

**SUMMARY AND TRANSCRIPT OF CONFERENCE CALL
CFA BOARD OF DIRECTORS
APRIL 5, 2016**

Secretary’s note: This index is provided only as a courtesy to the readers and is not an official part of the CFA minutes. The numbers shown for each item in the index are keyed to similar numbers shown in the body of the minutes. **In order to avoid confusion with the proposed budget discussed at this teleconference and the budget approved on April 12, 2016, the final budget appears in the April 12, 2016 minutes.** These minutes contain line items when each particular line item is discussed.

(1) BUDGET COMMITTEE.....2

Secretary’s Note: The Officers and Board of Directors of the Cat Fanciers’ Association, Inc. met on Tuesday, April 5, 2016 via teleconference. **President Mark Hannon** called the meeting to order at 9:00 p.m. A roll call by **Secretary Rachel Anger** found the following members present:

- Mr. Mark Hannon (President)**
- Mr. Richard Kallmeyer (Vice President)**
- Barbara J. Schreck, J.D., C.P.A. (Treasurer)**
- Ms. Rachel Anger (Secretary)**
- Mrs. Geri Fellerman (NAR Director)**
- Mrs. Pam Moser (NWR Director)**
- Steve McCullough, D.C. (GSR Director)**
- Ms. Lisa Marie Kuta (SWR Director)**
- Ms. Kathy Calhoun (MWR Director)**
- Mrs. Jean Dugger (SOR Director)**
- Mrs. Pam DelaBar (Europe Regional Director)**
- George Eigenhauser, Esq. (Director-at-Large)**
- Mrs. Carol Krzanowski (Director-at-Large)**
- Mr. Richard Mastin (Director-at-Large)**
- Mr. Darrell Newkirk (Director-at-Large)**

Also Present:

- Edward L. Raymond, Jr., Esq., CFA Legal Counsel**
- Teresa Barry, Executive Director**

Not Present:

- Mrs. Carla Bizzell (Director-at-Large)**
- Mr. John Colilla (GLR Director)**
- Mr. Edward Maeda (Japan Regional Director)**
- Roger Brown, DVM (Director-at-Large)**
- Mrs. Annette Wilson (Director-at-Large)**

TRANSCRIPT

Hannon: Welcome everybody. I'm not going to go through a roll call, since Rachel has already told us that everyone is here, with the exception of Carla, Annette, Edward and Roger, who are not going to be with us; and John and Kathy, who may join us later but they haven't joined us yet. We have every reason to expect they are going to join us, because they didn't say they were not. [Calhoun joins the conference] Welcome Kathy. So, the only other person that we are hoping will join us is John Colilla, who has not yet joined us.

(1) BUDGET COMMITTEE.

Committee Chair: Barbara Schreck
List of Committee Members: Rich Mastin, Carla Bizzell

Hannon: Barb, do you want to take the lead on this, since it's your budget we are talking about? **Schreck:** I'm not exactly sure what the best place to start would be, but maybe with the narrative might be the best place, or the capital improvements. Let's go to the narrative.

Budget

*A budget is a formal statement of estimated income and expenses based on future plans and objectives. In other words, a budget is a document that management makes to **estimate** the revenues and expenses for an upcoming period based on their goals for the business.*

It is also general practice to present a conservative budget. That is to say not being overly optimistic when projecting income or under estimating expenses.

Key notes to budget as presented

Registration category income has been calculated by annualizing the 7 months of income from June December and then increasing by 2%. The June to December period was used due fact that registration fees were increased effective as of June 1, 2015.

Certain other income categories not directly related to registrations were increased by 2%.

The income for the International Show has been entered as one number and similarly the expenses have been entered as one number, \$ 150,000 and \$ 175,000 respectively for a net loss of \$ 25,000. These are only conservative "place holder" figures pending on more detailed information once the venue and other elements have been firmed up.

The Annual Income is a new category and is based on currently available estimates. Note that for years 2015 and prior this category of income was enjoyed by the Region hosting the Annual. Likewise expenses noted as a new category "Annual Expenses" were previously charged to the Region but are now CFA expenses.

Yearbook sales were estimated based on declining trend.

Marketing income is estimated based on actual through February. The amount through December was low due to the late deposit of several checks.

All insurance expenses have been increased by an estimated inflationary factor of 5%.

Payroll expense has been increased by a factor of 7% for those who have been with CFA for the last two years, as no increase was given last year. Less for those only employed for one year, and nothing for very recent hires. This is only a global estimate. No one will get more than the 7% but some less based on performance reviews.

There are two new additions to central office payroll, one for the new Events Coordinator (see Contract Labor below) and another position to assist with registrations and other processing functions. In addition the former bookkeeper position has been shown as a much needed upgraded position to Accounting Manager.

Payroll taxes are calculated based on a blended experience rate of 10 %.

George Eigenhauser, Chair of the Legislation Committee, has requested an increase of 3.4% to bring the total increase to the amount requested last year 5% for Legislative Consultant Fees. The increase given last year was 1.6%.

Contract Labor is lower than the prior year due to the some of the tasks formerly charged to this account now being assigned under payroll as part of the duties for the new Events Coordinator position. Some amount has been budgeted under Contract Labor for hiring a part time consultant to pick up some of the marketing and other functions that were not reassigned to the Events Coordinator. This position is expected to be advertised and filled in the September time frame.

Officers Compensation has remained the same with the exception of the President. In the past this was at \$12,000. Jerry took nothing the first term. It was subsequently reinstated during Jerry's second term at \$ 8,000. The proposed budget brings the President's Compensation back to \$ 12,000 from the current \$ 8,000 level.

Depreciation Expense and Amortization of Software have been adjusted for the increase in expense due to the write off of new assets.

Other expenses have been based on annualized amounts, or estimates as noted on the proposed budget. Refer to the legend at the bottom for the reference source for various items.

Schreck: I tried to explain a little better this time, because I think there was some confusion last time. I tried to anticipate some of the questions, so this basically sets forth the major assumptions for the budget. As an aside, I got no questions from anybody, as were solicited, except a couple from Carla. That's about it, so I am hopeful that this was helpful to people in understanding how the numbers are put together. One comment that Carla made, and I just want to be clear about this, is at the bottom at the very last part of this narrative, it talks about Depreciation and Amortization of Software. I said it's a write-off of new assets. Just to be clear, in accounting terms when you say "write off", you mean you expense it right away. What happens for the capital items, we decide what their useful life is, and then we write them off over

that useful life. The same thing with these major software developments that are in the capital budget. So, having said that, I don't know if there is anything on here that people want to discuss or have a question about. **Hannon:** Are there any questions about the narrative? Barring that, Barb, do you want to go into the capital improvements part, which was a Word document?

***CFA 2016 – 2017 Capital Improvement/Investment Needs and Repairs
& Maintenance Projects***

We are in need of investing funds on the following list of projects to: maintain our Central Office Investment, and upgrade Office Equipment, Computer System(s) and Programs.

Central Office - Capital Improvements / Investment Needs:

- *Replace Existing Roof* \$50,000.00
 - o *At time of purchase (2011), roof had a replacement life of 3 to 4 years (we addressed simple repairs to extend life; time to replace is upon us).*
 - o *Estimated age of existing – East Side 25 years & West Side 35 to 40 Years.*
- *Upgrade Phone System* \$ 4,000.00
 - o *Current system does not offer any expansion capabilities and is limited in functionality.*
- *Replace Front Doors* \$ 4,000.00
 - o *Hydraulic system is non-functional.*
 - o *Will retain pump and control board for spare parts to be used for Museum Interior Doors when needed.*
- *Office Equipment (desks, cubicles and computer equipment)* \$ 6,000.00 (E)
 - o *Additional Office Equipment needed for additional staff.*

Schreck: I put this mostly together in conjunction with all of the things that we need to do. We have a few things this year that are on the capital budget. We had very few last year. The roof is finally on its last legs. They patched it as much as it can. It just needs to be replaced. CFA knew this when the building was purchased, and that was an item that again was patched as best we could but now it needs total replacement. That's the big item here that I know someone had asked about. I don't know if you want to talk about each of these, or if everyone understands what needs to be done. **Hannon:** Let me jump in here. When we bought the building, we knew there were going to be three major expense items coming up in what we anticipated would be the first 5 years that we owned the building. One was replacement of the heating and air conditioning system, which we did last year. You will recall at the October board meeting a year and a half ago, they were in the process of installing the new system and we didn't have heat or air at that particular board meeting. Another item was replacing the roof, which we are anticipating doing this year. The third major item would be replacing the elevator. At this point, the elevator is still going strong so we don't have any plans to replace it this year. **Calhoun:** I have one question. Under *Replace Existing Roof* there is an *Estimated age of the existing*, and there's an *East Side 25 years & West Side 35 to 40 Years*. Can you explain a little what that means? **Hannon:** Initially it was two buildings. As you walk down the center hallway, the left wall was the outside wall of the left building. Because there were two buildings, they had two different roofs. The age of those roofs are different. They took out a wall and created one

building out of what was initially two. Is that right, Rich? **Mastin:** That's correct. **Calhoun:** This is not necessarily strictly a budget question, but do you anticipate some down time at the office itself when this is occurring, as far as people being able to work in the office while the roof is being replaced? Is there a plan around that? **Barry:** I can answer that. No, at this point in time we do not expect any down time. **Kuta:** Are there any other systems on the roof besides the roof, like any electric or HVAC or anything like that? **Barry:** I don't believe so. **Hannon:** Rich, you would probably be a good one to answer that. **Mastin:** The old unit was on the roof. When we replaced the old HVAC unit, we requested to have the old unit removed. We didn't want it left up there. There may be one or two smaller units up there. I'm not 100% sure what they did with replacing the old unit. It's essentially pretty clean. **Kuta:** It looks like there are probably not many unexpected things to come out of it, then. \$50,000 sounds like a pretty good estimate. **Mastin:** Yes. **Hannon:** Any other questions on the capital budget?

Computer System and Programs - Capital Improvements / Investment Needs:

- *On-Line Clerking Program* \$11,000.00 (E)
 - o *Clerking Schools are limited and not well attended, need to make the program available on line.*
- *Move HP Info to Main System* \$29,500.00 (E)
 - o *System Analyst to spec out and review, work with Computan to move club and other from HP to Main System, and Computan Hours to do the same.*
- *CFA Owned Entry Clerk Program* \$12,000.00 to \$25,000.00 (E)
 - o *One of the current Entry Clerk Programs is not working correctly with updated software program(s).*

Hannon: Carol, do you want to address the Clerking Program – the \$11,000 there?
Krzanowski: What that is, is to develop an online clerking school. As many of you probably know, there have been very few clerking schools, especially in Regions 1 through 8. There have been some in Europe Region and some in the International Division, but here in the U.S. and in Japan there really haven't been any. I think largely that's probably due to finances, because many clubs are struggling just to have shows, so they don't have the finances to schedule schools, which requires renting space and hotels or whatever, and also paying for an instructor to conduct the school. I've had people asking me when there is going to be a school in their area. Unfortunately, in most areas there aren't any. We do have a couple coming up, but they are both on the east coast. One is in Atlanta and there's a planned school in New Jersey in conjunction with Garden State. There's also I believe a planned school coming up in Finland, but that leads a lot of areas of CFA without any school. That's one of the requirements for licensing. There's a lot that's taught at a school about basic clerking procedures, so we need to find an alternative to allow prospective clerks the opportunity to get the training they needs so that they can become licensed. The money that we are proposing is to pay for development costs. We are planning to have it done in a 6 month period of time, if it's approved. We can start May 1 and it will consist of various modules and some video clips. With the school coming up in Atlanta, it gives us an opportunity to actually do some videos of a real school, which we can then use in the online version to help train prospective clerks. I should mention that basic clerking procedures have not changed since I started in the cat fancy. Running a ring, calling cats up, how to mark a catalog – that's all basic information that has not changed, in spite of show rule changes, number of

awards and things like that. The expected life of this online school would be quite long. I do believe it's worth the investment and I hope everybody thinks so, too, so we can get this approved and get started. **DelaBar:** Carol, are you going to have this be multi-lingual?

Krzanowski: We would like to do that. Initially it would be in English, of course. With the help of some of our CFA people in other areas of the world, I'm hoping that maybe we will be able to translate these to other languages, as well. Initially, just English. **Calhoun:** Has a vendor been identified for this? **Hannon:** Yes. **Calhoun:** Who is the vendor? **Krzanowski:** We have a person that is going to develop this. It's Cheryl Coleman. She has excellent clerking knowledge and she also has the technical capability to be able to put this thing together. At this point in time, she also has the time to devote to the project. I do believe she is a good fit to put this online school together. Unless anybody has any other questions, I don't know what else I can tell you at this point.

Hannon: Dick, are you on? **Kallmeyer:** Yes, I'm here. **Hannon:** Do you want to talk about moving the information from the HP and also the CFA entry clerk program? **Kallmeyer:** The big issue right now is, we have serious problems with the entry clerk program. Microsoft did an update and essentially screwed up Steve's program pretty good. We're doing a work-around right now. It's kind of involved to do it, so essentially we're going to have to rewrite that program and we're going to embed some things in it for the future, at the same time. Where we're at right now is documenting the functions and features of the program. Steve is willing to give us the old code so that somebody picking up on it can take advantage of it. **Bizzell:** Once we have this software, who is going to administer it? I know Steve spent quite a bit of time on the phone with people. **Kallmeyer:** I think we want to make it easy enough to eliminate some of the problems. Part of it was, the way the program was set up, there were features that required help for neophytes, so we hope to make it easier to use as part of the process. We haven't chosen a vendor yet. Part of it may be, if they are maintaining the code, they maintain part of the support process. **Kuta:** Dick, have we thought about moving to – not necessarily a centralized system, but a cloud-based system where it's essentially an app that you could access through a web browser of a phone or whatever, and it's not actually software installed on a machine? I know that has its negatives, but I think it also would have some positives, especially in some of the other things the board has been considering. **Kallmeyer:** Yes, actually we're looking at that, too. We're going to embed those features into the program. One of the problems we have right now is access to that cloud from overseas. We can see problems from Russia, we can definitely see Asia. Sometimes CFA websites are not always available. They are blocked by governments and all. What we would like to see is, kind of do it in a couple parts. We would prefer that people just go to eCats and log on to sign up for shows there, and the information would be driven, either back to the entry program itself or that CFA would produce a catalog before the show and they could deliver it. Again, we have to work out the procedures, but right now we would like to bring up the stand-alone program with the hooks in there to do something like that. It's two steps: one, we'll get the entry clerk program working again correctly; then two, go there. **Kuta:** I know that I and other frequent entry clerks have a lot of passionate ideas about this. **Kallmeyer:** I would start sending them to Tim Schreck or ask the board to send it to Tim. **Kuta:** I know my ideas won't necessarily work or be what other entry clerks would want, but I think that's a great direction to move in. It would be awesome if an entry clerk could just log in and see a list to accept, and put them in. **Kallmeyer:** To be honest, just because I think Steve is going through a very panicky stage and he has kind of given up, willing to give us the code, so we want things working first and then do the next step. **Kuta:** I keep an old PC around just for this.

Hannon: Dick, do you want to talk about moving stuff off the HP? **Kallmeyer:** There are still some things on the HP that have not been moved across. I assume you're talking about the system analyst position, Mark? **Hannon:** Yes. **Kallmeyer:** James is pretty much full time just keeping the systems running and the activities. The reason we are after a system analyst position is really to start documenting the stuff not moved across and any new programs or features we want to do, to enhance the functionality. This will be a position we need for maybe a year to year and a half, but really start moving us and project manage the development of this new stuff on CompuTan. That's why we need the person. **Hannon:** Tim's plan is to hire somebody for 3 or 4 months and then evaluate where we are, as to whether we want to continue in that direction or whether we've accomplished what we needed to accomplish. **Kallmeyer:** Lisa, you were talking about documenting the program. The system analyst would have that role, too. What can we do better? What should we be doing that we're not doing? **Hannon:** Are there any more questions on the capital improvements? **Kuta:** I just have one. That \$29,500, what is the split between the system analyst position and the CompuTan work? If it's only for 3 or 4 months, I can see that being enough but if it's longer, \$30,000 doesn't sound like that much. **Hannon:** The bulk of it is the system analyst. I don't have the numbers in front of me, but Tim didn't anticipate that it would be an awful lot of additional money for CompuTan. Dick, do you or Barb have any additional information on what the split was? **Kallmeyer:** No. I think it was mostly the system analyst, because CompuTan can't begin some of this stuff until we tell them what to do correctly, unlike the original computer project. **Hannon:** We learned from our mistakes, and at this point what we're doing is getting CompuTan's specs and having them come back and tell us how many hours they anticipate that will take – hours meaning money, because we pay so-much an hour according to the contract. **Schreck:** I think the way this was developed is that it would be specifically spec'ed out, rather than just say to CompuTan, "oh by the way, move this from HP to CompuTan." So, if it's all spec'ed out ahead of time and documented and so forth, then the anticipation is that CompuTan shouldn't have as much time to put into it, and the bulk of it is, indeed, for the system analyst. I don't have the breakdown exactly here at my fingertips, but that is the case. **Hannon:** Hopefully, most of you saw the CFA News notice that went out advertising the job. **Kuta:** That was great news to me, because having pretty much a system analyst or product manager do it beforehand makes a lot of sense. **Schreck:** There's really no other way to do it. I can tell you – for example, here's one little anecdote. The HP system hasn't been updated for quite some time, so it cannot track Region 9 and the ID for our club surcharges. That has to be done offline manually, because it hasn't even been updated for that. The HP is aging, and if it crashes, I don't have to tell you what that would mean. **Hannon:** We're racing against the clock with the HP system. We want to get stuff off of it as long as it's alive.

Repairs & Maintenance – Expensed Needs:

- *Caulking and Cleaning of Granite, and Cleaning of Windows* \$10,000.00
 - o *Check all granite panels for security reasons.*
 - o *Repair approximately 110 lineal feet of caulking at panel to panel joints.*
 - o *Clean granite panel with a degreaser and scrub panels. Low rinse & high pressure to clean panels.*
 - o *Exclude window cleaning next to power transformer.*

(E) = Estimated Expense

Capital Improvements/Investment Needs are depreciated over time.

Expensed Needs are expensed during year work is completed/put into service.

Combined:

- Central Office	\$64,000.00
- Computer and Programs	\$52,500.00 to \$65,500.00
- Repairs & Maintenance	\$10,000.00
- Combined Investment Total =	\$126,500.00 to \$139,500.00

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Hannon: Do you want to move over to the actual budget, then? That was the PDF document. I would like to go through it in some semblance of an order. Last year, we started off jumping around, starting at the top, jumping to the bottom, coming back to the top, so I would like to start at the top and go down. If somebody has a question, let us know what the question is and then we'll stop and see if anybody has a question on something earlier in the budget. Are there any questions about this budget?

Schreck: I just want to make one general comment. It's a very conservative budget. We have a lot of concern about whether or not our registrations, which have been really very strong, and those of you who have seen the December financials know, we have a really good year in the making, but there's really no guarantee that that is going to continue, so it's a very conservative budget. As the narrative said, we raised it by about 2% for most of the income items related to registration and some other things. **Bizzell:** The questions I had have already been answered by Barb, so I won't go into them here, but I did go through the budget. I was happy to see it was conservative, because we're really not sure what's going to happen in China. Right now, that's part of our biggest growth area and if their economy slows down, so may their cat hobby. So, it's good that it's conservative. It's responsible, in that we're putting money into maintaining our building and I found that it included all the components that it needed to include, so far as all the expenses and incomes. So, after I had just a few questions for Barb, I was satisfied. And, there's a positive bottom line. That's always good. **Hannon:** No other comments or questions about this budget?

[from beginning of the meeting] **Newkirk:** I found this a little bit confusing, because you've got a couple of categories here called "actual". I understand that one is May-December and one is May-April of 2015. To me, that was a little bit confusing. **Hannon:** The May 2014-2015 is last year – a year ago, right? It's showing us the actual, a year ago. May-December 2015 is showing us the first part of this year. **Newkirk:** OK. I understand that. It was just May. It didn't say May 2015. I assumed it was May 2015. One other thing that I need some clarification on, under suggested budget for May 2016 through April 2017, there are several line items down through here that don't have numbers, such as registration of litters at \$10, registration at \$15. There's nothing in there where there has been income prior to that. I don't understand why there's not a number there. **Hannon:** I can explain that. We raised the fees, so we no longer have \$10 registrations. We did, so that's why there are numbers there for the past, but we don't have

any \$10 registration fees in the new year, so there won't be anything there. **Newkirk:** OK. That explains it, thank you.

Hannon: Rich, you had a couple things you wanted to mention that weren't in the budget? **Mastin:** Yes, I had two things that came up since you all received the outline from Barb on Thursday. The one item is the World Cat Congress in 2017 in Vegas. We did not know what to put in here for a budget. We went back and forth and discussed this over the weekend. I had suggested we should just plug in some number, and I recommended \$15,000 in expense. I don't know if that is too high of an expense to budget, but I do believe we need to put something in there for that. The other item that came up just recently – as recent as maybe 3 hours ago – Allene came across a fee for the Annual. Depending on the size of the event – we have two events, one being the delegate meeting and one being the banquet – that requires a \$500 fee for the fire marshal permit, so we need to add \$1,000 into that. Those are the only two items that I want to be straight up with everybody and say, “hey, guys, we missed them,” and we should probably put them in there so you know that we left them out. That's all I had for comments.

<u>Actual</u>	<u>Annualize</u>	<u>Estimate</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	
<u>May - Dec 15</u>	<u>May 15- April 16</u>	<u>May 15- April 16</u>	<u>May 15- April 16</u>	<u>May '14 - Apr 15</u>	<u>May 16 to April 17</u>	<u>Source</u>
<u>279,583</u>	<u>380,958</u>	<u>330,131</u>	<u>78,909</u>	<u>30,337</u>	<u>24,875</u>	
			336,000			

Hannon: On the second column, if you will take it all the way down to the bottom where it says *Net Income*, that's what is projected for this year. You will note that the Committee is projecting a profit this year of over \$380,000. I suspect that's a record for CFA. I wanted to point that out. **Calhoun:** That's very good news. **Kuta:** Congratulations. Excellent work.

Calhoun: I did have kind of a general question about salary. Was there a percentage increase incorporated in the budget, or was there some intelligence put around performance-based increases? How was that done? **Schreck:** Did you read my narrative? **Hannon:** Why don't you let Terri talk to it, because she's the one that's going to be handing out these increases. **Barry:** Kathy, what it is, is performance based. They haven't had pay raises in at least 3 years, and I did budget 7%. Most of the long-term employees will probably receive the 7%, but no one can receive more than the 7%. So, it's not like somebody can get 6% and somebody else gets 8%. It is strictly performance based. **Calhoun:** Maybe I need to restate my question. Is this based on performance appraisals that have been done, based on job descriptions and objectives and those sorts of things? How is that done? **Barry:** What we're doing is, we're looking at their current job description, what they are doing within that job, because many of them have stepped up to the plate that are outside of their job descriptions, so we will be looking at their current job description, based on the job that they are doing, and then setting goals and objectives that have not been set previously and rewriting job descriptions, based on what they are doing. Because I can take one employee as an example. One employee has taken on training of new employees coming into Registration and has also kept up with her own work load but has been very pleasant and very helpful to the new employees. **Hannon:** What Terri is doing this month, it is my understanding she is writing evaluations for the staff and then next month, assuming the money is in the budget, it will be in the new year and she will be handing out increases. **Barry:** Right.

And Kathy, what I do is, I have supervisors do the review. I review the review before it's given by the supervisor, and then I'm the one that does the pay raises. I separate pay raises from reviews so that they focus on their review and not on their pay raise. **Calhoun:** If I'm understanding this correctly, if generally there was a 7% upside to the base, it says that this is a global estimate and then you will work within that number for these increases that will be allocated in May, with no one to get more than 7%, but the performance appraisals have not been done already. **Barry:** That is correct. **Kuta:** So that 7% is the maximum then for budgeting? Because otherwise it would be assuming everybody would get a 7% raise? **Barry:** No. Not everybody will get a 7% raise. That's the maximum any one employee can receive. **Kuta:** So, budgeting for a total of 7% is kind of over-budgeting then, right? **Hannon:** Correct. **Calhoun:** You can come to Pepsi and give me 7%, because I haven't seen 7% in a long time. **Hannon:** Part of it though is that they haven't gotten a raise in 3 years, and if we're giving out raises every year, they would have gotten maybe 2% a year, which would have gotten them up to 6%, but because we haven't given raises in so long, it's way overdue. We put money – I think it was 3% – in the budget last year for raises and we just didn't give them. **Kuta:** I think if we have employees that we really value and are doing a great job, I think they should be compensated for it because we want to be able to hold onto them and encourage them to keep doing a good job. **Barry:** I agree. Trust me, I don't give anybody a pay raise when their grandmother has died for the fifth time. **McCullough:** Have we replaced the bookkeeper yet? **Barry:** That will be taking place probably the first of May and I would like to hope that it is the current individual in the position that's handling the job. **Hannon:** The contractor that's in there. We went to a firm that specializes in placing temps in financial positions. **Mastin:** Terri, can you just explain to the group why we have to wait until the first of May? **Barry:** What it is, is we have a contract with a local firm that I used in my previous life a number of times. Because of the level that the individual is, the contract was a little longer than their normal contract and the buy-out would be too high, so it's less expensive for us to keep her on contract at this point in time, and then bring her on board. She is very interested in the position and would like to stay in the position. **Hannon:** So, everybody's anticipation is, it's going to work out next month but right now we have a contract in place, so it's financially to everybody's advantage to leave them alone until the contract expires. **McCullough:** Sounds good.

Hannon: No other questions? What do you want to do about this budget? Do you want to wait until next week to approve it, or do you want to approve it tonight? What do you want to do? **McCullough:** Do you want to wait until next week, because this meeting wasn't pre-noticed to the delegates? **Hannon:** I assume you are suggesting we wait until next week. Is that the general consensus? You want to wait until next week? **Eigenhauser:** Yes. Since we've already discussed it, it should only take us 30 seconds next week to do it. **Schreck:** I will in the meantime add the two line items that came up after the publication of this, being again just a place marker for the World Cat Congress and adding the other \$1,000 for the Annual. Those will be the only changes to what you have before you.

574200 Annual AV Awards Banquet & Hospitality						22,000
672010 · Annual Meeting Audio/Video	10,007	10,007	10,007	20,000	20,666	22,000 BJS

Barry: We may – and I'm just saying tentatively – we may by next week have an AV cost, but don't hold me to it. **Hannon:** You will notice in the budget, there are two different AV costs. It really is \$44,000 and Barb split it out between the banquet and other. For example,

we've got microphones at the delegate meeting. We have to pay for that sort of thing, but that's the hotel's price. We're looking for an outside vendor to get a price from the outside vendor. We know that it's \$44,000 if we go through the hotel. **Schreck:** That may be less. If we have it in time, that would be an adjustment. Anything that is adjusted – I don't think that will be the only thing that is adjusted, but I will preface this budget itself by that – what you will see in the minutes to be approved is just simply the suggested budget column. I don't think we put anything else in there. **Kuta:** I'm just curious. Is that \$44,000 more or less than it has been in previous years or locations? **Hannon:** It's considerably more. **Bizzell:** In fact, I said I wanted to go into the hotel AV area. **Barry:** Food and beverage too, Carla. **Hannon:** This has become very expensive. **Bizzell:** It's about twice. **Barry:** Last year it was \$24,500. **Hannon:** Just a bowl of potato chips for the hospitality is \$55 per bowl. **Kuta:** Think about it as helping people's diets by not having as many bowls of potato chips. **Hannon:** Here's an idea of what the hospitality is going to be like. 10 pounds of mixed nuts, 10 orders of chips with salsa, 10 bowls of potato chips, 3 bowls of pretzels, popcorn for 50. That's what we're serving, and that's a lot of money because you're having to buy it through the hotel. You could certainly go out to Costco and buy a bag of potato chips for less than \$55. **Barry:** Just for them to deliver an envelope is \$2. **McCullough:** How many delegates have to show up, to break even? Do we need to stuff the Annual?

Hannon: Nothing else? **Newkirk:** I've got one question that doesn't necessarily relate directly to the budget. I brought a show package back from China. They paid me cash. I wrote a check to cover the club payment fee. It was almost 2 months before that hit my account, and I'm just wondering what's going on with the checks at Central Office. **Barry:** When did you send that in? **Newkirk:** The middle of January. **Barry:** Can I look into it to find out? The middle of January, we were still working through a number of problems, but let me double check. It should not have been that long. As far as I know, we are up to date with everything, even our month close. **Newkirk:** OK. I was just really surprised that it took almost 2 months to clear. **Barry:** We were still working out a lot of problems in mid-January. **Hannon:** Wasn't that when the bookkeeper issue surfaced? **Barry:** Yes. We didn't even get anybody on board until almost about that time. **Schreck:** It has cleared now? **Newkirk:** Yeah, it did clear. It cleared the middle of March – the 7th, the 10th, somewhere around there. I overnighted it when I got back on Tuesday, and it got there on Wednesday after the middle of January. I just thought it was odd, it took so long to clear. **Barry:** Let me look into it. I'll get back to you. **Newkirk:** That's fine. It's not a big deal. It has cleared now, but if there's bunches of checks coming in, sitting there like that. **Barry:** Not anymore there's not. Trust me. I have to check every single day anymore. **Newkirk:** OK. I'm fine with it, then. No problem.

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Hannon: If there's nothing else I'm going to adjourn. Last chance. OK, good night everybody. Talk to you next week.

The meeting adjourned at 9:50 p.m.

Respectfully submitted,
Rachel Anger, Secretary