CIBO Board Meeting

Conference Call

Jan. 23, 2015

1. The meeting was called to order by Chariman DeRuyter at 1:20 pm.  In attendance were John DeRuyter, Bob Bessette, Mark Calmes, Ann McIver, Chris Keuleman, Scott Darling, Jay Hofmann, and Carl Bozzuto.
2. Membership  - Carl Bozzuto

Year end 2013 membership was 35 Active, 61 Associate, 3 Small Business, and 16 University members for a total of 115 members.  Year end 2014 membership was 32 Active, 59 Associate, 3 Small Business, and 16 University members for a total of 110.

1. Financial – Carl Bozzuto

The 2014 year end surplus was $72,383 compared to the budgeted amount of $2,667, resulting in an excess over budget of $69,716.  The sources of the excess were higher than anticipated attendance at conferences, excess booth activity, and expense levels under budget, partially offset by lower than budgeted dues amounts due to losses in membership.  The cash position for the year was always ahead of budget indicating good cash management.  Approximately 60% of our cash position is held in CDs.

The budget for 2015 was reviewed including the staff compensation plan.  The budgeted surplus for 2015 is $4771.  Both income and expenses are projected to be slightly lower this year due to the reduction in membership.  The bonus calculation for the President was reviewed.   The bonus calculation is based upon having a surplus greater than the budgeted amount.  If the actual surplus is less than or equal to the budgeted amount, there is no bonus.  From an financial point of view, this avoids paying a bonus when funds are not available.  If the actual surplus is greater than the budgeted surplus, then a maximum bonus of 35% of the differential is available subject to a cap of 40% of current salary.  This level provides ample room for a bonus without making the bonus “open ended”.   The actual level of bonus is then predicated on 3 specific conditions.  These are : (1)  Up to 45% of the maximum can be obtained for getting new Active members at a rate of 15% per new member, (2) Up to 15% of the maximum can be obtained for getting new Associated members (or Small Business members) at a rate of 5% per new member, (3) Up to 40% of the maximum can be obtained if the actual surplus is greater than the budgeted surplus by more than $50K.  If the differential is between $10K and $50K the amount is 20%.  If the differential is less than $10K but still positive, the amount is 10%.  If the differential is negative or there is a loss for the year, there is no bonus.  This approach puts heavy emphasis on getting new members, especially Active members, which are the life blood of the organization.  This approach also rewards good financial performance, which includes good expense control and appropriate encouragement of conference and meeting attendance.

The proposed budget for 2015 was approved as amended according to the approved compensation plan.  Chairman DeRuyter will issue a compensation letter to the President confirming the Board’s approval of the plan, including the bonus calculation.  The approved budget is attached.

1. Adjournment

The meeting was adjourned at 2:55 pm.  The next meeting is scheduled for Monday, March 2, 2015 at 5 pm at the Radisson hotel in Crystal City, VA.

Carl Bozzuto