



CFA Society Seattle

Board Meeting Minutes

March 24 2015

1201 3rd Ave #5010

Attendees:

In Person: Andy Loechl, Matt Griffith, Dominic Cozetto, Dylan Kelly, Sherrie Trecker, Ufuk Ince

Via Conference call: Amber Fowler, Rey Santodomingo, Pam Cahill

1:05-1:07 Approve Minutes from February 24th Board Meeting Open

Andy motioned to approve the minutes from the February 24th board meeting, and Ufuk seconded. All board meetings in attendance approved.

1:07-1:21 Recent SLC Ufuk,Dylan,Amber,Pam

Ufuk: The key takeaway was meeting the new President of CFA Institute. He highlighted that he would not rock the boat, he will work to strengthen current initiatives, and promised not to change the logo. He is based in Hong Kong, which makes Seattle a convenient stopover location for traveling to the East Coast. The theme of the conference was based on branding. Ufuk kept hearing the notion that it's not necessarily about reaching out to the investor or end user but also the professionals such as CPAs and attorneys.

Regionally, Ken Yee is running unopposed for the Western United States Region Presidents Council Representative.

Pam, Amber (did not attend with Seattle team), Dylan, and Ufuk also worked on a branding exercise. The target audience was large non-financial corporations (Starbucks, Boeing, etc). The team developed a strategy to reach out to these employers. CFA Seattle could opt to utilize this strategy in the future. Dylan commented that there was no definitive answer as to whether the focus should be on branding in local societies rather than Institute-wide. Three times per year the CFA does a marketing campaign, which most of us aren't aware of.

Dylan: To complement Pam's thorough documentation of the conference, Dylan put together a list of a dozen or so items that are implementable by CFA Seattle that were included in the March board packet. Ideas include a board retreat, where they get away for a day or two and invite someone from the CFA Institute, a good opportunity for onboarding new board and committee members. Several societies do an advertising campaign with local corporations co-sponsoring TV, radio, billboard, and banner ads. The ad campaigns have also been coordinated with a larger scale website update. Some societies also had NPR spots. Some would sponsor a show, others would be to put in a call for a 30 second spot, driving specific action. They measure success via site hits and year-over-year expenses. Volunteerism is another key area. A big message is trying to take baby steps, inviting new potential volunteers to help out with one event rather than several. We could even have a committee chair dedicated to managing the volunteers and volunteer process.

Andy commented that CFAI is forming a new “Brand Management Council”. It should be a formal way to drive brand image. Amber later added that there are 53 applicants world-wide to fill these open roles: 3 representatives from the AMER societies; 2 representatives from APAC societies; and 2 representatives from EMEA societies.

Amber commented that she was there filling the staffed office role for Hawaii so she was representing a smaller society rather than CFA Seattle. Pam filled the Seattle staffed office role. Amber visited with the varying sponsors to the event including Kaplan and Fitch Learning. Sponsors are looking for big numbers and high attendance, which limits their viabilities. Amber was asked by CFAI to present on three topics, including Advocacy, Media Relations, and Sponsorships.

Pam’s notes are comprehensive. Pam noted specifically what her role is in the survey. She wanted to ensure that we are mirroring what the CFAI would like for us to have on file. Unfortunately the websites are done so she can’t look for it herself currently, but she is working with CFAI to get the documentation she needs.

1:21-1:35 Programming

Ufuk, Matt, Brian, Neil

Ufuk commented that just after the last meeting, they hosted Jeff Pantages, CIO of Alaska Permanent Capital Management, and two weeks later Ian Toner came, who was received really well, with around 30 people in attendance. Ian always attracts a lot of Russell and Wurts associates.

On March 18 there was an event built around Luigi Buttiglione, head of Global Strategy at Brevan Howard. Ufuk was able to make the contact from Brian Rowe. It was done as a 7:30-9:30 AM breakfast meeting at the Four Seasons, as a panel. It was also more expensive and members only. There were 32 people in attendance. Luigi was coupled with two other local strategists. The room was free, the comment was that the breakfast was a la carte and the people wanted a more full breakfast.

Tom Richards is coming in to speak on Board Governance as policy for investment trustees. He will come after his presentation for the WSCPA, which they’ll push out to the CPAs and affiliates. They’re excited that CFA is an international organization that potentially has more “clicks”.

Matt: Three panelists from investment management firms will be presenting their best stock ideas in a panel on March 25. There has been a lot of initial interest, but the website has been down since Friday. If we talk to people we should let people know that it isn’t canceled. Trent Gayed is still coming in for the “12 things” presentation, and Vitaly is still set for June. Attendees at the Vitaly event will be able to take home his book.

Dominic commented that the “members only” set up for the breakfast might have deterred some attendance and Ufuk agreed. The other comment was that setting expectations correctly as far as what breakfast constitutes. Dominic added that it would be nice to have more frequent breakfast meetings. It is easier for some people to make than a 1 PM luncheon.

1:35-1:48 Treasurers Report

Rey

Rey commented that we are just \$3000 over budget for the period. The education lunches YTD have spent \$12,000, with \$35,000 for the rest of the year in the budget. He commented that with the big event coming up there will likely be room in the budget. This does not include the \$4000 loss on the alternatives event. Even with, it looks like there is a bit of leeway.

Executive Director and operations support expenses are both over budget. The expenses have come in slightly since the forecast dinner, which is all according to plan. Amber also had expenses for Colorado's and Hawaii's events that we may not have been reimbursed for. By the end of the year Amber believes that her expenses should be balanced out, as she continued to monitor her billable hours and expenses. Pam commented that generally there are accruals that account for outstanding payments, but Colorado went a month without paying so it did not balance out.

Regarding the investment portfolio, the allocations relative to the rebalancing bands was reviewed. The Society hasn't rebalanced since the end of last year, and hit a rebalancing trigger this month. TIPS are at a 2.6% allocation with a target of 3%. Rey is recommending a rebalance this quarter.

Pam added that there is also \$107k in the checking account.

Andy commented that we have to maintain a certain cash balance in the checking account for day-to-day operations. Andy believes that the minimum is \$85-95k but is not sure. Andy questioned whether the minimum balance policy should be changed.

Pam indicated that she would look further into what the requirements are.

Andy commented that he would look into whether they want to change the minimum and rebalancing with the Investment Committee.

Matt questioned what the investment account fund could be used to fund, and Andy confirmed that it could be used for anything at the board's discretion, from advertising campaigns to marquee events.

1:48-1:59 Member Dues Increase, Satisfaction Survey

Andy

Andy is proposing that dues increase from \$75 to \$85. The last dues increase was from \$50 to \$75 several years ago. Ken has in the past indicated that dues should be increased to as high as \$125.

Dominic questioned if we could bring up increasing dues to the membership to confirm if it would be impactful. Dominic also commented that now would be a good time to increase dues based on where we are in the economic cycle. Dylan added that members will think, "What's in it for me?" as costs of memberships are going up at the same time as costs of events.

Dominic suggested that we could offer all CFA Seattle members free attendance to two luncheons or other events when they renew.

Rey commented that the free lunches sounds like a good idea, as it would drive attendance of people who typically don't attend the events.

Ufuk suggested that a raise to \$85 would require anything.

Matt added that it would be an administrative headache to offer the choice of events to get free admission to. He'd be more inclined to offer a single free event to members.

Andy put a call out to have people respond to Andy on the satisfaction survey if they have strong opinions. Attendees were encouraged to email him if they do. He commented that he would likely respond negatively to CFAI website issues. Dominic added that advertising/advocacy/social awareness was an issue but there don't seem to be questions geared toward this.

Andy wanted to put forth a motion to approve the regular membership dues to \$85 from \$75. All other tiers will remain the same. Matt motioned to approve, Sherrie seconded. All board members in attendance approved.

Dylan commented that we should make sure we have a strong case for the increase. Andy added that the initial increase to \$75 was made based on the new ED role, and as we move forward and the CFAI discontinues their support of the role, we will need additional funding. This is a tangible expense that could be used as an explanation to questioning members.

1:59-2:06 Social / YPN Updates

Christine, Sherrie

The 3rd Annual “Meet the Professionals” event will be held on April 9 at the Harbor Club from 5-8 PM and Sherrie still needs a handful of professionals. Sherrie put a call out to the board to attend or ask a colleague if they’d be interested in attending. The current line up is well rounded so there are no specific roles that we are seeking to fill.

Dylan suggested finding someone who has a computational finance degree to attend to speak about how the degree has helped them in conjunction with the CFA designation. This would work well, as in the past several of the attendees have been computational finance students.

The Spring Social is set for April 28 at Foundry. It is a wine tasting event, similar to last year. Dylan brought up having a group that gets in free, such as candidates.

2:06-2:14 Advocacy

Dominic

The WSCPA event is going well.

Dominic is planning a June 9-10 event that is broader than the currently planned fiduciary event.

Dominic needs to finalize the speakers with Brian. He is currently looking at the Four Seasons as a venue but it looks to be significantly more expensive than the Harbor Club.

Amber offered to send Dominic the budget for the last forecast dinner that was hosted there.

Dominic thinks that the budget for the event will be a loss of \$5000.

Dominic also added that Seattle University might work. It has good banquet rooms, free parking, and a university might be a good venue for nonprofit-oriented events.

There are also a lot of venues in South Lake Union. Fred Hutchinson was another example with good seating that would cater to nonprofits.

Ufuk added that if there is a choice between the 9th and 10th, should be as far away from Matt’s marquee event as possible. Dominic then added that any later than that is when school is out.

Dominic commented that he wants to set this event up not for profitability but for maximum attendance.

Regarding employer outreach, Andy spoke with Paul Herber yesterday. He has been traveling extensively but is expected to be back and will try to start visiting companies for employer outreach.

2:14-2:20 Membership Update

Dylan

Dylan noted that year-over-year attrition is 92-93%, which is great. The 2014 year started with 941 members and the current membership stands at 963. It is unlikely that we will meet our goal of 1,000 members this year, but this is still great progress. Continuing to target members as they are students is helpful.

Andy commented that Dylan’s work in membership has been great, and that Dylan should make it a priority to identify a replacement for Dylan so that he can engage in other areas of CFA Seattle.

2:20-2:24 Open Discussions

All

Dylan added that a lot of societies at the conference are talking about holding bigger events with larger draws. He thinks that we are doing that in Seattle, with the Forecast Dinner, Socials, and Holiday Parties. Andy commented that having one big event each month might be helpful, with marquee speakers. Dominic added that there is room to partner with other organizations on their events as has been done with CAIA.