



July 22, 2013

**SUBJECT: Minutes of Board of Direction Meeting, May 21, 2013, San Diego, CA**

1. **Attendance.**

<b>Officers</b>	<b>RVPs</b>	<b>Councils</b>	<b>Absent</b>
Engle, Gary	Anderson, Mary	McDaniel, Bill	Altman, Matt Capt
Mogge, John	Bersson, Bill	Murthy, Gita	Angell, Joe
Brown, Bill	Delaney, Rad	Redding, Ben	Gerstenlauer, John
Penny, Jane	Grip, Bill		Grave, Ashlyn
Rosen, Hal (Non-voting)	Ivarson, Robert	<b>Elected Directors</b>	Khalil, Richard
Wolff, Bob (Non-voting)	Kuhn, Gregg	Bautista, Manny	Leketa, Tony
	LeBron, Jeanne	Balukonis, Brian	Manous, Joe
<b>Mission Committees</b>	McCann, Terry	Blount, Mike	Pickens, Theron
Cawthorne, John	Nodjomian, Sal	Hamill, Wesley	Shea, Col Steve
Grey, Dan	Rose, Steve	Krock, Sharon	Turek, Nadja
Heaton, Hud	Snyder, Marci	Lewis, Marilyn	
Hirata, Stacey	Wright, Vida	Miller, Carrie Ann	<b>Guests</b>
Tang, JJ		Moriarty, Bob	Moes, Steve
Ubbelohde, Kurt	<b>SAME HQ Staff</b>	Schlesinger, Bob	Ewy, Ann
	Dawkins, Diana		
	Erickson, Eileen		
	Desport, Nick		
	McLeod, Ann		
	Wilson, Kathy		
<b>Voting Members 10</b>	<b>12</b>	<b>12</b>	<b>Total = 34</b>

2. **President’s Opening Remarks.** The Executive Director opened the meeting with the installation of the Board. The XD encouraged the Board members to attend a Committee or Council meeting following lunch, except for the RVPs who will be meeting with the new President. The XD also provided the Board members with a Conflict of Interest Policy and asked that they sign a statement that they understand the policy and will adhere to it. Gary Engle welcomed the Board and recognized that SAME faces many challenges but he knows that the Society will meet the challenges and continue to succeed.

3. **Consent Agenda.** The President called for a motion to approve the items on the Consent Agenda. A motion was made and seconded. There was no discussion. The motion of unanimously approved.

a. **Approval of 2013 – 2014 Executive Committee** (Appendix A).

b. **Approval of Revisions to Streamers**

- i. 2013 Education and Training Streamer Revisions (Appendix B).
- ii. 2014 Emergency Preparedness and Infrastructure Resilience Streamer Revisions (Appendix C)
- iii. 2014 Relationships and Recognition Streamer Revisions (Appendix D)
- iv. 2014 Distinguished Student Chapter Streamer (New Streamer) (Appendix E)

4. **Finance Report (Appendix F).** Kathy Wilson, Director of Finance and Accounting briefed the report. SAME HQ received an unqualified opinion on its 2012 Financial Statement and thanked the Board members who participated in the Audit Committee. In 2012, the HQ established a balanced budget but through excellent performance achieved a \$700,000 surplus. The details of 2012 were reported to the XC

in February and will be summarized on Thursday at the Annual Business Meeting by the XD. Kathy informed the Board that the Audited Financial Statement and Form 990 were available for review on the Board website. Kathy discussed the balance sheet at the end of the first quarter 2013. The net surplus for the three months ending March 31 was \$91,000 compared with a budgeted \$99,000 deficit. On the status of current accounts, Kathy indicated that HQ continues to move excess funds from the operating account to our investment account where it is invested to provide an income stream to HQ.

A balanced 2013 Budget was approved by the XC in February. Since the budget was approved, SAME HQ canceled the Executive Forum due to the impacts of government travel restrictions and sequestration. SAME HQ has increased its stipend programs to support Small Business, Public Sector Post President attendance at JETC, Young Member/NCO Credentialing Program and Service Award Recipients. The XD commented on the inconsistency among the services on acceptance of stipends and wearing uniforms by public sector members.

Kathy briefed the results of the 1<sup>st</sup> Quarter. Revenue was in line with the budget and expenses were 6 percent less than budget as a result of closely monitoring costs. The only area over budget is the "Other" Category due to a leak that occurred in Century House resulting in some extraordinary expenses. SAME investments did well the 1<sup>st</sup> Quarter, primarily due to the Merrill Lynch account which has a diversified portfolio of mutual funds.

Kathy presented the recommendation that SAME HQ donate \$3,000 to the Marine Corps Engineer Monument at USMC Museum at Quantico. The XD indicated that this is consistent with previous donations to the Army Engineer Monument at Ft Leonard Wood and the Seabee Museum at Port Hueneme. **A motion was made and seconded to approve the donation.** A question was raised whether SAME would receive any recognition for the donation. The XD did not know how the donors were to be recognized and he would check with MCEA. **The motion was unanimously passed.**

The XD complimented Kathy Wilson on providing SAME HQ and the Board greater budget information by quarter. He also indicated that SAME HQ was taking action to reduce costs in light of the expected reduction in conference attendance due to government travel restrictions and sequestration.

5. **Membership (Appendix G).** Diana Dawkins, Director of Member and Post support provided the board with a summary of membership for the 1<sup>st</sup> Quarter 2013. Diana discussed the process by which SAME HQ renews individual memberships, including the many follow-ups done by HQ and the Post. Individual membership is down 7 percent for the year but normally this reduction will be reduced or eliminated by the end of the year. Sustaining membership is holding steady. Diana briefed the current number of Posts, Field Chapters and Student Chapters. The XD indicated the difficulty in determining how to support the Field Chapters in the Middle East, many of which are holding SAME meetings. Diana briefed the results of the Streamer program which had an increased number of Distinguished Posts and Posts that won the Emergency Preparedness Streamer. A Board member raised the issue of whether we can expect Posts to still win the membership streamer in light of the economy and the decline in Defense budgets. The XD indicated that this was discussed previously and determined by the Board as continuing to be a valid standard. In addition, the additional Young Members permitted on Sustaining Memberships should help Posts increase their membership.
6. **Uniformed Services Advisory Group (USAG) Agenda (Appendix H).** The XD provided a summary of the four agenda items for the meeting that will be held on Thursday with the Engineering Service Chiefs.
  - a. **Small Business Conference.** A Board member asked if there is a way to reduce the cost to industry for the SBC to get greater participation from industry. The XD indicated that SAME HQ has decided to not charge a government registration fee. However, the Board member indicated that SAME HQ has seen several years of surpluses so that it is now time to give back to industry. Another Board member suggested that SAME consider not making a profit on the SBC even though the SAME HQ budget has a projected profit for the SBC. The XD suggested that if the Board would direct SAME HQ to not make a profit on the conference then SAME HQ could reduce industry registration fees. Another Board member asked if SAME HQ should consider partnering with AFCEC in San Antonio

and with the Navy at their other locations rather than attempting to get their participation in the SAME SBC. The issue is how SAME can facilitate small business access to the uniform services. A Board member asked if SAME could package membership with conference registrations, and commented that many SAME sustaining members are in a tenuous position with regard to SAME participation. **A motion was made and seconded to direct SAME HQ to reduce registration fees for the 2013 SBC to not make a profit.** A Board member asked whether industry will not respond well if prices are increased again in 2014 for the SBC. The XD indicated that the decision will need to be made in February when the 2014 budget is approved. The XD indicated that the SBC registration fees would be shown as giving a “sequestration discount.” **The motion was approved.**

- b. **Uniform Policy in Attending SAME Conferences and Meetings.** The XD indicated that the initial guidance requiring military members wear their uniform if accepting a stipend was changed to specify that stipend recipients should follow their service policies on wear of the uniform. Although there is no legal prohibition for the military to wear a uniform in one’s personal capacity, the lawyers in the Air Force and Navy have recommended against wearing of the uniform.
- c. **Engineering and Construction Camps.** The XD discussed the issues with re-starting the Marine Corps and Seabee Camps which will require a new Memorandum of Agreement with the two bases since the previously signed MOAs are not consistent with current policies and guidelines for outreach activities. The purpose of the discussion is to assure that the services are committed to support the camps.

7. **Strategic Plan (Appendix I).** The XD reminded the Board of their principal job to establish policy and set strategic direction for the Society, and presented the principal elements of the Society’s charter from 1920. The XD asked the Board to consider whether the current mission and vision statements best represent SAME in the 21<sup>st</sup> Century. The XD provided some suggested new language for consideration in light of the changes in the relationship between the government and SAME as a Non-Federal Entity (NFE). A Board member suggested that the new wording appears to shift the focus to viewing the government from an industry perspective rather than a government-industry partnership. Another Board member suggested that we don’t know yet whether the current government stance on NFEs is temporary or whether there is truly a shift in government thinking about NFEs. Another Board member suggested that while some of the new wording may be the current reality, it may not be what we want to be as a Society and more time is needed to contemplate these matters. Another Board member also felt that the Board should not overreact to the current situation with sequestration and interpretations of the Joint Ethics Regulations. Another Board member suggested it might be prudent for SAME to hire a consultant to provide the Board an outside perspective with some research about the state of government relationships with non-profit associations. Another Board member suggested that the ethics lawyers do not care about our mission and vision statements since they are governed by the JER and they look at SAME as a NFE like any other NFE. The XD agreed but feels that it may be time to determine how SAME can adapt to what might be “the new normal.”

The XD presented a change in the Strategic Plan that came out of the Strategic Planning meeting. **A motion was made and seconded to approve the recommended change. The changes were unanimously approved.**

8. **Options for 2014 JETC (Appendix J).** The XD presented attendance data from the most recent JETC events, which shows that attendance is substantially down in 2013 but exhibit and sponsorships are holding level. The question is what SAME can expect in 2014 for companies to exhibit and sponsor, since these two items are where SAME makes its profit from the JETC. The XD suggested that the 2014 will be hit with reduced Federal budgets, government travel restrictions and sequestration. Many of the government attendees came as a result of SAME stipends and elimination of registration fees. The XD has reduced the number of sleeping rooms in Orlando to take less risk in anticipation of reduced attendance. A Board member found it troubling that in San Diego we were relying on the Navy to provide a substantial number of attendees with few attending from the Army and Air Force—SAME depends on participation from all the uniformed services to be successful. It will be difficult to achieve that goal in Orlando. A Board member pointed out that there are a number of military installations within driving distance in Florida but the issue is how many engineers are at these bases. The question is how much commitment we can expect from the engineer community to support TDY for engineers to attend the JETC.

A Board member suggested that while we depend on government participation, for many companies it is the interaction with other companies that is just as important and very dependent on an exhibit hall. A Board member suggested that SAME lower the fees for industry and reduce the profit to benefit industry members at JETC as we did with SBC. Another Board member indicated that FY14 construction programs are improved over FY13 in many Federal agencies, so recommended that SAME simply scale back the JETC. A Board member believes that many companies will reduce their attendance if there are not a substantial number of clients (i.e., government) attending. However, SAME could bring other Federal agencies to JETC which would also provide a greater benefit to companies that have a diverse portfolio of federal work. The XD concluded that Option C should be implemented and not change the basic pricing of the conference.

A Board member suggested perhaps SAME could provide more of an a la carte menu so that industry could reduce the cost of attendance, perhaps canceling the Society Ball. The XD indicated SAME HQ would review ways to restructure the pricing to provide a balanced approach for industry. A Board member suggested that even with reduced budgets the DOD market is still large and important to many companies that come to JETC, as well as other Federal markets. The XD indicated that he would prefer to expand the March briefings to other Federal agencies by doing some briefings on Monday afternoon rather than bringing these to JETC. A Board member recommended that SAME combine the March briefings with JETC. The XD indicated that we are having a Chiefs panel at JETC but the March briefings need to stay in Washington, D.C. Another Board member suggested we do the ice breaker in the Exhibit Hall but that would increase the cost to SAME and exhibitors would need to set up a day earlier and most exhibitors don't want to have it in the exhibit hall. Several Board members indicated that the value of the JETC is based on networking with industry and not dependent on robust government attendance.

**In conclusion, the XD will proceed to use the current JETC program and consider feedback from the 2013 JETC surveys. .**

9. **Post Bylaws Template (Appendix K).** The XD introduced the topic by indicating that the Post Bylaws Template was established in July 2008 with a requirement for Posts to update their bylaws every five years. Therefore, the XD decided to initiate a review of the template to determine if changes were needed prior to Posts initiating their 5-year updating of their bylaws. Bob Ivarson briefed the proposed changes to the Template which were intended to clarify and edit where necessary while maintaining the ability of Posts to establish their governance to best meet their needs. A few changes were made to be more consistent with changes made in the past five years to the national Bylaws. A question was raised regarding the authority at Post level to sign contracts. The Post Board of Directors has the authority and accountability to approve contracts. Normally the Post President would sign a contract approved by the Board, except in the case where a military Post President should delegate the authority to sign the contract to a Board member from the private sector. **A motion was made and seconded to approve the revised Post Bylaws Template. A Board member recommended that the provision that deals with discrimination should include "sexual orientation." The motion, as amended, was approved by the Board.**
10. **2013 – 2014 Focus Areas.** President Engle introduced the three focus areas which provide relevance and value to SAME members and support major national initiatives.
  - a. **STEM (Appendix L).** There is much national publicity on the need for greater emphasis on STEM in the U.S. SAME is currently doing much in K-12 and College Outreach but the STEM focus are would broaden our focus and the opportunity to contribute to the national need. A Board member concurred in the approach but also noted that SAME should continue to gain recognition on what our Posts are doing in the area of STEM. Another Board member suggested that the Student Chapters can provide much support to the STEM initiatives. A Board member also provided experience of drawing in the community into these STEM initiatives. The XD indicated that he and the SAME President would establish a Task Force to scope out our efforts on STEM.
  - b. **Cyber Security Infrastructure (Appendix M).** Steve Moes, the new Chair of the Cyber Security Infrastructure Task Force, briefed the Board on progress of the Task Force. The Task Force continues

to work on defining the scope of the effort and provide a relevant scope to SAME's initiative and is looking for feedback and recommendations from SAME members. One aspect of the effort is to correlate SAME's efforts with those of DHS and other DOD and Federal agencies. The Task Force will be presenting at the DBIA-SAME Federal Project Delivery Symposium in August. The XD indicated that this Task Force effort will no longer be a focus area since there are no specific actions that have been identified for SAME Posts but the Board will continue to support the Task Force efforts as it evolves.

- c. **Energy and Sustainability (Appendix N).** John Mogge briefed the accomplishments and future activities of the Energy and Sustainability Committee which is spearheading this focus area. The committee has both public and private sector leads with a project focus in each of the principal areas of Energy and Sustainability. Much of the work of the committee will be accomplished using webinars and conference calls as well as using education sessions at JETC and the Executive Forum if it is scheduled in 2014. The XD noted that the committee work plan does not have specific recommendations for Posts, although there has been much focus at Posts and on regional conference agendas on energy and sustainability.

**The President asked for a motion to approve the three focus areas – Energy and Sustainability, Transition Assistance to the Military (including credentialing) and STEM – was made and seconded.** A Board member asked about the focus on Wounded Warriors. The President indicated that SAME continues to support wounded warriors but since it has now been institutionalized, it will no longer be a focus area for the coming year. **The Board unanimously approved the motion.**

11. **Continuing Education Program (Appendix O).** Nick Desport briefed the past, present and future of the SAME continuing education programs. The XD complimented the companies which support the "Contractors on the Battlefield" sessions at the Joint Engineer Operations Courses—traveling at their expense and sponsoring the evening receptions.
12. **Communications and Marketing (Appendix P).** Eileen Erickson briefed the current status of communications, including social media, SAME website, changes to the printed and online Directories, advertising and the Small Post Website initiative. Eileen noted that in 2013 advertising is being sold with in-house resources as opposed to having contract ad representatives, thereby saving SAME HQ the 20 percent commission on ad sales. SAME HQ support for Post websites is in transition due to a change in the technology used for the websites. Once the transition is completed, SAME HQ will give additional Posts the opportunity to get SAME HQ support, although SAME HQ will set a fee for Medium and Large Posts while there will continue to be no fee for Small Posts. The new technology may allow a Post to use the website for event registrations. Small Posts which do not continue to provide information to SAME HQ will be dropped from the program, but SAME HQ is doing everything possible to maintain the Post website. A Board member mentioned that there is often a delay of several days when posting on the SAME Linked In page. Eileen indicated there is an approval process but it should not take more than 24 hours.
13. **Adjournment.** The President thank the Board and adjourned the meeting at 12:10 p.m.

Respectfully Submitted: Dr. Robert D. Wolff, P.E., F.SAME, Executive Director