



SAME Executive Committee Meeting Notes

1000 - 1130, Thursday, Dec. 13, 2017

Attended			
John Accardi	Buddy Barnes	Bob Bevins	Marv Fisher
Jackie Hacker	Rich Houghton	Dave Howe	Rich Khalil**
Cindy Lincicome	Scott Prosuch	Hal Rosen**	Lisa Thoele
Heather Wishart-Smith	Joe Schroedel**	Allison Ingram**	Ann McLeod**
Jill Murphy**	Stephen Karl**	Kathy Off**	Eddie Gonzalez**
Did Not Attend			
Bill Haight	Tony Higdon	Sal Nodjomian	

**Non-voting

Call to Order: 1005 hrs

A quorum was established. Marvin Fisher, chair of the XC, called the meeting to order. Joe led the presentation to the XC (Encl).

Budget Proposal

The XC approved the 2019 Budget. The budget briefing followed the standard agenda. The first objective was to update the XC on the execution of the SAME National Office FY 2018 Budget. If there are material changes to the projections, an update on 2018 results will be provided. The second outcome was to obtain XC approval of the FY 2019 Balanced Budget including National Office Priorities that form the basis of the disciplined National Office Performance Management System. Joe Schroedel stressed that the purpose of the briefing to the XC is not only about their fiduciary responsibility to the Society, but also about the return on investment in the National Office. The following questions/discussion ensued:

- Strategic partnerships are purposely not a source of revenue – they are intended to demonstrate leadership within the industry. The only expense is labor (Strategic & Stakeholder Relations). The XC agreed that messaging about partnerships needs to be constant and consistent.
- The Society still needs to focus on revenue diversification as event revenue is projected to represent approximately 62% of total revenue. One mission essential task is to complete and implement the Membership Management Review to enhance the Member Experience. This will more than likely be a year-long review.
- The Society will fund external Foundation fundraising support (approximately \$10,000). The purpose of the gift is to kickstart the fundraising campaign, and to give the Foundation some additional revenue, rather than just expenditures.
- In 2019, the National Office will seek ways to better align financial presentation with the Strategic Plan.
- Some additional questions were addressed about budget variances, including camp revenue, podcast expense, leadership development program and stipends.

National Office Priorities

The XC approved the National Office Priorities for 2019.

- The National Office Priorities are the basis for the National Office performance management system.

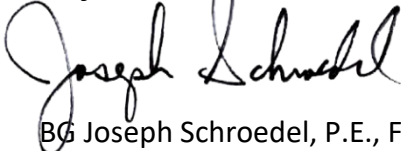
- Aligning the National Office Priorities with the results of efforts to achieve 2018 priorities and the Strategic Plan, the National Office is better able to properly focus the National Staff and guarantee a good return on investment in the staff from a Society perspective.

Centennial Planning Task Force

The XC approved a Centennial Task Force Budget not to exceed \$250,000 – which will not be part of the annual operational budget.

- The TF requested a “not to exceed”(NTE) limit of \$500,000 which would be managed by the National Office with input from the TF. SAME National office would approve individual initiatives and report status to the XC quarterly.
- This investment would be funded by excess liquidity in cash accounts and potentially drawing money out of the investment accounts, but the financial statement impact will be a reduction in the net assets reserve.
- The President and XD agreed on a limit of \$250,000 with the option to request an additional \$250,000 if needed.

Adjourn: 1130 hrs.



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

Encl: Budget Brief

Enclosure 1



SAME National Office FY 2019 Budget Decision Brief

**Executive Committee Meeting
10:00 AM (EST), 13 December 2018**

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Agenda

- Decision Briefing Outcomes
- National Office:
 - 2019 Mission Essential Tasks
 - 2018 and 2019 Priorities
 - National Office Organization (Full Time Staff)
- FY 2018 Budget Execution
- FY 2019 Budget
 - 2019 Goals
 - 2019 Objectives
 - **Revenue** (Objective 1)
 - **Expenses** (Objective 2)
 - **Investments** (Objective 3)
 - **Risk Management** (Objective 4)
 - 2019 Overview and Details
- **Centennial TF Budget Authority Request**
- Summary and Recommended XC Decisions

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Briefing Outcomes

- **Update** the Executive Committee (XC) on the **execution** of the SAME National Office FY 2018 Budget (year end close: Jan 2019).
- **Obtain** XC **approval** of the SAME National Office FY 2019 Balanced Budget prior to FY 2019 (1 Jan) including National Office Priorities that form the basis of the disciplined National Office Performance Management System.
- **Obtain** XC **approval** to establish a one time, not to exceed (NTE) budget authority to support SAME Centennial planning and execution.

Strategic Plan 2020 2019 National Office Mission Essential Tasks



National Office Standing Priorities



1. Support our Regions, Posts and Members
2. Support our National Strategic Plan
3. Enhance our National Reputation

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SAME National Office 2018 Priorities

2018 National Office Priorities to Support Strategic Plan 2020: Assessment

FOCUS Support the Run to 2020 (member participation) ... generate revenue to support the Society ... maximize national office capacity (*as identified at the 2 Oct Budget Session #1*):

1. Manage the Run to 2020: (enhance member participation; publish and implement centennial plan; operationalize the military society coalition to enhance JETC; build the next strategic plan; celebrate Society accomplishments)
2. Grow the Foundation: (National Office support; Post Funds Test, Fundraising; Communication; leverage AOF; educate posts; succession planning; financial management; begin supporting Foundation Purpose – national LDP ...)
3. Institutionalize the Industry-Government Engagement Plan: (CEO Round Tables; expand Post Issues workshops, educating stakeholders; expand impact of *SAME Perspectives*; look for connections to Capital Week)
4. Sustain Support to Posts and Volunteer Leaders: (sustain PLW model; Post support training webinars, ECW/PCW model; Fellows engagement, awards and recognition, post organization/operational efficiency, student chapter management, post STEM camps, best practice system, NFE education and advocacy, SLW in JETC; expand IC Grant Program; enterprise solutions; systems support for posts and C&Cs (eg email, etc))

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2018 National Office Priorities to Support Strategic Plan 2020: Assessment (Continued)

5. Expand the Recruiting Campaign: (evolve post level culture, sponsorship standard; individual recruiting; recognition; improve specific benefits; track progress; military school integration, military/government member participation, YM/enlisted Cmte, camp mentors; materials that are useful for posts)
6. Enhance Communications and Marketing effectiveness – expand our brand: (targeted messaging; leverage centennial; expand Podcasts, Real TIME; complete post web sites; video; expand society news in TME; leverage social media)
7. Grow Value of National Events: (communicate value; grow JETC – LDP, Joint Engineering TTex, Resilience, Skills Workshop, AEA participation; SBC Scalability; Navy/CNIC and USCG participation in FMW; synchronize USACE Leader Emeritus with Capitol Week; keynote speaker impact)
8. Normalize Revenue Growth: (mature SM management; strengthen stakeholder management; expand advertising and marketing beyond traditional sources; implement effective marketing materials; evaluate event pricing, dues; leverage centennial)
9. Mature National Governance: (expand support for leader engagement with posts; succession planning; C&C role and management; increase external partner engagement; improve metrics (cost to serve, etc); increase member voting in elections)

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2019 National Office Priorities to Support Strategic Plan 2020:

1. Sustain Support to Posts and Volunteer Leaders: complete and implement the Membership Management Review – every aspect of dues structure, accounting at national and post level – focus on member experience, metrics and increase the contribution of membership dues to our revenue diversification, but in the greater context; sustain PLW model; increase Post support training webinars; institutionalize the AOF Action Plan; fix awards and recognition; assist post organization/operational efficiency; establish model for student chapters – test virtual student chapter concept and finish GMU test; refine: best practice system, NFE education; complete implementation of C&C Work Group and Society Governance and Management Reviews – provide program management support where needed; build SM retention plan; fully integrate partner and stakeholder management with member management; implement affinity partnerships.
2. Manage Centennial Planning: detailed planning and execution; enable the Task Force; get posts excited and engaged; get stakeholders engaged and excited; refine JETC value for the long term.
3. Support the Development of Strategic Plan 2025: IMPACT focused plan; establish clear focus to enable participation; set higher standard for objectives, metrics and streamers; institutionalize C&C's as extensions of the National Office in support of the Strat Plan; institutionalize Governance and Management Review; set high standard for post involvement and input so they see themselves in the plan and can develop local plans that generate vibrant posts.

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FY 2018 Budget Execution

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Statement of Activities (no Functional Expense Allocation)
Actuals for the Period of Ten Months Ended October 31, 2018 and Projections for the Months of November-December 2018

	Actuals		Projection		Total	Budget	Projection to Budget Variance
	Year to Date	November	December				
REVENUE							
Conferences and Meetings	\$ 2,033,446	\$ 2,678,061	\$ -	\$ 4,711,507	\$ 3,787,150	\$ 924,357	
Dues	1,678,150	174,271	174,271	2,026,692	2,091,250	(64,558)	
Advertising and Publications	431,780	102,125	5,125	539,030	642,000	(102,970)	
Programs	5,580	2,083	2,083	30,146	31,000	(20,854)	
Post Operations	123,799	833	833	125,466	116,500	(11,034)	
Other Income	-	-	-	-	-	-	
TOTAL REVENUE	\$ 4,273,155	\$ 2,957,374	\$ 182,313	\$ 7,412,841	\$ 6,687,900	\$ 724,941	
EXPENSES							
Program Services:							
Conferences and Meetings	\$ 1,398,502	\$ 2,123,060	\$ -	\$ 3,521,562	\$ 2,766,450	\$ 755,112	
Membership Activities	15,279	3,542	3,036	21,857	54,500	(32,643)	
Society Publications and Communications	240,609	31,642	23,892	296,142	320,700	(24,558)	
Programs	9,025	-	690	9,675	9,500	(175)	
Post Operations	467,212	25,375	25,375	517,962	562,550	(44,588)	
Total Program Services	2,130,627	2,183,619	52,952	4,367,199	3,713,700	(653,499)	
Supporting Services:							
Management and General	2,564,594	266,842	301,442	3,132,877	3,109,200	(23,677)	
Fundraising	-	-	-	-	-	-	
Total Supporting Services	2,564,594	266,842	301,442	3,132,877	3,109,200	(23,677)	
TOTAL EXPENSES	\$ 4,695,221	\$ 2,450,461	\$ 354,394	\$ 7,500,076	6,822,900	(677,176)	
CHANGE IN NET ASSETS FROM OPERATIONS	\$ (422,066)	\$ 506,913	\$ (172,082)	\$ (87,235)	\$ (135,000)	\$ 47,765	
Change in Value of Investments	\$ (68,907)	\$ 13,000	\$ 13,000	\$ (42,907)	\$ 135,000	\$ (177,907)	
NET CHANGE IN NETS ASSETS	\$ (490,974)	\$ 519,913	\$ (159,082)	\$ (130,143)	\$ -	\$ (130,143)	

Notes: 1. Supporting details up through the September close out were provided to the BOD at SBC.
2. "Net change in assets" includes market performance.

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2018 Budget Execution "Behind the Numbers"

Revenue

✓ JETC Net Revenue Increased – Continue to Define Value

- Table Top Exercise continues to grow as Services, FEMA and federal agencies gain interest. Chiefs all intend to fully participate as they did this year.
- Unique combination of SAME "Annual Meeting" and Industry-Government Engagement.
- Partners welcome opportunity to exhibit and participate – contributes to vision.
- JETC 2019 Concept approved by XC in Aug – integrate Foundation, LDP, AOF (investiture in 2020).

✓ SBC Far Exceeded High Revenue target and Value Expectations

- But ... National Office revenue continues to be too dependent on events, especially SBC late in the year.
- VA approach in 2019 and beyond – fully integrate into SBC (declared at VA AAR on 28 Nov).
- GSA and DHS are next targets – new CFM Chief, Tony Acosta, agreed to assist with GSA (25 years with GSA and he agrees with vision and approach.)

ⓘ Membership Revenue

- Membership projected to be relatively flat, 3% decline in individual membership, but 2% increase in sustaining membership.
- Sustaining membership represents 85% of overall membership revenue.

ⓘ Advertising

- Print advertising flat from prior year, but budget will not be met.
- Online advertising continues to be an area of opportunity.

2018 Budget Execution "Behind the Numbers"

Expenses

- ✓ **Continued Controlling Expenses**
 - Disciplined approach continues – QMR (monthly statements, risk mgt, reporting to leadership).
 - G&A continues to be closely monitored (efficiencies & reductions – IT, outside consulting and other discretionary costs).
 - National Office size and quality set – working efficiency vice expansion (SM Mgmt, Centennial TF, Mgmt and Governance Review – C&C extension of staff) .
- ✓ **Continued Support to Posts**
 - Expanded the number of attendees at the Post Leaders Workshop in August to include RVPs (86 Posts represented). Additionally made topics more relevant and transferrable (Action Plan to help PLW participants take home ready made brief for post boards).
 - Sustained "Grant" program (\$10K) for International Committee support.
 - Expanded Podcasts as means of highlighting member contributions – EPA/DCHWS cast – first government.
 - Sustained \$1000 per month to support National President travel – opens presidency to small business.
 - Institutionalized National Leadership Calendar process – expanded support to regional, post events.
- ✓ **SAME Foundation Fully Operational – Served by National Office Staff (Joe, Allison, Kathy, Eddie)**
 - National Office staff support continues to be pro bono (threshold = 10 posts in Post Funds Policy).
 - Post Funds Policy declared successful; 3 posts currently invested in the Foundation, others expressing interest.
 - SAME National Office investing \$10,000 "gift" to hire professional fundraiser to kick off major Annual Fundraising Campaign and set stage for Giving Campaign.

2018 Budget Execution "Behind the Numbers"

Investment

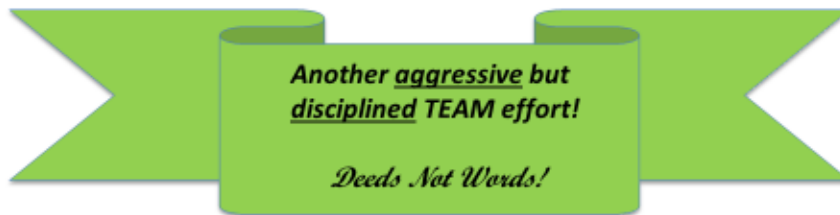
- ✓ **Joint Investment Committee Fully Operational; Added new members**
 - Joint SAME and Foundation Investment Committee working well.
 - Quarterly reviews are conducted with the investment advisors (DiMeo and Baird). Performance is compared to approved benchmarks.
 - RFP issued to replace Baird management firm due to poor performance. Vetting two respondents now.
- ✓ **Investing in People - Quality national staff produces value,**
 - We continue to offer excellent benefit packages and working environment.
 - Fourth straight year of awarding Bonus for performance above and beyond.
 - Fourth straight year of disciplined performance system pay raises.
 - Added Program manager (Eddie; unfunded in '18) to establish Camps, STEM, LDP programs. Intent: develop national program approach that strengthens financial management, succession planning, recapitalization (E&C Camps in particular) and potentially (long term) recovery of administrative costs.
- ✓ **Continued Investing in Major Events - Increased financial return = increased value**
 - Maturing sales staff
 - Continued to invest in high quality key note speakers.
 - Continued increasing program quality and education (Call For Presentation process key).
 - FM Workshop gained traction with all three services – now establishing Tri-Service Working Group.
 - Will increase investment to develop webinars and C&C's as extension of National Office (ICW C&C Work Group).

2018 Budget Execution "Behind the Numbers"

Risk

✓ Managed Risk Well

- Set aggressive budget – continued year on year revenue increase while leveraging resources fully while keeping expenses within available resources. Will be less aggressive in 2019 because of overreliance on events.
- Continued long term perspective – no quick win mentality – marathon, not sprint.
- NVSBE posed risk because of late VA legal mandate to "Co-locate" – maintained separation of NVSBE and SBC to manage risk.
- Reserves untouched and reserve still exceeds industry metric for a healthy association.
- Holding National Office size constant, grow talent and productivity over time, while focusing role of C&C's to increase national support to posts and the Strategic Plan (C&C Review; C&C "extension of national office" IAW Gov and Mgt review).



FY 2019 Budget Goals

The SAME National Office FY 2018 Budget will contribute to Strategic Plan 2020 by accomplishing three overall goals for 2019:

- ***DELIVER RESULTS*** that add value to the entire society and industry while supporting Strategic Plan 2020 and the development of Strategic Plan 2025.
- ***"INVEST" in SAME*** to set the stage for the future without incurring undue short term risk (financial investments, direct support financial contributions, Foundation impact and fundraising).
- ***Incrementally DIVERSIFY REVENUE*** to mitigate risk: in 2019 complete thorough Membership Management Review (includes dues restructure) to enhance the *member experience*; align every aspect of member experience with our value proposition.

FY 2019 Budget Overview

Operational Budget only – no market predictions.

	Actual FY 2016	Actual FY 2017	Projected FY 2018	Proposed 2019 Budget	Variance 18 Proj. vs. 19 Budget	
					\$	%
Revenue:						
Membership	\$ 1,998,000	\$ 1,995,000	\$ 2,027,000	\$ 2,052,000	\$ 25,000	1%
Publications and Advertising	629,000	569,000	539,000	595,000	56,000	10%
Conferences and Meetings	3,370,000	3,705,000	4,712,000	4,252,000	(460,000)	-16%
Post Operations	88,000	108,000	125,000	181,000	56,000	58%
Continuing Education/Programs	57,000	33,000	10,000	20,000	10,000	11%
Education and Mentoring Fund	28,000	0	0	-	-	-
Other Income	0	0	0	-	-	0%
Interest and Dividends	159,000	164,000	157,000	164,000	7,000	3%
Total Revenue	\$ 6,329,000	\$ 6,574,000	\$ 7,570,000	\$ 7,264,000	\$ (306,000)	-5%
Expenses:						
Membership	\$ 25,000	\$ 52,000	\$ 22,000	\$ 84,000	\$ 62,000	365%
Publications and Advertising	287,000	291,000	296,000	268,000	(28,000)	-13%
Conferences and Meetings	2,302,000	2,539,000	3,522,000	2,977,000	(545,000)	-28%
Post Operations	608,000	471,000	518,000	541,000	23,000	4%
Continuing Education/Programs	45,000	14,000	10,000	7,000	(3,000)	-2%
Education and Mentoring Fund	78,000	970,000	-	-	-	0%
General and Administrative	2,930,000	3,096,000	3,133,000	3,387,000	254,000	9%
Total Expenses	\$ 6,275,000	\$ 7,433,000	\$ 7,501,000	\$ 7,264,000	\$ (237,000)	-4%
Change in Net Assets from Operations	\$ 54,000	\$ (859,000)	\$ 69,000	\$ -	\$ (69,000)	

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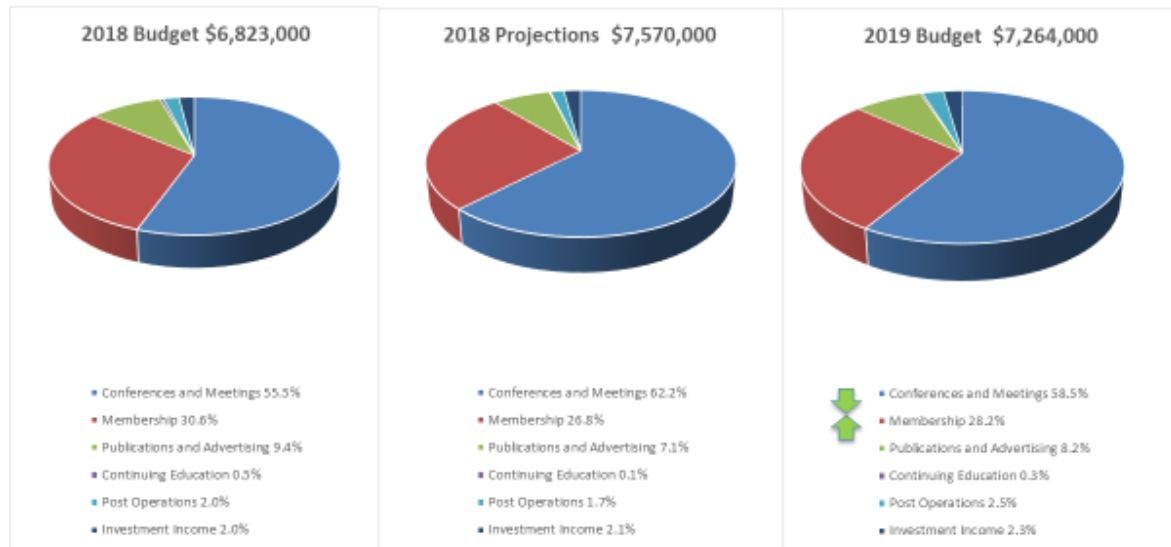
FY 2019 Budget Objectives “The Run to 2020 and Beyond”

- **Revenue:** Begin to diversify revenue by completing and implementing the membership management review; establish clear business lines and sales initiatives to support.
- **Expenses:** Align expenses to Strategic Plan 2020; continue to invest in the society (stipend management, Member Experience, etc). Establish separate budget authority from reserves for Centennial Celebration.
- **Society Investments:** Complete solicitation for new management company; kick start Foundation Annual Fundraising campaign; invest in the Centennial (reserves).
- **Risk Management:** Manage risk continuously; aggressively attack shortfall areas (e.g. membership, sales); implement multipronged risk mitigation strategies (diversify revenue, expand national capability without expanding national office size, leverage partnerships, focus on value).

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Revenue By Source



Revenue

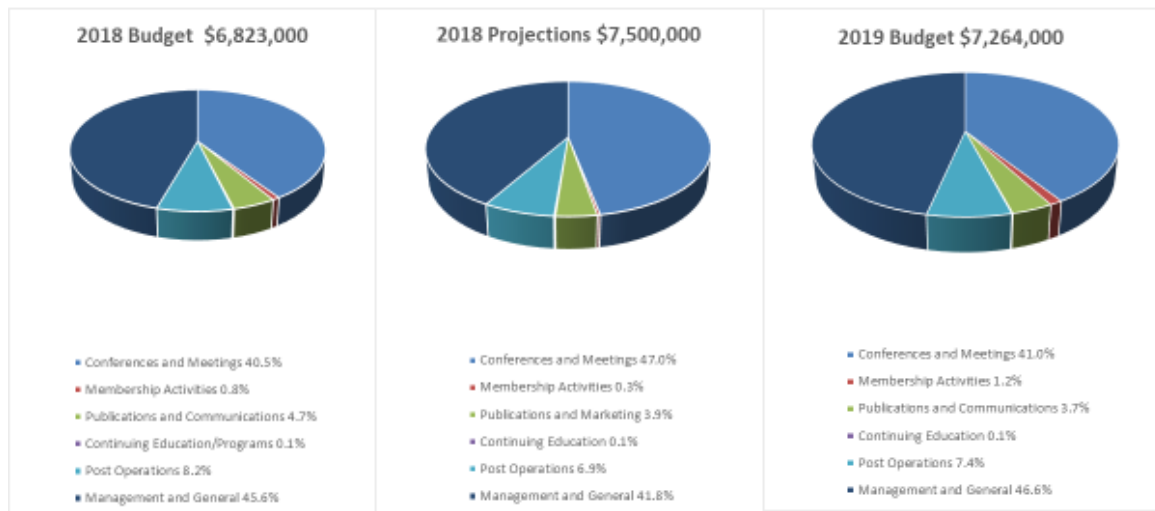
Objective 1: Begin to diversify revenue by completing and implementing the membership management review; establish clear business lines and sales initiatives to support.

- Reenergize National Office Sustaining Member matrix team to address trend of small business SM's opting to leverage individual memberships.
- Complete Membership Management Review to include accounting for members at post level, dues restructure, metrics and trend analysis, specific role of Membership Committee, recruiting and retention drives, requirements for supporting materials beyond the Value Brief.
- Continue Partnership Program to guarantee revenue and cash flow across departments. Address changes in partnerships (personnel moves, manage relationships with partnership companies aggressively).
- Implement 2019 JETC Concept and track impact on JETC Value assessment by members.
- Modify SAME Website to meet demands of members while enhancing advertising revenue.
- Hire Marketing Production specialist to complete the Marketing Team. Continue to grow impact of marketing team.

Revenue (continued)

- Continue to expand Job Board and assess potential in conjunction with the “Job Fair” approach for JETC 2019.
- Continue to lead collaboration among partners to establish value opportunities that lead to revenue (eg. FM Workshop via Tri Service Working Group; Owners Forum ICW DBIA – expand in 2019 to include CMAA, LCI, AGC; expand congressional involvement in Capital Week per Chiefs request).
- Implement SAME National Camp Management Program in order to ultimately recover overhead expenses while remaining competitive and establishing long term succession that is independent of the personality and commitment of the camp directors.
- Establish an Affinity Partner Program.
- Train and Develop Sales Staff.
- ICW the C&C TF Review (Gov and Mgmt Review) reenergize webinars as a key value effort of the National Office.

Expenses by Functional Area






Expenses

Objective 2: Align expenses to Strategic Plan 2020; continue to invest in the society (stipend management, Member Experience, etc). Establish separate budget authority from reserves for Centennial Celebration.

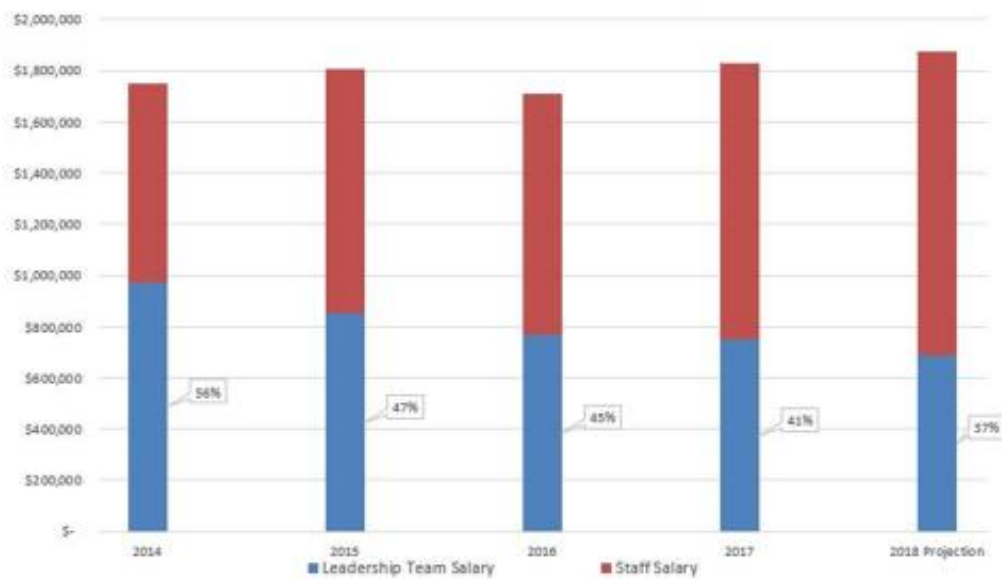
- Program and Membership Director unfunded through May, 2019 (XD Acting).
- Continue to encourage the SAME Foundation to fund program level leadership development investments such as Camp Mentors as a means of establishing measurable results that can be used not only to highlight SAME results, but to support SAME Foundation Fundraising that clearly demonstrates the Foundation's compelling purpose.
- Sustain the financial commitment to and leadership participation in the Post Leaders Workshop. Find a way to incorporate C&C Annual Work Plans into PLW.
- Sustain the National Leadership management process (calendar huddle, travel support, etc) that was developed to ensure national leadership team attendance at key post events/activities – reduce burden on SMs (SM not fully underwrite leadership participation).



Expenses (continued)

- Additional funds were allocated to membership recruitment, including strategies for military recruitment.
- Implement new approach to stipend management to ensure key investment back into the Society.
- Continue to manage overhead expenses closely to enable focus on strategic expenses.
- Continue to support overseas efforts, especially in Guam and Korea in 2019 (no ECW in 2019 as planned, but new 2019 NAVFAC Industry Day initiative in Naples will supplant).

Personnel Expense Analysis



Stipend Management

Stipends have been separately budgeted for 2019 for better visibility on our trend of increasing investment in SAME members to foster their participation.

	<u># of Stipends</u>	<u>Amount</u>
JETC Attendance	55	57,000
SBC Attendance	7	7,000
Transition Workshop	5	4,000
Capital Week	6	1,500
Post Leaders	10	10,000
International Committee		10,000
RVP		15,000
President		10,000
		<u>\$114,500</u>

These stipends are designed to encourage young members, enlisted personnel, members of governance, award winners, and international members to attend SAME events or activities.

Society Investments

Objective 3: Complete solicitation for new management company; kick start Foundation Annual Fundraising campaign; invest in the Centennial (use reserves).

- *Government/Military Membership*
 - Focus Membership Committee (military subcommittee)
 - Develop strategic partnerships that benefit members.
 - Travel/Recruiting: Military Schools (Fort Leonard, etc.).
- *Industry/Government Engagement*
 - CEO Roundtable at SBC and JETC.
 - Increase impact of “SAME Perspectives” – project delivery initiative underway – leverage OSD, SBA connections. Build on partnerships (eg AGC on project delivery team).
 - Enhanced relationships with other peer organizations and governmental agencies – include them in the Run to 2020.

Society Investments (Continued)

Foundation Operations

- Foundation management assumed by SAME National staff, presently at no cost.
- Golden Eagle and JETC revenue will not be transferred to Foundation.
- Stipends, that were previously assumed to transfer, remain in the Society’s operational budget.

JETC and SBC

- Increased educational sessions to increase value to participants
- Sustain high profile speakers enhancing value to attendees

Member Participation

- Manage “Run to 2020 and Beyond” to get participation up!
- New training sessions offered at PLW; integrate College Student Chapter (Post Mentor) training
- Continued focus on post spending, including making funds available to the international posts.
- Fully Develop the Best Practice System – save volunteers time!

Communications and Marketing

- Continue to refine support materials
- New Position is currently posted for a marketing specialist.
- Additional membership materials have been created to support the Value Brief.

Society Investments (Continued)



CLAS has been eliminated!!

- Our database has been restructured to allow us to provide member reports that include every member type on just ONE list.
- We no longer need to limit Post membership to only three Posts AND we have the possibly to designate a Primary Post for everyone.
- The restructure will allow the AOF and Councils & Committees to have easy access to their member rosters. In addition, prospective committee members can now see who else is on the committee.
- All Post roster data can be viewed and downloaded (by Post Officers only) with one click through the Member Account. POSTS SAVE TIME and benefit from BETTER DATA.
- Members can see who is currently a member of each Post via their Member Accounts.
- Cost to the Society was minimal; mostly personnel costs. However, the benefits will be significant.

Risk Management

Objective 4: Manage risk continuously; aggressively attack shortfall areas (e.g. membership, marketing); implement multipronged risk mitigation strategies (diversify revenue, expand national capability without expanding national office size, leverage partnerships, focus on value).

National Office Staff Management:

- Continue proactively managing discretionary funds.
- Accountability: continue developing ownership of *outcomes, creativity, agility*.
- Teamwork: sustain positive service attitude.
- Less cushion in admin budget than in the past. Therefore, increased emphasis on QMR and potential negative indicators.
- Performance Management System is a strength; continuously improving efficiency and value.
- Marketing and Sales staffs continue to grow revenue capability of National Office.

2020 SAME Strategic Plan Implementation:

- Implement "full out" "One Society" effort – Centennial Planning. Develop "Roadmap" to tie all aspects together coherently. (eg WWI Commemorative Edition *TME*, etc.).
- Continue to use the Strategic Plan as the primary tool for strengthening the unity of effort of the National level and Posts.
- Continue to produce the SAME Written Annual Report. Expand use of Annual Reports for marketing, recruiting, and partnering.
- Continue to evolve as a thought leader and lead collaborator on issues of importance to the government (national and post IGE Plan implementation; SAME Perspectives; etc.).

Risk Management (continued)

Membership:

- The Membership Management Review, especially dues restructure aspect, is an imperative.
- Continue increased engagement and support to overseas Posts.
- Reenergize campaign specifically aimed at recruiting military and government members.
- Mature the Sustaining Member Matrix Team; fix migration to individual memberships.

Event Planning

- Early national calendar coordination (internal and external) .
- Manage vendor risk and obtain sales tax exemption in meeting locations, as possible.
- Continue improving event quality (program, speakers).
- Further develop Facilities Management Workshop as third major national event in light of Tri-Service Working Group initiative (“diversify” events).
- SBC and JETC: grow value; continue minor price adjustments; stay on course with SBC (expand to GSA, DHS).

Advertising:

- Advertising revenue budgeted based on 2016 experience, with increased emphasis placed on digital advertising.

Contingency:

- Stipends (\$114k); Labor (3% of labor: bonus, raise) are primary sources of discretionary funding.

Reserves:

- Maintain strategic reserve above industry standard (greater than 6 months).

Centennial TF Budget Request

Facts:

- Leveraging SAME’s centennial to generate momentum as we begin our second century (member participation) is a unique opportunity to invest in SAME’s future.
- The SAME National Office financial reserves exceed the high end of the industry standard by 1 month. (Standard is 6-9 months, SAME is at 10.5) Value of one month reserve is approximately \$580,000.
- The XC approved Centennial Celebration concept (3 year, three phase) provides several viable opportunities that cannot be funded by the National Office operational budget.

Planned Major Initiatives (investments):

- (\$60,000) SAME Commemorative Art (3D, Web version, print version - inclusive) – **NOTE: 13 month lead time.**
- (\$90,000) SAME Century book (unique concept; organized by line of effort with past, present and future perspective | each section).
- (\$30,000) Stipends to meet goal of volunteer staff represents every post (two per post for planning); JETC 2020 logistics (all post flags present, etc). NOTE: Phase III post celebrations are not envisioned to receive national funds.
- Other: Website modifications; WWI TME; volunteer participation in JETC 2020; SAME Store, etc.

Recommendation:

- Approve a one time, not to exceed (NTE) budget of \$500,000. These expenses will not be part of the annual operational budget.
- Centennial Budget is managed by national Office with Centennial TF input (leave fiduciary responsibility with XD and Staff – avoid undue risk to volunteers).
- SAME National Office approves individual initiatives and reports status of Centennial Budget to XC quarterly.

Centennial Task Force Funding Options

Option 1: Selectively Fund affordable items	Option 2: Fund from Operations	Option 3: Fund from Net Asset Reserves
Only some or none of the proposed major initiatives on the previous slide are implemented.	Fund initiatives, but draw money from operational budget. Areas of potential budget discretion: <ul style="list-style-type: none"> • Stipends • Travel (XD, Pres) • International Cmte • Post level Spending • Personnel related exp. • Program (STEM, etc) initiatives 	Use a portion of net asset reserves, which will still allow SAME to maintain a healthy level of overall reserves. Actual outflows will be paid by excess liquidity in investment portfolio and operational cash.
Limits impact of centennial.	Impacts budget contingency; limits impact of centennial.	Best ROI: Unique opportunity to invest in activities that all members benefit from.

Summary

- The SAME National Office FY 2019 budget is a balanced budget that will:
 - DELIVER RESULTS that add value to the entire society and support the 2020 SAME Strategic Plan and the "Run to 2020 and Beyond".
 - INVEST in SAME in order to set the stage for the future without incurring undue short term risk.
 - Incrementally DIVERSIFY REVENUE to mitigate risk: in 2019 complete thorough Membership Management Review (includes dues restructure) to enhance the *member experience*; align every aspect of member experience with our value proposition.
- Strongly Recommend XC Approval of the SAME National Office FY 2019 Budget
 - *Verify after Year End Close Out in January*
 - *Adjust if necessary and report to XC*
 - *2019 salary adjustments – 1 April (allow close of FY, audit, performance system close out and panel)*
- Strongly Recommend XC Approval of the budget authority request to support the Centennial TF
 - *Results will be reported quarterly to the XC.*