



**INTERNATIONAL FACILITY MANAGEMENT ASSOCIATION
2013 HOUSE OF DELEGATES ANNUAL MEETING MINUTES
Tuesday, October 1, 2013
Pennsylvania Convention Center, Room 119
Philadelphia, Pennsylvania USA**

1. Welcome

IFMA Chairman Jon Seller called the meeting to order at 2:37 p.m. EDT. The 2013-2014 board of directors were introduced.

2. Minutes of the 2012 House of Delegates Annual Meeting

Corporate Secretary Linda Pate presented the minutes of the 2012 House of Delegates Annual Meeting. A motion to waive the reading and approve the minutes was made by the Atlanta Chapter of IFMA (GA1), seconded by the St. Louis Chapter of IFMA (MO1). The motion carried.

3. Financial Report

Second Vice Chair Michael D. Feldman, FMP, CM presented the 2012-2013 fiscal year results. This year the association focused on investing in the CFM exam revision as well as relocating the staff to the new Service Center of Excellence in Houston, Texas. The relocation vision was to deliver an effective and satisfying work environment that would support a distributed service model and implement strategies for long-term flexibility and operational sustainability. Capital expenditures in fiscal year 2013 for these two projects totaled \$2.2M. The return on this investment will be in increased global participants in the CFM Learning System and lower operating expenses.

The total revenues for the fiscal year ending June 30 were \$12,663,107, up \$85,209 from the previous year. Revenue from dues increased by two percent this year reflecting an increase in total membership of the association to 23,231 at year-end. Revenue from conferences and exhibitions showed a decrease of two percent in revenues over prior year.

Total expenses for the fiscal year ended June 30, were \$13,107,190. Direct expenses associated with the delivery of products and services were \$5,273,265 while indirect operational expenses were \$7,833,925. Direct expenses increased seven percent over prior in direct response to costs associated with education product development, cost of sales and credential expenses. While the CFM exam revision and the relocation were completed on time and within budget the fiscal year ended with an operating deficit of \$444,083 from these additional investments and other investments in the past three years.

The association's reserve funds are governed by a written investment policy approved by the finance committee and the board of directors. Cash and cash equivalents at year-end totaled \$208,140. The value of the investment portfolio at year end was \$3,994,951. Last year there was an unrealized loss on long-term investments of (\$83,951) whereas this year there is an unrealized gain of \$346,987. To fund the previously mentioned capital projects this year \$1.5M was withdrawn from the cash reserves.

The audit committee was chaired by Diane H. MacKnight, CFM, FRICS, IFMA Fellow. Meredith Thatcher, LEED AP, CFM, IFMA Fellow; Pete Winters, CFM, IFMA Fellow; Patricia Childers, CFM; and Second Vice Chair Michael D. Feldman, FMP, CM also served on this committee.

The committee will meet October 22 to review the audit process and results with auditors Briggs and Veselka and members of the executive management team. Once the audit committee approves the 2013 financial reports they will be forwarded to the board of directors for approval.

The operating budget was developed in alignment with the Balanced Scorecard ensuring that the association is funding the priorities approved by the board of directors in their strategic planning process. The 2013-2014 budget calls for total gross revenues of \$13,961,527. After direct and indirect expenses we project another deficit year. This is a result of the previous investments in renewing the CFM and FMP programs, and developing the SFP and the Essentials Courses. Keeping our credentials relevant and globally based is critical to IFMA's future. Additionally, the costs to create the Service Center of Excellence are being amortized over the life of the ten year lease.

For fiscal year 2014, we are projecting less aggressive performance targets on both the revenue and expense sides. However, given how conservative we are, if revenue projections are greater than expected than we will see a reduction in the anticipated deficit. Ongoing monitoring of the variances to budget will alert management to necessary adjustments.

To achieve the strategic objectives, measures and targets in IFMA's strategy, the budget accounted for membership value proposition enhancements, membership campaigns, rebranding, knowledge management, research and relationship management.

A motion to approve the 2013 IFMA Financial Report was made by FM Consultants Council of IFMA (FMCC), seconded by the Los Angeles Chapter of IFMA (CA1). The motion carried.

4. Foundation Report

IFMA Foundation First Vice Chair Diane Coles-Levine presented the Foundation report. The Foundation fosters FM workforce development by collaborating with higher education institutions worldwide on FM degree programs, FM student scholarships and FM research. Currently there are 30 FM degree programs worldwide. The Foundation is awarding 35 scholarship recipients this year totaling \$150,000.

5. State of the Association Report

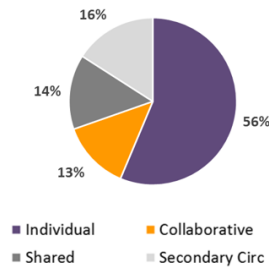
The state of the association report was presented by Jon Seller – chair; James P. Whittaker, P.E., CFM, EFP, FRICS – first vice chair and Tony Keane, CAE – president and CEO.

IFMA's Service Center of Excellence (SCOE)

IFMA's workplace strategy is to deliver a more effective and satisfying work environment, support a distributed service model and implement strategies for long-term flexibility and operational sustainability. Design principles included: universal access to a variety of spaces; visual connectivity and project-based teams; concentrative spaces; informal collaboration spaces; flexibility (more multi-use spaces); reduce the current footprint; and space provision that is not status based. The Houston SCOE was conceived, designed and built around the core concepts of sustainability, usability and productivity – the journey from a headquarters to IFMA's first Service Center of Excellence.

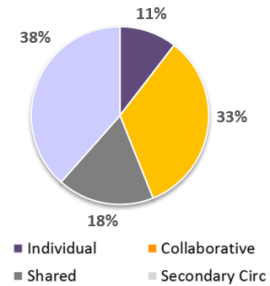
IFMA's original headquarters in Houston, Texas, USA

22,000 RSF*
 Individual Workspace
 8,847 sf (56% of total USF)
 Collaborative Workspace
 2,091 sf (13% of total USF)
 Shared Resources
 2,271 sf (14% of total USF)
 Secondary Circulation
 2,501 sf (16% of total USF)



IFMA's first SCOE in Houston, Texas, USA

11,000 RSF*
 Individual Workspace
 1,042 sf (11% of total USF)
 Collaborative Workspace
 3,328 sf (33% of total USF)
 Shared Resources
 1,755 sf (18% of total USF)
 Secondary Circulation
 3,824 sf (38% of total USF)



TOTAL USABLE SQUARE FEET*
 15,710 USF [~302 sf/person]

TOTAL USABLE SQUARE FEET*
 9,949 USF [~191 sf/person]

*50% reduction in RSF
 *37% reduction in USF

Research Program

Strategic initiative: integrate and align FM research with industry needs, critical issues and trends. Disciplined focus on our core competencies: benchmarking, trending and forecasting. The research team is enhancing IFMA's Benchmarks Exchange (BEX). This benchmarking portal will provide more convenient data entry, customized reports along with the ability to filter by facility description, region, and industry type.

Standards

In 2011, the International Organization for Standardization (ISO) established a committee to develop global standards for facility management (ISO/TC 267). In keeping with its mission to advance the FM profession, IFMA and alliance members from many countries are participating in this important effort. IFMA has also taken a leading role as administrator of the U.S. Technology Advisory Group.

Government Affairs

IFMA's government affairs team devoted its efforts throughout the year to effective implementation of the Federal Buildings Personnel Training Act, expansion of the High Performance Buildings Congressional Caucus and establishing a greater government affairs presence in Europe and beyond. Events included the Annual Public Policy Forum and Advocacy Day and a Government Leaders Session at EFMC.

Essentials of Facility Management

This entry-level training product will meet the educational needs of emerging FM professionals in the global FM market. The program will be grounded in the basic concepts that describe the field of facility management and how it can be of value to an organization. The primary focus is to address the supervisor's or unit leader's role in the tactical planning for how to schedule and accomplish daily FM tasks that support the operation of an organization's facilities. The program is comprised of a series of three training workshops aimed at conveying some of the basic needs to become (or be more effective as) a supervisor or work unit leader in the FM field. The course workshop titles are:

- Introduction to Facility Management Series
- Operation and Maintenance Series

- Work Management in Facilities Series

Each workshop series consists of four to five topical training workshops averaging about two to six hours of training. Workshops are lecture style learning with tips, scenarios and learning activities. Each workshop contains a learning assessment at the conclusion of the class.

Clean Data Initiative

IFMA updated the way chapter data is stored in our business systems allowing us to better identify which members to associate with chapters, resulting in increased quality and accuracy of chapter rosters. The clean data creates the groundwork for future improvements to meet the needs of chapter leaders. IFMA completely overhauled the online join and renew process to deliver a simple user focused experience. The simplified process requests only what is needed with enhanced support for payment by check or invoice. Members can assist with this process by informing the member services team of officer and roster changes while working with chapter and council members on maintaining updated contact records.

6. IFMA Rebranding/Logo Project

After the successful campaign to amend the Constitution in 2011 which moved logo updates to the Bylaws, allowed for the 1983 logo to be updated. Objectives and goals for the brand included:

- Reposition IFMA as the preeminent membership organization for FM professionals and those individuals and organizations providing services
- Position IFMA as the key component of professional development
- Be recognized as the premiere global organization providing facility-related research, benchmarking, publications, peer-to-peer networking and career-advancement tools

An online survey resulted in almost eight in 10 respondents picking out what will become our new logo as their number one or number two choice out of seven logos. The approved logo will be rolled out internally at IFMA with a plan distributed to chapters, councils, Foundation and other components.



7. Knowledge Management (KM) Update

Knowledge strategy is aligning information to a defined purpose: continuously position IFMA as the global FM thought leader to guide and develop the growth of our members to advance the FM profession. KM strategy overview:

- Knowledge – a process of applying data and structured information, linking ideas, answers “how”
- Information – data that has been organized into meaning, answers “who, what, where, when”
- Data – raw, without context, on its own not significant
- Wisdom – achieving goals and adding value based on understanding
- Understanding – applying knowledge, answers “why”

Knowledge management strategy impacts:

- Credentials
- Education
- Research
- Standards
- Components
- Publications
- Events
- Website
- Communications
- Member service delivery
- Brand strength
- Culture

By putting this strategy in place we will:

- Allow our members to grow and be ahead of the competition
- Enable collaboration within IFMA as a service center of excellence
- Reduce the cost of ignorance
- Transfer knowledge to next generation
- Eliminate borders in a global environment
- Enhance market responsiveness
- Improve productivity and efficiency

8. Comments from the Floor

Open discussion regarding knowledge strategy and increased attendance at chapter functions.

The St. Louis Chapter of IFMA (MO1) motioned to adjourn the meeting, seconded by Greater Louisville Chapter of IFMA (KY1). The meeting adjourned at 4:10 p.m. EDT.

Minutes submitted by corporate secretary Linda Pate.