

**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

AICP, Region VI Marissa Aho, AICP

**STAFF**

Stefan/George – Executive Director/Lobbyist Sande George

Stefan/George – Executive Assistant/Lobbyist Lauren De Valencia

**GUESTS (SATURDAY ONLY)**

Sac Valley Conference Co-Chair Jeannie Lee

Sac Valley Conference Co-Chair David Kwong

Sac Valley Conference Co-Chair Bob Lagomasino

**ACTION ITEMS FROM BOARD MEETING**

1. **CALL TO ORDER**

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

1. **APPROVAL OF CONSENT ITEMS**

**Approval of the Consent Items and Amendment to Agenda:** Pete Parkinson added discussion of the 2016 conference profits to the agenda. **Due to questions about the accuracy of National’s membership numbers, the membership report was removed from consent and was not approved.**

**The Board moved, seconded and passed to approve the change in the agenda and to approve the Consent Items. *Unanimous vote.***

1. **ACTION ITEMS**

**Financial Procedures Subcommittee ACTION:** Hing Wong advised the Board that the Chapter and many of the Sections were hit by a sophisticated email scam at the end of December 2016. The person(s) behind the scam pretended to be the highest leader in the organization: Hing as the President in one case, and Section Directors in the other scams. 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 person in charge of finances (treasurer or administrator with access to the funds). Hing Wong suggested that a subcommittee be appointed to revise Chapter and Section financial procedures so there are checks and balances before APA funds are released pursuant to an email or unknown callers.

**The Board approved the following committee members to revise the financial procedures to avoid falling victim to future scams: Hing Wong, Pete Parkinson, Kristen Asp, Francine Farrell and John Hildebrand.**

**APA California Banking Changes:** Kristen Asp asked the Board to approve the addition of Lauren De Valencia y Sanchez as a signatory to the Bank of America checking and 3 Conference accounts now that Tom Stefan is no longer active on the accounts, and to approve changing the account name of the oldest Conference account from “CCAPA Conference” to “California Chapter, American Planning Association Conference” with the sub-title of “Conference Account #1”.

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

**Final 2016 Budget Overage Approvals and New Pass-Through Budget Item Financial Policy:** Sande George recommended that the Board adopt a new financial policy to eliminate the requirement for the Board to approve overages for line items that are used as a pass through for income and expenses related to programs that are not Chapter transactions, such as the Plan4Health grants that are simply accepted by the Chapter and then allocated to the Sacramento Valley Section in equal amounts. The VP of Administration and the Executive Director would be responsible to approve these transactions as needed, and the policy would only apply to overages in the line item that are directly related to the pass through; any amounts that result in an overage unrelated to the pass through in that same line item would still be subject to Board approval.

Kristen Asp then asked the Board to approve the following overages that occurred since the October 2016 Board Meeting:

* LI 93 Misc. Rev – [All preapproved by Board] $45,000 to open new B of A general checking account, offset by Expense LI 904 Misc. Expenses; $37,500 from National for the Plan4Health Cohort 2 payment (pass through w/line item 904 Misc. Expenses); $15,000 Transfer from Reserves (pass through w/LI 904).
* LI 108 Office Supplies: $281.89 – Based on actual expenses and additional check supply needed for new B of A 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 amount previously approved.
* LI 904 Misc. Expense - $115,103.35 - $45,000 to open new B of A general checking account; Pass through for $30,000 to Seed conference accounts; pass through for Plan4Health $37,500 in addition to $150,000 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 overages for the final 2016 budget and Profit and Loss Statement. The Board also approved the recommendation that pass-through income and expense budget items which directly result in an overage would not require Board approval for that overage. These pass through items will be approved by the VP of Administration and the Executive Director. *Unanimous vote.***

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

**CPAT Application Approval:** Bob Paternoster asked the Board to approve the application submitted by the City of Kingsberg as the first candidate for the new CPAT program (Community Planning Assistance Team), provided that the CPAT committee approves the application as financially feasible. CPAT program applications require approval by the Board.

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

**Bylaws:** Pete Parkinson asked the Board to approve the final changes to the Chapter Bylaws that were presented to the Board at the October 2016 Board Meeting. The changes were also posted on the APA California website for over 30 days as required in the Bylaws before the Board can adopt the revisions.

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

**Financial Policies:**  In June 2016, a subcommittee of the Board began work on updating the Chapter’s Financial Policies in addition to the Bylaws. 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 Farrell were also heavily involved.

Through that effort, the Financial Policies have been substantially reorganized and reformatted. Despite these major changes in organization, the substance of the policies is not significantly different from the previous version. However, Pete Parkinson listed three important changes for the Board to consider:

1. To help streamline the policies, the listing of budget line items was moved to an Appendix that was amended to reflect the adopted 2017 budget. The policy statements that had been intermixed with the list of line items have been retained in the policies. This change will also allow the list of line items in the Appendix to be revised as-needed, without having to amend the actual policies.
2. With Betsy McCullough’s input, the updated policies include a new section of conference financial policies that is intended to be the foundation for the more detailed provisions contained in the Conference Handbook. The new section also includes the three new $32,000-seeded Conference bank accounts and the discussion of the revised conference profit allocations above $120,000 that reflect the Board’s policy changes adopted at prevous Board meetings.
3. The section on Chapter reserves has also been substantially revamped to include the newly adopted Board policies.

The policies have also been updated and clarified based on suggestions from Betsy McCullough, Sande George, and Francine Farrell including revisions to the financial requirements for Sections. Although the Section changes are not major, Pete asked the Section Directors to review them carefully.

The subcommittee recommended that the Board adopt the updated Chapter Financial Policies with the addition of the previously-approved change to the policies related to pass-through overages included above in these minutes.

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

**2016 Conference Profits:** Pete outlined his recommendations for a subcommittee to review options for the incredibly high 2016 conference profits. 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 have, among other things, resulted in a significant drawdown of the Chapter’s reserve funds. In October 2016 (before knowing the incredible 2016 conference profit results), the Board adopted a budget with various actions designed to increase Chapter revenues from other sources including a new Conference-on-the-Road webinar series, and a new policy for the conference profit split allocations to the CHC, Sections and Chapter that will begin to rebuild Chapter reserves. Given the above actions, and the fact that the Chapter is not expected to see a repeat of this unexpectedly large 2016 conference profit amount, Pete suggested that the Chapter’s long‐term financial stability warrants continued focus from the Board.

Pete Parkinson asked the Board to approve a subcommittee to discuss how to best utilize the final 2016 conference profits above the base requirement of $120,000, and make recommendations to the Board prior to the next Board meeting. Greg Konar also asked to see the final budget from the 2016 conference to better understand how the 2016 conference exceeded conference profit goals and to help future conference planning.

**The members appointed to this new subcommittee will be: Pete Parkinson, Hing Wong, Hanson Hom, Tricia Stevens, Ashley Atkinson and one of the co-chairs of the 2016 Conference Host Committee.**

**The Board moved, seconded and passed to approve the new appointed subcommittee to make recommendations for the best uses of the conference profits above $120,000 from the 2016 Conference, and to release the amount of the 2016 Conference profits up to $120,000 to the CHC, the Sections and the Chapter as soon as possible per the existing conference profit allocation formula. *Unanimous vote.***

**Move to Percentage-Based Dues:** Pete updated the Board on the request from the Chapter Presidents’ Council for each Chapter to move from a flat Chapter dues amount to percentage-based dues. Like APA National’s current dues structure, percentage-based dues are based on a percentage of each member’s annual income. APA members currently pay a set flat rate of $105 per year regardless of a member’s annual income. The Chapter dues paid by California APA members are the basis for the subventions received from National 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 National.

The APA Chapter Presidents’ Council is encouraging all Chapters to switch to a percentage-based dues structure. There are two main reasons for considering this approach. First, like the income-based National APA dues structure, percentage-based Chapter dues would be more equitable because members with lower annual income would pay lower Chapter dues. Approximately 50% of Chapter 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 as a result of a dues increase approved by National APA or the member moves into a higher income category), the Chapter dues (and Chapter revenue) go up too. Among other things, this would eliminate the need for the Chapter Board to vote on dues increases every few years.

There are also a couple of potential downsides in switching to percentage-based Chapter dues. If the Chapter sets the percentage too low, it will reduce the Chapter’s dues subvention revenue, the main source of operating revenue. But, the higher the percentage chosen, the more members will see their dues increase, which could result in a loss of membership.

Pete Parkinson and Hing Wong analyzed various percentage scenarios based on membership data provided by National 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 revenues under various dues percentage scenarios, including the Chapter’s current flat rate.

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 an 0.83% reduction in Chapter dues revenue, or a loss of about $2,600. 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, the actual increased dues range from only about $10 per year, to around $33 per year. The increases would be slightly higher if 40% is chosen.

Given the relatively small magnitude of these dues increases that would impact only members in the top income categories, and given that dues will go down for members in the lower income categories, Pete and Hing suggested 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.

The Board discussed the various percentage options presented by Pete and Hing. Board members raised concerns about the possibility of losing members if the percentage was set too high or losing subvention revenue if the percentage increase was not high enough, the need to carefully explain the dues changes to members, and what options there might be for use of any revenues above the subvention amounts the Chapter currently receives if any.

Kristen Asp noted that at 37% the Chapter would barely make $2000 more than what is expected from subventions, which could actually result in a loss depending on the actual membership numbers in place when the change to percentage-based dues would actually go into effect -- in about nine months given National’s implementation timeline. Kristen said that she would support a slightly higher percentage up to 40% as a result, and asked for additional information on the impact of the higher percentages on members’ dues before a vote was taken.

Pete agreed to table to discussion until Saturday and provide the Board with an analysis of the dues impacts at 38%, 39% and 40%.

**Continuation of Board Meeting**

**Saturday, January 28th**

**Percentage-Based Dues Structure Continued:** Pete Parkinson and Hing Wong circulated new numbers to the Board, outlining the increases and decreases members would face if the Chapter were to approve percentage-based dues at the higher amounts of 38%, 39% and 40%.

At 40% using mid-2016 membership numbers, the results are below:

|  |  |  |
| --- | --- | --- |
| **40%** | **Change @ 40%** | **40% Income** |
|  |  |  |
|   |   |   |
| $64.00 | -$41.00 | $16,192.00 |
| $64.00 | -$41.00 | $11,264.00 |
| $76.00 | -$29.00 | $9,804.00 |
| $88.00 | -$17.00 | $19,096.00 |
| $98.00 | -$7.00 | $33,614.00 |
| $108.00 | $3.00 | $39,852.00 |
| $118.00 | $13.00 | $46,256.00 |
| $128.00 | $23.00 | $48,128.00 |
| $140.00 | $35.00 | $74,760.00 |
| $152.00 | $47.00 | $59,280.00 |
| $154.00 | $49.00 | $38,808.00 |
| TOTAL SUBVENTION |  | **$397,054.00** |

SUBVENTION MINUS NATIONAL FEES $362,132.00

POTENTIAL INCREASE IN DUES REVENUE + $26,000.00

* 67% of members would see a dues increase ranging from $7 to $41, with the remainder of members seeing decreased dues of $3 to $49.
* Using the mid-2016 membership numbers (which have to date decreased), this could result in as much as a $26,000 increase in dues revenue to the Chapter, making it less likely that the Chapter will experience a subvention decrease even with the reported lower membership numbers.
* It is not feasible to accurately determine a final decrease or increase in dues revenue the Chapter will receive until the switch to percentage dues becomes effective in the nine months it will take National to implement the increase once they are notified of the change.

After a lengthy discussion, the Board decided not to discuss how any potential additional revenue would be used until the amount of dues revenue is actually known. The Board also agreed that the membership should be notified of the change in dues structure as soon as possible, including the reasons for the change and the potential overall impacts of the change to members.

After an initial motion to raise the dues to 37% failed, the Board voted to set the Chapter dues percentage at **40%** based on the following:

* The percentage-based dues will benefit the entry-level planners with lower dues, those that need it most, and the small dues increases that members in the higher-income categories will see will not be significant enough to cause a hardship or drop in membership.
* Moving to the percentage-based dues structure will allow the Chapter to be consistent with most and eventually all other APA Chapters.
* At 40%, the Board will be less likely to lose dues revenue than at the lower percentages considered by the Board.
* Dues will automatically increase with National increases, making any increases in the near future by the California Board unnecessary and increasing dues over time incrementally, lessening the impact on members.

**The Board moved, seconded and passed to approve the adoption of a 40% percentage-based dues structure for the Chapter, to notify National of the change by the beginning of the next quarter April 1, and for Pete and Hing to work on an article for Cal Planner and the website explaining the reasons for the change and its impact on members. *Unanimous vote.***

**Membership Inclusion Director:** Greg Konar recommended 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 goals are similar to those achieved 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 three different total-attendance scenarios.

Kristen Asp asked the Co-Chairs to amend the draft budget so that each scenario of conference attendees makes the mandated minimum $120,000 base profit, which the lower attendee budget scenario in the draft failed to do. Hanson Hom agreed, and said the budget would be amended so that each budget attendee profit projection would at minimum meet that $120,000 profit requirement.

**The Board moved, seconded and passed to approve the 2017 Conference draft budget with the caveat that the VP of Conferences and the Conference Co-Chairs would amend the budget so that the minimum $120,000 conference profit would be met regardless of the projected number of attendees. *Unanimous vote.***

**June Board Meeting:** The next Board Meeting will be held via the APA California conference line on June 16th, 2017. The meeting has been scheduled from 9 am to 1 pm PST. All Board members are welcome to join the call and have been invited via an Outlook calendar reminder.

1. **ADJOURNMENT**

The Board Meeting was adjourned at 4:30 pm.