NESEA BOD Meeting
12/08/2017

Participating

Michael Bruss       Paul Eldrenkamp
Martine Dion       Fortunate Mueller
Jenna Ide           Rick Renner
Ben Southworth     Phil Kaplan
John Skipper       Lauren Brust Moss
Saheel Chandrani

Others Participating:

Jennifer Marrapese
Miriam Aylward

Not Participating:

Rob Meyers
Devan Folts

Agenda 11:04 Meeting brought to order.

Motion to approve the minutes. Rick moved, Saheel seconded. October 11, All in favor. Motion approved. November 16 Rick moved again and John seconded. All in favor. Motion approved.

Phil explained that Cindy was not elected and decided not to pursue a board appointment, but expressed interest in remaining involved with NESEA.

Phil explained the new plan for each board conference call to discuss one goal in the strategic plan and update the timeline on a rolling basis. The board champions and the staffer responsible for the goal would share updates with the board on each meeting. This will allow us to add energy and focus to each goal. Ben and Lauren on deck to report in January along with Miriam.

NESEA annual meeting is September 14th in NYC in conjunction with a Pro Tour. We need to get board members there and we’d love to get more board members. Needs to be in 1st quarter of fiscal year and BE Boston is really busy so we don’t coordinate it with that conference. General conversation ensued about if and how to make the annual meeting more celebratory.

11:15-11:45 am Executive Director Report; Finance Committee Report

Jennifer shared financial update on BE Boston with numbers of registrations and trade show floor reservations. Making an effort to sign up regular attendees in advance. Confident that we can hit financial goals for the conference.

Jennifer shared first quarter financials. Ended Q1 at 23% of budgeted revenue and 14% of budgeted expense. Registration was 54% higher due to earlier BENYC. Ended the quarter at 50% of our budget in exhibitors. The fact that we’re ½ done reflects the revised strategy for Boston. Membership revenue is only at 7% of budget because BEBL dues are collected in 4th quarter so no need for alarm. Rent shows office vacancy in those reduced numbers. Consultant expenses are higher due to front loaded expenses related to BENYC. Fees and Permits are 40% are lower due to Susan managing CEUs better.

P&L by Program

Boston – Revenues are lower because of the shift in venue and exhibitor goals are lower. Emerging professional revenues are new.
Program development revenue comes from Yestermorrow collaboration (they split the cost of Litmos, our online learning platform, with us).
Fundraising income is 100% higher than last year due to capacity campaign effort.

BEBL income is lower in Q1 because this year there was no summit and due to companies starting BEBL Q1 last year but none this year.
Program Dev expenses were higher in FY 17 due to online platform (Litmos) purchase. Fundraising expenses are higher due to Jen and Devan focusing on capacity campaign.
Balance Sheet

Current assets are similar to last year Q1. In the past we didn’t break out folio investments. This is a new part of the balance sheet. Payables are higher this year than last year. Waiting to pay as long as possible to improve cash flow. CC balance is higher due to the same cash flow strategy. Last year payables were paid immediately. This year they are evaluated.

Summary Overall things are going well and we’re on track to meet our budget. Expect that end of FY18 we’ll make 50,000 less on BuildingEnergy NYC but we have strategies for making up that money in other programs. Operationally and financially we are on track.

Dashboard Reports Miriam shared the dashboards by program. Are they useful? General conversation ensued regarding useful additions. Perhaps adding comparison to expectations of budget to actuals. What are the goals? Question about why we are looking at “net before overhead” and not just Net. General agreement that “net after overhead” was desirable metric.

Budget margin, actual margin and margin above budget – Not useful to board

Income and Expense Chart for Q1 - This chart was deemed unnecessary. Request for consistent color chart for graphs!

General agreement that the spreadsheet was sufficient and the FY18 vs FY 17 Q1 Income charts were unnecessary.

Ratio of total revenue to salary per program. Pro Tours were high and BEBL was low. General agreement that this was helpful information. Agreement to revise it and revisit it.

Short term Cash Flow – Jennifer shared that we are on track to hit the budget for the year. Reminded board that FY16 we incurred of a 185k loss due to investing in staff, unbudgeted severance, bad Boston conference etc. FY17 we lost 7K. Beat the budget but it was a loss. These two losses have led to a cash flow crunch. 18 Months ago when cash flow was revealed to be tight, directors and Gina began monthly meetings to review cash flow. Staff has gotten really good at managing cashflow and predicting where we’ll end the month. Miriam shared a series of graphs to show the board the trend over the past few years.

Staff has done research and conferred with the NESEA finance committee and has determined that 90-120 days Cash-on-Hand without income is a healthy metric. We haven’t ever been there in recent history, and are often below 20 days. General agreement that this chart was very useful. Board thinking about whether 20 days cash is enough or not, normal or not.

Jennifer shared that Directors think that 30 days of cash on hand is mission critical. She shared a list of short term cash flow lever strategies for getting there. Paul noted that the bulk of the short term strategies were expense cutting rather than revenue generating. Board generally shared gratefulness to Jennifer and Miriam for doing this important work and empathy for the stress that continuous tight budgets cause. Board asked what are the short term tasks they can take on to help secure 30 days cash on hand. Jennifer shared that cashflow situation dictates that we need to focus on strategic goals 1 through 3 and give less time to the remaining goals, because goals 4-7 are not revenue centers but are rather expense generators.

12:37 Lunch stop –

1:18 Meeting resumed

Consideration of draft policy re: accessing investments from the endowment as part of NESEA operating budget.
Paul moved that we pass the Folio Investment Policy. Seconded by Fortunat. All in favor. Motion passed without opposition.

This concluded finance committee presentation.

**Nominating Committee**

Martine shared Nominating Committee's interest in structuring the process of vetting to ensure that we get as high a percentage of quality committed candidates as possible to avoid frequent losses. The idea is to look for those who have long term relationships and/or demonstrated commitment to NESEA and its mission. Nominating Committee will share the roster of potential candidates and ask for input. We need to think of nominating as an ongoing process to create a deeper vetted bench. We want the vetting to happen over time rather than be rushed. Can we take our time to fill the vacant board seat to make sure we get a really good candidate?

Out of our roster we have a 1st draft of top candidates.

Jennifer shared that there is no rule for immediacy of appointments. By laws say we shall have 13 board members. John Skipper asked do we want to consider an optimum number of board members. Jennifer shared that if we change the number it must be approved by membership.

Fortunat, Phil and Jenna were re-elected. Saheel was up for possible appointment as a regular 3-year appointee or as membership services liaison. Saheel recused himself. Rick moved that we appoint Saheel to the board as membership services liaison based in part on his work on strategic goal 3. John seconded. Motion passed unanimously.

Passion and institutional knowledge matter in assessing the candidate pool. General conversation ensued about the list and the additions to it. Interest in adding a developer or a C & I-related person.

Michael agrees that we shouldn’t rush into appointing a new member but that we should do it within 3 months, before Boston Conference.

General agreement to shoot for a February recommendation of replacement.

Discussion of onboarding and a cheat sheet for folks to use with new board members. Phil brought up the idea of a "board buddy" to help get these folks assessed.

Michael moved that we ratify the election results. Rick seconded. Motion approved unanimously.

2:07 p.m.
50 Miles Street - Discussion on how to move forward with NESEA building - Michael Bruss

Michael shared his work to evaluate the possible sale of the 50 Miles St Building. If we sold the building the net gain would be approximately $24,000-$31,000. The costs currently are $10-$12K plus $1000/month building management cost. Plus annual interest expense on line of credit. Total annual cost for ownership is $26,500. If we rented we’d spend approximately $30,000-$34,300, so it appears that we are not in a position to sell. These numbers assume two vacancies. So this is a worst case scenario (there is more potential upside to owning the building and leasing vacant spaces than reflected in Michael’s presentation).

General discussion ensued about the line of credit being rolled into a mortgage and the implications of that to cash flow. Michael explained that we need to cover the building management portion of keeping the building. He and Bruce Coldham are looking for someone to do building management. Larry Kuttner, NESEA’s new IT manager, might be able to assume some help on an interim basis.
Bruce, Fortunat, Rick and Michael will convene a conference call to discuss the path forward. Rick pointed out that repairs and maintenance might require some more cost inputs.

Lauren suggested that NESEA launch a business incubator for the rooms that are vacant. Miriam shared that she might be interested in following up.

Michael asked that we reconvened 50 Miles Street group to find a manager and to look at the refinancing solution. Put together or find a short and long term maintenance list. Reconvene the group - Fortunat, Rick, Michael, Bruce, and Jenna. Looking for a chair to convene and facilitate meetings.

**2:45-4:00 pm Capacity Campaign**
Jennifer reviewed the email that board members is going out. Phil was the first board member to send out his email solicitations. Board reminded to get out the emails by December 15th. General conversation ensued about strategies for soliciting money.

Motion to adjourn made by Rick, seconded by Fortunat. Unanimous approval. Meeting adjourned at 4:54 p.m.