



# American Water Works Association Pacific Northwest Section

## **Board Call for Action at Special Meeting: 2018 Section Budget Amendment November 28 - 30, 2017**

Section Chair Dan Kegley called a special email meeting of the PNWS Board of Trustees to order at 9:00 AM on November 28. Those on-line included: Chair Elect Mel Damewood, Past Chair Lacey Goeres-Priest, AWWA Director Kari Duncan, Trustees - Mike Whiteley, Lynn Stephens, Ronda Farmer, James Dean, Chris Young, Julie Smitherman, Treasurer Bob Ward and Executive Director Kyle Kihs. They were joined by Budget Committee Chair Jamie Porter and AWWA President Brenda Lennox and AWWA Director At-Large Marshall Thompson.

The purpose of this email meeting was to approve the Section 2018 budget. Background: At the conclusion of the 2017 Fall Trustee Meeting the budget showed a \$41,126 deficit. Chair Kegley asked the Trustees to return to their committees and see if they could either increase income (offer more trainings) or decrease projected expenses.

To begin the meeting Chair Kegley highlighted the changes that had been made to the budget since the Fall Meeting. Incorporating changes from committees, reduced expenditures in Trustee Meetings and a reduction in the Executive Director's travel, the proposed budget reduced the budget deficit by almost \$28,000, from an initial shortfall of \$41,126 to a deficit of \$13,528. This improved our reserve ratio from 42.6% to 45%, well within our mandated ratio of between 30% and 60%. He thanked everyone for all the hard work they had done to improve the Section's financial position. He then asked for a motion to adopt the Section 2018 Budget as revised.

Trustee Whiteley made the motion to approve the Section 2018 Budget as revised. Seconded by Lynn Stephens.

Chair Kegley opened the floor for discussion. He reminded the Board that the discussion period will be open for two days followed by a vote closing no later than close of business on November 30<sup>th</sup>. He asked that everyone please maintain the email chain for our record during the two day period and that he would send out another email to call for the vote on the 30<sup>th</sup>.

Trustee Stephens opened the discussion with a couple of comments. She applauded the Board for working with the committees and reviewing expenses to reduce the budget deficit. She mentioned that one of the reductions to the Trustee Meeting budget was \$10,000 for shirts and was curious what that was for?

Chair Kegley shared that the expense was for branded clothing that was given out to both subsection and committee officers at the Winter and Fall Meetings. These clothing items were designed to get the new AWWA approved Section logo out to the members and to serve also as a small token of appreciation for all that our volunteers do to keep the Section running smoothly.

Chair Elect Damewood mentioned that the minimum reserve ratio as stated in Section Bylaws is 30% and that he was really pleased to be at 45%. Neither our Section Bylaws nor Rules of Procedure require that the Board approve a balanced budget, however while we have done a fantastic job reducing our deficit, it is still a deficit. That said he believes the deficit is in range to manage, his experience is that committees will likely not spend all of their allocated money and perhaps some will make even more. He is ok with where it stands now with the commitment from the Board we will work to balance it over the next year. He mentioned that his goal for his year as Chair of the Section would be to submit a 2019 balanced budget for approval at next year's Fall Trustee Meeting. To close he mentioned that there was not a contingency line item in the budget. Our Bylaws allude to the creation of a contingency to pay for unbudgeted items at which the Chair approves when the situation comes. How do we propose to work any expenditures outside the budget if they arise?

Treasurer Ward mentioned that historically when expenditures arose, Boards would reallocate funds at any of the three trustee meetings if necessary. Executive Director Kihs confirmed this.

Chair Kegley added that a process was currently being developed to allow for more time and transparency in the budget process.

At 9:00 AM on Thursday, November 30<sup>th</sup>, Chair Kegley thanked the Board for their discussion and called for a vote to approve the Section 2018 Revised Budget. Motion passed unanimously.