

TWIN CITIES SOCIETY OF SECURITY ANALYSTS
Board of Directors Meeting
February 17, 2005
M & I Investment Management Corp.
Minneapolis, Minnesota

MINUTES

The presiding officer was President John F. Holewa, CFA. Those in attendance were:

Anthony Carideo	Curtis G. Fee, CFA (phone)	Kate Pexa, CFA (phone)
Andrew D. Christensen, CFA	John F. Holewa, CFA	David R. Spangler, CFA
Patrick M. Coleman, CFA (phone)	Christine I. Koppel, CFA (phone)	Barbara Boden, Executive Director (phone)
Karen Dunifon, CFA	Jeffrey R. LeMunyon, CFA	Dori Valenta, Associate Director (phone)

The President welcomed the Board and thanked them for attending.

APPROVAL – JANUARY MINUTES

- After minor corrections, and upon motion duly made and seconded, the Minutes of the January 20, 2005 Board meeting were approved as amended.

TREASURER'S REPORT

Reporting for Treasurer Harrison, Ms. Boden presented the December 31, 2004 Quarterly Financial Report and discussed the highlights.

- After discussion, and upon motion duly made and seconded, the Board received the December 31, 2004 Quarterly Financial Report as submitted.

In the absence of Treasurer Harrison, it was agreed that a decision on the Wells Fargo checking account in the Twin Cities would be made by conference call between Mr. Holewa and Mr. Harrison.

ACTION ITEMS

Membership

Reporting for Chair Ballsrud, Ms. Boden presented three applications for approval, stating there were no unusual circumstances. One of these was a reinstatement of a charterholder and automatic.

- After a brief discussion, and upon motion duly made and seconded, the Board approved the applications for membership as submitted.

Bylaws Review

Chair Fee distributed copies of the proposed changes to Articles Four, Five and Six for review. He asked to defer consideration of Article Four, Officers and Their Duties, to a subsequent Board meeting for further discussion of the authority of the Executive Committee. A sub-group would discuss and present a rewording of this section. Other proposed changes to Article Five and Six, as e-mailed to the Board, were reviewed. These changes would bring the Bylaws up-to-date with current practices, adding the responsibilities of the new Public Awareness/Advocacy Committee and its Chair, making it a permanent Standing Committee.

The Board commended Mr. Fee for his work in reviewing these documents and agreed that he should be toasted with an appropriate libation.

Strategic Planning

President Holewa offered possible dates for the strategic planning session: Monday, February 28; Tuesday, March 1; or Thursday, March 10. The suggested time frame was 3:30-6:30pm. The topics he suggested included 1) Marketing the Society—Marketing Campaign, Name Change; 2) Corporate Relations—Guidance, Sponsorship, Employment; 3) Special Events—Forecast Dinner, Golf, College Competition, Charter Recognition; and 4) Volunteer Development. He stated each of the topics merits a more lengthy discussion than regular Board meetings allow. In discussion, it was suggested that the Equity Panel, perhaps combined with the Fixed Income discussion, might be added to the Special Events discussion.

COMMITTEE REPORTS

Education

Chair Koppel reported the Twin Cities weekly study program had begun. The first session was taught by Dr. David Volkman, Chairman of the Finance and Banking Department at the University of Nebraska-Omaha. He was very well received.

Approval has been received from the CFA Institute for "Preferred Status" for the TCSSA Study Program. This allows Level I students who register for the Study Program to purchase individual books for a 15% discount or the entire bundle at a 25% discount. This status was not being given broadly, but rather was based on the quality of the Study Program. The overall number of candidates is down about 30% worldwide. This particularly affects Level I candidates and Study Programs. It was thought that lower pass rates were discouraging enrollment. Also, it appeared that candidates preferred the December examination. Other societies and outside providers have had to cancel some of their classes. In the Twin Cities area, there were 62 Level I and Level II candidates last year; this year, there are 41 enrolled to date.

The decline in registrations was at Level I. If, in fact, the majority of candidates would be using the December examination, consideration should be given to offering a fall program. It was important that adjustments would be made to the changing market. The low pass rates actually may encourage Study Program enrollment and marketing efforts might focus on this. Another factor was the withdrawal of corporate support for candidates, making them more cost-sensitive to the additional expense of a Study Program.

In terms of finances, the lower levels have supported the upper levels. The break-even figure for the Study Program was 25 enrollments. Different ways of supporting the candidates should be reviewed, such as promoting an on-line tutorial program with some access to web interaction with instructors, or provide a two- or three-day live review with an instructor. It was important to support candidates, since they are the source of new members. Faculty members from area institutions were very supportive of the Society's efforts to support the profession. It was the consensus that this topic could be discussed at the Strategic Planning session as part of the Corporate Relations or the Corporate Outreach discussions.

The candidate list was requested so Study Program information could be sent out again. Ms. Boden commented that Non-Profit Solutions handled that effort and stated that only about 50% of the candidates allow their names to be posted on this list.

Employment

Chair Christensen reported the redesigned web site was working well and more listings were being posted. An effort was being made to build good will among the employers the job listings. Posting to the web site was done twice a week. In the advertising campaign, the audience would be the corporate buyer who would place an ad on the TCSSA web site.

Ethics

Chair Dunifon reported there was an open comment period on the Standards; a reminder on this would be distributed to members with a link to the CFA Institute site.

Program

Chair Spangler provided an update on recent programs. There were seven excellent programs scheduled through June 30. Biographical information should be sent to the Public Awareness Chair Carideo so the media can be informed and speakers linked to local concerns. One speaker retainer has not yet been used; it might be possible to find someone who could participate on the Equity Panel in the international area. Other suggestions were offered.

Public Awareness/Advocacy

Chair Carideo reported that meetings were held with Minnesota Public Radio concerning participation in their web-based marketing program. A question was raised about whether to market the Twin Cities Society now or focus on the name change after it has been approved. Ms. Boden stated there was \$8,000 in reimbursed funding available to support the name change, but all advertising had to be pre-approved by Kathy Valentine at CFA Institute. All activity surrounding the name change must be completed by August 31, 2005. Flexible spending not expended, with invoices submitted by June 30, 2005, would be lost. After the Board decides on a course of action, a survey on the proposed name change could be distributed to the members.

Social Events

Chair Pexa reported the February social event was well attended. The Social on March 16 would have a St. Patrick's Day theme. Plans for the post-exam party were under way. It was suggested Schweser be asked to help support the party.

Special Events

Chair Coleman reported the golf outing was scheduled for June 13. He asked for direction on the handling of sponsorships. It was suggested that \$2,500 co-sponsors be sought. Last year, the registration fee was subsidized by the \$5,000 sponsor, but that sponsor would not be able to offer that amount this year. The Board was asked to help identify other potential sponsors.

In response to a question, the vote on the name change would be conducted by e-mail in late May so that the Annual Meeting could be held in conjunction with the golf outing. Another Bylaws review would be conducted at the April 21 Board meeting. It was suggested that for the future, the e-mail voting option should be included in the Bylaws.

An update on the Forecast Dinner was provided. Expenses for the event were approximately \$17,500, with the result of a loss of about \$1,700. The cost of subsidizing the students was about \$1,650. The problem of last minute reservations resulted in turning away several people because of a lack of space.

Work on the Best Prep project would be starting soon. Volunteers were being sought to work on the project.

OTHER BUSINESS

The next Board meeting would be held March 24, 2005, 7:30 am, at M & I Management.

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Respectfully submitted,

Barbara Boden
Executive Director