017 conference sponsorship program. *Unanimous vote.*

2017 Conference Budget: The Sacramento Valley Section Co-Chairs presented their draft budget to the Board for preliminary approval. They noted that there will be changes made in the coming months and if there are significant changes to the budget, the Co-Chairs would bring the budget back to the Board for further approval. The budget has a range of profit based on 3 different scenarios of attendee numbers.

Kristen Asp told the Co-Chairs that she was concerned that at the estimated profit for the lower number of attendees doesn't meet the Board's recently adopted revenue projection requirement of \$120,000.

Hanson Hom said that they would work to increase the profit so that if the lower projection of attendees did in fact happen, the profit would at least meet that \$120,000 minimum requirement.

The Board moved, seconded and passed to approve the 2017 draft budget with the caveat that the VP of Conferences and the Conference Co-Chairs would make sure the minimum conference profit would be budgeted for. *Unanimous vote.*

IV. ADJOURNMENT

The Board Meeting was adjourned at 4:30 pm.