

Minutes

FAPPO B of D
Orlando
June 18, 2010

Florida Association of Public Purchasing Officers

20 PRESENT:

Johnny Richardson, President
Mark Raiford, Vice President
Carrie Woodell, Treasurer
Cheryl Shanabarger, Secretary
Craig Rowley, Executive Director
Wendy Geltch, By-Laws, Historian, VIP
Cheryl Olson, Awards Entity Chair
Diane Wetherington, CER Tuition
Reimbursement
David Bennett, Finance Chair
Russ Wetherington, Fall Workshop
Program
Patty Hobbs, Facilities
Rhonda Scott, Parliamentarian

Linda Carson, Membership Co-Chair
Bobbye Marsala, Presidential Advisor
Ed Parker, Sergeant-at-Arms
David Bennett, State Proc/DMS Rep
Tammy Hodgkins, Banquet Committee
Co-Chair
Sally Bergman, Hospitality Chair
Keith Glatz, Web, Awards Committee
Denise Schneider, Web, FAPPO Bucks
Chair
Holly Raphaelson, Web, Outreach
Program
Marian Pace, Web, Past President

ABSENT:

Dave Nash, AEP Jr. Rep
Malcolm Wilson, Credit Card
Chris Rewis, Education/ Pro-Dev Chair
Jane Dalrymple, Scholarships
Gale Johnson, Food Services
John Klatt, Committee
Kirk Buffington, Legislative Affairs
Elaine Walker, Membership Co-Chair
Cheri Alexander, NCPPC Rep
Sally Long, UPPCC Rep

Lora Martin, Website Liaison
Alan Weaver, Vendor Resource Chair
Mark Lovell, Audio/Tech. Chair
Jason Ouzts, Committee
Denise Lipscomb, Banquet Co-Chair
Tony Barnes, Gold Tournament Co-
Chair
Ginny Coleman, Hospitality Committee
Renae Smith, Trade Show Committee
Linda Smith, Trade Show Committee
Tammy Ma, Trade Show Committee

GUESTS:



Call to Order:

Called to Order by President Johnny Richardson at 9:00 A.M. at the Rosen Plaza in Orlando, FL.

1. Introductions..... President Richardson

Each person introduced themselves.

2. Approval of Minutes

Motion by President Richardson to approve the May 3, 2010 FAPPO Board of Directors meeting minutes. Seconded by Ms. Woodell. Motion passed unanimously.

Treasurer Report-Mr. Raiford distributed the report to all members
A correction was noted for the beginning balance of the Money Market Account. Also discussed was moving funds from MM to checking which is paying 1%.

3. Approval of Treasurer Report Mark Raiford

Motion by Ms. Woodell to approve the corrected Treasurer Report. Seconded by President Richardson. Motion passed unanimously.

Mrs. Scott brought up that according to Robert's Rules of Order the Treasurer's Report's does not require approval.

4. FAPPO 2011 Draft Budget..... President Richardson

President Richardson requested members to review the FAPPO 2011 Draft Budget. It was stated that line item 804 would need to be increased to \$8,500 if there was agreement to move forward with online exhibitor and membership applications. Line 924 needed \$2,000, leave line 402 same as last year. The November budget will require board approval

5. Executive Director Report..... Craig Rowley

Executive Director Report by Mr. Rowley from Real Business Solutions presented the 2009-2010 Summary Report that included:

- Balance Sheets
- P & L Reports for 3 years
- Membership Report

Discussion of the report concluded that membership and conference attendance is expected to continue to decline. FAPPO Bucks and the redirection of Pro-D subsidy were successful in providing a 22% increase in conference attendance. Mrs. Pace brought up the consideration of the increase of the diamond exhibitor from \$5,000 to \$8,000. Mr. Rowley reported that we have already received payment from 2 Conference exhibitors including the return of our Diamond Exhibitor. The website will be

updated with 2011 Conference information. Also, Mr. Rowley will be issuing an RFP for the decorator.

Questions on current membership was brought up and renewals for 2010-2011. Currently there are 851 paid memberships. CAPPO membership is \$130.00 and \$25.00 for retired while FAPPO remains a real value at \$50.00.

The FAPPO website was down during the conference and therefore FAPPO moved to a new host and in the process it was determined that FAPPO does not own the domain. It was decided to get a price and to take the steps required for FAPPO to have domain ownership as soon as possible.

Mr. Rowley requested how to respond on a request that he received from another professional purchasing association for a list of the FAPPO's membership to use for advertisement of a seminar. The request was declined.

Mr. Rowley suggested including in the budget the expense of \$3,600 for the first phase of moving toward online member application and renewal process and online event registration process. This also includes an email broadcast. Total cost of \$ 5,800.

Mr. Rowley reported that while the last conference is positive news that the economy still may have a negative effect on future revenues. Also, negotiations for use of Orlando facilities may be more difficult in the future since a recent poll named the Orlando area as #1 for the best conference location.

6. FAPPO Bucks Report.....

FAPPO Bucks Report was submitted and it was suggested and agreed that the maximum amount be by member and not per agency.

7. AEP Cheryl Shanaberger

Mr. Nash and Mrs. Shanaberger attended the NPI 2010 AEP Committee Evaluation Meeting on June3-5, 2010 in Las Vegas. NPI received 165 applications and only 10 were manual submittals. There were 154 successful applications.

The committee elected to accept only electronic submittals next year. Also, to help new applicants and provide additional information the NPI web site will have a best practice sample available for each question. The committee elected to have mentors available next year to any applicant that would like extra help for the submittal process.

The committee evaluation meeting was lots of hard work but was well worth it for the opportunity to view other agencies and their processes.

8. FAPPO Award Keith Glatz

Mr. Glatz recommended different FAPPO bucks for the award. He suggested that the entity award be \$150 and best practice award be \$500. Also, there will be new and different bench marking this year with more of a Florida emphasis. Now that some of the best practices have become common procedures new benchmarks will be added. Mrs.

Schneider stated that \$5000 had been allocated for the award program and that the award amounts were already advertised as \$25 for the application, \$300 for the entity award and \$300 for the best practice award. Therefore, there will be no change this year in the FAPPO buck amounts.

9. Appointment/Awards Cheryl Olsen
Mrs. Olsen stated that all positions are currently filled and that we do not need any appointments for AEP or NIGP at this time.

10. By-Laws Wendy Geltch
Mrs. Geltch distributed the By-laws. Mrs. Geltch stated that the By-Laws have been sent to be posted on the FAPPO web site.

11. Credit Cards Malcolm Wilson

12. Education/Pro-Dev Chair Chris Rewis
Mrs. Rewis states that four classes are scheduled starting August 18. There is a float rate that FAPPO pays of \$200.00 for a 3 day class.

13. CER Tuition Reimb Diane Wetherington
Mrs. Wetherington is working on creating an electronic application.

14. Fall Workshop Russ Wetherington
Mr. Wetherington stated that the Fall workshop is scheduled for November 4. He plans to include State of Florida update with Green 101 classes on Leed certifications and green policies.

10:10 am Break

10:35 Meeting resumed

15. Facilities Patty Hobbs

16. Food Services
Met with Peabody

17. Finance David Bennett
Mr. Bennett had no updates at this time. An internal audit was requested by Mrs. Pace, and she also questioned if there was an audit plan or a strategy. Mr. Wetherington said that Mr. Klatt did have a plan. It was decided to contact Mr. Klatt and get information to present a plan and have a comprehensive audit conducted.

18. Historian Wendy Geltch
No updates

19. Meeting CoordinatorDiane Wetherington
Mrs. Wetherington requested an explanation of her responsibilities for this position and Mrs. Pace stated that in the past that this position scheduled meetings, networking and worked with Mr. Rowley in these areas.

21. Membership Co-Chair Linda Carson
Mrs. Carson stated that the membership application is finalized and needs to be distributed. Also, Ms. Carson will be reaching out to NPI, NIGP and other organizations for members.

22. Nominating Mark Raiford
Mr. Raiford has not received any official nominations. Mrs. Geltch stated that she would be nominating Mr. Bennett for Secretary once his new supervisor provides a letter of approval.

23. NCPPC Rep
The term is extended to 12/12

24. Outreach Program Holly Raphaelson
Mrs. Raphaelson discussed what material to send and is considering using an electronic brochure. She also wants to include a list of 20 reasons for joining and the value of membership. Holly and others are working on a list to address the roles, actions to be taken, where we start, what to send out and questions on value. Linda will get with Holly to work on this.

25. Survey/Research Chair Bobbye Marsala
Mrs. Marsala stated she will be issuing position, salary, bid thresholds and signature authority surveys.

26. UPPCC RepWendy Geltch
Mrs. Geltch stated there are 311 candidates. Wendy reviewed the questions and she feels that the questions are in the correct exam. The CPPO questions are more advanced than the CPPB. Also, there are no trick questions.

Annual Conference Committee

27. Vendor Survey Marian Pace
Mrs. Pace provided the vendor survey results. There were 55 responses, the percentages for the overall trade show experience was 6.5% Outstanding, 32.3% answered the Trade Show Exceeded Expectations, 35.5% Met Expectations and 25.8% Did Not Meet Expectations. The vendors' number one complaint was lack of attendees.

28. Banquet Committee Tammy Hodgkins
Mrs. Hodgkins discussed going off site at Sea World and is scheduled for a tentative meeting on April 17th. She requested amount to book for and 180 was suggested for the conference and 200 for the event. There is \$20,000 committed to the Peabody for food that will need to be taken into consideration. Mr. Rowley brought up not to forget the

service charge of about 30% when figuring cost. Also, if the special event and award banquet are held off site transportation arrangements plus the extra expense will need to be considered.

29. First Timers Bobbye Marsala
Mrs. Marsala inquired if there were any items left from previous events and she received a negative answer. However, there is a budget of \$200 for miscellaneous. Suggested items discussed were pen flash drives or laser presentation pointers.

30. Food Service..... Linda Carson

31. Golf Tournament Co-Chair..... Ed Parker
Mr. Parker reported only four FAPPO members played however he heard no complaints from the vendors. The vendors consider it a networking event if only with each other. There was a discussion on if we should continue to offer the tournament since it does not provide much revenue and the entities will not pay for the expense and FAPPO bucks can not be used. It was decided that it is still worth while and this year the application process will be streamlined.

32. Hospitality Chair Sally Bergman
The committee is planning to have drinks related to the Luau. A suggestion was made to provide a punch for the hospitality room. Also, that this year perhaps consider purchasing less hard alcohol since we had so much left over from the last conference.

33. Program Chair Mark Raiford
Mr. Raiford is reviewing the evaluations and has sent a notice out requesting presentations.

Break- Lunch at 11:55am

Resumed- 12:50pm from lunch

34. VIP CoordinatorWendy Geltch
Mrs. Geltch discussed doing something similar to last year.

35. Real Business Solutions Contract.....
President Richardson requested that Mr. Rowley from Real Business Solutions leave the room for the discussion of this year's contract for Executive Director. The Real Business Solutions proposal was distributed to the members. President Richardson stated that the Executive Board had met and was entertaining the offer to Real Solutions of a \$62,500 base contract amount with a bonus of 10 % up to \$25,000 based on an increase of exhibitors and membership with a May start date that would include a two month adjustment to maintain the July date of the current contract. The Real Business Solutions contract will be updated to reflect the service FAPPO was receiving and add the responsibility of the Annual Trade Show Exhibitor registration including the personnel for the registration desk during the show.

Several members stated the benefits of having an Executive Director and how they felt Real Business Solutions was providing more services than the contract required. It was noted that the first proposal fee was negotiated at well below industry standard for this type of service.

Several members expressed concerns of the timing of the bonus. It was discussed by Mr. Weatherington that the bonus given to the Executive Director a few months ago was not in accordance with the Contract and an amendment to the Contract was required. The contract terms should have been followed. Several members voiced displeasure that the current contract included an amendment that stated the increase was retroactive to May 1, 2010.

It was also discussed by several members that they felt the increase would be difficult to justify to the membership as Agencies are not getting raises and their own contracts are being reduced. Several expressed that the contract should be based on measureable performance goals with a formula. Also, that the goals should be clearly defined within the contract. Mrs. Olson mentioned that Mr. Klatt had presented a good model for performance measurements last year.

There was discussion relating to performance measures based on increase in exhibitors, memberships and revenue. Several members suggested that Real Business Solutions should bring back a recommended formula for determining the incentive.

The members agreed that the base salary of \$62,500 and the start date of July 1, 2010 was acceptable to most.

Motion was made by Mrs. Scott to set the base pay at \$62,500 with a July 1 start date, with an incentive of 10%, up to \$20,000, to be based upon the increase in the trade show revenue with the prior year as a benchmark using net income and net expense.

Mrs. Marsala seconded the motion

Discussion was lead by Mr. Weatherington that to be fair the incentive should be on the net income of the profit and loss of the trade show for that year not prior with a maximum of \$20,000.

Amended Motion made by Mr. Weatherington to change the incentive to the current year trade show Profit & Loss with a maximum amount of \$20,000.

Amended Motion seconded by Ms. Schneider

A member suggested that a calculation be done using the new suggested contract terms to determine what the bonus amount would be using last years figures. The 10% incentive would have been applied to \$207,000 resulting in a \$27,000 bonus. Also, there was discussion on other factors of the contract such as insurance and bonding that continue to increase.

Vote was taken and Amended Motion failed.

Motion was made by Mr. Weatherington stating that the contract date will be July 1, 2010, base pay will be \$62,500, and incentive will be paid at 10% of the net trade show income of the exhibitors and membership with a maximum of \$20,000.

Motion was seconded by Mrs. Schneider.

Motion was passed with Mr. Raiford and Mrs. Shanaberger voting no.

Mr. Rowley from Real Business was invited back to the meeting and was provided the proposal. He stated that this was a major change to the proposal and he would contact President Richardson with his answer the following Monday.

36. Open Discussion President Richardson

A request was made to contact Lora to update the current events on the FAPPO web site.

President Richardson called for any other open discussion topics. No response.

Adjourned 2:35 p.m.