**January 26, 2018**

**DRAFT CIBO Board Meeting Minutes**

A conference call was conducted to discuss the Council’s 2017 financial performance and the proposed 2018 financial budget. Bob Bessette, Ann McIver, Jay Hofmann, Rob Kaufmann, Scott Darling, Mark Calmes, Steve Gossett, and Amber LeClair participated.

Ann McIver called the meeting to order at 10:00 am (EST).

**I. 2017 Financial Review**

Bob Bessette and Jay Hofmann provided a brief summary of the Council’s financial condition as of December 31, 2017 with the independent financial review pending. The 2017 financial highlights were discussed. The Council did not achieve the budgeted revenue target in 2017 mainly due to lower than expected member dues (associated with unanticipated member cancellations during the year). Expenses were generally lower than the budgeted levels with the exception of the annual meeting. Since there was no surplus in excess of the budgeted level, there will be no bonus earned based on the 2017 results. Therefore, there will be no bonus accrual in 2017.

In December 2017, Shawn Sumrall from the accounting firm Badger Sumrall initiated the annual financial review. Shawn requested and received various documents including bank statements for the periods ending December 31, 2017 and January 31, 2018, a spreadsheet listing revenue for the year and its sources, supporting documents for receivables at December 31, 2017, supporting documents for fixed assets at December 31, 2017, a list of aged accounts payable at December 31, 2017, a schedule of other payables (i.e., prepaid dues, accrued pension, etc.) as of December 31, 2017, a copy of the federal payroll tax returns (IRS Form 941), for the quarters ended March, June, September, and December 2017, the employee W-2s for the year ended December 31, 2017, minutes from all board meetings from January 2017 to December 31, 2017, and a current (as of January 24, 2018) QuickBooks data file.

On January 24, 2018, Shawn provided Jay and Bob with his preliminary assessment of the documents and data provided. Shawn found no significant irregularities in the documentation and he suggested three minor adjustments to the year-end financial data as contained in the QuickBooks file as of January 24, 2018:

* A $4,018 expense increase associated with how the cost of long-term (more than one year) leases must be accrued;
* A $2,250 expense increase associated with a misapplied Industrial Emissions Conference prepayment;
* Miscellaneous end-of-year AMEX card expenses ($1,317) not previously booked in QuickBooks.

No adjustments to prior year financial statements are anticipated.

**II. 2017 Budget Discussion**

Bob Bessette led the 2018 budget discussion.

The discussion focused on the 2018 budget summary document attached to these minutes. Bob reviewed with the Board the salient elements of the 2018 budget.

The following items were discussed:

1. Conference income and expense
2. Annual meeting income and expense
3. Quarterly meeting income and expense
4. Bracewell retainer
5. Travel expenses
6. Coalition activity expense
7. 2018 voluntary 401(k) match expense

The Bracewell retainer was reduced to $5,500 per month (from $15,000 per month in 2017). The expected dues were set equal to the current membership count minus the dues associated with doubtful accounts. (Three active members are assumed to become inactive in 2018.) Ann asked the Board members to provide Bob with ideas to increase attendance at the 2018 annual meeting.

Steve Gossett made a motion to approve the proposed 2018 budget as submitted and reviewed by Bob. Rob Kaufmann seconded the motion and the 2018 budget was approved unanimously. The Board agreed that the current staff has been doing an excellent job in light of a very challenging environment.

The approved budget includes no 2018 staff compensation increases. In addition, the 2018 budget assumes no voluntary 401(k) match payment. Bob Bessette asked that the Board allow for the funding of the 5% voluntary 401(k) match on a “first dollar” basis assuming the Council’s financially reviewed net income exceeds $680 in 2018.

The meeting was adjourned at 11:35 am (EST).