



# SAME Executive Committee Meeting Minutes

1100, Wednesday, Nov. 30, 2022

Attended			
Mario Burgos*	Sally Clark	Rad Delaney	Brian Duffy
Mark Handley	Sharon Krock	Miro Kurka	Cindy Lincicome
Cindy Miller	Al Romano	Dana Otto	Mike Huffstetler*
Joe Schroedel*			
Did Not Attend			
Craig Crotteau*	Mike Darrow	Charysse Knotts	Dave Nash*
Arpan Patel	Charlie Perham		

\*Non-voting

## Call to Order: 1110 hrs

A quorum was established. Mark Handley, Past President, called the meeting to order as Cindy Lincicome, Chair of the XC, was between flights to visit Posts. Joe Schroedel, Executive Director, led the budget presentation to the XC (Encl 1).

Joe mentioned that the purpose of the meeting was to get approval on the SAME National Office FY 2023 Priorities and the SAME National Office FY 2023 Budget. We present the National Priorities at this meeting because it is the basis for the budget and for the National Office performance management system. He provided an update on the National Office Excess Reserve Management Plan, but no decisions were necessary.

## National Office Priorities

We do have standing priorities that do not change annually: 1) Serve our Regions, Posts and Members, 2) Support our National Strategic Plan, and 3) Strengthen our Brand. Joe thanked the volunteer leadership for their efforts. We did not change our priorities from the previous year, but focused them more.

- Grow IGE Impact.
- Fully Integrate the EMS. We made the decision to change several systems at once in order to allow for integration. While it has challenges up front, it will be better in the long run.
- Operationalize COIs. This includes finalizing the National Camps Program, LDP projects, Construction TF, and implementation of the Special COI Event Policy.
- Support the SAME Foundation Board.
- Stimulate Member Engagement. We will capitalize on the dues restructuring and motivate member engagement through our EMS.

## The XC approved the 2023 National Office Priorities.

### Discussion

- Consistent alignment with the Strategic Plan to build the budget is a best practice. There are a few elements that the XC should focus on – dues restructuring affecting revenue and the challenges of the EMS affecting expenses. Very well structured precursor to the budget. No more expected expenses for the EMS, but maybe potential opportunities such as adjusting the Foundation donation portal to enhance the experience for donors and alleviate administrative work for staff. That would be a discretionary expenditure of approximately \$11K.

## 2022 Budget Execution

2022 was a year of unexpected twists with the same impacts felt by industry and government. It was tough to replace staff, key vendors were losing key staff, cost escalation everywhere, and we are still feeling the affects of the COVID transition. The end of year forecast is roughly \$63K which is good news.

Audit: We had our 7<sup>th</sup> year of unqualified opinion on the audit. We have had the same auditor for five years and it is time to find a new one. An RFP will go out in January. We would like to get the audit done by April and not November. We will be working on accounts receivable and reconciling monthly.

Revenue: For the first half of the year, events were still dealing with COVID restrictions which affected attendance, expenses for testing and vaccine tracking, and labor. There was an increase in the cost of utilities and internet – those expenses will not go back down. Dues restructuring went into effect July 1 with a miscalculation (-\$350K impact) in the first half of the year.

Expenses: We have done a good job managing expenses while investing in our staff. We continue to look for ways to invest in the Society and will show you where we are doing that with our new system.

Investment: The Home Fund is established. This is a real-time effort which is good for the Society.

Risk: We managed risk well – handling things that came our way, to include the transition from CLA to our in-house finance team.

#### Discussion

- We've had a lot of transition, should we also change auditors? Will discuss off-line. This is an Executive Director decision, not an XC decision.

### **2023 Budget Proposal**

One constant theme while building this budget is that we need to be ready for anything. Objectives for revenue include: driving account reconciliation, completing implementation of the SM Dues Restructuring initiative, and activating the new job board (which has been done). The objectives for expenses include continuing to monitor the impact of inflation and labor market, fully integrating the EMS and training appropriate volunteers and staff, growing program investments, and assessing allocation of labor within the staff. The "Grant" entry on slide 19 refers to our PPP loan. The process is now working for Foundation support of Society programs which is reflected in the budget. We are still heavily dependent on meetings & events vs membership. We are offering a balanced budget and are comfortable that we can execute it.

#### **The XC approved the 2023 Budget.**

#### Discussion

- There is still risk on membership and dues – do you have a picture for where that is shaping up? For 2023, we were conservative in dues revenue. Companies are not including their individuals on their company invoices which causes reimbursements that may not be included in the projections. We track it monthly and make adjustments accordingly.
- Dues revenue information needs to be presented better to account for discrepancies in invoicing and actuals. This is an area of risk. Maybe show July through October which would have full data. **This will be a standing issue for the XC.**
- Membership revenue went from \$2.2M to \$2.4M. In 2022, we still had half a year of the old dues structure, 2023 will see the full cycle. Is the increase driven by individual membership? It is a mix. Overall, the dues went up approximately 25%. This is a 10% increase which catches everybody up in the coming year to the new dues structure.
- Programs cost went up significantly. That is due primarily to the hiring of our new COI managers. Why are they not in General & Administrative? All staff is allocated by category – i.e. membership staff is in Membership. Are there any non-staff expenses that may come with the National Camp Program? Those costs are included (see slide 40). How do we have a revenue for programs? Some of that is camps revenue (goes right back to camps). Also, we have changed how we are accounting to make directors in charge of their own budgets.
- What is the revenue we are generating via Communications? Primarily it is TME and website advertising in addition to licensing and royalties. Expenses are printing, production, software, and professional services. We are now outsourcing our advertising with PAI. There are some up-front costs with their contract, but the cost diminishes over time.

- Do we provide any discounts to Strategic Partner members to become members of SAME? No, but we do provide them discounts to attend SAME events. We will continue to rely on our COIs to build meaningful relationships with Strategic Partners and leveraging them to build membership.

### **Excess Reserve Management Plan**

We are not recommending any additional expenditure of reserves. We liquidated the \$800K authority that the XC gave us two years ago.

### **Foundation Board Nominees**

The XC voted via email to approve 4 of the 5 recommended Foundation Board Members. Per the Foundation Bylaws, the XC will appoint new board members to the Foundation Board. This is based off of recommendations from the Foundation's nomination process. No voting member may serve on both the Society Board and the Foundation Board. Norm Campbell has opted to remain on the Society Board as a COI Chair and maintain volunteer status on the Foundation Board. **The XC voted to appoint the following nominees:**

- Mike Blount
- Mercedes Enrique
- Ed Jackson
- Todd Semonite



BG Joseph Schroedel, P.E., F.SAME, USA (Ret.)  
Executive Director

Encl 1: Budget Brief