



Setting the Standards for Home Energy Efficiency

Results of RESNET Board of Directors Reconsideration Ballot on Expanding RESNET Membership and Representation on the RESNET Board of Directors

August 15, 2017

The following are the results of the initial ballot of the board on the expanding RESNET membership and representation on the RESNET Board of Directors.

Shall the RESNET Board adopt the RESNET Board Executive Committee’s recommendations that RESNET membership categories be expanded and that each new membership category be authorized one Board of Directors position as follows: Code Official Organizations - Appraisal Industry Organizations - Water Efficiency Organizations?

Yes (16)	No (2)	Abstain (0)	Not Voting (1)
Jacob Attalla	Steve Byers*		Cy Kilbourn
David Beam	Brett Dillon**		
Dave Bell			
Robert Eipert			
Philip Fairey			
Matt Gingrich			
David Goldstein			
Roy Honican			
Cardice Howard			
Mark Jansen			
Abe Kruger			
Curt Rich			
Nancy St. Hilaire			
Kelly Stephens			
Clayton Traylor			
Daran Wastchak			

*Steve Byers provided the following reasons for his negative vote:

I think this question needs considerably more discussion. The board is already huge by most nonprofit standards. The intent is good, the execution less so.

**Brett Dillon provided the following reasons for his negative vote:

RESNET is a facilitated network with very few customers and many stakeholders. Many of these stakeholders have competing interests with each other, affecting the strategy of the organization as we attempt to balance those competing interests with the interests of our paying customers. This was recently very evident during the 2018 ICC development cycle (and the 2015 ICC cycle before that), and will only become more pronounced as we become more embedded with the ICC. The addition of new membership categories does NOT make RESNET more effective in achieving our stated mission as a 501(c)(3) nonprofit, granted tax exemption under section 170(b)(1)(A)(vi) "Types of IRC 170(b)(1)(A)(vi) Organizations The types of organizations generally contemplated to fall under the IRC 170(b)(1)(vi)

"publicly supported" category include: publicly or governmentally supported museums, libraries, community organizations that promote the fine arts,

American Red Cross, United Way and other organizations that receive a significant part of their support from government grants and/or contributions from the general public.

Reg. 1.170A-9(e)(1). (retrieved August 7, 2017 from https://www.irs.gov/irm/part7/irm_07-026-003.html). Adding these stakeholder groups does not appear to me to improve our effectiveness as an educational organization within the IRS tax exemption. I also have concerns about increasing the size of the board. According to the head of Deloitte's unit serving nonprofits in 2008, "large boards often become an information receiving group rather than a decision making board", "large boards that abdicate responsibility to a smaller group create inner cabals that are often counter productive", "there is a risk of combining the roles of membership representation with the governance role of a board of trustees means that it becomes increasingly difficult for either role to be discharged effectively", and "It should be possible to get the right skill mix without exceeding the optimum numbers discussed above. If not, question the composition of the board members before deciding to add more". Mr. Pesh Framjee was not the only one to sound the alarm regarding board size; according to BoardSource, "Bigger boards may not be able to engage every board member in a meaningful activity, which can result in apathy and loss of interest", "Meetings are difficult to schedule", "There is a tendency to form cliques and core groups, thus deteriorating overall cohesion", "There is a danger of loss of individual accountability", and "It may be difficult to create opportunities for interactive discussions". BoardSource suggests we ask ourselves these questions: How does everyone feel about the Board's size? Too small? Too large? What do we need to get accomplished and do we have the right people on board to get the work done? How does our mission or mandate affect the size of the Board? What would be the perfect size for group dynamics and a culture of inquiry? What are the criteria to judge the suitability of our board at this phase of our lifecycle? It seems to me (if I were inclined to increase the number of board members- which I'm not) a better solution would be to increase the number of Associate Members on the Board and let those members be elected by that class instead of institutionalizing the stakeholder representatives on the Board.

I'm not convinced that institutionalized stakeholder representation on the Board enhances our effectiveness in meeting our tax-exempt mission. Instead, it seems very likely (according to experts in non-profit governance) that our effectiveness will decrease. At a time when most Boards are downsizing to improve governance, we want to buck that trend?

According to the current board procedures for electronic ballots a reconsideration ballot took place for those board members who voted to approve the Executive Committee's proposal.

Mr. Byer's and Dillon's reasons for the no votes was sent to all of the board members who voted yes.

The following are the results of the reconsideration ballot:

Shall the RESNET Board adopt the RESNET Board Executive Committee's recommendations that RESNET membership categories be expanded and that each new membership category be authorized one Board of Directors position as follows: Code Official Organizations - Appraisal Industry Organizations - Water Efficiency Organizations?

Yes (15)	No (3)	Abstain (0)	Not Voting (1)
Jacob Attalla	Steve Byers		Cy Kilbourn
David Beam	Brett Dillon		
Dave Bell	Abe Kruger		
Robert Eipert			
Philip Fairey			
Matt Gingrich			
David Goldstein			
Roy Honican			
Cardice Howard			
Mark Jansen			
Curt Rich			
Nancy St. Hilaire			
Kelly Stephens			
Clayton Traylor			
Daran Wastchak			

David Goldstein provided the following comment with his vote:

I am maintaining my "yes" vote because RESNET needs to be inclusive of new stakeholders that have emerged over the past 4 years in order to understand and serve their needs better. These stakeholders also present business opportunities for RESNET and many of its members.

I agree with both dissenters on the question of the size of the Board. There is a critical size that we are just about at beyond which I have observed over the years that committees become dumber than the sum of their membership rather than smarter, which is currently the case for RESNET (IMHO).

This issue should be on our t-do list over the next 2 years. But I don't think that holding up this increase in stakeholder involvement is warranted when there are other options for limiting board size.

I completely fail to understand Brett's concerns about (c) (3) mission. Our mission is to be a standards-setting organization, such as ISO or ASHRAE, and inviting stakeholders in standards to the Board table advances that mission.

The the RESNET Board Executive Committee's recommendations that RESNET membership categories be expanded and that each new membership category be authorized one Board of Directors was adopted.

Respectfully Submitted,

Matt Gingrich, RESNET Board Secretary