

CFA Society Seattle

November Board Meeting

11.20.2019



CFA Society Seattle Board Meeting Minutes

October 16, 2019

Rainier Club

2:00pm

Person: Tom, Jamelah, Giorah, Claire, Victor, Dylan, Natalie, Thomas, Pam, Olga, Jason

Phone: Sheerie

Minutes approval: N/A given first meeting.

[motioned by ____, seconded by ____. All in favor. Minutes were approved.]

Meeting called to order at 2:03 PM

Board manual code of conduct is in progress.

Strategic Planning Meeting – Claire Thomas from CFAI attending to lead the 2019 Strategic Planning meeting which happens about every 3-4 years (last meeting 2016). Purpose is to set local society goals.

Last strategic meeting came away with the following values: providing education, organizing network opportunities, promoting CFA Charter and ethics. Vision establish a trusted community.

Strategic Planning Discussion – current mission statement: “To advance our members’ careers by providing educational networking opportunities, while promoting the CFA charter and investment ethics in the Puget Sound region.” Board members agree our mission statement is effective and agree on the intent of our mission statement.

Environmental Analysis – membership data: Active Society Members CAGR 3.3%. 1103 members in 2019. Josh Chance – from CFAI can help with company engagement. He has worked on diversity roundtable and CIO roundtable. There are 265 unaffiliated members (CFAI member but not Seattle Society member) in our region. Some are members who moved but haven’t updated profile. There are other factors as well and we can identify if there are members we can reach out to. We’re doing well with member retention. 20% female membership, 40% female candidates. Rate of growth of women joining CFA is high. We have a lot of candidates about 800.

SWOT Analysis – Strengths: high quality board, engaged society leaders, number of event attendees, large membership base, CFAI involvement. Weaknesses: volunteer time limited, board turnover, limited terms, not enough people on board. Opportunities: collaboration with other organizations, increasing demand from employers, city growth, increasing interest of woman, social media. Threats: lack of awareness of CFA program, members are spread out, concentrated financial sector. Notes: who do we want to serve/target? Some societies it’s members others it’s general public to expand knowledge of the CFA. Young professionals night used to be really good 60+ young members attended.

Some Current Society Activities: mock exams, research challenge, ethics workshops, programs, forecast dinner, networking events, CEO CIO Summit.

Transitioned to group exercises to determine strategic plan initiatives. Claire will consolidate our initiatives and distribute those to the board/committee.

Meeting adjourned at 6:06pm

Meeting Agenda

Time	Topic	Discussion Leader
1:00	Welcome & General Updates Update on board processes 2020 Forecast Dinner Update Update on Holiday Party	Thomas / Phill / Puneet
1:30	2019-2020 Programming Discussion Background / Planning Upcoming Schedule Ideas for Improvement	Tom & Victor
2:00	Treasurer Update / Budget	Olga
	Check for any additional updates...?	
2:15	Executive Session	Thomas
2:30	Adjourn	

Asks of Board

- **We would like connections and advice on reaching out for gender and minority inclusion**
- **We would like to know of any Board concerns about offering joint online courses**
- **We would like connections and advice on populating panels on manager research and putting on a mini conference**
- **We would like any comments on past CFA events held in a location outside of downtown Seattle**

Our 2019-2020 goal is to increase participation and add diversity to events

- **Gender Diversity** – There has been a relative dearth of women presenters at our events. This is due to our booking speakers mostly from the pool that reaches out to us, and they tend to be male dominated. Clearly, we need to be more proactive in recruiting speakers. We have enlisted Sherrie Trecker in this outreach effort. She is putting on the CFA Gender Conference in the Spring and has many contacts we can use.
- **Minority Diversity** – The same situation applies here as for gender diversity, but we don't have good connections to work with. Any suggestions from the Board would be most welcome.
- **Geographic Diversity** – We haven't had any events outside of Seattle in several years. Yet many of our members are on the Eastside or in the Tacoma-Olympia area. We plan to test one or two luncheons in Bellevue; looking into venues. Topics around family offices might help to draw attendance. Hosting in Bellevue will be a challenge if programming chairs work in downtown Seattle.
- **Inclusion of Family Office & RIA Topics** - Half of our membership is non-institutional, but we have had very little specifically directed at them. To that end we have booked a lunch on the subject of "Taxes, Time Bombs and Trusts" in December. Another lunch on "Private Practice Transitions" will be offered in the Spring.
- **Inclusion of Related Professional Societies** – There are a number of professional societies whose interests overlap with ours and including their members where we can will benefit everyone. We have already had one event jointly with the Chartered Alternative Investments Analysts (CAIA). We have also invited the Seattle Economics Council, the local chapter of the National Association of Business Economists (NABE), to buy 1-2 tables at the Forecast Dinner at a reduced rate. They are interested in forecasts both national and local.
- **Expanded Educational Opportunities for Our Members**
 - Two ethics workshops led by Michael McMillan of the CFAI will be held in November, one in-house at Russell Investments and one at the Rainier Club
 - Last year we had a speed reading workshop. In February 2020, the same company will recap speed reading and expand into memory techniques. We are coordinating with the CFA Society Portland to save costs by hosting around similar dates.
 - **Proposed:** A series of online courses on big data in finance. We are in discussions with the Los Angeles and San Francisco societies to jointly host courses offered by Cognitir. Tentative schedule:
 - Intro to Python March 21
 - Intro to Big Data for Finance May 2
 - Machine Learning and Finance Sept 12
 - **Proposed:** A two-panel mini-conference on the "Art and Science of Manager Research." This was a successful event with the Philadelphia society. This would help further our goal of including more topics of interest to family offices and RIAs.

Social Update

CFA Society Seattle Social Committee

- Holiday Party/Charterholder Ceremony on December 11th
 - We are targeting ~200 people for this event. At this time, we have 45 people.
 - Final walkthrough has been completed.
 - There will be two Social Committee volunteers on hand that evening in addition to myself.
- CEO/CIO Summit & Spring Social
 - I plan to provide Thomas with a list of potential venues for this event in January 2020
 - Date is TBD, but it will be in Spring 2020 (last year was May 9th)
- Social Chair Apprentice
 - Jamelah has recommended finding someone to work with me before I step down in June. If any of you know someone who is serious about taking over the Social Chair responsibilities, please send them my way!

Board meeting 11-14-19 Executive Admin. – Pam Cahill

WRC:

We are starting bi-weekly conference calls beginning 12-6-19
Current income: \$27,500 in bank \$52,500 outstanding
Expect \$53,400 in expenses with a hopeful balance of \$20,000 when over.
Stipends per society is set at two delegates @\$350.00 each

Working Society Board Manual (do by 12-31-19)

Below is what I have for the Index. Highlighted is either missing or needs board approval.

Strategic and Operational Documents:

The Board

- Mission & Vision Statement
- Board Bio's
- Strategic Plan – **Missing**
- Board Contact Info
- Board Position Description – **CFAI** add "Was approved by CFA Society Seattle Date: _"
- Code of Conduct
- Whistle Blower Policy – **New**
- Board – Staff Travel

Financial Overview

- 2019/2020 Business Plan
- Budget - **Missing**
- Record Retention Policy
- Investment Policy
- Form 990
- Directors & Officers Liability Insurance

Tax & Government Forms

- W-9
- Secretary of State Annual Report
- Secretary of State Name Change Form
- Department of Revenue UBI
- IRS Non-Profit Letter
- IRS Audit April 1st 2010

Membership

- CFAI Licensing Agreement
- 2019 Member Survey
- Member Retention Data

Core Documents

- By Laws
- Articles of Incorporation

CFAI Information:

New Website is up and running

New Registration platform is in testing mode. Hopefully will be up and running by end of November

Summary recommendation: Investment portfolio is within target allocation

31-Oct-19

As of: 10/31/2019	Current	Current Allocation %	Target %	Range (Low)
Domestic Equity (VTI)	\$17,730.7	9.9%	10.0%	5.0%
Int'l Equity (ACWX)	\$17,326.6	9.7%	10.0%	5.0%
Fixed Income (AGG)	\$137,703.6	77.2%	80.0%	75.0%
Cash	\$5,524.5	3.1%	0.0%	0.0%
Total Equities	\$35,057.3	19.7%	20.0%	10.0%
Total Fixed Income	\$137,703.6	77.2%	80.0%	75.0%
Total Cash (Account)	\$5,524.5	3.1%	0.0%	0.0%
Total (incl cash)	\$178,285.3	100.0%	100.0%	

	Actual 2017-18	July-Oct 2018 YTD	Actual 2018-19	July-Oct 2019 YTD	Budget 2019-20E	Budget 2020-21E	Budget 2021-22E	Key assumptions
Revenues	344,243.2	163,256.3	455,419.4	91,650.6	382,441.9	379,584.6	398,536.7	
% growth yoy	11.3%		32.3%	-43.9%	-16.0%	-0.7%	6.0%	
Membership revenues	85,432.0	50,817.5	92,799.5	65,343.8	107,640.0	121,440.0	135,777.5	
% growth yoy	-4.2%		8.6%	29.1%	16.0%	12.8%	11.8%	
Total # of members	1,064.0		1,120.0		1,142.0	1,165.0	1,188.0	2% growth for regular members
% growth yoy	1.4%		5.3%		2.0%	2.0%	2.0%	
Dues	85.0		85.0		95.0	105.0	115.0	Approved increases in dues
Annual forecast dinner	89,486.9	50,975.0	146,600.0	5,250.0	116,220.0	116,220.0	116,220.0	Historical sponsorship structure and pricing, conservative attendance estimates
% growth yoy	-3.6%		63.9%	-89.7%	-20.7%	0.0%	0.0%	
Events	15,842.7	7,109.1	21,283.1	6,746.7	16,221.6	20,934.3	24,363.9	
% growth yoy	29.1%		34.3%	-5.1%	-23.6%	29.1%	16.4%	
Educational events	13,615.9	5,369.1	10,662.6	4,302.1	11,050.0	14,131.3	15,837.5	
# of events (breakfast/lunch)	13		12		13	14	15	Expected # of events this year, slight increase in events in following years
# of average attendees			27		40	48	50	Increased attendance, in line with recent statistics
Social events, Christmas, CEO/CIO summit	16.7	530.0	9,380.5	1,479.6	3,894.1	4,605.6	5,791.4	Excludes potential CEO/CIO sponsorship
# of events (regular)	1	4	1	2	1	2	2	1 fall and 1 spring (post CEO/CIO summit) social events this year, increasing every year, 1 Charterholder/Christmas, 1 CEO/CIO sum
# of average attendees		37	22	61	81	50	55	Increased attendance, in line with recent statistics
YPN events	700.1	0.0	0.0	0.0	312.5	687.5	1,125.0	
# of events (regular)					1	2	3	Plans to address YPN initiatives in the next 3 years
Annual golf event	1,510.0	1,210.0	1,210.0	965.0	965.0	1,510.0	1,510.0	
Women's network / Diversity								1 diversity conference, revenue structure to be discussed
CFAI funding, grants								
CFAI funding for Membership, Operations	50,990.0	51,850.0	76,625.0	0.0	78,270.0	79,400.0	80,565.0	Standard CFAI operational funding structure for members and candidates
CFAI funding for TD / Other Events	0.0	0.0	80,875.0	0.0	0.0	0.0	0.0	Potential for FD and other events CFAI funding not included
CFAI funding for brand advertising	0.0	0.0	0.0	0.0	22,500.0	0.0	0.0	Approved maximum CFAI funding structure for society branding/marketing
CFAI - CFA Seattle, Universities funding for Ethics in	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CFAI funding for ED	48,875.0	0.0	0.0	0.0	0.0	0.0	0.0	
Research challenge, grants and sponsorships	5,400.0	0.0	5,400.0	0.0	5,400.0	5,400.0	5,400.0	In line with historical trends
CFA Seattle Job Listings	7,569.8	0.0	22,853.3	5,477.3	22,853.3	22,853.3	22,853.3	New Job Listings revenue structure
CFA Mock Exams / Kaplan classes	6,317.8	931.7	2,060.1	7,802.0	8,802.0	8,802.0	8,802.0	Revenue sharing with Kaplan, Mock exam
Investment income/Other	36,349.1	1,773.0	6,923.4	1,030.8	4,535.0	4,535.0	4,535.0	
Costs	307,753.4	130,020.2	479,585.6	80,476.0	379,307.4	369,913.3	389,758.0	
% growth yoy	6.7%	0.0%	56.8%	-38.1%	-20.9%	-2.8%	6.4%	
G&A (incl. Contract labor)	114,585.3	35,304.2	88,028.2	21,495.2	60,037.4	65,909.4	66,757.1	3% increase in most G&A costs per year, EA contract costs, termination of ED contract
% growth yoy	45.4%	0.0%	-23.2%	-39.1%	-22.7%	-3.1%	1.3%	
Outreach and Awareness	13,545.7	2.2	1,619.9	113.4	35,500.0	8,530.0	8,560.0	CFAI funded branding/marketing initiative this year, advocacy and university outreach budget
% growth yoy	-67.0%	0.0%	-88.0%	6006.3%	2091.0%	-78.0%	0.4%	
Governance	18,252.4	2,706.4	20,105.7	3,227.9	21,500.0	21,830.0	22,169.4	CFAI conferences, board, annual and strategy meetings
% growth yoy	56.9%	0.0%	10.2%	19.3%	6.9%	1.5%	1.9%	
Programming	61,304.4	16,714.9	75,364.1	20,640.0	68,920.0	103,333.0	116,849.9	Estimated attendance and venue costs with 3% increase per year
% growth yoy	-3.7%	0.0%	22.9%	23.6%	19.6%	16.2%	13.4%	
Forecast dinner	93,299.5	75,280.4	283,955.4	35,000.0	159,320.0	184,100.0	188,020.0	Current estimates
% growth yoy	3.8%	0.0%	204.3%	-53.6%	-43.9%	3.0%	3.0%	
Research Challenge	6,766.2	0.0	5,854.3	0.0	6,030.0	6,210.0	6,397.0	In line with historical trends
SuperForecasting Challenge	0.0	0.0	4,856.0	0.0	0.0	0.0	0.0	
Other	0.0	3.0	2.0	0.0	0.0	0.0	0.0	
Net income	36,489.8	33,236.1	-24,166.2	11,174.5	3,134.5	9,671.4	8,778.7	
Cash and equivalents	138,879.0		179,574.2	193,651.5	182,708.7	192,380.1	201,158.8	
Checking	30,708.2		60,623.0	74,697.3				
Savings	108,170.8		118,951.2	118,954.2				
Investment account	238,571.1		174,026.8	178,285.3	178,285.3	178,285.3	178,285.3	
Net assets, adjusted for Investment accou	366,963.5		343,106.0	402,120.2	377,504.2	387,175.5	385,954.3	

2020 Forecast Dinner Update

When: Thursday, January 23, 2020

Where: Hyatt Regency Seattle (808 Howell Street)

Featured Speakers:

Tyler Shultz: *Theranos Whistleblower & Entrepreneur: With humility and candor, Shultz addresses the importance of corporate governance, modern-day business ethics, Silicon Valley culture, and the lessons the corporate world can learn from Theranos' historic fraud. It is a hot topic right now (New York Times Best Seller "Bad Blood" discusses Tylers role) and reviews for his talk have been extremely good.*

Jane Wells: Jane Wells is a CNBC special correspondent, based in Los Angeles, where she covers stories about funny business, strange success and special assignments. Wells writes offbeat stories for CNBC.com and serves as a contributor for radio stations. Jane served as moderator at our dinner last year (with Michael Lewis) and will play a similar role this year with Tyler.

Market Forecast Speaker: this spot is open at present and we are exploring the possibility of linking it to the Platinum Sponsorship. **Bob Browne** (The CIO of Northern Trust) is tentatively scheduled to speak, however they will only commit to a Gold sponsorship at this point. We have asked both Russell and Parametric if they would be interested in the platinum sponsorship and speaking spot – but have not yet heard back. We will have to make a decision on Bob Browne by the end of this week.

Budget and Sponsorships (See attached pro-forma budget)

- Currently we have sold \$35,400 in sponsorships and tables out of \$112,000 budgeted sales.
- We are concerned given that in previous years by this stage we would typically be nearing \$100K in confirmed sales and sponsorships.
- Pam and Phill are aggressively reaching out to prior corporate sponsors to solicit support and with local firms for table sales.
- In addition we will be submitting a request to CFAI for Project Funding in the amount of \$30K.
- **ASK OF BOARD : Please consider asking your firm to support the event with sponsorship or a table purchase.**

2020 FORECAST DINNER BUDGET
 JANUARY 23, 2020

BUDGET/P & L	2020
INCOME:	
SPONSOR- TABLE PURCHASES	\$111,750.00
PROJECT FUNDING FROM CFAI	
CREDIT CARD FEE (PayPal process fee)	\$4,500.00
TOTAL INCOME	\$116,250.00
EXPENSES:	
PRESENTORS EXPENSES -TYLER SCHULTZ	
SPEAKING FEE	\$25,000.00
FLIGHT	\$1,200.00 WHERE IS HE FLYING FROM?
HOTEL	\$300.00
INCIDENTALS	\$200.00
PRESENTORS EXPENSES -JANE WELLS	
SPEAKING FEE	\$4,000.00
FLIGHT	\$1,000.00
HOTEL	\$300.00
INCIDENTALS	\$200.00
HYATI- BASE	\$45,000.00
HYATI SERVICE CHARGE	\$11,250.00
BEVERAGE & APPETIZERS	\$20,000.00
AUDIO VISUAL	\$22,000.00
PRINTING: SIGNS AND BROCHURE	\$2,000.00
NAME TAGS AND TONER	\$400.00
SCOUT20 EVENT MGMT	\$15,000.00 ?
PHOTOS	\$900.00
SPEAKERS GIFTS	\$500.00
PARKING	\$70.00
TOTAL EXPENSES:	\$149,320.00
TOTAL BALANCE	-\$33,070.00

Note: Phill will be requesting an additional \$30,000 in project funding from CFAI