

# Board of Directors Meeting

March 24, 2021  
Via Zoom Meeting



ASSOCIATION OF  
CHAMBER OF COMMERCE  
EXECUTIVES

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# Board of Directors Briefing Book

## March 24, 2021

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- Minutes from January 28, 2021 Conference Call
- Budget Report

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## **ACCE Board of Directors Meeting**

March 24, 2021 | 3:00 p.m. EDT

Via Conference Call

### AGENDA

- 3:00 p.m. Welcome**  
Review & Approve Minutes from January 28, 2021 Conference Call
- 3:05 p.m. Treasurer's Report**
- ACCE 2021-22 budget
- 3:30 p.m. Interactive Discussion on the Current State of the Chamber Industry**
- 4:00 p.m. Closing Comments & Adjourn**

# ACCE Board of Directors Meeting

January 28, 2021 | 2:00 p.m. EST

Via Conference Call

## MINUTES

Present: Robin Anderson, Sara Armstrong, Alisha Benson, Carl Blackstone, Kathy Blank, Beth Bowman, David Brown, Jay Byers, Adrian Cain, Kati Capozzi, Terra Carroll, Doris Carson Williams, Chip Cherry, Graham Cobb, Adrienne Cole, Greg Durocher, Natalie English, Tiffany Esposito, Mark Fisher, Christy Gillenwater, Eric Godet, David Griggs, Brian Hall, RaDonna Hessel, Michael Huber, Ken James, Adam Knapp, Brad Lacy, Megan Lucas, Kelle Marsalis, Adam Marshall, Matt McCormick, Sherry Menor-McNamara, Rachel Morris, Matt Morrow, Jim Page, Carlos Phillips, Matt Pivarnik, David Prunte, Brittany Quick-Warner, Jeff Rea, Joe Reardon, James Reddish, Janet Riopel, Kuma Roberts, Beverly Robertson, Bob Rohrlack, Jim Rooney, David Rumbarger, Maria Salinas, Todd Sanders, Kevin Sheilley, Bill Sisson, Vern Squier, Bryan Starr, Sherry Taylor, Tony Vedda, Ashli Watts, Roy Williams, Sandra Wilson and Gilbert Zavala

Excused: Juliet Abdel, Chris Clark, Dottie Gallagher and Michel Leblanc

Staff: Sheree Anne Kelly, Alysia Bell, Stacey Breslin, Beth Bronder, Will Burns, Jacqui Cook, Crystal Moore, Tamara Philbin, Karen Rose and Anissa Starnes

Chair Jay Byers called the meeting to order and welcomed all.

Byers reviewed the minutes from the October 29, 2020 meeting. There were no changes and a motion to accept the minutes was made by Megan Lucas; seconded by Beth Bowman. *Motion carried.*

Treasurer Bill Sisson presented the financial report and noted that ACCE's cash position is strong, with over \$2.6 million. Consolidated net assets stand at \$3 million. Of particular importance is that ACCE's insurance claim for all costs related to the cancellation of the 2020 Convention was approved and payment was received in December. The Virtual Summit netted \$101,000, with revenue exceeding budget expectations. Membership revenue is above the projected YTD budget. The ACCE Foundation's funding for the next four months looks positive and FBI remains ahead of budget. Sisson noted that ACCE has applied for a PPP loan that was approved by the Finance Committee. Governance meetings are scheduled in March to review the 2021-22 budget in detail. A motion to accept the financial report was made by Eric Godet and seconded by Doris Carson Williams. *Passed.*

Nominating committee chair David Brown provided an update on both the officer and board nominating committees. He noted the required members of each committee according to ACCE's bylaws as well as the timeline for the nominations process. Invitations to serve on both committees have been extended and the officers nominating committee will have its kick-off call in late February. The board nominating committee will begin its work in late March. An update will be shared at the spring meeting.

CEO Sheree Anne Kelly provided a president's report on the state of ACCE. A brief overview of the much-anticipated technology infrastructure upgrades was shared by Will Burns.

Kelly then gave an update on the 2021 convention, noting it will likely not convene in-person and remain virtual another year, due to the ongoing pandemic. The team is also considering where to host its 2022 convention.

Foundation Chair Roy Williams gave a brief update on foundation activities.

Guest speaker Brodie Boland of McKinsey & Company discussed the future implications of the work-from-home environment and insights on how workforce can adapt post-pandemic.

Scott Raecker of The Robert D. and Billie Ray Center at Drake University shared thoughts and strategies on how to create a culture of civility in today's discordant political environment.

*Meeting adjourned.*

Association of Chamber of Commerce Executives  
Consolidated Statement of Activity  
2021-2022 Annual Budget

	2021-22	March 31, 2021	2020-21	March 2021	March 2021
	Annual Budget	Projections	Amended Annual Budget	Projections vs. 2021-22 Budget	Projections vs. 2021-22 Budget
				\$\$ Variance	% Variance
<b>FBI</b>					
Total FBI Revenue	1,081,000	1,083,171	1,081,000	(2,171)	(0.2%)
Total FBI Expense	1,075,785	904,401	1,000,897	171,384	19%
<b>FBI Net Income</b>	<b>5,215</b>	<b>178,770</b>	<b>80,103</b>	<b>(173,555)</b>	<b>(97%)</b>
<b>Foundation</b>					
Total Revenue	1,169,704	1,257,611	1,231,931	(87,907)	(7%)
Total Expense	1,183,182	1,137,244	1,188,096	45,938	4%
<b>Foundation Net Income</b>	<b>(13,478)</b>	<b>120,367</b>	<b>43,835</b>	<b>(133,845)</b>	<b>(111%)</b>
<b>ACCE</b>					
<b>Revenue</b>					
Annual Convention	0	305,574	85,638	(305,574)	(100%)
Virtual Convention	263,000	288,206	205,000	(25,206)	(9%)
Awards/COY Revenue	29,000	36,049	36,250	(7,049)	(20%)
Certification	13,800	8,250	10,600	5,550	67%
Chamber Education	63,617	28,546	11,020	35,071	123%
Chamber Executive Magazine Rev	94,120	68,865	76,980	25,255	37%
Economic Development	5,000	4,500	0	500	11%
Executive Search	6,000	6,089	6,500	(89)	(1%)
Membership Revenue	1,240,000	1,505,873	1,343,000	(265,873)	(18%)
Metro Cities Revenue	67,880	24,862	26,200	43,018	173%
Misc Income	5,000	8,768	20,000	(3,768)	(43%)
National Corporate Sponsors Revenue	303,480	291,390	287,563	12,090	4%
Publications & Research Revenue	0	1,409	20,000	(1,409)	(100%)
<b>Total ACCE Revenue from Operations</b>	<b>2,090,897</b>	<b>2,578,381</b>	<b>2,128,751</b>	<b>(487,484)</b>	<b>(19%)</b>
<b>Expense</b>					
Admin (Operations, Occupancy, Governance)	562,660	423,915	447,564	138,745	33%
Admin Personnel Costs	503,587	515,035	480,548	(11,448)	(2%)
Annual Convention	0	158,653	161,913	(158,653)	(100%)
Virtual Convention	237,072	155,861	171,522	81,211	52%
Awards/COY Expense	37,473	24,299	28,963	13,174	54%
Certifications Expense	25,178	19,880	13,807	5,299	27%
Chamber Education Expense	149,992	59,596	16,371	90,396	152%
Chamber Executive Magazine Expense	76,059	48,072	40,691	27,986	58%
Divisions Expense	40,666	15,744	21,604	24,922	158%
Ask Acce	113,414	92,483	147,650	20,931	23%
Membership Expense	378,592	391,545	354,492	(12,953)	(3%)
Metro Cities Expense	54,818	13,048	14,446	41,770	320%
National Corporate Sponsors Expense	162,405	153,768	174,417	8,638	6%
Publications & Research Expense	18,164	14,236	37,000	3,928	28%
Web Expense	50,067	42,929	41,136	7,138	17%
<b>Total ACCE Expense from Operations</b>	<b>2,410,148</b>	<b>2,129,064</b>	<b>2,152,125</b>	<b>281,084</b>	<b>13%</b>
<b>ACCE Net Income</b>	<b>(319,251)</b>	<b>449,317</b>	<b>(23,374)</b>	<b>(768,568)</b>	<b>(171%)</b>
<b>Total ACCE &amp; Affiliates Revenue</b>	<b>4,341,601</b>	<b>4,919,163</b>	<b>4,441,682</b>	<b>(577,561)</b>	<b>(12%)</b>
<b>Total ACCE &amp; Affiliates Expenses</b>	<b>4,669,115</b>	<b>4,170,709</b>	<b>4,341,118</b>	<b>498,406</b>	<b>12%</b>
<b>Total ACCE &amp; Affiliates Net Income</b>	<b>(327,513)</b>	<b>748,454</b>	<b>100,564</b>	<b>(1,075,967)</b>	<b>(144%)</b>



TO: Finance and Executive Committees  
FROM: Jacqui Cook, CFO  
DATE: March 18, 2021  
RE: 2021-22 Budget

The staff has worked together for the past several months to craft a budget that reflects the future needs of ACCE and the chamber industry. ACCE's consolidated operations are projected to have a negative bottom line for 2021-2022. The largest deficit will come from ACCE, which predicts a net loss of \$319,251. ACCE Foundation is budgeted to have a net loss of \$13,478, while FBI has a projected net surplus of \$5,215.

ACCE is budgeting for an organization-wide deficit for the upcoming fiscal year for several reasons. The association is projected to end its 2020-21 year with a significant surplus. This is due to unanticipated revenue coming from the full insurance reimbursement for ACCE's cancelled 2020 convention in Dallas, as well as the virtual summit's better-than-budgeted performance. Significant contributing factors also include extreme expense reductions including a freeze on non-essential spending and gapping seven open staff positions. While the association was able to deliver strong financial performance this past year, the shrunken structure and reduced resources are not sustainable for the organization's success.

In order to have the infrastructure in place to successfully meet the needs of our members, ACCE will need to staff up the team and restructure in order to have the expertise necessary for the future of the industry. The new structure will include a mix of contractor roles and full-time staff that increases our team's expertise in digital professional development, communications, data analytics, community advancement work, and dues/non-dues revenue generation.

Likewise, critical investments that were put on hold during uncertain COVID months are reinstated in this budget. These include marketing and communications improvements, a new email platform for member engagement, converting our outdated IT system to the cloud, database customization work, and programmatic tools to support online, on-demand professional development.

Over the past three and a half years, ACCE has built up its reserve funding from three and a half weeks of reserves to now more than six months of working capital in reserves and free cash flow. Additionally, in February of this year, ACCE received a Paycheck Protection Program loan for \$300,000. That loan payment was received approximately six weeks before the end of our current fiscal year, meaning we would need to spend the vast majority in our 2021-22 budget. Factoring the PPP loan into the deficit budget we are presenting, ACCE would only experience a \$19,000 deficit, which is less than 1% of our total organization-wide revenue.

Let's look at a few specifics for the coming year:

**Chamber Education** – Revenue and expenses are higher in 2021-22 than the 2020-21 amended budget. The budget for 2021-22 includes one in-person meeting and one virtual meeting as opposed to the 2020-21 amended budget which included only virtual meetings. This figure also includes new revenue from on-demand professional development. Also included is \$18k for sponsorship which was not in previous budgets.

**Membership Revenue** – The 2021-22 budget for membership is lower than the 2020-21 budget. As of the 2nd week in January we collected dues from approximately 60% of our members. Based on both survey data and focus group conversations, ACCE believes many chambers are going to have a harder time financially this year and we expect to lose approximately 30% of our members over the course of last fiscal year and this coming year. We anticipate a larger loss of smaller members, versus mid-sized or larger chambers. While the budgeted number reflects a loss in member renewals, we are also including approximately \$60,000 for anticipated new member dues.

**Metro Cities Revenue** – The 2021-22 budget is higher than the 2020-21 amended budget. Due to COVID-19, there was only one Metro Cities meeting that was budgeted this past year which was held virtually in February 2021. The 2021-22 budget includes in-person programming.

**Administrative Costs** – For the 2021-22 budget, administrative costs are higher due to expenses related to upgrading our infrastructure such as launching our new database management system and transitioning our internal files to the cloud. Also included in this line item are consultants related to maintenance and customization of these systems.

**Virtual Summit** – ACCE's first Virtual Summit was a record-setting event. The revenue for this program exceeded budget expectations and the expenses were lower than projected. Due to our members' steadfast support and continued interest in professional development for their future, ACCE has budgeted strong registration for the Virtual Summit for the upcoming budget.

**Divisions**– The budget for FY 2021-2022 includes additional staffing in support of division roundtable calls, communications with members, delivery of resources, and other division programming.

**General comments** – The 2021-22 budget also reflects reinstating select travel expenses for team members to engage with the membership, attend relevant programming and support certain state-based and regional chamber events later this fiscal year.

Enabling ACCE to have the staff and infrastructure outlined in the 2021-22 budget will put into place expertise, tools and resources that focus on the future of our association and our industry. These investments allow for ACCE to be poised to once again self-sustain its structure in the 2022-23 year. We are projecting that in that next budget year we will have an increase in revenue due to the calculated investments of this year, and will experience a flattening of expenses to where the organization has a net zero budget for 2022-23.