

International Institute of Municipal Clerks

To: Board of Directors
From: Gail Pomroy, MMC
Chair
Date: September 17, 2021
Subject: 2021 Budget & Planning Midyear Report



Background:

Membership on the 2021 / 2022 Budget & Planning Committee is comprised of:

- Gail Pomroy, MMC, Chair
- Brenda K. Young, MMC, Vice-Chair
- Mary J. Johnston, MMC
- Terri Kowal, MMC
- Sheri L Pierce, MMC
- Pamela Smith MMC
- Mary Ann Hess, MMC (Board Liaison)
- Chris Shalby, IIMC Executive Director (Non-Voting Staff Liaison)

2021 / 2022 Committee Goals as assigned are:

1. Develop and identify areas for improvements in the annual balanced budget, to be submitted to the Board of Directors for approval;
2. Develop a five-year capital items projected needs list;
3. Monitor quarterly expense and revenue reports from the Executive Director and bring areas of concern to the attention of the Board, ensuring the adopted budget is adhered to;
4. Review the expenses and revenues associated with the Annual Conference and report on profit/loss;
5. Review and report to the Board issues raised in the Auditor's Management Letter and Report.

Discussion:

Staff distributed information on the current 2021 budget and the proposed 2022 budget. A meeting of the Budget & Planning committee to review this information and recommend a proposed 2022 budget was held on Friday, September 10, 2021 at the Hilton Garden Inn Conference Room in Rancho Cucamonga, CA. Committee members present were Gail Pomroy, Brenda Young, Mary Johnston, Sheri Pierce, Terri Kowal, Mary Ann Hess, Pamela Smith (via Zoom) & Chris Shalby. IIMC Finance Specialist Janet Pantaleon also attended.

Policy Review – Revenue and Finance & Budget Committee Appointment Procedure:

The Committee reviewed the Revenue and Finance Policy for compliance. No action required.

The Committee reviewed the Budget Committee Appointment Policy and recommended it be referred to the Policy Committee for review.

2021 Budget Report

The Committee reviewed and accepted the 2021 Budget Report as presented.

Review of Auditor's Compilation Report & Financial Statements:

The Auditor's Compilation Report and Financial Statements were reviewed for the 2020 year-end and there were no significant findings.

Five Year Capital Items Projected Needs List:

The 2022 - 2026 Five Year Capital Expenditures Plan was reviewed by the Committee. ED Shalby explained the proposed expenditures regarding Computer equipment acquisition, A/C Unit, Cable line Upgrades, dumbwaiter and other reasonable upgrades and expenditures.

2021 Projected Year-End Budget Notes:

ED Shalby and Staff reported that the 2021 Year-End projected budget is anticipated to end with a profit of \$4,619, an increase from the initial projection of a deficit of \$60,059. The 2021 Conference was projected to be in the negative \$150,190 due to the unpredictability of Covid and its effect on attendance in Grand Rapids. The 2021 Conference is now projected to have a loss of \$20,027. This \$130,163 difference in projected loss helps with the overall bottom line. IIMC realized consistency in sponsorships, had less costs in Food and Beverage, reduced staff attendances and less expenses for certain events. IIMC received strong hotel rebates and commissions and also had savings realized from reduced Executive Committee and staff travel due to the cancellation of association conferences. There has been an increase in virtual Institutes and distance education and there has been a savings in the vacant Office Manager position for 7 months.

Committee accepted the projected 2021 budget as presented, knowing there could be changes to the bottom line as the year end ends.

2022 Projected Budget:

Committee discussed the 2022 budget presented by IIMC Staff and Management notes.

The following was discussed and will be presented to the Board of Directors:

1. **An increase of \$25.00 to the 2022 Conference Delegate registration fee.** Currently, the fee is \$600.00 per delegate and we are recommending an increase to \$625.00 early bird. The Committee deliberated a proposed \$50.00 fee; however, the decision to keep it at \$25.00 was felt to be more acceptable to our attendees. The last Delegate fee increase was in 2016. The cost of doing business continues to increase and just keeping up with those increases does not assure us of a successful conference bottom line.
2. **Reducing the Opening Reception costs from \$25,000 to \$10,000.** This is a one-hour reception held in the exhibit hall early Sunday evening that delegates may or may not attend before heading out to dinner. The savings will still allow IIMC to provide delegates with a drink/refreshment ticket to visit the hall and network.
3. **Conference Registration Proposal** – This proposal was recommended by staff and received approval from IIMC's Conference Committee to launch for 2022.

The projected budget for year-end 2022 is currently \$22,958 in the negative, however if the Delegate registration fee is increased and the Opening Reception budget is decreased, the projected budget would be in the positive \$8,292. The 2022 budget incorporates \$40,000 for a part-time Financial Specialist.

Summary:

As noted above, the projected 2022 Budget is projected to have a \$22,958 deficit. With an increase to conference registration and a decrease to the Opening Reception, a positive balance of \$8,202 is projected.

IIMC's Finances are strong due to the efforts of the IIMC Board in recent years to create and implement policies and procedures that ensure budgets are adhered to and proper oversight of finances is in place. The lion's share of the praise for IIMC's financial success, however, is reserved for IIMC Staff, who operationalize the budget and finance policies. Staff continues to be committed to maximizing customer service within budgets and are often looking for ways to constrain costs without affecting deliverables. The Committee offers its praise to both the IIMC Board and IIMC Staff and urges continued vigilance in the future to ensure IIMC's long-term health. IIMC

Budget and Planning Committee Recommendations

Recommendation 1: The Committee recommends the Board accept the projected 2021 budget as presented, understanding that there may be slight modifications between now and year-end.

Recommendation 2: The Committee recommends a \$25 increase for Conference Registration for Regions I-IX only for the 2022 Annual Conference.

Recommendation 3: Pending available funds following the first or second quarter, the hiring of a part-time Financial Specialist.

Recommendation 4: Reducing the line item budget from \$25,000 to \$10,000 for the Opening Reception at the 2022 Annual Conference.

Management's Comments:

We agree with the Committee's recommendations. The 2021 budget will end the year with a profit. The 2022 budget, with the Board's approval of an increase in delegate fees and a reduction of the Opening Reception budget, is now projected to be in the positive.

We have asked funding for a part-time finance specialist for 2022. However, since we don't have the monies to hire someone in January 2022, Management will wait until the end of first or second quarter 2022 to determine if future monies will be available to fund this position. At that time, we will provide the Committee with a report justifying this cost.