NIGP OFFICIAL BOARD MEETING MINUTES

NIGP BOARD OF DIRECTORS

Meeting Date/Time: Thursday, December 17, 2009 @ 2:00 PM Eastern
Meeting Location: Teleconference
Dial-In Information: Dial (866) 777-0485 – Conference Code 7368900

Chairman: Paul Brennan, CPPO, CPPB, C.P.M.
Board Secretary: Rick Grimm, CPPO, CPPB

NIGP’s Mission

Develop, support and promote the public procurement profession through premier educational and research programs, professional support, and advocacy initiatives that benefit members and constituents.

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<th>AGENDA ITEM</th>
<th>ACTION TAKEN</th>
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<td>1. Call to Order and Roll Call of Board Members</td>
<td>Board Members in Attendance: Paul Brennan, CPPO, C.P.M. – President Ken Koester, CPPO, C.P.M., A.P.P. – First Vice President Stephanie Creed, CPPO, CPPB – Second Vice President Bobbi Matthews, CPPO, CPPB – Third Vice President Kirk Buffington, CPPO, C.P.M. – Immediate Past President Ed Grant, CPPO, CPPB, RPPO – Non-Voting Treasurer Rick Grimm, CPPO, CPPB – Non-Voting Secretary Mike Bevis, CPPO, C.P.M. Dave Davis, CPPO DeWight Dopslauf, CPPB, C.P.M., A.P.P. Kathy Elgin, CPPO, CPPB Marcheta Gillespie, CPPO, C.P.M., CPM Keith Glatz, CPPO Judy Meisel, CPPO, CPPB Gord Sears, CPPB Sandra Wright, CPPB</td>
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<td>2. Opening Comments from the NIGP President</td>
<td>Staff Present: Tina Borger, CPPO Carol Hodes, CAE Carrie Rawn, CMP Belinda Reutter, CMP, CAE Juanita Sims Erik Steffan, MCP</td>
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<td>Guests Present: Katherine Rowe, CPPB – Chair, Audit Task Force</td>
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President Brennan briefly updated the Board on financial and cash flow issues, noting that NIGP is in the black year-to-date; however, cash flow issues still exist. President Brennan, Ed Grant and Rick Grimm will continue to monitor
3. Approval of the Minutes from the November 24, 2009 Board Teleconference  *(Attached)*

“...move to approve the minutes of the November 24, 2009 NIGP Board of Directors teleconference meeting as presented by staff”

Michael Bevis moved for approval of the minutes; seconded by Bobbi Matthews. The motion passed.

4. Verbal reports

A. Environmental Scan by the Board: Key Issues affecting constituencies, members, chapter affiliates, governmental entities

   Most Board members reported financial difficulties in their region.

   Stephanie Creed reported that the Arkansas Chapter had a reverse trade show in October, which resulted in a $2,500 profit. She indicated that the event was organized on a short timeline; however, the vendors that were contacted were eager to participate.

   Keith Glatz reported that the Southeast Florida Chapter also held a reverse trade show, which profited the chapter $66,000. He also reported that the Greater Miami Chapter was pleased that President Brennan recently spoke to the membership vis-à-vis an Official Chapter visit.

B. Naming Task Force Update *(Sears)*

   Gord Sears updated the Board on the efforts of the NIGP Naming Task Force and its recommendation to issue an electronic survey via Survey Monkey to Chapter Board officials, including Past Presidents.

   The Task Force suggested the draft survey first be completed by Board and Task Force members for feedback; noting that any proposed changes to the survey would be considered by the Naming Task Force before the final survey went out to Chapter Officials. The Board was in general agreement with this approach.

C. Preliminary November 2009 Financials and Statistical Reports *(Grimm)*

In an effort to conserve time, Rick directed the Board to the reports that had been distributed prior to the call. He noted that the year-to-date net profit is $84,800 in comparison with a net deficit of $104,500 at this point in November 2008. However, the projected net profit was $159,300 so the budget situation still warrants a close review. He reiterated that the bigger concern is with cash flow; especially in light of the fact that much of the cash from last year was depleted by the purchase of the association management software in the amount of $600,000.
5. Approval of the FY09 External Audit by the Independent Auditor *(Attached)*

A. Comments by the Audit Task Force (Kathryn Rowe, Chair)

Audit Task Force Chair Katherine Rowe updated the Board on the work of the new task force, noting that Brent Woods was instrumental in bringing the members up to speed. Rick mentioned that, as stated in the audit, there were several adjustments required during the audit due to errors by staff that were subsequently terminated. Going forward, Brent Woods will be performing all monthly reconciliations.

Referencing the audit report’s Statement of Activities regarding the Education cost center, Gord inquired why expenses are dramatically up if revenue is down. Rick responded that modifications to the formulas for calculating General and Administrative distributions were made to all cost centers between FY08 and FY09 which explains the variance. For several cost centers, the G&A distribution represents a significant indirect expense.

B. Discussion on Expanding the Terms of the Audit Task Force

President Brennan explained that the Audit Task Force is a new group comprised of first-time participants to the initiative. Upon completion of the recent audit, Paul received participant comments requesting that the Board consider multiple-year terms that would be beneficial to both the task force and the Institute.

There was a consensus amongst the Board to extend the terms of the Audit Task Force, with the following changes to be made to the ‘Roles and Responsibilities’ portion of the policy relating to the Audit Task Force:

- Add the Treasurer as a member of the Audit Task Force to provide cross-functionality
- Add staggered three-year terms for members to provide continuity

These changes will be incorporated into the Board Policy Manual recommendations that will be presented to the Board during their January 12, 2010 teleconference.

C. Comments by the NIGP Treasurer (Grant)

Ed Grant referenced audits from 2006, 2007 and 2008, noting that cash and cash equivalents were $1.2m, $1.3m and $969, respectively. As a result of these comparisons, he mentioned that he was surprised that the audit contained no reference to the 80% drop in cash and cash equivalents and offered no recommendation on going forward.

“…move to accept the FY09 External Audit as prepared by Rogers and Company”

A motion was made to approve the FY09 External Audit by Stephanie; seconded by Ken Koester. The motion passed.
6. Region II Representative to the NIGP Board of Directors

   A. Slate of Candidates
   Recommended by the Governance Committee
   (Candidate Documents Attached)

   President Paul Brennan opened the discussion by announcing the slate of candidates recommended by the Governance Committee.

   - George Nader, CPPO
     Purchasing Agent, County of Lehigh, PA
   - Gerri Popkin, CPPB, RPPO, CPM, MAS
     Director of Purchasing, Monmouth County, NJ

   B. Verbal Report from Ken Koester as Chair of the Governance Committee

   Ken Koester reported that there were four candidates initially – Samuel Feinberg, CPPO, CPPB; Roger Ball, CPPO, CPPB, C.P.M., A.P.P.; Gerri Popkin, CPPB, RPPO, CPM, MAS; and George Nader, CPPO.

   He then outlined the process the Governance Committee followed to determine the slate to be forwarded to the Board; noting that Sam Feinberg was eliminated during this round. Next steps included telephonic interviews with Gerri Popkin, Roger Ball and George Nader, which resulted in Roger Ball’s elimination.

   After significant deliberations among the Board, a vote was conducted by secret ballot via email to Rick Grimm. After balloting, Rick reported that George Nader received a majority of the votes.

   Bobbi Matthews moved to appoint George Nader to fill the unexpired term of Edmund Grant effective December 17, 2009 through June 30, 2010 as the Region II Representative to the NIGP Board of Directors; seconded by Kathy Elgin. The motion passed.

   **ACTION ITEMS:**
   - Rick will purge the vote emails from his computer system
   - Ken will call both Gerri Popkin and George Nader to notify them of the outcome
   - Rick will notify all unsuccessful candidates of the results of the appointment and their options for self-nomination when the Region II Seat is up for election during the winter 2010.

7. Recommendation to Board of Examiners CPPB Team

   Verbal Report from Ken Koester as Chair of the Governance Committee

   Ken updated the Board on Denni Baumer’s interest in joining the Board of Examiners CPPB Team. He noted that she had expressed interest a few years ago; however, her responsibilities with CAPPO and her employer wouldn’t allow her to participate on the team at that time.
Ken Koester moved the following two-part motion; seconded by Keith Glatz:

To recommend the appointment of Denni Baumer, CPPB, C.P.M. to fill the unexpired term of Wendy Geltch effective December 17, 2009 through December 31, 2009 as a NIGP Representative to the Board of Examiners CPPB Team;

Further to recommend the appointment of Denni Baumer, CPPB, C.P.M. to serve as a NIGP Representative to the Board of Examiners CPPB Team for a full term of January 1, 2010 through December 31, 2012;

Said recommendations are subject to final approval by the UPPCC Governing Board.

The motion passed.

8. Approval of Site Selection for the 2014 and 2015 NIGP Annual Forum and Products Exposition (Attached)

Carrie Rawn referenced materials that were distributed to the Board in advance of the teleconference. Carrie updated the Board on the site-selection efforts of the Forum Committee. The committee met via teleconference in November to review and discuss proposals. Area A was considered for 2014 and Area C for 2015; however, RFP’s were sent only to cities that met the criteria of NIGP’s strategic partnership with Marriott.

With regards to 2014, responses were received from Detroit, Indianapolis and Philadelphia. The committee discussed cost, facilities, safety and the proximity of cities to one another in their deliberations and recommended Philadelphia as the location for the 2014 Forum. The Committee decided to rule out Indianapolis due to its regional proximity to Kansas City, which was the clear choice for 2015.

Carrie informed the Board that responses were received from Kansas City, New Orleans, St. Louis and San Antonio for 2015, with Kansas City offering the best price. The Forum Committee unanimously agreed that Kansas City be selected for 2015.

After some discussion, the Board agreed to separate the motions so that the 2015 selection could be made independent of the 2014 selection.

Keith Glatz moved to select Kansas City, MO as the host city for the 2015 NIGP Annual Forum and Products Exposition as recommended by the Forum Committee; seconded by Judy Meisel. The motion passed.

Several Board members inquired why Philadelphia was chosen over Detroit; given the fact that the Detroit proposal would present a cost savings to the Institute.

Carrie explained that the Detroit conference hotel was not connected to the convention center, which would require people to use public transportation to get to and from meetings and events. Carrie mentioned that the sleeping room rate included one daily transportation pass for use on the Detroit public transit system per room; but it was unclear
whether this offer would be extended to persons sharing a room.

This scenario raised the concern of the committee with regards to the safety of the attendees. There was additional discussion about safety in Philadelphia. Carrie informed the Board that the facilities in Philadelphia are all connected by skywalk in addition to a police substation located onsite to ensure patron safety.

Regarding the cost to the Institute, Rick suggested that the Board focus primarily on those expenses that are fixed and firm, which includes the sleeping room rates for delegates and the fee for use of the convention center for the Institute. He mentioned that food/beverage costs are considered in the proposal but are not guaranteed and probably should not be considered when future RFPs are issued.

Mike Bevis moved to select Philadelphia, PA as the host city for the 2014 Annual Forum; seconded by Sandra Wright. The motion failed on a tie vote.

After continued discussion on the themes of safety, delegate costs (including parking fees and public transit costs), Institute costs, and potential delegate counts due to the draw of each destination, Mike Bevis re-introduced his motion to select Philadelphia, PA as the host city for the 2014 Annual Forum; seconded by Sandra Wright. The motion passed on a majority vote.

9. Enhancement of the NIGP Career Center *(Attached)*

“…move to adopt the staff recommendation to replace the existing NIGP Job Board with an enhanced Career Center”

Paul directed the Board to the related materials and opened the floor for discussion.

Several members of the Board expressed their concern that the current job board is a free service and it may decrease the value of national membership if the serviced is only offered as a fee-based benefit. Belinda Reutter informed the Board that the Membership Committee saw the value-add, but also had concerns for a fee-for-service center during tough economic times. Therefore, the Committee decided to pass the initiative to the Board for final decision.

There was some discussion regarding the additional value that the proposed career center would provide; since the center would allow members to post their resume on the virtual site. This service is not currently available. It was also mentioned that the career center was intended to be a joint venture with the National Association of Educational Procurement (NAEP) so that the data could be shared between NIGP and NAEP members. However, either association could pursue the career center independently. It was stated that NAEP has elected to move forward with this service.

After some deliberation, President Brennan suggested that the Board table the proposal until NIGP can assess the preliminary results of the NAEP product; perhaps once six months of data is available. Mike Bevis moved to table the motion; seconded by Kirk Buffington. The motion to table
10. Other Board Initiatives and Charges

Kathy Elgin informed the Board that the Instructor Task Force has met three to four times via teleconference and is in the process for preparing a final report that will contain recommendations. The Task Force hopes to have the report completed by mid-January 2010 for a Board vote at a future meeting.

11. Adjournment

There was a motion to adjourn made by Mike Bevis; seconded by Keith Glatz. The motion passed. The teleconference was adjourned at 4:55 p.m.