

**TO: International Executive Committee  
International Governing Council**

**FROM: Jake Farrell, International Treasurer on Behalf of the Finance  
Committee**

**DATE: February 28, 2019**

**RE: 2019 – 2020 Budget and Recommendations**

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## **SUBJECT**

The Finance Committee Workshop was created to sit down as a group to dive down into the finances of the association. To look at opportunities and created a budget for the fiscal year 2019 – 2020, based on past actuals and reasonable assumptions for the future of the International Right of Way Association (IRWA). The group also took the opportunity to create “Parking Lot” ideas as recommendations for the association to create future revenues and/or reduce expenses.

## **BUDGET BRIEF**

### **I. EDUCATION**

Setting a slightly aggressive budget for education, both in-class and online courses. Education is a major source of income for the IRWA and is a core mission for the Association.

1. **Online Education** – With a few sales and updated materials coming out we feel **3,173 online participants** is an achievable budgeted number. **Budgeted value of \$963,372**
  - a. On average there are 100-150 participants per month
  - b. Sales are anticipated to generate 400-500 participants
  - c. IRWA will be releasing 2 new OR Colan online courses during the 2019-2020 fiscal year
  - d. Spanish 100 is being released online
2. **In-Class Education** – We have seen a decrease in the number of classes with fluctuations, but a decline in the number of attendees in the courses as well. With some opportunities for changes in the way we offer courses we believe that we can achieve **368 courses with 5,520 attendees (average 15 per course)**. **Budgeted value of ~\$1.086M**
  - a. Implementation of Course Category by Region (Rakhshan’s Course Plan)
    - i. Pilot with 3 Regions
  - b. IDEA’s Task Force Strategic Initiative
    - i. Enactment of action items provided by IDEA’s
    - ii. Perception of outdated course

## II. MEMBERSHIP

The Association has been losing members over the last few years. Like education, membership is a major source of income for the IRWA.

1. **New Membership** – The Association has been trending 84 new members a month. With a few campaigns and a shift in incentive programs we believe we can achieve an average of **92 new members per month. Budgeted value of \$16,818 per month.**
  - a. Membership campaigns
  - b. Shift to individual member incentives for obtaining new members
2. **Membership Renewal** – The Association has been losing members over the past few years. Although aggressive, we have confidence in **\$1.68M** generated from membership renewal during the 2019-2020 fiscal year.
  - a. Retention Campaign
    - i. After April 15, 2020 if a Region obtains 30 additional renewals – Region Secretary receives a free conference registration
    - ii. *Or* if your region obtains 90% retention – Region Secretary receives a free conference registration

## III. TRAVEL

1. **Staff Travel** – Reduced for alignment of IRWA needs. **Budgeted value of \$90,000**
2. **IEC/IGC Travel** – Reduced. **Budgeted value of \$202,000**
  - a. IEC budgets to only attend the Region Spring Forums in 2020, not Region Fall Forums in 2019
  - b. Budgeted funds in “Other Travel” to be used for unanticipated travel
  - c. Finance Committee discussed budget for Region Secretary/Treasurer
    1. Determined that IGC should discuss options for funding or requiring Regions & Chapters to finance with dues
3. **Service & Industry Committees**
  - a. Budgeted travel for all Industry and Service Committees – See notes on budget. **Budgeted value of \$59,000**
    1. Industry Committees & CoP – Shared \$18,000
    2. Service Committees
      - a. PIPE - reduced travel budget to \$18,000
        - i. Budget can be used as needed, but not to exceed the budgeted amount
      - b. Credentialing - \$5,000
      - c. INEC - \$18,000
  - b. YP Committee was given a small travel budget - \$3,000
    1. Need to determine the expectations of the newly formed committee
  - c. Finance Committee
    1. Budgeted \$10,000 for an in-person budget workshop for the fiscal year 2020 – 2021

## IV. TRAINING AND DEVELOPMENT

1. **Leadership Development**
  - a. Budget cut from \$50,000 to \$5,000; no plan in place
  - b. Will use the remaining of this fiscal year to explore leadership options and opportunities
  - c. Gauge the interest and desired direction of the IGC
2. **Staff Training and Development**
  - a. Reduced to reflect known training opportunities, plus some extra for unanticipated training
  - b. This budget item comes with some new expectations and requirements for use of funds through expense reports and/or credit cards

## **BUDGET OPPORTUNITIES**

### **V. EXPENSE REPORTS & CREDIT CARDS**

Expense reports are used for reimbursement of IRWA approved member travel and expenses. Expense reports are also used for reimbursement of IRWA approved staff travel and expenses. IRWA Staff members also have AMEX credit cards for travel and operations purposes.

The Finance Committee conducted a review of the past finances of the Association, based on that review and in order to insure compliance of the IRWA Policies and Procedures & Bylaws the follow procedures will be effective immediately:

1. The International Treasurer will approve all expense reports submitted by IRWA members and/or staff
2. As stated in the current IRWA Bylaws and Policies & Procedures - Fiscal Operations/Expense Claim Form), all travelers will use the IRWA Business Travel Expense Statement (Canadian members should use the Canadian version) form for reimbursement. The use of the AMEX Credit Cards will be reduced and used secondary to the expense report process, where applicable
3. The International Treasurer will review and approve each of the AMEX monthly statements

### **VI. PARKING LOT IDEAS**

The Finance Committee discussed a few items that we believed should be brought back to the IEC and IGC for review.

1. **New Member Targets** – Review of how we look at reengaging large member companies and agencies
  - a. Railroads
  - b. DOTs and Transportation Agencies
  - c. Consultants
  - d. Agencies
2. **Simplified Reporting** – Change the way we report our financials
  - a. Use of graphs with historical and trending data
  - b. Have deeper data available online for those who want to dive deeper

3. **Membership Drive**
4. **Member Attraction**
5. **Member Retention**
6. **Tuition Review**
  - a. Not a current recommendation by the Finance Committee
  - b. As courses are updated, an evaluation of the courses' tuition should be studied
7. **Course Category by Region**
8. **Perform an Annual Mid-Year Budget Health Check**
9. **Conference Location Selection Process Review**
10. **Host Hotel Usage During Conference**
  - a. Lost around \$30,000 in Edmonton from attendees not using host hotel
  - b. Require use of host hotel for reimbursement, unless approval before trip
11. **Printed vs. pdf Course Material**
12. **Truly Outward Facing to Our Industry Partners**
13. **Staff Study**
  - a. Are we appropriately staffed for retirements and knowledge transfer?
  - b. Are we appropriately staffed for future programs and the long-term plan of the IRWA?

## **CONCLUSION**

The information submitted by this Memorandum and the attached 2019-2020 budget is the official recommendation by the Finance Committee and moved to the IGC for its approval and to recommend to the IRWA Board of Directors at the Board of Directors Meeting to be held on June 12, 2019 in Portland, Oregon.

All members of the Finance Committee are available for discussion.

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Jake Farrell, SR/WA, IAP2  
International Treasurer  
Chair of Finance Committee