



SAME Executive Committee Meeting Minutes

1100, Wednesday, Dec. 18, 2024

Attended			
Mario Burgos	Allison Cantu	Jim Carter	Craig Crotteau*
Tim Dahms	Tony Funkhouser	Summer Gladden	Scott Grainger
Mike Huffstetler	Sharon Krock	Angie Martinez	Ben Matthews
Patrice Melancon	Dave Nash*	Charlie Perham	Albert Romano
Rick Sloop	Mike Wehr*	Jordan Beard*	Tim Byers*
Did Not Attend			

*Non-voting

Call to Order: 1100 hrs

A quorum was established. Sharon Krock, President, called the meeting to order and Mike Wehr kicked off the presentation and highlighted how some major decisions are being informed by the budget and vice versa (Encl 1). He highlighted examples such as the cost of insurance for camps and the implications of changing banks.

The purpose of the meeting was to gain approval of the 2025 National Office Priorities and of the 2025 Budget. In terms of alignment and progress, the national priorities help to inform the budget. Mike thanked XC members for providing preliminary input from the read-ahead information. The budget is aligned with the National Office Priorities. It includes new initiatives to support Society growth and continues the industry standard (and historically utilized) zero-based budget. If we have surplus, we could consider putting it into the Home Fund so that all G&A expenses are covered. In the case of a disaster or pandemic (such as COVID), we could continue to function. We could also use it to fund a deficit for a previous year or use it as revenue for a future year. It is more important to ensure that our expenses are correct. We will consider developing a policy to deal with surplus in a given year.

National Office Priorities - The XC approved the 2025 National Office Priorities.

Mike explained our National Office Priorities in detail (Slide 7). This is a refinement of our previous 5 priorities into 3. Ann McLeod shared a paper from the American Society of Association Executives (ASAE) outlining volunteer-staff relationships (Encl 2).

- (Internal) Set a High Standard. Commit to exceptional communication across departments to increase overall awareness among staff members and enable their necessary interdependence to most effectively support the Society.
- (Multiplier) Reach Consensus Earlier. Commit to establishing or resetting staff-and-volunteer relationships and overall stakeholder interactions to nurture a more common understanding of how overall SAME projects, programs, and activities align within our mission.
- (External) Unified Focus on MEMBERSHIP. Follow national leadership's call to increase member growth and member engagement by emphasizing the many aspects of "membership": research, recruit, retain, reaffirm, review, and reward.

2025 Budget Proposal – The XC approved the 2024 Budget.

Assumptions (Slide 9-10))

Mike outlined the events and activities that we assume will take place in 2025. With regard to a net-zero budget event, he highlighted the Indo-PACOM Summit as an example. The event covers all direct costs. Any net profit would be given to the Post(s). All co-hosted events are budgeted according to a mutually approved agreement.

Strategically, the national office will assist with an annually alternating event in the Pacific and Europe. In some cases, an entity (such as the State Department) will ask SAME to handle logistics. There is also a \$10K “wedge” available for UPIC projects if needed. Mike also covered the expected sources of revenue and expenses and clarified items included in each line item.

Investing in People & Culture (Slide 12)

We do have a couple of vacant positions (replacement for Jeannine Finton who retired and a new Membership position). Our new Strategic Plan will be informing our personnel structure as well. We have some increases in medical benefits and will be looking at different options in the next year. We experimented with training last year at \$100k for Direct Reports and now have a \$95K budget for training distributed across all employees proportionally.

Operating Budget – Revenue (Slide 14)

- Membership – Individual is up 16.65% because of the dues increase and membership campaign. This is the closest we have ever gotten to covering cost to serve a member with dues – this is where we want to be with less dependence on events.
- Meetings & Events – Exhibit revenue increased by 17% due to price increase and more sales. Sponsorship revenue increased by 30% because of pricing and more sales. Partner revenue increased by 35% due to 2025 pricing.
- Communication – Advertising increased 13% for TME.
- Programs – Grants increased by 72% (\$242K to \$418K)
- Admin/Overhead – Interest & dividends increased by 84% with the bank transfer to Capitol One.

Discussion

- When we talk about \$10K for UPICs and other minor adjustments, the XD should have the flexibility and authority to make those changes without so much deliberation.
- Beyond 2025, do we see event pricing (sponsorship/exhibits) increasing annually? If we have a surplus, why are we raising prices? Every year will be a decision – it won’t be an automatic increase. Some prices are increased due to supply and demand and increase in expenses (such as F&B). There may be different reasons to increase event pricing from year to year. Additionally, we build the budget in September before SBC (where the surplus occurred). There is also a lag when partners pay for the year and when increases occur.

Operating Budget – Expenses & Summary (Slides 15-16)

- Membership – AV (PLW) increased by \$13.7K. Printing & production decreased by 78%. Advertising increased by 29% (membership campaign).
- Meetings & Events – Sales commission reduced by 25%, but still remains as we strategically try to sell to companies currently outside of SAME, but within the industry. Catering and AV both increased by 17% and 13%. Advertising increased by 37%. Group transportation and entertainment dropped by 70%.
- Communication – Advertising sales commissions increased by 18%. Postage & delivery increased by 20%.
- Admin/Overhead – Staff travel (XD) had a 95% increase. Non-staff (President) increased by 58%. Governance meetings increased by 70% matching meetings & events. Equipment and computer repair increased by 32%. Salary increased by 3.25%. Bonus increased by 25%

Discussion

- Why are credit card fees so high? We take a lot of credit card payments (90% of the income), so it is a normal amount for the cost of business. For the Foundation, the donor has the option to pay the fee as part of their donation. We accept/require ACH for large payments.
- The office operates interdependently – i.e. departments do not have net-zero budgets. While we budget conservatively, we remain aggressive throughout the year.

- Procedurally, what do we do with surplus? For 2027, we may have a deficit due to changing locations for SBC, but in years past, there were investments into our EMS. We do plan to develop a policy for surplus.

Budget Analysis (Slides 18-19)

We are not projecting a net revenue for 2025 as discussed previously. Revenue increased from \$11M budgeted for 2024 to \$13M budgeted for 2025. The increase in revenue is attributed to increased event participation (registration, booths, sponsorships), an increase in membership dues, and Foundation grants to programs. The increase in expenses is attributed to inflation, a 3.25% increase in salaries, and a slight increase in benefit costs.

Discussion

- The XC should be able to see the alignment from staff initiatives to national priorities to the strategic plan with a way to measure progress.

New Initiatives (Slide 20)

New initiatives include a membership campaign, UPIC support (for potential monetary needs out of cycle), Foundation support through labor, and two events (Indo-Pacific Summit and Dept. of State Industry Day).

2024 Surplus Analysis (Slide 23)

Current estimated surplus is between \$700-800K. We will be developing a policy on how to deal with surplus. Most have mentioned investment.

Report Card (Encl 3)

Mike introduced a draft of the Board of Direction Score Card. It is divided into three groups (attendance, voting requirements, and deliverables based on position). Sharon reiterated the minimal requirements included (which should already be done). We will add dates (due dates/meeting dates).

Summary

There was lots of positive feedback from the XC on the process, patience and transparency of the budget. Dave Nash described the proceedings as “the agony of success.” We need to trust the XD and the staff – our job is just to advise and confirm. Sharon thanked everybody for their engagement. She mentioned the cheat sheet from the board minutes that outline the changes from the board meeting in November. She also explained the formation of the Board Composition Task Force to flesh out proposals that came out of the board meeting. Recommendations will be provided in May (March 5 to NLT, Capital Week to XC).



MG Mike Wehr, P.E., USA (Ret.)
Executive Director

Encl 1: Presentation

Encl 2: Volunteer Management Study - ASAE

Encl 3: BOD Scorecard DRAFT