



MINUTES
BOARD OF DIRECTORS MEETING

Tuesday, December 12, 2023

Approved by the Board of Directors on January 5, 2024.

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Tuesday, December 12, 2023

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PRINCIPAL APPROVED MOTIONS

Board of Directors Meeting
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No. - Pg.	Motion
1 – 2	Finance Committee recommends to the Board of Directors (BOD) a proposed dues increase in Society Year 2024-2025 to \$285 for Full Members and includes all other membership dues grades that are calculated based on a percentage of Full Member dues. Except for Developing Economies dues, which would increase by \$15. Refer to ATTACHMENT A which outlines the recommended Fiscal Year 2024-2025 dues by membership grade.
2 – 4	MOTION 1 be amended as follows: Finance Committee recommends to the Board of Directors (BOD) a proposed dues increase in Society Year 2024-2025 to \$285 for Full Members and includes all other membership dues grades that are calculated based on a percentage of Full Member dues. <u>Except for Developing Economies dues, which would increase by \$15.</u> Refer to ATTACHMENT A which outlines the recommended Fiscal Year 2024-2025 dues by membership grade.
4 - 5	Finance Committee recommends to the Board of Directors (BOD) that the existing ten percent (10%) dues discount for companies who submit five (5) or more applications for new full dues paying members (Full or Associate) be extended to new Developing Economy dues paying members as well.
6 – 7	That MOTION 5: <i>The Board of Directors approve the transition of activities of the Task Force for Building Decarbonization (TFBD) to the ASHRAE Center of Excellence for Building Decarbonization (CEBD).</i> be postponed until the Sunday, January 21, 2024 BOD meeting in Chicago.



MINUTES

BOARD OF DIRECTORS MEETING

Tuesday, December 12, 2023

MEMBERS PRESENT:

Ginger Scoggins, President
Dennis Knight, President-Elect
Bill McQuade, Treasurer
Billy Austin, Vice President
Wade Conlan, Vice President
Ashish Rakheja, Vice President
Chandra Sekhar, Vice President
Jeff Littleton, Secretary
Steven Sill, Region I DRC
Ronald Gagnon, Region II DRC
Mark Tome, Region III DRC
Bryan Holcomb, Region IV DRC
Jim Arnold, Region V DRC
Susanna Hanson, Region VI DRC
Scott Peach, Region VII DRC
Joe Sanders, Region VIII DRC

Jonathan Smith, Region IX DRC
Buzz Wright, Region X DRC
Eileen Jensen, Region XI DRC
John Constantine, Region XII DRC
Cheng Wee Leong, Region XIII DRC
Mahroo Eftekhari, Region XIV DRC
Richie Mittal, RAL DRC
Doug Cochrane, DAL
Dru Crawley, DAL
Blake Ellis, DAL
Art Giesler, DAL
Kishor Khankari, DAL
Corey Metzger, DAL
Heather Schopplein, DAL
Wei Sun, DAL

GUESTS PRESENT:

Ahmed Alaa Eldin
Farooq Mehboob

Kent Peterson
Zeki Poyraz

STAFF PRESENT:

Candace DeVaughn, Sr. Manager - Board Services
Chandrias Jolly, Manager - Board Services
Vanita Gupta, Director – Marketing
Lizzy Seymour – Director – Member Services
Mark Owen, Director - Publications & Education
Kirstin Pilot, Director - Development
Stephanie Reiniche, Director - Technology
Alice Yates, Director - Government Affairs
Craig Wright, Director of Finance

CALL TO ORDER

The meeting was called to order at 8:00 a.m.

CODE OF ETHICS

Ms. Scoggins read the code of ethics commitment and advised that the full code of ethics statements and core values were available online.

ROLL CALL/INTRODUCTIONS

Roll call was conducted; members, guests, and staff were in attendance as noted above.

REVIEW OF MEETING AGENDA

Ms. Scoggins reviewed the meeting agenda. There were no changes or additions.

EXECUTIVE SESSION

Executive session was called at 8:05 a.m.

Open session reconvened at 9:29 a.m.

SY2024-25 DUES

Mr. McQuade reminded the BOD that the role of Finance is to develop the Society budgets and monitor expenses related to what is approved. Additionally, Finance is responsible for reviewing dues, fees, and privileges and making recommendations. He advised that Society's mission and vision should be kept top of mind and the budget should support the mission and vision.

Mr. McQuade moved that

1. Finance Committee recommends to the Board of Directors (BOD) a proposed dues increase in Society Year 2024-2025 to \$285 for Full Members and includes all other membership dues grades that are calculated based on a percentage of Full Member dues. Refer to ATTACHMENT A which outlines the recommended Fiscal Year 2024-2025 dues by membership grade.

Mr. McQuade reported that ATTACHMENT A outlines the Finance Committee's recommendations for all membership types. The dues formula was developed several years ago and takes into account producer's price index, staff cost, and the consumer price index.

He reported that the calculation for this year called for an 11% increase. The formula is always looking backward, and Society has already incurred that 11% inflation. The dues increase last year was less than 11% so Society is behind from a revenue standpoint.

Mr. McQuade reported that Developing Economies dues are a percentage of Full Member dues. Last year, the BOD froze Developing Economies dues therefore, the increase for 2024-25 is larger than normal. On average, there is a \$95 loss per member for Developing Economies dues, for a total of \$135,000.

He advised that an ad hoc is being assembled to review the current membership model and investigate how to address the possible losses in revenue and how Society can have more flexibility in this area. It is,

however, important that the BOD set Society dues now for the coming year. The BOD has the prerogative to make changes to the dues for one or all member grades.

Mr. McQuade reported that the fiscal impact of the motion would be an increase in revenue of about \$400,000, if accepted as proposed. This increase in revenue will help to fund programs and any staff increases over the next 12 months.

Additional details were requested on the negative votes from the Finance Committee. It was reported that some members who voted against the motion expressed concern over the increase in Developing Economies dues and access to membership for all.

The floor was opened for discussion. A summary of that discussion is below:

Curious about the impact of the new ad hoc. Is it too early to do this? Does this motion negate the recommendations from the ad hoc?

The BOD is required to set dues at this time for next Society Year. The ad hoc will continue for a year and a half.

The membership model ad hoc needs to be given time to look at our current membership model, specifically, how do we replace potential losses in revenue due to some standards becoming available online for free. Society is in a reasonable position financially at this time. Only about 1,400 members take advantage of the Developing Economies dues rate. The fiscal impact of the motion is calculated very conservatively and is really closer to \$956,000. Given the pushback we hear on increasing dues, recommend that the BOD considers a lower increase or continuing the freeze until the ad hoc has completed its work.

Did Finance consider spreading the increase out over a few years rather than all at once?

The feeling from Finance was that the longer the catch-up period is dragged out, the bigger the gap will become.

For Developing Economies, it is not just local salaries but also the evaluation of the local dollar that causes issues. Society should be more creative and increase membership dues by offering additional benefits; this would allow members to see the benefits of continuing with ASHRAE.

It is better to approve an increase now and adjust dues as needed once the ad hoc completes its work. Otherwise, there will be a significant increase down the road.

What's the justification for increasing dues when Society has millions in surplus? Not questioning the formula, questioning the balance sheet.

Not against the increase in dues, but in terms of optics, a \$30 increase, especially when chapters in developing economies have expressed concern, is ill-advised.

For members in North America that pay their own dues and do not have company support, the cost is starting to become much more unaffordable. Think we will start seeing membership erode in the US and Canada if we increase dues substantially.

Mr. McQuade was allowed to make final comments. He stated that by reducing the Developing Economies dues Society is losing money based upon the spending levels set by the BOD. Anytime the

BOD decides to reduce revenue, accompanying motions to lower expenses are also needed. Society's mission and vision is not to provide membership to everyone around the world, it is to advance the arts and sciences of our industry. Not increasing dues will decrease Society's ability to do other things moving forward.

Mr. Rakheja moved and Mr. Ellis seconded that

2. MOTION 1 be amended as follows:

Finance Committee recommends to the Board of Directors (BOD) a proposed dues increase in Society Year 2024-2025 to \$285 for Full Members and includes all other membership dues grades that are calculated based on a percentage of Full Member dues. Except for Developing Economies dues, which would increase by \$15. Refer to ATTACHMENT A which outlines the recommended Fiscal Year 2024-2025 dues by membership grade.

The floor was opened for discussion on the amended motion. A summary of that discussion is below:

Clarifying that the recommendations from the ad hoc will not come forward until next Society Year.

It is a rare day that any programs are eliminated or that we are unable to fund a request. Developing Economy dues are not a loss to Society, revenue is generated and those members are paying for services.

The amended motion corrects the concern with optics over increasing dues.

The impact of a \$25 increase for Full Members adds \$827,000 in revenue over a full renewal cycle. In contrast, a \$30 increase for Developing Economy dues would generate \$42,000 over a full renewal cycle. Encourage the BOD to be fiscally responsible, but the amendment does not represent a significant fiscal impact.

As a non-profit organization, how much should we accumulate in the bank?

Reminder that the amended increase represents a \$15 increase over the last two years.

MOTION 2 PASSED (24:3:1, CNV).

The floor was opened for discussion of AMENDED MOTION 1.

Mr. Knight moved and Ms. Jensen seconded that

3. Amended MOTION 1 be amended as follows:

Finance Committee recommends to the Board of Directors (BOD) a proposed dues increase in Society Year 2024-2025 to ~~\$285~~ \$275 for Full Members and includes all other membership dues grades that are calculated based on a percentage of Full Member dues. Except for Developing Economies dues, which would increase by \$15. Refer to ATTACHMENT A which outlines the recommended Fiscal Year 2024-2025 dues by membership grade.

Mr. Knight stated that the proposed amendment would allow the Finance Committee to realize the fiscal impact reported in the original motion.

It was clarified that all dues tied to Full Member dues, as a percentage, would also increase.

Mr. McQuade reported that Society has operated at a deficit for the past several years; meaning, Society was run from reserve funds. By not raising dues to the level that the Finance Committee has recommended, the BOD is authorizing a pull from reserves to maintain Society's same spending levels.

Several members spoke against the motion.

MOTION 3 FAILED (6:20:2).

The floor was opened for discussion of AMENDED MOTION 1.

There was no additional discussion.

AMENDED MOTION 1 PASSED (22:5:1).

Mr. McQuade thanked the BOD for their thoughtful discussion.

Mr. McQuade moved that

4. Finance Committee recommends to the Board of Directors (BOD) that the existing ten percent (10%) dues discount for companies who submit five (5) or more applications for new full dues paying members (Full or Associate) be extended to new Developing Economy dues paying members as well.

Mr. McQuade reported that the fiscal impact is minimal. Companies are required to sign up five new members at one time. Finance Committee saw no reason not to extend this offer to Developing Economies members as well.

Would be a one-time discount for new applications.

The floor was opened for discussion. A summary of that discussion is below:

Do the new applications have to be submitted via paper application?

Currently Society does require paper applications due to database limitations. However, staff is working through this and should have an update soon.

All applications must also be submitted at the same time.

Would support an even higher percentage.

MOTION 4 PASSED (Via Unanimous Voice Vote).

Mr. McQuade reviewed information items from the Finance Committee.

Ms. Scoggins thanked Mr. McQuade and the Finance Committee for their work.

DISCUSSION OF PROPOSED RAL SPLIT

Mr. Knight reported that there was not yet a motion for the BOD's consideration. He reported that all of the necessary paperwork had been received from RAL. The paperwork includes an outline for how the region will manage the split as well as a list of tentative regional leadership. Members Council has not

yet reviewed the paperwork or formulated a motion for the BOD. Members Council will meet on December 20th.

If a motion is forthcoming from Members Council, it will be presented to the BOD at the January 5th meeting.

Mr. Metzger stated that he was curious about the impact of balance of the BOD overtime as regions have been added, relative to DALs. Is there a discussion necessary at some point?

Ms. Scoggins advised that this discussion could be added to a future BOD agenda.

Mr. Sekhar asked if there was background on why the name RAL was being retained, instead of giving them a number like the other Regions. Mr. Knight reported that this was the way the Region proposed it.

Mr. McQuade thanked Ms. Seymour, Mr. Mittal, Mr. Rakheja, and Mr. Anbari for all of their work on this item. He stated his opinion that Members Council should decide the names of the regions.

Mr. Mittal reported that RAL currently represents 19 countries. If the proposed split is approved, the Region will still represent 16 countries. The scope of the Region's geographic representation is the reason for the continue RAL name.

Mr. Gagnon asked how the BOD would address three of Society's Regions not having the minimum number of required members? Mr. Knight responded that he anticipated several waivers coming forward from Members Council if the split were approved. Waivers would be presented as part of the Council's final recommendation to the BOD.

TFBD TRANSITION PLAN

Mr. McQuade moved and Mr. Ellis seconded that

5. The Board of Directors approve the transition of activities of the Task Force for Building Decarbonization (TFBD) to the ASHRAE Center of Excellence for Building Decarbonization (CEBD).

Mr. McQuade reported that the TFBD was an ad hoc that was created and extended. The proposed motion would formalize the group's work moving forward.

Mr. Peterson reported that the BOD's confidence in and support of the TFBD has allowed Society to establish itself as a leader in building decarbonization. The TFBD was charged with determining how the activities of the ad hoc can be incorporated into Society's structure. The task force has spent considerable time collecting input and feedback and drafting recommendations.

He reported that the CEBD would focus on strategy, thought leadership, and industry collaboration. Both execution and strategy are needed to deliver what our members need and for Society to continue to be relevant moving forward.

Mr. Peterson stressed that the area of decarbonization is changing rapidly. It is especially important to separate strategy from execution especially because of the speed of change.

He reported Society is gaining traction with other organizations regarding developing code for countries and municipalities. A full-time staff member is recommended to help coordinate this work.

Mr. Peterson stated that BOD members could contact him with any thoughts, questions, or feedback. The plan is to make a final recommendation at the Sunday BOD meeting in Chicago. If approved, work would be done to implement changes prior to the Annual Meeting.

Mr. McQuade spoke in favor of the motion. He stated that he was not aware of any other initiatives that have this revenue potential. He expressed his opinion that there would also be opportunities to share costs with like-minded organizations.

Mr. Knight spoke in favor of the motion. He stated that the proposal is new and different and could help Society grow membership.

Mr. Sekhar spoke in favor of the motion. He expressed that anything that can be done to engage the students should be encouraged.

Ms. Jensen moved and Mr. Leong seconded that

6. MOTION 5 be postponed until the Sunday, January 21, 2024 BOD meeting in Chicago.

MOTION 6 PASSED (Unanimous Voice Vote, CNV).

Mr. Peterson encouraged members of the BOD to reach out to him with questions or feedback prior to the Winter Meeting.

UPCOMING MEETINGS

Ms. Scoggins reviewed upcoming BOD meetings.

ADJOURNMENT

The meeting adjourned at 10:59 a.m.



Jeff H. Littleton, Secretary

ATTACHMENTS:

A. Finance Committee Membership Dues Reference

Membership Dues

	FY 2023-24		FY 2024-25	
	(Current)		(Calculated)	
<u>Full/Associate/Fellow Grade</u>				
Regular	\$ 260	\$	285	
Developing Economy	\$ 155	\$	185	65.0% of Full Member Dues Frozen for FY23-24 (Not Calculated)
<u>Affiliate Grade</u>				
Regular				
Year 1	\$ 65	\$	70	25.0% of Full Member Dues
Year 2	\$ 100	\$	105	37.5% of Full Member Dues
Year 3	\$ 130	\$	145	50.0% of Full Member Dues
Developing Economy				
Year 1	\$ 40	\$	45	25.0% of Dev. Eco. Member Dues
Year 2	\$ 60	\$	70	37.5% of Dev. Eco. Member Dues
Year 3	\$ 80	\$	95	50.0% of Dev. Eco. Member Dues
<u>Student Grade</u>				
Regular	\$ 25	\$	30	10.0% of Full Member Dues
Developing Economy	\$ 15	\$	15	50.0% of Student Member Dues
<u>Student Transfer Program (SmartStart)</u>				
Regular				
Year 1	\$ 25	\$	30	100.0% of Student Member Dues
Year 2	\$ 100	\$	105	37.5% of Full Member Dues
Year 3	\$ 130	\$	145	50.0% of Full Member Dues
Developing Economy				
Year 1	\$ 15	\$	15	100.0% of DE Student Grade Member Dues
Year 2	\$ 60	\$	70	37.5% of Dev. Eco. Member Dues
Year 3	\$ 80	\$	95	50.0% of Dev. Eco. Member Dues
<u>Retired</u>				
Regular	\$ 40	\$	45	15.0% of Full Member Dues
Developing Economy	\$ 20	\$	25	50.0% of Retired Member Dues
Life	\$ -			

****Rounded up/down to closest 0 or 5**