



Board Meeting Minutes

March 21, 2022

1500-1700 EST

BOARD MEMBERS		
Hal Rosen	Tony Leketa	Dave Nash
Tim Byers	Suzanne DiGeronimo	Randy Gardner
John Henderson	Gene Lupia	Angie Martinez
Sal Nodjomian	Jane Penny	Sally Riker
Bob Schlesinger	Ron Silva	Susan Thames
Joe Schroedel* (was attending funeral)		
OTHER ATTENDEES*		
Mark Handley	Cindy Lincicome	Beth Harris
Ed Jackson	Ron Torgerson	Roger Wozny
Norm Campbell	Rob Biedermann	Ekaterina Khoreva
Kathy Off		

*Non-voting

Not in attendance

The meeting was called to order at 1505. See Encl 1, Agenda.

Opening Comments: A quorum was established with all voting members of the board present either in person or virtually. Hal Rosen, Chair, kicked off the meeting with introductions. **The Foundation approved the revised minutes from the January meeting.** He recapped the agreement between the Society and the Foundation as the backdrop for decisions and deliverables to come out of the meeting. The strategic plan of the Foundation is the strategic plan of the Society. In January, the Foundation received a request for Foundation support from the Society (Encl 2). The Foundation Chair, Fundraising Chair, Finance Chair, and Operations Chair met to begin deliberating the Foundation's response. Those positions, along with the Vice Chair, make up the Foundation Executive Committee.

Organization Chart: Hal asked for comments on the structure of the org chart. Members thought the org chart was simple and easy to understand. All board members and volunteers are billeted. Please let us know of any volunteers that should be listed. No vote was needed, but all agreed with the org chart as presented (Encl 3).

Discussion

- Names may flow in and out, but the structure will remain; it is clean and efficient.
- Clarify who are voting members.

Fundraising (Encl 4): Sal described the three major lines of effort under fundraising: internal corporate giving which now includes SAME Sustaining Member companies, external corporate giving which is now largely untapped., individual giving (which does not have a lead), and planned giving. Bob Schlesinger described what was involved in leading the individual giving line of effort which was not a heavy lift. For the first year of individual giving, we made \$164K, then \$129K, then \$82K. It's very hard to project an amount for planned giving, but it will be a major contributor.

Milestones for the 2022 (and beyond) Campaign include naming the campaign, developing recognition and targeted giving levels, developing a case statement, identifying potential donors, determining appropriate POCs and aligning volunteers with opportunities. The case statement is extremely important and will be tailored to the audience accordingly. Rick Stevens is the POC for the case statement. It will inform every action we take. We have recruited graduates to assist with forming the statement. Looking to have a draft in April to share. The first draft will be geared toward the internal corporate giving pool. We have to differentiate ourselves from the competition – charity ratings are important and we must maintain the highest scores prior to launching a campaign. We must make donating easy. The National Office will add a button on registration, but there may be more ways to make it easy. Projected fundraising income total for 2022 is \$202,500.

Discussion

- Are we still in competition with each other if we are asking sustaining members to donate, but they fund our local scholarships? The decision was to not compete with Posts in awarding scholarships (Foundation underwrites programs), but we may be competing for money which is an unavoidable fact. It is not a direct competition with Posts. Per Suzanne, we could check with Posts who have their funds with the Foundation to inquire what they think. After discussion, it was agreed by the Board that such an inquiry was not necessary.
- The benefit that Posts get from placing their funds with the Foundation is the management and return on investment. We just need to be articulate about what the Foundation is supporting (case statement).

Finance (Encl 5): Tim Byers summarized the request for program support from the Society as \$531K. We would need a corpus of \$18M that allows programs to be funded using dividends, but we currently have \$1.36M. He covered finances from last year and how it will look moving forward to include the response. Overall, we have a well-balanced account; we are still growing in interest. The account balance is \$3.6M, but that is including Post Funds. Additionally, if you subtract restricted funds of \$303K, the Foundation has \$1M. The Foundation was covering Camp Scholarships at \$24K, but SAME will cover that moving forward so that the Foundation can continue to strictly underwrite programs. The SAME National Office will be developing a Camp Support Program. For LDP, the Foundation will support the incoming and graduating classes at \$100K and not the entire \$209,014 requested. There was a compelling case to fully fund the Alaska Native/American Native STEM Program at \$22K. Camp Mentor Program is a component of leadership. The Foundation could not fund it all for now, so started with \$60K of the \$117K requested to offset mentor costs and some Posts supporting mentors while Posts will have to continue to support Camp costs as needed until the Foundation can support the entire Camp Mentor program. At this time the Foundation will not fund the Joint Engineering Training (TTX) or Post Leader Training. With the revenue predicted by fundraising and operating expenses, 50% of the donations will go to the corpus. Net available cash will be \$234,950. The Foundation Board agreed with the 50% corpus amount as standard for now.

Discussion

- Is it necessary to bring in the LDP class for four nights – judgement call. Training does occur at JETC. We need to see a syllabus for LDP to help forecast LDP expenses.

Operations: Tony expanded on how the response was constructed. First and foremost, each item was examined against the compelling purpose of the Foundation – “fostering engineering leadership for the nation.” Second, we will need to make the case with donors that their money is supporting that compelling purpose. The Foundation opted not to fund Post level LDP programs because they felt that it would set a precedence with Posts. Post activities should be funded by Post operating accounts. Post Leader Training is also a Post level function that should be supported by Post operating accounts. The TTX was difficult to connect to the compelling purpose.

Discussion

- The National Office will need to do a better job of tying requests to the compelling purpose and establishing guidelines.
- If we focus on fundraising and are successful, there won't need to be so much scrutiny.
- If we make more than we expect, things can change.

- Can we issue any IOUs? In the response, as we evaluate our fundraising success, we can re-evaluate the funds promised.
- We will get requests annually, so the Society will be including real-time needs.
- Society will be providing requests much sooner than was done for this year. We will be re-evaluating the timing of the process. The decision should be made at SBC so it can be accommodated in the Dec. Budget Meeting. The Foundation XC should get the request by the beginning of September and will strive to respond by the end of September. Open dialogue will help shape what is presented to the board at SBC.
- Hal will respond to the letter with the future timeline and establish a meeting time to discuss. Funding can commence.

Decision: Upon motion and second, the Board unanimously approved (1) the proposed 2022 budget, (2) the response to the Society's requests for program underwritings, and (3) the suggested placement of at least 50% of received donations to be accumulated in the Foundation investment fund.

Other Business:

Governance: Dave Nash tabled the succession planning discussion for now. The governance committee will develop a charter for the XC. Bob Schlessinger will take over as governance chair and examine the bylaws for accuracy.

Stewardship: Gene Lupia had asked for any proposed edits to the Stewardship Policy. None were provided; he is asking for it again. He has asked Suzanne to provide a POC to help integrate the Planned Giving Policy with the Stewardship Policy.

New Business: We need to figure out a marketing campaign to really get the message out about LDP at JETC. Marketing & Communications will be included on the case statement deliberations. There will be a place for the Foundation to reside at the SAME Booth during exhibit hall hours.

Closing: Sal mentioned his role in the Golden Eagle Dinner and that Foundation members would be dispersed to help explain the Foundation to table sponsors. The meeting adjourned early at 1645. The JETC meeting is scheduled for May 11, 1400-1600 at the Gaylord Rockies Hotel & Convention Center.



Hal Rosen, F.SAME (Dist.)
Chair, SAME Foundation

- Encl 1: Agenda
- Encl 2: Society Request for Support
- Encl 3: Org Chart
- Encl 4: Fundraising Slides
- Encl 5: Finance Slides & Budget

ENCLOSURE 1

	AGENDA	DISCUSSION LEAD
1500 – 1505	Call to Order – Quorum Established – Pledge of Allegiance	Hal Rosen
1505 – 1510	Approval of January Minutes	Hal Rosen
1510 – 1545	Finance <ul style="list-style-type: none"> • Budget 2022 and objectives ahead • Society Requests 	Tim Byers
1545 – 1615	Fundraising <ul style="list-style-type: none"> • Corporate Case Statement 	Sal Nodjomian
1615 - 1640	Operations <ul style="list-style-type: none"> • Governance & Bylaws • Underwritten Programs 	Tony Leketa
1640 – 1650	Org Chart	Hal Rosen
1650 – 1655	New Business	All
1655 – 1700	Summary & Close	Hal Rosen



Society of American Military Engineers

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21 January 2022

Memorandum for: SAME Foundation Board of Directors

PRESIDENT
REAR ADM. MARK A. HANDLEY, P.E., F.SAME, USN (Ret.)
AECOM

PRESIDENT-ELECT
CYNTHIA LINCICOME, F.SAME
TLI CONSTRUCTION INC.

PAST PRESIDENT
HEATHER L. WISHART-SMITH, P.E., PMP, LEED AP, F.SAME, F.ASCE
JACOBS

VICE PRESIDENT
RICHARD A. "RAD" DELANEY, AIA, LEED AP, F.SAME
PRIME AE GROUP INC.

VICE PRESIDENT
SHARON L. KROCK, PWS, F.SAME
SCHNABEL ENGINEERING INC.

VICE PRESIDENT
COL. CHARLES D. PERHAM, F.SAME, USAF (Ret.)
MATRIX DESIGN GROUP

EXECUTIVE DIRECTOR
BRIG. GEN. JOSEPH SCHROEDEL, P.E., F.SAME, USA (Ret.)

Subject: Request for SAME Program Funding Support

1. Request SAME Foundation funding support for the rank ordered SAME Program initiatives below. We believe that they are consistent with the Foundation's compelling purpose of leader development and will provide the program level impact that the Foundation requires to support fund raising efforts. Details regarding the scope, estimated first and annual costs, POC and anticipated impact on both SAME 2025 Strategic Plan progress and the SAME Foundation's compelling purpose are at the enclosure.
2. The three programs noted below are renewed requests for well-established SAME programs which received varying levels of Foundation support in the past. These programs are resubmitted with updated budgets for your consideration:
 - a. **Priority #1: National Leader Development Program (LDP):** The contribution of the Leader Development Program to the Society is well known and documented. Due to the COVID pandemic, anticipated costs for 2020 and 2021 were much lower than anticipated since in-person events were not held, and the associated costs not expended.
 - i. POC: Rob Biedermann, Director IGE and Programs
 - ii. Estimated 2022 cost: \$209,014 (Graduation catch-up for LDP 2020 and 2021 classes)
 - iii. Estimated 2023 cost (net inflation): \$127,864
 - b. **Priority #2: Extend Alaska Native/American Native STEM Program:** The award of the "We Must Go to Them" United Engineering Fund (UEF) grant awarded to SAME for 2021, provides the majority of the funding to examine and develop a plan to bring STEM training to Native peoples at their locations. During this initial year, 4 Posts will use the grant to develop the plan and estimated costs to provide this service in future years.
 - i. POC: Jeannine Finton, COI Manager
 - ii. Estimated 2022 request: \$22,000 (Initial plan development period)
 - iii. Estimated 2023 request (net inflation): \$TBD
 - c. **Priority #3: Camp Mentor Program:** Serving as a Camp mentor is a proven leadership development opportunity. Historically, our camp program struggles to obtain adequate

numbers of mentors because employers are reluctant to underwrite the costs of participation. This program will help offset travel, salary and other expenses that mentors often have to carry in lieu of their employers' support. This program will also serve as an incentive for these volunteers.

- i. POC: Jeannine Finton, COI Manager
- ii. Estimated 2022 request: \$117,000

3. The following programs represent funding requirements for which detailed financial plans are being completed. The SAME IGE and Programs Directorate will provide appropriate details by within 90 days.
 - a. **Priority #4: Joint Engineering Training (TTX):** This initiative supports the "M" in SAME and is implemented by the Joint Engineering Contingency Operations Community of Interest. This program anticipated providing subject-matter experts, panel members and other professionals supporting Regional-level Joint Engineer Capabilities Workshops and similar events such as table-top exercises.
 - i. POC: Steve Taylor, COI Manager
 - ii. Estimated 2022 request: \$19,500
 - iii. Estimated 2023 request (net inflation): \$TBD
 - b. **Priority #5: Post Level LDP Support:** Two posts, San Antonio and Washington DC, have well developed programs that eventually could become feeder programs for the National LDP. More importantly, support for Post level programs is an extremely important consideration for the Foundation to remain relevant to all levels of SAME.
 - c. **Priority #6: Post Leader Training:** Service as a Post Leader is another tremendous opportunity for the Foundation to achieve its compelling purpose and deliver huge impact upon which to build the Foundation's legacy. Our Post leaders are the key to SAME's Strategi Plan as they lead collaboration that results in local impact that benefits SAME's constituencies.
 - i. POC: Steve Taylor, COI Manager
 - ii. Estimated 2022 request: \$163,438
 - iii. Estimated 2023 request (net inflation): \$TBD
4. We look forward to your response and to working with the Foundation Board of Directors to grow the Foundations' impact and contributions to SAME's Strategic Plan. The SAME National Leadership Team and Board of Direction appreciate the collective work to establish a routine process for focusing the Foundation's support of SAME Programs. The National Office Staff is leaning forward to support our process.
5. National Office Staff POC for program support is Rob Biedermann.

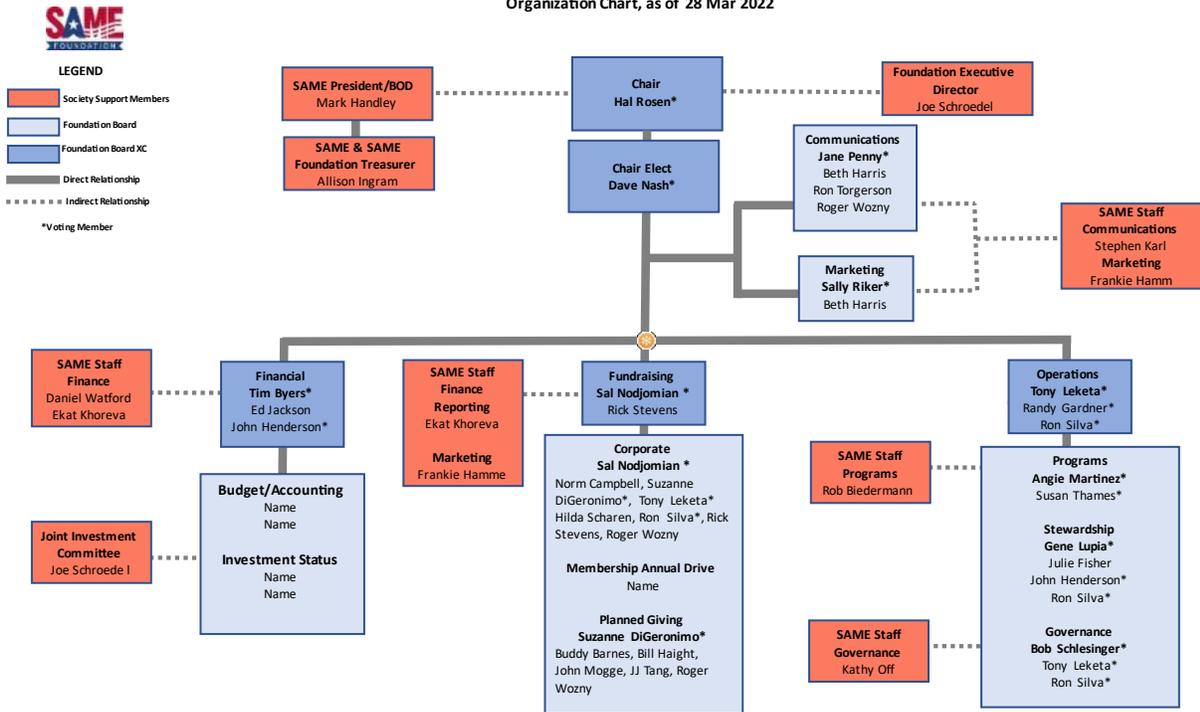


Mark A. Handley
RADM, P.E., F.SAME, USN (Ret)
SAME National President

Encl

ENCLOSURE 3

Society of American Military Engineers Foundation
Organization Chart, as of 28 Mar 2022





Foundation Fundraising Committee

Sal Nodjomian

21 Mar 22

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The Foundation's **Compelling Purpose:**

Fostering Engineering Leadership for the Nation



**Society of American Military Engineers
National Foundation**



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Lines of Effort

- Corp Giving (Rick Stevens, Hilda Scharen, ???)
 - Recent pivot to internal corporate donors
 - Leverage audience already familiar with our compelling purpose
 - Much of A/E/C industry enjoying strong financial performance
 - Develop external corporate plan
- Individual Giving (several have expressed interest)
 - Strong early contributions; declining program
 - Need a lead volunteer to reboot LOE
- Planned Giving (Suzanne DiGeronimo, Bill Haight)
 - Mature program; hard to “project” revenue

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2022 (and beyond) Campaign

- Name campaign
- Develop recognition/ targeted giving levels
- Development a case statement
- Identify potential donors
- Determine appropriate POCs for both internal and external corps
- Align volunteers with opportunities

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Case Statement

- Critical document: what we do; importance; and, why support
 - Foundational for fundraising comms (indiv, planned, corp giving, grant proposals)
 - Inform other fundraising materials (newsletters, appeal letters, emails, website)
- Steps to write case for support
 - Feasibility or planning study
 - Gather and organize information about Foundation programs
 - Create a comprehensive outline
 - Commit to a reasonable deadline

Case Statement (cont)

- Structure of an effective case for support
 - Begin with an emotional appeal
 - Highlight vision for the future connect vision to our work
 - Prove we're making a difference
 - End with a call to action
- Key ingredients of case for support
 - Donor-centric
 - Clear, easy-to-understand language; visually appealing
 - Write with passion and think big
 - Buy-in from leadership

Case Statement (cont)

Way Ahead

- Working with SAME National team to gather existing materials
- Forming team to fill in the gaps
- Recruited former LDP grads to assist in the effort (LCDR Sam Lee and Mr Sean Lebel)
- Produce internally focused document first; follow with externally focused document

Additional thoughts

- Strong competition for limited charitable \$\$; need to differentiate SAME Foundation
- Need outstanding "Charity Rating"-- ensure SAME Foundation rating is solid before major fundraising campaign
- Make donating ease

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Projected Income

Fund Raising

- Corp Contributions: \$75K
- Individual Contributions: \$75K
- Planned Giving: \$0

Other Revenue

- Golden Eagle Dinner: \$30K
- Amazon Smiles: \$1.5K
- Corps interest & dividends: \$21K

Total Income: **\$202,500**

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Foundation Finance Committee

Tim Byers

MARCH 2022

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The Foundation's **Compelling Purpose:**

Fostering Engineering Leadership for the Nation



**Society of American Military Engineers
National Foundation**



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SAME Foundation Investment Funds

Beginning Balance	1,301,972.31	Investment Account Balance	3,633,520
Interst/Dividends	16,548.19	Value of Post Funds as of 2021	2,273,545
Management Fees	(3,572.81)	Value of Fndtn Funds as of 2021	1,359,975
Change in Market Value	45,029.06	Restricted Foundation Funds	303,501
Total	1,359,976.75	Non-restricted Foundation Funds	1,056,474
2021 Return on investments	10.86%		
Return Since Inception (April 2017)	7.2%		

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SAME Program Support

SAME Request for Program funding support, 21 Jan 22

<u>PRI</u>	<u>PROGRAM</u>	<u>REQUEST</u>
1	National Leadership Development Program	\$209,014
2	Alaska Native/American Native STEM	\$22,000
3	Camp Mentor Program	\$117,000
4	Joint Engineering Training (TTX)	\$19,500
5	Post Level LDP Support	\$0
6	Post Leader Training	<u>\$163,438</u>
	TOTAL	\$530,952

NOTE: 1. Will re-evaluate quarterly 2. Camp Scholarships covered by SAME- \$23,750

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2022 FOUNDATION BUDGET

Revenue	202,500
Program Expenses	530,952
Operating Expenses	39,850
Total outlays	570,802
Net deficit	(368,302)

REVENUE: \$202,500

- Corp Contributions- \$75K
- Individual Contributions- \$75K
- Golden Eagle Dinner - \$30K
- Amazon Smiles- \$1.5K
- Corps interest & dividends- \$21K

EXPENSES: \$570,802

- Foundation operating expenses (meetings/support, fundraising supplies/support, charity registrations etc) - \$39.85K
- SAME Program expenses (LDP, NA STEM, Camp Mentors, TTX, Post LDP, Post Leader training) - \$531K

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SAME Program Support

SAME Request for Program funding support, 21 Jan 22

<u>PRI</u>	<u>PROGRAM</u>	<u>REQUEST</u>	<u>PROPOSED</u>
1	National Leadership Development Program	\$209,014	\$100,000
2	Alaska Native/American Native STEM	\$22,000	\$22,000
3	Camp Mentor Program	\$117,000	\$60,000
4	Joint Engineering Training (TTX)	\$19,500	\$0
5	Post Level LDP Support	\$0	\$0
6	Post Leader Training	\$163,438	\$0 -
	TOTAL	\$530,952	\$182,000

NOTE: Will re-evaluate quarterly

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2022 FOUNDATION BUDGET

Revenue	202,500
Program Expenses	182,000
Operating Expenses	<u>39,850</u>
Total outlays	221,850
Net deficit	(19,350)
Available cash	345,000
Contribution to Corpus	(90,750)
Less shortfall	<u>(19,350)</u>
Net available Cash	234,950

REVENUE: \$202,500

- Corp Contributions- \$75K
- Individual Contributions- \$75K
- Golden Eagle Dinner - \$30K
- Amazon Smiles- \$1.5K
- Corps interest & dividends- \$21K

EXPENSES: \$221,850

- Foundation operating expenses (meetings/support, fundraising supplies/support, charity registrations etc) - \$39.85K
- SAME Program expenses (LDP, NA STEM, Camps) \$182K

ASSUMPTIONS

- CORPUS: 50% donations go to build Corpus
- Cash on Hand: need \$200K min to cover liabilities

Foundation Finance Committee Backup

MARCH 2022

SAME Program Support Foundation Budget Considerations

1. Determining a corpus level that allows programs to be funded using dividends
 - a. \$530,592 funding request, 571K total expenses therefore \$18M needed in Corpus assuming 3% Rate of Return
 2. Leverage How to Raise \$\$ at SAME Events
 - a. Golden Eagle \$30K in 2022
 - b. JETC ?
 - c. SBC ?
 3. What percentage of new donations go to the corpus **30% goal**
 4. Reaffirm Status of Budget Surplus
 - a. At deficit: Income - 202K income, Expenses- 571K = 369K deficit
 5. Identify Future Staff Needs
 6. Address Camp Scholarships **\$23,750 SAME covers**
 7. Reaffirm LDP Support
 8. Determine Other Program Investments **e.g. NA STEM, Camp mentors)**
 9. Reaffirm Reinvestment of Gains **yes, automatically reinvested now**
 10. Cash on Hand - **\$200K to cover liabilities (credit card fees,**
-

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- SAME Joint Investment Management Committee (SAME & SAME Foundation)
 - Committee reset Jan 2022:
 - Chair: Joe O'Brien
 - James Works
 - Melissa Smith
 - Ekaterina Khoreva (National Office liaison)
 - Cindy Lincicome (National VP oversight)
 - Tim Byers (SAME Foundation)
 - Committee manages and monitors the investment funds stipulating a long term investment horizon
 - Committee meets quarterly to review investment performance
 - Results reported at Foundation Boards meetings
 - Committee meets annually to review the Foundation Investment Policy
 - SAME Finance Committee:
 - CFO: Daniel Watford (CLA – outsourced; located in Baltimore)
 - Controller: Kathie Fietsam (CLA – outsourced; located in St Louis)
 - Staff Accountant: Ekaterina Khoreva
 - Allison Ingram: National SAME Treasurer (SAME and Foundation)
-

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Investment Policy and Philosophy

- Joint Investment Committee sets the investment policy
 - Including investment objectives, guidelines and eligible investment types
- Highlights of Foundation Investment Policy
 - Investments shall be made with the care, skill, prudence, and diligence
 - Foundation will engage the services of professional, third -parties to advise, manage, and evaluate the performance of the Foundation's Investments
 - Foundation seeks to avoid any real/potential conflicts of interest in investment mgmt
 - Foundation recognizes investments contain risks and seeks to manage these risks with a disciplined investment process and a diversified investment strategy. As such, greater emphasis is placed on risk at the portfolio level than at the individual asset class level.
- Portfolio is spread over 11 different financial investment categories, with larger holdings in (1) broad domestic fixed income (Black Rock Strategic Income); (2) global fixed funds (Schwab S&P 500 Index); large cap funds; (3) international equities; (4) real estate domestic funds; (5) etc. etc.

- All Foundation assets are invested per the provisions of the **Foundation Investment Policy** (available for review upon request)
- Returns are compared to industry benchmarks to assess whether the fund is performing to expectations
- A foundation-specialized investment management advisor is retained and the advisor's performance is reviewed annually
 - Society - Fiducient Advisors and RBC Wealth Mgmt
 - Foundation - Fiducient Advisors
 - Aside from Society funds, currently, approx. \$3.4M under investment
 - \$1.4M in Foundation funds and \$2M in Post funds
 - Currently 11 Posts participating
- Fund size allows investment manager/brokerage fee (currently 0.06%) which is below industry average and expected to decrease as Fund corpus grows