



SAME Executive Committee Meeting Notes

1200, Thursday, Dec. 12, 2019

Attended			
Buddy Barnes	Adam Boubede	Mike Darrow	Marv Fisher
Mark Handley	Dave Howe	Bob Keyser	Rich Khalil
Sharon Krock	Victoria Mechtly	Hal Rosen*	Heather Wishart-Smith
Neal Wright	Joe Schroedel*	Cindy Lincicome	
Did Not Attend			
Tony Higdon	Miro Kurka	Charlie Perham	

*Non-voting

Call to Order: 1205 hrs

A quorum was established. Buddy Barnes, chair of the XC, called the meeting to order. Joe led the presentation to the XC (Encl 1).

Budget Proposal

The XC approved the 2020 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 2019 Budget. If there are material changes to the projections, an update on 2019 results will be provided. The second outcome was to obtain XC approval of the FY 2020 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:

- Every year we have grown what we put back into the Society.
- National Office Mission Essential Tasks include:
 - Implement Strategic Plan 2025...Streamers (metrics) (Timeline is Encl 2).
 - Execute Phases II and III of the Centennial Celebration (Phase 1 was heavy lifting)
 - Complete and Implement Comprehensive Member Review
- With elimination of Programs Director position, span of control for XD is a concern, however, he has a plan to mitigate that risk.
- Reclassification of revenue and expenditures affected the 2019 budget, however, finance will make the reclassifications more clear in the future.
- JETC 2020 has higher revenue, but also higher expenses.
- JETC Stipends have increased for 2020 because of the location of JETC. Washington D.C. is at least \$400 higher per person to offer stipends.
- The Society does not need to diversify revenue streams, but instead, diversify national events such as the FM Workshop.
- The XD will not raise dues until people demand to be members.
- Advertising revenue is up due to higher quality, dedicated sales person, and the positive market.
- The Society is tracking admin labor for the Foundation. Once the total cost of admin expenses exceeds the threshold, the Foundation will cost share or hire an employee.
- The National Office hired a third party to do an audit of our pay structure in regard to demographics and pay; the results were positive.

- The XD provided an update on the office relocation project. The National Office will provide the XC a brief at the end of January when the details of the lease are worked out.
- If the Society sells the building, in conjunction with decisions on how to spend the proceeds, the XD will propose a Financial Reserve Management Plan.
- Rent for the new facility is not in the budget. One XC member proposed the consideration of an annuity to offset rental costs.

National Office Priorities

- The National Office Priorities are the basis for the National Office performance management system.
 - Implement Strategic Plan 2025.
 - Sustain the financial health of SAME.
 - Execute SAME's Centennial.
 - Assist in growing the Foundation financially and its impact.
 - Expand the SAME brand (p
 - Promote SAME as the Society of choice for public sector engineering professionals).

Foundation Board

The XC approved the Foundation Board nominees for 2020.

- A nomination review committee was established and led by the President-Elect. They presented four names for approval to the XC. An on-boarding and initial meeting will take place at the Century House, January 30, 2020.
 - Suzanne DiGeronimo
 - Dave Nash
 - Bob Schlesinger
 - Susan Thames

Adjourn: 1300 hrs.



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

Encl 1: Budget Brief

Encl 2: Streamer Timeline

Enclosure 1



SAME National Office FY 2020 Budget Decision Brief (Final, 6 Dec 2019)

Executive Committee Meeting

12 December 2019

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Agenda

- Decision Briefing Outcomes
- National Office:
 - 2020 Mission Essential Tasks
 - 2018, 2019 and 2020 Priorities (period of Centennial Plan)
 - National Office Organization (Full Time Staff)
- FY 2019 Budget Execution
- FY 2020 Budget
 - 2020 Goals
 - 2020 Objectives
 - **Revenue** (Objective 1)
 - **Expenses** (Objective 2)
 - **Investments** (Objective 3)
 - **Risk Management** (Objective 4)
 - 2020 Overview and Details
- Centennial TF Budget Execution
- National Office Relocation Update
- 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 2019 Budget (year end close: Jan 2020).
- **Obtain XC approval** of the SAME National Office FY 2020 Balanced Budget prior to FY 2020 (1 Jan) including National Office Priorities that form the basis of the disciplined National Office Performance Management System.
- **Update XC** on execution of the Centennial budget.
- **Update XC** on decision milestones that require XC engagement for the potential Relocation of the National Office Staff.

National Office Standing Priorities



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

**Strategic Plan 2025
2020 National Office Mission Essential Tasks**



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2018 National Office Priorities to Support Strategic Plan 2020:

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))
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 Cnite, 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 TIME; 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:

FOCUS Centennial planning and execution ... refine existing efforts ... set the conditions for Phase II and III of our Centennial celebration in 2020 and 2021 ... establish positive momentum of next century.

1. **Sustain Support to Posts and Volunteer Leaders:** (sustain: PLW model; Post support training webinars, institutionalize the AOF Action Plan; fix awards and recognition, assist post organization/operational efficiency, establish model for student chapters – finish GMU test; post STEM camps; refine: best practice system, NFE education and advocacy, expand IC Grant Program; systems support for posts and complete implementation of C&C Work Group and Society Governance and Management Review; build SM retention plan; fix CLAS and post membership accounting; refine membership versus post operations focus of national office).
2. **Manage Centennial Planning:** (establish close working relationship with Centennial TF; enhance member participation by generating enthusiasm at national, post and external levels; lead partners to participate and celebrate their achievements to change public image of our profession and celebrate partner and SAME accomplishments; refine JETC; invest in this unique opportunity).
3. **Strengthen the Industry-Government Engagement Plan Impact:** (build on CEO Round Table success – identify leading issues and add value; expand Post Issues workshops, educating stakeholders; expand impact of SAME Perspectives; expand congressional participation in Capital Week; expand lead role in Tri-Service and interagency FMW efforts; establish post in Australia to support force movements to Darwin; plan for ECW and IC support; continue to grow TTx and Joint Engineer/COCOM support).
4. **Support the Development of Strategic Plan 2025:** (IMPACT focused plan; establish clear focus to enable participation; set high 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).
5. **Enhance Communications and Marketing effectiveness – expand our brand:** (targeted messaging; leverage centennial; Podcasts, Real TIME; complete post web sites; society news in TME; leverage social media, implement affinity partnerships, centennial book and art).
6. **Diversify Revenue:** (mature SM management; strengthen stakeholder management; expand advertising and marketing beyond traditional sources; implement effective marketing materials; evaluate event pricing, complete membership review; leverage centennial; refine SBC).
7. **Grow the Foundation financially and its IMPACT:** (Implement the LDP program support; generate momentum for the Fundraising Campaign; leverage AOF and Society leadership support; educate posts; implement succession planning).

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SAME Centennial Celebration Plan
PHASE I
May, 2018 to May, 2020

PHASE I: The Run to 2020 and Beyond (May, 2018 - May, 2020):



OUTCOME: Increase member participation by engaging members in important initiatives and activities that help SAME increase the value we offer as we enter our second century.

1. Planning and Coordination: Establish the national centennial planning team and finalize concept for all three phases **(DONE; May 2018)**
2. Centennial Logo: design logo; begin advertising; produce logo apparel; generate awareness and enthusiasm for the Centennial **(DONE; Feb 2018)**
3. National Governance and Management Review: Complete to clarify roles **(DONE; Aug 2018)**
4. Establish Leadership of Collaboration Role (2020 vision): Fully integrate the VA into the Small Business Conference; DHS next ... **(DONE; Nov 2018)**
5. Establish National Leadership Team participation in Post events: National Leadership Calendar refined and working! **(DONE; Jul 2018)**
6. Develop and Implement the AOF Action Plan: to focus Fellows on supporting posts and sustain their active commitment to SAME **(DONE; May 2018)**
7. Publish *WWI Era TME Commemorative Edition*: to help members and stakeholders understand our past, present and future as well as our Centennial Celebration **(DONE; Nov 2018)**
8. Complete the archival of all TME's : now electronically available to the public **(DONE; Aug 2018)**
9. Develop and Implement a National Leader Development Program: first program sponsored and underwritten by the SAME Foundation **(DONE; Starts at JETC 2019)**
10. Launch the SAME Foundation Fundraising campaigns: **(Done; Jun 2019)**
11. Complete Strategic Plan 2025: draft will be presented to BOD in May 2019, vetted with posts; finalized at SBC 2019 in Dallas **(Done, Nov 2019)**
12. Complete a Comprehensive Member Review: MAKE MEMBER EXPERIENCE WORLD CLASS; ENABLE Strategic Plan 2025 ... **(WORKING; ON PLAN)**
13. Conduct special projects to enhance the Centennial: (Century Book) **(WORKING; ON PLAN)**

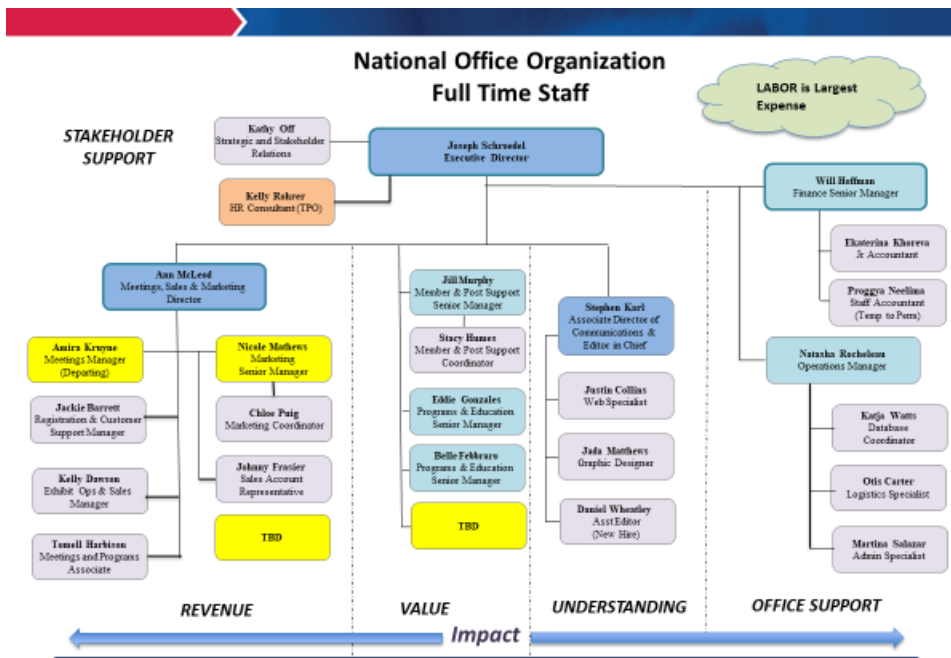
2020 National Office Priorities to Support Strategic Plan 2025:

FOCUS Strategic Plan 2025 Implementation ... Centennial execution ... Member engagement.

- 1. Implement Strategic Plan 2025:** (complete and implement strategic plan tasks, streamers (progress metrics) and post level planning; management of COI's as extensions of the National Office; strengthen IGE impact, management and post IGE engagement; implement Comprehensive Member Review; build on strategic partner relationships to support SAME as the leader of collaboration at national and post level).
- 2. Sustain the Financial Health of SAME:** (sustain 4 year running unqualified audit opinion; diversify major event revenue; leverage the investment in the Century House; manage unique budget risks in 2020 (JETC expenses in DC, political impact on economy, FMW in summer; USACE change of leadership; national office relocation); mature SM management; strengthen stakeholder management; expand advertising and marketing beyond traditional sources; evaluate event pricing; sustain quality of and financial support for national office staff).
- 3. Execute SAME's Centennial:** (complete Phase II and III; complete Century Book publication and sales plan; lead strategic partners to participate and celebrate their achievements to change public image of our profession and celebrate strategic partner and SAME accomplishments; refine JETC; invest in this unique opportunity).
- 4. Assist in Growing the Foundation financially and its IMPACT:** (establish long term succession with new board; launch corporate and giving fundraising campaigns; institutionalize Foundation requirements generation by SAME BOD; institutionalize National LDP for the long term).
- 5. Expand the SAME Brand (Promote SAME as the Society of Choice for public sector engineering professionals):** (refine web site; targeted messaging; leverage centennial; Podcasts, Real TIME; complete post web sites; society news in TME; leverage social media, implement affinity partnerships, centennial book and art).

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FY 2019 Budget Execution

Society of American Military Engineers Statement of Activities (by Functional Expense Allocation)							
Actuals for the Nine Months Ended September 30, 2019 and Projections For the Months of October - December 2019							
	Actual Year to Date	Projection			Total	Budget	Projection to Budget Variance
		October	November	December			
REVENUE							
Conferences and Meetings	2,219,550	\$ -	\$ 2,545,020	\$ -	4,764,570	\$ 4,252,000	\$ 513,470
Dues	1,696,493	\$ 171,999	\$ 171,999	\$ 171,000	2,969,400	\$ 2,952,000	\$ 17,400
Advertising and Publications	545,200	\$ 6,875	\$ 146,429	\$ 6,875	705,389	\$ 699,999	\$ 5,390
Programs	2,240	\$ 1,250	\$ 1,250	\$ 1,200	5,996	\$ 28,000	\$ (14,004)
Post Operations	139,999	\$ 833	\$ 833	\$ 833	142,999	\$ 140,500	\$ (2,499)
Interest and Dividends	112,530	\$ 18,697	\$ 18,697	\$ 18,697	168,537	\$ 164,999	\$ 4,537
Other Income	-				-		
TOTAL REVENUE	\$ 4,475,534	\$ 388,625	\$ 2,833,835	\$ 262,825	\$ 7,854,854	\$ 7,383,598	\$ 471,256
EXPENSES							
Program Services							
Conferences and Meetings	1,630,993	\$ -	\$ 1,810,600	\$ 4,475	3,443,470	\$ 2,975,000	\$ (478,475)
Membership Activities	72,754	\$ 6,948	\$ 6,948	\$ 6,950	152,629	\$ 152,000	\$ (629)
Publications and Communications	152,704	\$ 4,825	\$ 34,560	\$ 26,943	220,355	\$ 207,899	\$ 12,456
Programs	1,999	\$ 100	\$ 100	\$ 100	2,224	\$ 7,300	\$ (5,076)
Post Operations	472,303	\$ 23,053	\$ 23,053	\$ 20,833	547,544	\$ 541,000	\$ (6,544)
Total Program Services	\$ 2,180,758	\$ 31,726	\$ 1,881,133	\$ 68,828	\$ 4,311,237	\$ 3,878,699	\$ (442,737)
Supporting Services							
Management and General	2,537,736	\$ 176,499	\$ 176,499	\$ 237,329	3,131,964	\$ 3,387,000	\$ 255,036
Fundraising	2,387,139	\$ 178,492	\$ 178,492	\$ 237,329	3,131,964	\$ 3,267,999	\$ (86,035)
Total Supporting Services	\$ 4,924,875	\$ 354,991	\$ 354,991	\$ 474,658	\$ 6,263,928	\$ 6,654,999	\$ 391,071
TOTAL EXPENSES	\$ 7,105,633	\$ 686,717	\$ 686,717	\$ 543,486	\$ 10,575,165	\$ 10,043,597	\$ (531,568)
CHANGE IN NET ASSETS FROM OPERATIONS	\$ (151,999)	\$ (11,831)	\$ 754,942	\$ (133,212)	\$ 467,199	\$ -	\$ (467,199)
Change in Value of Investments	\$ 558,870				\$ 558,870		\$ 558,870
NET CHANGE IN NETS ASSETS	\$ 406,871	\$ (11,831)	\$ 754,942	\$ (133,212)	\$ 925,069	\$ -	\$ (925,069)

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 up until September 30, 2019.

2019 Budget Execution "Behind the Numbers"

Revenue

- ✔ **JETC Net Revenue Increased – Define Value (objective JETC) in 2020 at Centennial Kick Off**
 - Table Top Exercise continues to grow as Services, FEMA and federal agencies gain interest. Best military participation in years (only Army was weak; Chief committed to start designating tactical commanders who should attend).
 - Unique combination of SAME "Annual Meeting", Joint military engineer focus and Industry-Government.
 - Partners welcome opportunity to exhibit and participate – contributes to vision and full military engagement.
 - JETC 2020 Concept early by XC in Aug – integrate Foundation, LDP, AOF (investiture in 2020) and tactical engineer support (Expo and program) will round out objective JETC.
- ✔ **SBC Exceeded High Revenue target and Value Expectations ... Again**
 - But ... National Office revenue continues to be too dependent on events, especially SBC late in the year.
 - 3 year journey with the VA approach in 2020 and beyond – fully integrate into SBC.
 - New CFM Executive Director, Dr. Mike Brennan, former Detrick Post President (2011-2013) participated in SBC just 6 days after assuming duties. He agrees with full integration of VA and committed support at USAG. SAME role in SD/VOSB certification law welcomed by both VA and SBA.
- ⚖ **Membership Revenue**
 - Individual membership projected to be flat, 3% decline in individual membership, but 2% increase in sustaining membership.
 - Sustaining membership represents 85% of overall membership revenue.
- ⚖ **Advertising**
 - Print advertising increased from prior year, met budget first time since 2016.
 - Online advertising continues to be an area of opportunity.

2019 Budget Execution "Behind the Numbers"

Expenses

- ✓ **Continued Controlling Expenses**
 - Disciplined approach continues – QMR (monthly statements, risk mgt, reporting to leadership) – results oriented.
 - G&A continues to be closely monitored (efficiencies & reductions – IT, outside consulting and other discretionary costs).
 - National Office size, quality set to support strategic plan (members, SM Mgmt, Centennial TF, Mgmt and Governance Review – COI extension of staff) while maintaining the ability to compensate staff well (benchmark to DC market, annual raise and bonus potential).
- ✓ **Continued Support to Posts**
 - Sustaining high participation in Post Leaders Workshop to include RVPs (160 individuals representing 86 Posts). 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.
 - 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. Improved post participation in integrated web calendar of events.
- ✓ **SAME Foundation Fully Operational – Served by National Office Staff (Joe, Eddie, Will)**
 - National Office staff support continues to be pro bono (plan to cost share accountant when corporate fund raising and post funds admin grows).
 - Post Funds Policy continues success - 6 posts invested; adds to corpus to reduce admin fees for all.
 - SAME National Office invested \$10,000 "gift" to hire professional fundraiser to kick off major Annual Fundraising Campaign and set stage for Giving Campaign. Produced \$120,000 so far since June. Learned scope of staff support in anticipation of major corporate campaign.
 - Major Board succession under way (Jan 2020); successful Nominating Committee.

2019 Budget Execution "Behind the Numbers"

Investment

- ✓ **Joint Investment Committee Fully Operational; Transitioned leadership new members**
 - Joint SAME and Foundation Investment Committee still working well; seamless transition.
 - Quarterly reviews are conducted with the investment advisors (DiMeo and RBC). Performance is compared to approved benchmarks.
 - Successful replacement of Baird (to RBC) after failure to achieve benchmarks.
- ✓ **Investing in People - Quality National Staff produces value**
 - We continue to offer excellent benefit packages and working environment.
 - Fifth straight year of awarding Bonus for performance above and beyond.
 - Fifth straight year of disciplined performance system pay raises.
 - On going *Staff Position Analysis Survey* to support internal assessment (2 Jan).
- ✓ **Continued Investing in Major Events - Increased financial return = increased value**
 - Sales staff is matured and productive
 - Continued to invest in high quality key note speakers.
 - Continued increasing program quality and education (Call For Presentation process key).
 - Services declared support for JETC and SBC (colocation of CE Board, Executive Governance Meeting, working Navy switch from Navy Blue/Gold Coast Small Business events to SAME SBC); Tri Service Work Group still working.
 - Army integrating Worldwide DPW conference into FMW in 2020.
 - Increasing investment to develop webinars and COIs as extension of National Office (ICW COI Work Group).

2019 Budget Execution "Behind the Numbers"

Risk

✓ Managed Risk Well

- Set aggressive budget – continued year on year revenue increase while leveraging resources fully and keeping expenses within available resources.
- Continued long term perspective – no quick win mentality – marathon, not sprint.
- New VA CFM Executive committed to VA participation (ala USACE) in SBC ... long term now set.
- Reserves untouched and reserve still exceeds industry metric for a healthy association.
- Time to invest in National Office to fully support role of COI's to increase national support to posts and the Strategic Plan (COI Review; COI "extension of national office" IAW Gov and Mgt review) and revenue generating arm of the staff.
- Took advantage of unsolicited offer to consider selling Century House; Relocation Planning under way to leverage 40 year investment and improve quality of work environment for the staff.

Another *aggressive but disciplined* TEAM effort!

Deeds Not Words!

FY 2020 Budget Goals

The SAME National Office FY 2020 Budget will contribute to Strategic Plan 2025 by accomplishing three overall goals:

- ***DELIVER RESULTS*** that add measurable impact to the society's vision and mission; minimize any financial risks associated with 2020.
- ***"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). Achieve decision on National Office Relocation to fully leverage Century House investment.
- ***SUSTAIN REVENUE GROWTH TRENDS*** while reviewing of business model and rules (event reliance), then establish viable revenue diversification plan; complete Comprehensive Member Review Plan to increase demand for membership; establish Financial Reserve Management Plan (excess reserves; sale of Century House).

FY 2020 Budget Objectives

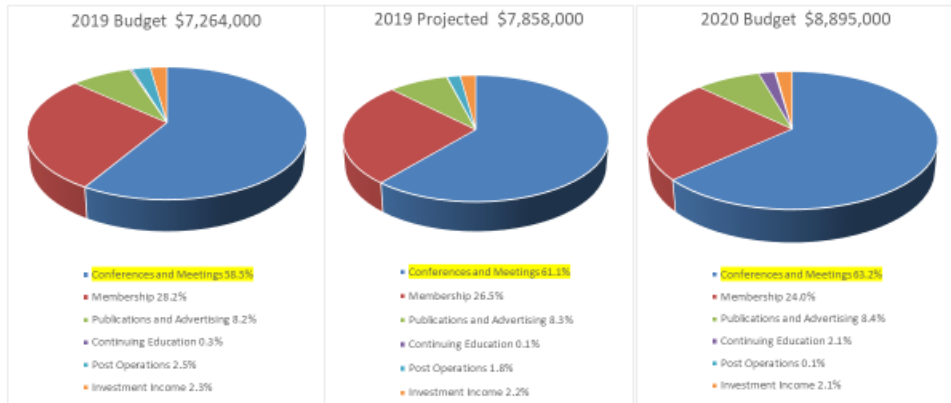
- **Revenue:** Sustain growth trend of JETC and SBC; Continue to expand FMW; Review National Office business model and rules.
- **Expenses:** Align expenses to Strategic Plan 2025; continue to invest in the society (stipend management, Member Experience, etc). Execute Centennial Budget and plan for the recovery of production costs for the Century Book.
- **Society Investments:** Sustain Joint Investment Committee results and succession; Fully support Foundation Board succession planning and Fundraising campaigns (Second Annual Campaign; Giving Campaign Kick Off; Corporate Campaign Kick Off); Establish Financial Reserve Management Plan.
- **Risk Management:** Manage unique risks in 2020: high costs associated with JETC in DC, political impacts on economy, GED in JETC, FMW shift to August to accommodate Army DPW integration.

FY 2020 Balanced Budget Overview

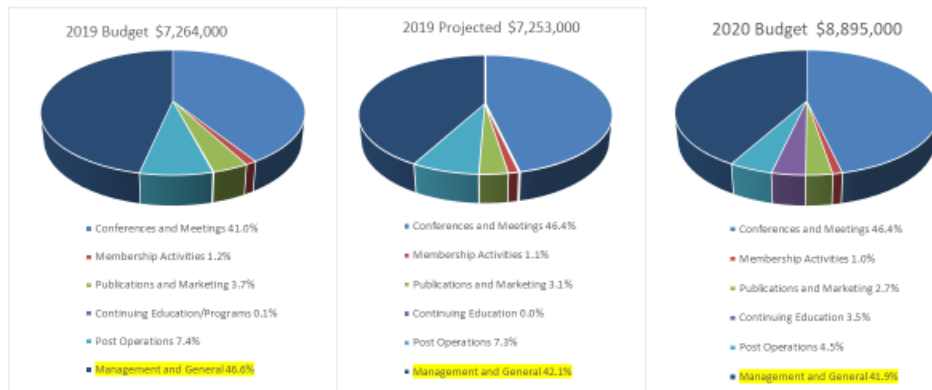
Operational Budget only – no market predictions.

	Actual FY 2017	Actual 2018	Projected 2019	Proposed 2020 Budget	Variance	
					19 Proj. vs. 20 Budget \$	%
Revenue:						
Membership	\$ 1,995,000	\$ 2,007,000	\$ 2,070,000	\$ 2,136,000	\$ 66,000	3%
Communications	569,000	560,000	705,000	748,000	43,000	6%
Meetings and Events	3,705,000	4,519,000	4,766,000	5,622,000	856,000	18%
Post Operations	108,000	127,000	142,000	13,000	(129,000)	-91%
Continuing Education/Programs	33,000	6,000	6,000	186,000	180,000	3000%
Education and Mentoring Fund	0	0				
Other Income						
Interest and Dividends	164,000	186,000	169,000	190,000	21,462	13%
Total Revenue	\$ 6,574,000	\$ 7,395,000	\$ 7,858,000	\$ 8,895,000	\$ 1,037,462	16%
Expenses:						
Membership	\$ 52,000	\$ 59,000	\$ 84,000	\$ 88,000	\$ 4,000	5%
Communications	291,000	188,000	229,000	242,000	13,000	6%
Meetings and Events	2,539,000	3,177,000	3,453,000	4,127,000	674,000	20%
Post Operations	471,000	442,000	543,000	400,000	(143,000)	-26%
Continuing Education/Programs	14,000	12,000	3,000	309,000	306,000	10200%
Education and Mentoring Fund	970,000					
General and Administrative	3,096,000	3,968,000	3,132,000	3,729,000	597,000	19%
Total Expenses	\$ 7,433,000	\$ 7,446,000	\$ 7,444,000	\$ 8,895,000	\$ 1,451,000	20%
Change in Net Assets from Operation	\$ (859,000)	\$ (51,000)	\$ 413,538	\$ -	\$ (413,538)	

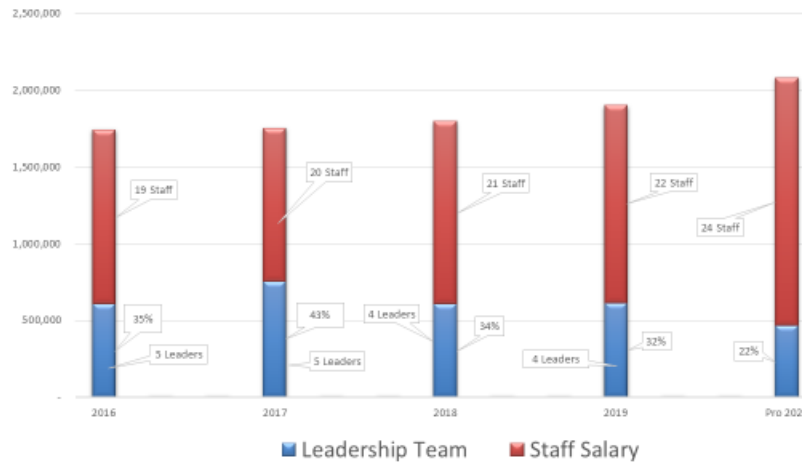
Revenue By Source



Expenses by Functional Area



Personnel Expense Analysis



Stipend Management

Stipends have been separately budgeted for 2020 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	68	67,000 *
SBC Attendance	8	8,000
Transition Workshop	7	5,000
Post Leaders	10	10,000
International Committee		10,000
RVP		15,000
President		12,000
		<u>\$127,000</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.

* JETC stipends may have to be increased from this number as much as 25%, do to the fact DC is a more expensive than typical JETC locations.

Risk Management

Objective 4: Manage unique risks in 2020: high costs associated with JETC in DC (increase in stipends), political impacts on economy, GED in JETC, FMW shift to July to accommodate Army DPW integration.

National Office Staff Management:

- Flatten hierarchy (eliminate COO role); invest in senior managers
- Keep staff "right sized" to sustain ability to pay bonuses and annual raises in order to retain talent and stay competitive in DC market.
- Teamwork: sustain positive service attitude.
- Performance Management System is a strength; continuously improving efficiency and value.
- Marketing and Sales staffs continue to grow revenue capability of National Office.
- Maintain ability to reshape staff to meet new priorities as opportunities emerge.

2025 SAME Strategic Plan Implementation:

- Make the streamer development process a contributor to post level culture shift (relevant locally; IGE workshop ... beyond BD ...)
- 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 and industry (national and post IGE Plan implementation; SAME Perspectives; active partnerships solving real world issues).

Risk Management (continued)

Membership:

- Develop and Implement the Comprehensive Member Review.
- Develop action Plan based on RVP Post Assessment (Nov 2019 BOD).
- Reset the Membership COI based on the member Review.
- Mature the Sustaining Member Matrix Team; Respond to the migration of small business SMs to individual memberships for cost reasons (85% of SMs are small businesses). Want value of being an SM to outweigh any cost loophole.

Event Planning

- Sustain trend toward 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 fourth major national event by fully integrating the Army IMCOM Worldwide, Public Works Leaders Workshop Conference into the FMW.
- Set long term standard for JETC at JETC 2020 by completing the integration of tactical engineer program and EXPO Hall offerings.
- Grow long term relationship with VA for SBC and local engagements based on new CFM Chief commitment.
- Further discuss greater NAVFAC involvement in SBC to maintain momentum of continuing to add agencies to SBC and grow value for all (government/industry); each year SBC has grown since 2013, need ingredients to enable that trend to be sustainable.

Risk Management (continued)

Advertising:

- Advertising revenue budgeted based on 2019 experience, with additional emphasis placed on digital advertising.

Contingency:

- Stipends (\$127k); Labor (3% of labor: bonus, raise) are primary sources of discretionary funding.

National Office Relocation:

- Develop plan to relocate that avoids expenditure of cash (607 Prince repairs, build out of new location, move, etc).
- Develop Century House sale proceeds investment plan (options) for XC consideration
- Plan physical relocation of staff during period of no impact to normal operations or major events.

Centennial Plan Execution:

- Establish Century Book Advance Sales beginning NLT JETC 2020 (recover production costs).
- Continue Centennial Commission due diligence.

Financial Reserves:

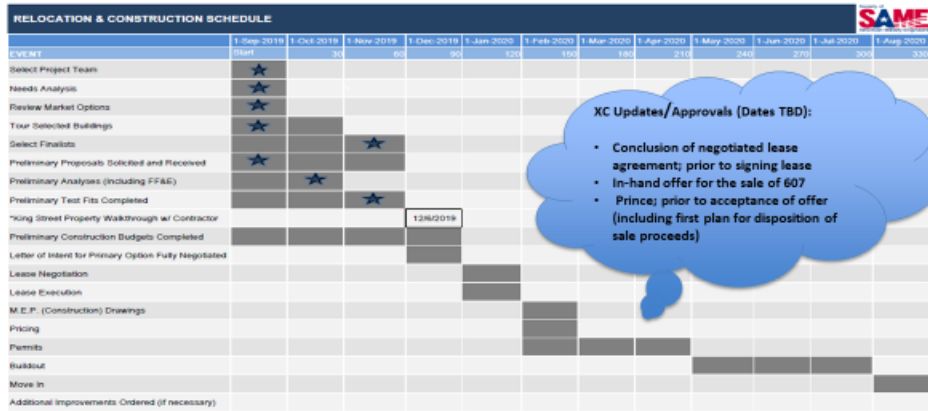
- Maintain strategic reserve above industry standard (greater than 6 months).
- Develop and implement a long term Reserve Management Plan.

Centennial Budget Status

Society of American Military Engineers				
<i>as of 11/15/2019</i>				
900 90	SAME Centennial Administration	YTD 2019 Actual	Budget 2019-2020	Proj. to Budget Variance
Revenue:		-	-	-
Expenses				
	5410 Printing & Production	53,146	120,000	66,854 *
	6420 Design & Layout		8,000	**
	5430 Postage & Delivery		1,500	1,500 ***
	5440 Advertising & Promotional	36,130	40,500	4,370 ****
	5520 SAME Store purchases			-
	5740 Other Office Expense			-
	XXXX Unallocated		80,000	80,000
	Total Expenses	89,276	250,000	152,724
	Net Income	(89,276)	(250,000)	160,724

* Centennial Book
 **History Banners
 *** Starter Kit Postage
 ****Centennial Swag and Buttons for starter Kits

National Office Relocation Milestones



- Met with McBride Real Estate to discuss Letter of Intent on December 10th
- Corresponded with YPTC about performing 25 year asset analysis of Centaury house on December 4th (vice pro bono work from sustaining member)

Summary

- The SAME National Office FY 2020 budget is a balanced budget that will:
 - DELIVER RESULTS
 - INVEST in SAME
 - SUSTAIN REVENUE GROWTH TREND
 - POSITION SAME TO INCREASE IMPACT ... to kick off our Second Century
- Strongly Recommend XC Approval of the SAME National Office FY 2020 Budget
 - *Confirm after Year End Close Out in January*
 - *Adjust if necessary and report to XC*
 - *2020 salary adjustments – 1 April (allow close of FY, audit, performance system close out and panel)*

Enclosure 2

STREAMER MILESTONES

- * Dec 16, 2019 - Send draft tasks to select reviewers (subject matter experts) to seek their input and help put tasks in impact order - due Jan 16, 2020.
- * Jan 17, 2020 - Send final draft of tasks to RVPs, COI's and Posts for review and to determine what tasks may be missing - due Feb 5, 2020.
- * Feb 5, 2020 - Read Ahead to BOD
- * Feb 14, 2020 - BOD decision/approval of tasks in impact order.
- * Feb 14, 2020 - Distribute approved tasks with new Streamer system to RVPs, COIs, Posts for review - due Feb 28, 2020.
- * Feb 28, 2020 - Read Ahead to XC
- * March 16, 2020 - XC update of Streamers development progress.
- * May 26, 2020 - BOD decision of Streamer system.
- * August 2020 - Primary focus at PLW - assist Posts with developing their 2021 plans to support the implementation of the 2025 Strategic Plan.
- * SBC 2020 - RVP reporting on Post plans and impacts based on new tasks
- * Jan 2021 - New online submission site open
- * Jan - Dec 2021 - Continued input of Streamers by Posts
- * Early 2022 - All input for integrated Annual Report due.