



## National Association of Community Development Extension Professionals

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### September 21, 2018 Board Meeting

#### Agenda

- **Welcome/Call to Order** ~ *David Civittolo*
  - Called to order at 1201 p.m.
  
- **Introductions/Roll Call** ~ *Michael Dougherty*
  - David Civittolo, President
  - Susan Kelly, President-Elect
  - Trudy Rice, Immediate Past President
  - Nancy Bowen Ellzey, Treasurer
  - Michael Dougherty, Secretary
  - Mary Peabody, Northeast Regional Rep
  - Brian Raison, North Central Regional Rep and Acting Secretary
  - Adam Hodges, 1890 Rep
  - Yvonedda "Henry" Thompson, 1994/FALCON Rep
  - Ricky Atkins, Executive Director
  
- **Approval of the agenda** ~ *David Civittolo*
  - *Susan Kelly* moved. *Mary Peabody* seconded. Approved.
  
- **Approve August 17, 2018 Minutes** ~ *Michael Dougherty*
  - *Trudy Rice* moved. *Susan Kelly* seconded. Approved.
  
- **Treasurer's report accept and file** ~ *Nancy Bowen Ellzey*
  - Financials uploaded to MemberClicks.
  - Noted the numbers are a bit down from the budget estimates but thought it will be OK.
  - Asked for review of proposed investment policy. Policy will drive investments going forward. It will impact investments from the endowment and how they are treated. Investment fund will be conservative with a 4% return target. It will be reevaluated every six months. Oversight includes the Treasurer, the Finance Committee, and the Development Committee. There will be reports every six months. At some point, earnings will be expected to not only build the endowment but to help with scholarships and sustain operations. Would like input on this.
  - *Mary Peabody*: How would you like input? *Nancy*: Please respond by email before the next meeting. We would like to have this adopted by the board by the end of the year. *David Civittolo*: Review and send comments/questions to Nancy with the goal of passing in October. I think they've done a great job putting together but new and want to make sure board comfortable.
  - *Nancy*: Tried to simplify policy. We looked at JCEP and others. We didn't want it to be too complicated. Does it make sense? Does it work? Any input appreciated.
  
- **Executive Committee Report** ~ *David Civittolo/Trudy Rice/Susan Kelly*
  - Deferred to discussion on marketing.

- **The Association Source** ~ *Ricky Atkins, Executive Director*
  - There is a Report on Member Clicks. The rosters have been uploaded.
  - Made site visit to New Hampshire. Met Charlie French. The hotel is beautiful. 75% through contract negotiation.
  - *David Civittolo*: Asked how 318 members compare to past year? *Ricky*: There were 342 in 2017 and 360 in 2016 – which was the highest it has ever been. Before that membership lower.

### Updates from the Regions & Partners

- Northeast ~ *Mary Peabody*
  - Trying to keep the wheels on. Everything is good.
- North Central ~ *Brian Raison*
  - No updates. Nothing big. Planning second synchronous meeting, targeting (later) September, so need to get done quickly.
- Southern ~ *Amanda Philyaw Perez*
  - Not on call.
- Western ~ *Laura Ryser*
  - Not on call.
- 1890 ~ *Adam Hodges*
  - Had great discussion with Brent Elrod with respect to conference planning and the 1890s. Looking to get more 1890s involved in NACDP and strengthen that component. Brent looking for opportunities for scholarships and holding discussions while there. Hopes to have more news next month or two.
- 1994/FALCON ~ *Yvonedda (Henry) Thompson*
  - FALCON (First Americans Land-Grant Consortium) Conference is November 2-5 in Minneapolis all the Tribal Colleges.
- Joint Council of Extension Professionals (JCEP) ~ *Trudy Rice/David Civittolo/Susan Kelly*
  - *Trudy Rice*: Call for proposals has gone out/ is posted for the Extension Leadership Conference on February 6-7 in San Antonio. Due on October 15 – time is getting short. Theme is Cultivating Leaders. Going to look at growing leaders at local level, organization level, and for tomorrow (youth).
  - *David Civittolo* asked if *Ricky Atkins* could send out a blurb to the membership. *Trudy* said she would provide information.

### Conference Report -- Susan Kelly

- 2019 Annual Conference June 10-13 Asheville, NC
  - Apologized for cancelling meeting earlier. Had been talking with *David Civittolo*, was positive. Woke up Wednesday morning worried people not be able to get home. Feel good about decision now.

- Had Host Committee meeting. *Trudy Rice* and *Mary Peabody* were there. Toured hotel. Got a lot of work done. Ate a lot of good food. *Nancy Bowen Ellzey* and *Michael Dougherty* also joined via Zoom.
- *David Civittolo*: Noted Speaker Committee has worked with interesting speaker and do more than just speak.
- *Susan*: Chad Littlefield owns a company that produces facilitation tools and “We Connect” cards. He would like to do “connection before content.” Fits what Host Committee wants to do – connection with Asheville. Came up with package totaling \$6,500 (dramatically reduced what originally said; his prices go up to \$40,000). I like his stuff. Found out in Asheville and got a discount. Offering a preconference which we can charge for and recoup some money. He is meeting with Hospitality Committee about getting people to connect for two hours (one hour general, one hour committee). There is a webinar we could use. Could use his materials to market conference. Provide value added that way. We could buy 200 cards at bulk for \$2,000, everyone gets one, and we think we have a sponsor.
- Set speaker budget at \$10,000. Generally NACDEP has not paid speakers. This is a conference where important to bring people. Can cut in other areas. Chad Littlefield would be bulk of speaker budget. *Brian Raison*: Value proposition to our members. *Susan*: Look up videos on [weand.me](http://weand.me).
- *David*: Indicated bit out of order compared to how normally done. *Ricky Atkins*: Generally, do a conference budget end of year. If planning \$10,000 for speaker, need to make sure everyone knows how spending this money and why. Be fine as long as draft budget before too long. *Nancy Bowen Ellzey*: I think waiting to end of year to get budget may be too late. At least project what revenues will look like so we know what will cover this item. In favor of speaker. Sponsorships would help. Do draft budget soon as possible.
- *David*: Committee interested in getting this done quickly. Price quote expires Oct. 2. Good news is Susan aware of Cleveland conference budget, of other areas may need to cut because of this. Little bit ahead of game but feel like excellent opportunity to secure speaker. Just don’t have all ducks in row to approve a budget.
- *Nancy*: Key word is draft, just put together something where revenues and expenses are projected. Certainly would not be a final budget. *Susan*: Drafted everything but food. *Trudy*: Important if we projected 175 or 200 attendees, what kind of registration fee that will require. Sponsorship wonderful answer, if we can get them. *Susan*: Ricky Atkins said he could get food prices. Could use Cleveland as an estimate.
- *Susan*: Analyzed prices of all conferences, ranged from \$390 (NAEPSDP) to \$575 (NAE4-HA). Started trying to be cheaper than last year (\$450 plus optional MLW). Don’t know if going to be there, looking at \$430. If bring in 20% more attendees, that is \$30,000.
- Noted no one signed up for Sponsorship Committee. If you know anyone interested, we have booklet and letter ready to go. Don’t have good vendor area. We’ll have to put some sponsor tables in the ballroom with us.
- Can get a draft budget by next meeting. *David*: Noted that earlier the board can get it that will work. *Susan*: Suggested an Executive Board call. *David*: Agreed.

- *Susan*: Would like motion. *David*: Concerned about paying up front. *Susan*: Said price is right. *David*: Suggested maybe paying half upfront, half later. *Susan*: Said would talk to him about that. *Brian* and *Nancy* supported “half-and-half” payment plan. *Susan*: Will take back to him and see what he says. Noted he already reduced his price for us. *Ricky*: Worried about them contracting us. Only thing worries me is them contracting us. Usually NACDEP would present terms to a speaker. Need to make sure have the details. *Michael*: Suggested a “claw-back” provision. *Trudy*: Supportive of getting details down if getting money up front. *Nancy*: Agreed that contract needs review. Supportive of speaker. *Susan*: We can move forward if permission. *Ricky*: Commented that website appears to have a clickable contract. *Mary*: Commented on who controls payment.
- *David*: *Susan* and *Ricky* to enter into final negotiations. Will have special meeting if need be.
- *Trudy*: Encouraged Host Committee/North Carolina group to think about if this will raise registration (no problem) but also raise attendance at conference.
- *Susan*: Briefed on Fast Track. Sessions have several meetings scheduled. Thinking about movie night on Sunday to ground in Ashville. Look at space utilization.
- *David*: Pre-conferences kept in-house in Cleveland. *Trudy*: Had one group approach us in Big Sky. Used banquet room and discussion tables. Post-conference in Cleveland was result of North Central Program Leaders Will follow up with them. Probably will not want. Don’t think anything wrong in call for proposal. *Mary*: Depends on how conference being laid out. If just short concurrent sessions, pre/post conference allows little longer, little deeper consideration. If longer sessions built into program, don’t need pre or post sessions. *Susan*: Will need that time. Only seven break out rooms. *Brett Elrod* applied for a grant to do a CRD 101 all day Saturday with specific invitation of 1890s. Space not contracted – would have to be added. Will put in call for proposals

## Unfinished Business

- Marketing Committee Proposal ~ *Trudy Rice*
  - Discussed results of August 24 meeting
  - Diagram shown from *John Phillips*, Member Services Committee Chair. Looked at Policies and Procedures to see duties. Feel it is appropriate to have all three committees. Looking at the duties, the Venn diagram shows things all three committees might work on and smaller places where work of two committees overlaps.
  - Only recommendation is the board liaison be the same for all committees.
  - Specific things for each committee. Communications (Comm Comm) focuses outside of the organization. Member Services is current member based. Marketing is external focused on getting more members and targeting markets.
  - Recommended no structural change. Same board liaison (primary contact) for all three committee.
  - Need to appoint new Marketing Committee chair. Current chair *David Shidedler*, in his words, is an economist, not a marketer.

- *Mary Peabody*: Asked if we have enough people for all three committees. *David Civittolo*: Noted that for Comm Comm & Member Services, there is. For Marketing, some folks may be ready looking at other opportunities, so it may take time to get up and going again. *Trudy*: Agreed with that. Ned to identify people with passion for marketing. Important role for committee, just need to find right people. *Mary*: Stated that someone who was in on this conversation may be good to be on Marketing Committee. *David*: Agreed with that.

### **New Business – David Civittolo**

- Recognition Committee has uploaded some potential changes and has asked for our review. Assigned Michael Dougherty to lead a review (with other board members) and come back with a recommendation.
  - Trudy Rice: Noted the change in the JCEP Award where is now just funds a new or existing association award similar to previous JCEP Award. Michael Dougherty: First I heard could support an award. Will pass along to new committee leadership which is moving things forward.
- Board Retreat Discussion- next steps
  - Apologized for tardiness of cancellation decision. Next step is to try to determine to meet for do something else.
  - Susan Kelly: Noted big advantage in coming to a site, especially for continuing the strategic plan. Maybe conduct a Doodle poll. Mary Peabody: Suggested a Doodle and said willing to come back. Noted problem might be finding a date not Thanksgiving or Christmas. Ricky Atkins: Suggested reaching out to see when hotel available. Susan: Figured would need 12 guest rooms. Noted had 16 this time. David: Meeting would be similar but maybe a little less (attending).

### **Adjourn**

*David Civittolo*: Thanked everyone for participating on short note. Apologized again last week.  
*Susan Kelly* moved. *Michael Dougherty* seconded. Adjourned. 12:57 p.m.

**Next Zoom Board meeting is October 19, 2018 at 12:00 Eastern Time**

## National Association of Community Development Extension Professionals, Inc.

### BUDGET VS. ACTUALS: FY 2018 BUDGET - FY18 P&L

January - August, 2018

	TOTAL		
	ACTUAL	BUDGET	OVER BUDGET
<b>Income</b>			
40001 Membership Dues	17,125.00	25,000.00	(7,875.00)
40002 Endowment		5,000.00	(5,000.00)
<b>41000 Conference</b>			
41010 Registration	91,920.00	106,875.00	(14,955.00)
41010.1 Mobile Workshop	(100.00)	9,800.00	(9,900.00)
41010.2 Pre Activity		3,150.00	(3,150.00)
41012 Hotel Attrition Income		5,250.00	(5,250.00)
41015 Sponsorship & Exhibits	18,000.00	18,500.00	(500.00)
41017 Conference Tour Income		2,000.00	(2,000.00)
41018 Scholarship Auction Income	878.00	2,250.00	(1,372.00)
<b>Total 41000 Conference</b>	<b>110,698.00</b>	<b>147,825.00</b>	<b>(37,127.00)</b>
NACDEP Merchandise	45.00		45.00
<b>Total Income</b>	<b>\$127,868.00</b>	<b>\$177,825.00</b>	<b>\$ (49,957.00)</b>
<b>GROSS PROFIT</b>	<b>\$127,868.00</b>	<b>\$177,825.00</b>	<b>\$ (49,957.00)</b>
<b>Expenses</b>			
<b>51000 Annual Conference Expense</b>			
41053 Entertainment	1,256.32		1,256.32
51007 Printing & Promotion		1,500.00	(1,500.00)
51007.1 Abstract Submission Program	2,500.00	2,500.00	0.00
51009 Conference Supplies & Materials	390.11	600.00	(209.89)
51010 Audio Video	13,008.81	6,225.00	6,783.81
<b>51020 Keynote/Capnote</b>			
510201 Speaker Expenses	3,500.00	2,500.00	1,000.00
<b>Total 51020 Keynote/Capnote</b>	<b>3,500.00</b>	<b>2,500.00</b>	<b>1,000.00</b>
51021 Tour Expense	2,094.69	9,025.00	(6,930.31)
51022 Transportation	2,990.00	4,500.00	(1,510.00)
51023 Video Recording		1,000.00	(1,000.00)
51030 Meals/Breaks	73,207.24	86,986.00	(13,778.76)
51040 Awards Program Expense	1,029.10	400.00	629.10
51050 Credit Card Fees	1,938.88	4,500.00	(2,561.12)
51051 Misc		1,500.00	(1,500.00)
51060 Scholarship		2,250.00	(2,250.00)
51061 Conference Postage/Shipping	493.83	1,000.00	(506.17)
51063 Conference Mobile App	700.00		700.00
51065 Hotel Room Charges	1,844.93		1,844.93
<b>Total 51000 Annual Conference Expense</b>	<b>104,953.91</b>	<b>124,486.00</b>	<b>(19,532.09)</b>
<b>60000 Association Expenses</b>			
60010 Board Meetings		3,500.00	(3,500.00)
60012 President's Discretionary Fund		500.00	(500.00)
60015 Supplies	319.59	80.00	239.59



	TOTAL		
	ACTUAL	BUDGET	OVER BUDGET
60017 Website	101.96	300.00	(198.04)
60020 Postage	31.95	16.02	15.93
60024 Florida Corporate Fees	61.25	61.25	0.00
60025 Audit & Tax Prep		3,275.00	(3,275.00)
60027 AMS Software - MemberClicks	2,414.00	3,400.00	(986.00)
60030 Insurance Expense	620.00	1,000.00	(380.00)
60050 Bank Service Fees		50.00	(50.00)
60052 Credit Card Fees	1,108.19	100.00	1,008.19
60065 Membership		500.00	(500.00)
60080 Association Manager	22,880.00	34,338.00	(11,458.00)
60085 Assoc Mgr Conf Travel-Per Diem	3,223.38	3,000.00	223.38
60200 JCEP Liason		2,500.00	(2,500.00)
60150 PILD Planning	620.00		620.00
<b>Total 60200 JCEP Liason</b>	<b>620.00</b>	<b>2,500.00</b>	<b>(1,880.00)</b>
<b>Total 60000 Association Expenses</b>	<b>31,380.32</b>	<b>52,620.27</b>	<b>(21,239.95)</b>
<b>Total Expenses</b>	<b>\$136,334.23</b>	<b>\$177,106.27</b>	<b>\$ (40,772.04)</b>
NET OPERATING INCOME	<b>\$ (8,466.23)</b>	<b>\$718.73</b>	<b>\$ (9,184.96)</b>
Other Income			
70300 Other Income			
70350 Interest	36.05	428.99	(392.94)
<b>Total 70300 Other Income</b>	<b>36.05</b>	<b>428.99</b>	<b>(392.94)</b>
<b>Total Other Income</b>	<b>\$36.05</b>	<b>\$428.99</b>	<b>\$ (392.94)</b>
NET OTHER INCOME	<b>\$36.05</b>	<b>\$428.99</b>	<b>\$ (392.94)</b>
NET INCOME	<b>\$ (8,430.18)</b>	<b>\$1,147.72</b>	<b>\$ (9,577.90)</b>

## NACDEP Endowment Investment Policy – DRAFT: August 29, 2018

### Proposed Item 11 to Section J – Fiscal Management, NACDEP Policies & Procedures Handbook

#### Purpose

The purpose of this policy is to provide a clear understanding of the policy, guidelines, and objectives for NACDEP's invested portfolios, which currently includes the NACDEP Endowment for Sustainability. The intent is to give overall direction allowing for flexibility necessary for NACDEP's leadership, particularly the Treasurer and Finance and Development committees, to successfully implement the investment strategy.

Established in September 2015, the Board approved an initial investment of \$15,500 to be used as seed money for the endowment and encourage donations from NACDEP members. General goals of the endowment are to ensure organizational sustainability, increase visibility and connectivity, and provide scholarships for accessibility.

#### Responsibilities

The NACDEP Treasurer, Finance Committee, and Development Committee are responsible for monitoring NACDEP's investments at a minimum of each six months (May and November), reviewing this policy annually, and providing recommendations to the Executive Committee regarding any changes needed to this policy. Although it is the intent of NACDEP to grow the endowment primarily from donations, the Treasurer and Finance Committee may periodically review the status of net operating funds and propose to the Executive Committee the transfer of excess operating funds to the endowment (see next section).

NACDEP's Association Manager, under direction from the Treasurer, is responsible for the day- to-day administration and implementation of policies established by the Executive Committee concerning the management of institutional funds.

#### Investment Objectives

The principle objectives of NACDEP's investment portfolio are:

- Preserve the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of future, annual distributions in support of the organization.
- For the purpose of making distributions, investment funds shall make use of a total- return-based spending policy, meaning that it will fund distributions from net investment income, net realized capitals gains, and proceeds from the sale of investments with the understanding that investment sales shall not include principal.
- The distribution of investment fund assets will be permitted to the extent that such distributions do not exceed a level that would erode the principal real assets over time. This will be accomplished by reducing the variability of annual distributions, by factoring in past spending and portfolio asset values into current spending decisions. These assumptions will be reviewed at least every two years by the NACDEP Treasurer, Finance Committee, and Development Committee.
- Periodic cash flow, either into or out of the portfolio, will be used to better align the investment portfolio to the target allocation outlined below.



- Investments will encompass a breadth of assets; however, where possible the investment portfolio will include funds that are in alignment with NACDEP mission and vision dedicated to strengthening communities.
- Manage all investments to facilitate NACDEP's charitable and educational purposes in accordance with IRS restrictions on 501(c)(3) organizations.

Achieving these objectives will require assuming a moderate amount of risk, a long-term investment horizon, and diversification among assets. Funds will be invested to maximize total return (capital appreciation, interest, and dividend income) consistent with a prudent level of risk as determined by NACDEP's Executive Committee.

### Asset Allocation

Based on the asset allocation guidelines adopted by the Joint Council of Extension Professionals (JCEP), the NACDEP Executive Committee has established the following asset allocation guidelines.

#### Cash and Equivalents – 10-30%

Short-term investments shall consist of obligations of the U.S. Government, U.S. Agencies and corporate issues rated A or better by one-year maturity or less, and the two highest grades of commercial paper. Additionally, a money market fund or comparable investment vehicle with like investments may be used.

#### Fixed Income – 20-40%

The quality of the fixed income securities shall not be rated less than A by Moody's or Standard and Poor's. Maximum ownership of any one issue, exclusive of U.S. Government issues shall be 15% of the fixed income portfolio at cost. Private placements or other restricted securities shall not comprise more than 10% of the fixed income portfolio cost. Cash positions should conform to investments described in section A.

#### Equities – 30-70%

The portfolio may hold common stocks publicly traded on U.S. Exchanges, NASDAQ listed stocks and securities convertible into such stocks. Up to 25% of the equity investments may be in the international sector. Equity investments in any major sector classification shall not exceed (20%) of the market value of the total equity portfolio.

Equity investments in any single issue shall not exceed (7%) of the equity portfolio at market value. Cash positions should conform to investments described in Section A.

### Diversification

Diversification across and within asset classes is the primary means by which NACDEP expects the portfolio to avoid undue risk of large losses over long periods of time. To this end:

- With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total portfolio assets.

- With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 25% of total portfolio assets.
- With respect to fixed income investments, for individual bonds, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher).

### Rebalancing

Asset allocation may vary from target asset allocation as a result of varying periodic returns earned on investments in different asset and sub-asset classes. The portfolio will be rebalanced to its normal target asset allocation as follows:

- Incoming cash flow (contributions) or outgoing money movements (disbursements) will be used to realign the current weightings closer to the target weightings.
- The following parameters will be applied:
  - If an asset class is +/-5 percentage points from its target weighting, the portfolio will be rebalanced.
  - If any fund within the portfolio has increased or decreased by greater than 20% of its target weighting, the fund will be rebalanced.
- Rebalancing recommendations may be made to the Executive Committee at any other time.

### Performance Measurement Standards

The portfolio performance (net of fees) will be judged against the following standards:

- A compounded annual growth rate net after all expenses of at least 4%, over a full market cycle (3-5 years).
- Expected total return compared to the market to equal or exceed applicable equity or fixed income indices over a full market cycle (3-5 years).
  - Equities: S&P 500 Index
  - Fixed Income: Lehman Brothers Government/Corporate Index
- If funds are actively managed, portfolio is expected to be in the top 50th percentile of the universe of professionally managed funds in the same investment category(s).

### Expenditure Guidelines

The first priority of the endowment's investment policy is to ensure that sufficient investment return shall be generated and retained to preserve and grow its economic value over the medium-to-long term. To this end:

- Funds transferred by NACDEP to the endowment are permanently restricted and may only be used as principal. Donor funds will be considered restricted unless explicitly directed otherwise by the donor.
- In line with investment objectives described in this document, distributions must come from net investment income, net realized capitals gains, and proceeds from the sale of investments.
- Income realized from investments will be treated as restricted until the endowment reaches a balance of \$100,000.

The second priority of the endowment's investment policy is to provide funds to meet the goals of the endowment; specifically, organizational sustainability, increased visibility and connectivity, and accessibility through scholarships. To that end:

- Upon reaching a balance of \$100,000, the organization may withdraw, from the unrestricted income, up to 5% of the total market value of the endowment.
- Use of the funds must be in line with the endowment's goals.
- All expenditure decisions must consider the following factors:
  - o the duration and preservation of the institutional fund;
  - o the purposes of NACDEP and the endowment;
    - o general economic conditions;
    - o expected total return from income and appreciation of investments;
    - o other organizational resources; and
    - o all applicable investment policies
- Decisions to appropriate funds will be made by the Board in its entirety and recorded in the meeting minutes and maintained in the organization's fiscal records. Each decision to appropriate funds for expenditure should explicitly describe how funds will be spent, and the nature and extent of the consideration that was given to each of the stipulated factors.

## **NACDEP National Office Report -- September 2018**

Since the last board meeting the NACDEP National Office (TAS) has engaged in the following scope of work.

### Finance:

- TAS has reconciled financials for August and sent to the treasurer for their report.
- TAS continues to monitor all accounts receivable and payable for the association
- TAS has received the Formal Audit and Forwarded the documents to the treasurer for Signature

### Membership:

- TAS is currently processing Membership renewals for the 2018 membership year. 318 members have renewed through the online renewal system or through conference registration.

### Communications:

- TAS Sent out the September Newsletter on behalf of the editor

### Web:

- TAS has added the STD for the 2019 conference to the homepage
- TAS has made general updates and web site changes

### Board Retreat

- TAS Negotiated a contract with the four points Sheraton Asheville for the retreat which was eventually cancelled due to Hurricane Florence

### 2019 Conference

- TAS has reviewed the contract and executed for the 2019 conference at the renaissance downtown Asheville.

Submitted by: Ricky Atkins