



# SAME Executive Committee Meeting Minutes

1100, Wednesday, Dec. 15, 2021

BOD Position	First	Last	Term	
Chair, Small Business COI	Mario	Burgos	2019-2021	
Elected Director	Sally	Clark	2020-2023	
*Counsel	<del>Craig</del>	<del>Crotteau</del>	2020-2023	
Vice President	Rad	Delaney	2021-2023	
President	Mark	Handley	2021-2022	
Chair, Membership COI	Mike	Huffstetler	2020-2022	
*Treasurer	Allison	Ingram	2020-2023	
Chair, International COI	<del>Chris</del>	<del>Knutson</del>	2020-2022	
Vice President	Sharon	Krock	2021-2023	
President-Elect	Cindy	Lincicome	2021-2022	
Chair, Engineering & Construction Camp COI	Cindy	Miller	2021-2023	
Vice President	Charlie	Perham	2020-2022	
Chair, Leader Development	Caroline	Roberts	2020-2022	
*Chair, Foundation	Hal	Rosen	2020-2023	
*Executive Director/Secretary	Joe	Schroedel	2014-2020	
Chair, Young Member COI	<del>Corey</del>	<del>Weaver</del>	2021-2023	Victoria Mechtly
Reg Vice President, North Atlantic	Carrie Ann	Williams	2020-2022	
Past President	Heather	Wishart-Smith	2021-2022	

\*Non-voting

## Call to Order: 1105 hrs

A quorum was established. Mark Handley, Chair of the XC, called the meeting to order. Joe led the budget presentation to the XC (Encl 1). The Goal 5 discussion was moved to February.

Joe mentioned that the purpose of this meeting and presentation of the National Office Priorities are to ensure that Society resources are aligned with XC direction. Assumptions include: events will all be face-to-face (possibly with virtual components), we are not counting on the PPP for next year, we offer the budget with the understanding that we will close the year out at the end of January and report any changes to the assumptions that we've made. The Investment Committee is being re-set. The new chair is Joe O'Brien. Other members are Jim Works, Tim Byers (Foundation) and Melissa Smith. The XC approves changes to the Investment Policy Guidance (IPG). There are some changes that will be brought to the XC in February: one of our management firms sent an updated contract and there are concerns – will renew or find another firm; RPG has suggested some changes to deal with inflation trends; we are also working on management of the proposed home fund.

## National Office Priorities

The National Office Priorities are the basis for the National Office performance management system. They are rolling priorities. All of the actions we established for the centennial three years ago have all been accomplished. Budget objectives are based on priorities. For 2022, the priorities are:

- Sustain Strategic Plan 2025 Progress
- Operationalize COI's – Deliver IGE Impact.
- Implement EMS – Easier to be Members.
- Grow Foundation Fundraising and SAME Program Impact.
- Implement the Dues Restructure Decision – Cover Cost to Serve.

## The XC approved the 2022 National Office Priorities.

### Discussion

- Primary outcome for Foundation is to grow funds.
- Foundation does fundraising, but Society supports. Society does not drive fundraising effort.

- Is it OK for Foundation to share resources with the Society? Yes, support is classified as a gift. There are things that the Foundation does that supports the Society (fundraising), but there are things that the Society does that the Foundation supports (programs). The relationship ensures that the Society and Foundation are aligned with each other and the strategic plan. Taxes and audit are done jointly.
- The Foundation will have a budget in 2022 for XC approval.

## 2021 Budget Execution

For revenue – if we eliminate the Century House Sale, investment gains, and PPP Loan, the total revenue is \$6,619,000. Expenses being \$6,587,000, we are projecting +\$32,000. We are \$234,000 better than what we expected.

Audit: We had our 6<sup>th</sup> year of unqualified opinion on the audit. They did identify three issues: 401K was a controls situation which has been corrected by outsourcing CFA and Controller functions, the lease standard was determined to be implemented incorrectly, and the AMS related expenses were incorrectly capitalized. All items have been corrected, and none of these issues had an impact on the Society or staff. Joe introduced Daniel Watford, the new outsourced CFA. Daniel has unique experience with Nimble (part of new EMS) as well. The goal is to minimize the amount of manual operation regarding financial management with the new EMS. We will also see a cost savings by outsourcing the CFA and Controller.

Revenue: Advertising continues to increase. We sustained good participation in virtual events through PLW. Saved ~\$30K with office the office move. Membership revenue remains flat. Sustaining membership dues increase begins 1 Jan 2022; full dues structure changes begin 1 Jul 2022.

Expenses: We conducted a market compensation study which produced positive results – our process keeps us in line with the market, competitive and fair. We continue to control expenses, invest in the Society, and invest in major events to produce increased financial return and increased value.

Investment: We are making progress on EMS and have no liquidated investments for initial invoices. Our joint Investment Committee serves both the Society and the Foundation.

Risk: We have set an aggressive budget, continued our long-term perspective, have kept the reserves untouched (which still exceed the industry standard), and completed the national office relocation plan as approved by the XC in November 2019.

## Discussion

- XD had approval to use reserve funds for the EMS system, however, the expense is included in the budget.
- XD also had approval to hire COI managers with reserves. We hired Rob Biedermann which was not budgeted for.
- Savings on expenses allowed the Society to leave the reserves untouched.
- What is the objective on how quickly we close a month? CLA estimates months being closed by the 20<sup>th</sup>.
- Is the 401K match standard? Yes, it is up to 5% which is the maximum allowed.

## 2022 Budget Proposal

2022 Budget goals are to deliver results, deliver the integrated EMS, implement the dues restructuring initiative, and diversify revenue. They are tied directly to the National Priorities. We are currently in the discovery phase with Nimble for the new EMS. We will have a duplicate database, working in tandem to ensure we do not lose information in the migration. We are also working with YM Careers to improve our Job Center. They integrate with Nimble. We are also using Open Water (submission platform); three Posts are using it for their scholarship program. The transition from CV to Nimble will be seamless to the average member. The website will also begin migration soon. Once the website is running, members will have a much easier and more user-friendly experience. The app is a product that will allow members to access all the information they need on the go. Regarding events, food and beverage costs are increasing, in addition to labor and other items. All events in 2022 are planned to be face-to-face or hybrid. There have been no comments from individual members with the dues changes. The plan for SMs is to reach out to companies one on one a few months in advance so that

they understand the changes that are coming. It will be a multi-layered approach. The Programs team now has three senior managers, Jeanine Finton (taking Eddie's place), Steve Taylor and Carl Locus. Steve and Carl are both remote which allowed us to hire them at a lower rate (geographically) than if they were local. In summary, our IGE program is our main effort; we are shifting resources to support. **The XC approved the 2022 Budget.**

Discussion

- What is Multiview? They are a communications partner that sells digital ads. It works like an affinity relationship. They began in April and we've already made \$10K. With the new website, we will have more opportunities to sell advertising. They also have data tracking which produces great ROI for those who advertise.
- Should we put something in TME about the dues and structure changes? We do not recommend putting something in TME. The re-structure may seem complicated to the average member that does not handle their companies sustaining membership. We will be communicating with the SM POC and Posts to ensure people understand.
- Now that we are operating in a hybrid office stature, should we consider giving up space? Not yet. We have executed a staff survey to be able to assess the current state. We will need at least another year to determine.
- Is the Century Book really making that much revenue? No, but the intent was to use it as a tool.
- Has the new 6% COLA been factored into staff increases? We have the resources to cover this. Did the comp survey include the cost of living increase? No, we did it before the number was released, but there is money in the G&A line to cover this for the next pay increase.
- Why is the membership expense increase such a jump? There were some expenses shifted from events to membership due to function. This shift in allocation also shows up some other minor places such as in Post Operations expense increase. If we exclude these shifts, the increases to note are the increases in membership and dues. Also, for meetings, we have to remember that the last in-person event was 2019. So to be in line with industry standards, we are budgeting for a 10% increase from then to 2022.
- Are requests for resources that came in from COIs included in the budget? They don't show up specifically in line items. Yes, they are all included.
- Are we comfortable with the increase in membership if we were predicting some drop-off with the dues changes? This number may change; we do not have sufficient feedback yet from SMs, but much of the drop-off expected would be inactive sustaining member reps (non-dues paying).
- Two biggest risks are membership and events. To what extent can we cut expenses on the events side if needed (unpredictability with COVID, etc...)? How much is variable and how much is fixed? Approximately 65-70% of event costs are variable. The variable costs are being managed to react to the unpredictability.
- Second PPP may not be forgiven because of our increased revenue.

Home Fund Proposal: The XD asked that the XC approve the proceeds from the sale of the Century House be a board designated fund with the purpose of ensuring the Society has a home. He asked that it is not rolled into the reserves. We would invest it and use the dividends to off-set or cover rental expenses. As a "board designated" fund, it would require board approval (after XC approval). The XC agreed with the concept. This action will be re-visited in February to address the "board designated" stipulation.

Discussion:

- Does it need to be approved by the board? It is an operational decision, consistent with other decisions the XC has made regarding the "Society home." We would need to estimate expenses and coincide this with the IPG. We will check on whether or not "board designated" is needed and requires board approval.
- Were there other options explored to use the proceeds? The other option is to put the proceeds in the reserves, but we have excess reserves.
- "Board designated" is not a pool of money, but a pool of equity. This is different than just having a separate set of funds with separate IPG.

## Foundation Board Nominees

### The XC approved the Foundation Board selections for 2021.

The Foundation approved the governance committee's recommendation in November. All nominees were eligible, but the committee presented the top three. The XC must appoint and approve the nominees for their three-year terms beginning in January 2022. Other nominations have agreed to be volunteers. **The XC voted to appoint the nominees as presented.**

- Ron Silva
- John Henderson
- Sally Riker

## Awards Change Proposals (Encl 2)

**The XC approved all criteria changes with the exception of the elimination of the P.E. requirement for the Goethals Medal** which warrants more discussion (see highlight on Encl 2). The XC may approve criteria changes, the BOD approves addition and elimination of awards. Most updates were made to be consistent and increase nominations. Other changes will be presented in February.

### Discussion

- The location of the awards (National Awards web page or other pages) will be revisited in February.
- Are the decisions based on the committee input or input from those who submitted and were not selected? Decisions were made by the committee, mostly due to the lack of nominations.

**Adjourn:** 1305 hrs.

**Addendum:** The XC met virtually on Jan. 19, 2022 to continue their review of the Awards Change Proposals.

The proposal included:

- Sverdrup Medal (Uniformed Young Professional) – Recommend retain but modify the selection criteria to include participation in SAME. This makes the award essentially the same as the Young Professional Award, but for uniformed members. In existence since 1980, there have been 43 nominations in the past 7 years, but only 1 in 2020.
- Tudor Medal (Young Professional) – Recommend retain but modify the selection criteria to include participation in SAME. This makes the award essentially the same as the Young Professional Award for civilian members. In existence since 1966, there have been 26 nominations in the past 7 years.
- Young Professional Medal – Recommend these awards (civilian and uniformed) be discontinued as they replicate the Sverdrup and Tudor Medals. In existence since 2004, there have been 55 nominations in the past 7 years.
- STEM Excellence Post Award – Recommend this award be discontinued. Rationale is that an individual needs to instigate and drive the STEM programs to success. Consistency with removing IGE Post Award to be just an individual award. In existence since 2017, there have been 11 nominations in the past 3 years.
- Industry Government Engagement Award (Post) – Recommend this award be discontinued. Rationale is that an individual needs to drive the engagement and the recognition should be on that individual that instigates and drives the engagement to successful conclusion. This award should be combined with the individual IGE award. In existence since 2018, there have been 7 nominations in the past 3 years but only one in 2020.

**The XC voted to retain the awards as is and re-evaluate in one year.** We can consider adding a note that technical Young Professionals should consider the Tudor or Sverdrup awards and vice versa.

### Discussion:

- Post IGE award is too important to our Strategic Plan to eliminate.
- Should not eliminate awards just because there are few submissions.
- IGE & STEM awards need more time – they were recently instituted in the last several years.

- Individuals who receive the IGE and STEM awards are not necessarily in the Posts that receive the same awards.
- Need to be careful about changing criteria for named awards – the criteria are as such to honor the legacy of the person.
- Need to retain Young Professional Medal for non-technical SAME Young Professionals that may not qualify for the Sverdrup or Tudor awards. Add note in the criteria that technical people should consider the other two awards.



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

Encl 1: Budget Brief

Encl 2: Awards Change Proposal

## ENLOSURE 1

### Briefing Outcomes

- **Obtain approval:**
  - SAME National Office FY 2022 Mission Essential Tasks and Priorities
  - SAME National Office FY 2022 Budget
- **Update:** National Office Reserve Management Plan
  - **Approve:** Home Fund Concept

### Agenda

- **Mission Essential Tasks and Priorities**
- **FY 2021 Budget Execution**
- **FY 2022 Budget Proposal**
- **Reserve Management Plan Update**
- **Summary and Recommendations**

# National Office Mission Essential Tasks and Priorities

## National Office Standing Priorities (since 2014)



Serve “up” and “out”!

*Deeds Not Words!*

NOTE: Last time for this slide ... the last two tasks are complete!!

## 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 ... (Done; July 2021)
13. Conduct special projects to enhance the Centennial: (Century Book) (Done; July 2021)

**2021 National Office Priorities to Support Strategic Plan 2025: - MISSION ACCOMPLISHED**

**FOCUS:** Implementation of Post & COI Annual Plans ... operationalizing COIs and Foundation ... Enterprise Management System ... adapting virtual environment.

1. **Implement Strategic Plan 2025:** Support and monitor the execution of Post and COI annual plans; monitor execution of the new Streamer Program; support the operationalizing of COI's as extensions of the National Office to include staff impacts; strengthen IGE impact; implement value enhancements that result from virtual event lessons learned that apply to face to face events; complete the centennial plan, thrive during the pandemic; achieve 6<sup>th</sup> consecutive unqualified audit opinion; leverage growth in government member participation.
2. **Plan and Implement Member Management System Improvements:** Develop a comprehensive, integrated management system; leverage SAME reserves to benefit members and SAME for the long term; plan and execute the implementation of the EMS while maintaining uninterrupted support; evaluate opportunities to increase support to posts (administration, etc) as EMS requirements.
3. **Grow Foundation Fundraising and SAME Program Support:** Vigorously implement the results of the joint SAME BOD and Foundation Board Task Force in order to significantly increase fundraising and program support (operationalize a productive relationship); support all Foundation fundraising campaigns; continue to provide impactful staff support to the Foundation; increase individual member dues to cover costs to serve members.
4. **Enhance Communications and Marketing effectiveness:** Continue to expand our brand; fully leverage the management system initiative to produce an integrated, leading edge communications capability; continue to emphasize Post events in TME; complete the Century Book including a robust sales plan; complete the Special Edition addendum (Post Celebrations) to the Century Book; further promote member achievements and Sustaining Member support; leverage marketing opportunities that enhance diversification of revenue creatively (sponsorships, sponsored content in web/print, non-traditional partnerships, affinity agreements, etc.).
5. **Complete the National Office Relocation:** complete the sale of the 607 Prince St and determine the best investment of the proceeds from the sale; assess and implement the national office operational concept based on lessons learned from operating virtually during the pandemic.





**2022 National Office Priorities to Support Strategic Plan 2025 (DRAFT):**

**Mission Essential Tasks: Operationalizing COIs ... Implementing the Enterprise Management System ... Growing Foundation Fundraising.**

- Sustain Strategic Plan 2025 Progress:** Sustain support to and evaluation of the execution of Post and COI operations; implement the National Leadership Team engagement Plan; evaluate how to best leverage the benefit of virtual and in-person delivery; continue to develop thought leadership (diversity, equity and inclusion).  
**Outcome:** increase member engagement and impact
- Operationalize COI's:** Build the National Office IGE and Programs Team; expand COI engagement, membership and leadership.  
**Outcomes:** expanded and effective IGE, program and COI management; effective stakeholder integration and management within technical COIs; establish technical COIs portals to expertise.
- Implement the EMS:** Fully implement an integrated system including the AMS, CMS (with App) and Financial Management System legs.  
**Outcomes:** eliminate manual staff labor, increase efficiency of value delivery; serve all levels of SAME; effective outsourced and integrated financial management (including the Foundation)
- Grow Foundation Fundraising and SAME Program Impact:** Routinize the relationship between the Society BOD and the Foundation Board.  
**Outcomes:** clear communications and expectations; effective and transparent BOD procedures for evaluating and communicating requests; effective and transparent procedures for Board evaluation of Society requests and communication of decisions; effective common staff support of the process; effective combined financial management procedures that support fiduciary accountability and return on investments
- Implement the Dues Restructure Decision.** Complete the implementation of the July 2021 BOD dues restructure decision.  
**Outcomes:** treat every member as an individual member (SREP conversion); establish one unique record for each member in our database; more fully recover the cost to serve members; assess the impact of dues changes on: membership, member management and financially.

# FY 2021 Budget Execution

## FY 2021 Budget Execution

Statement of Activities (no Functional Expense Allocation)  
Actuals for the Nine Months ended September 30, 2021 and projections for the three months of October to December 2021

	Actuals			Projection			Total	Budget	Projection to Budget Variance
	Year to Date	October	November	December	November	December			
<b>REVENUE</b>									
Conferences and Meetings	\$ 864		\$ 2,617		\$ 3,481		\$ 3,766	\$ (285)	
Dues	1,575	170	170	178	2,093		2,136	(43)	
Advertising and Publications	646	10	120	10	786		598	188	
Programs	61	1	1	1	65		194	(129)	
Post Operations	16	1	1	1	18		10	8	
Gain (Loss) on Investments	441				441		-	441	
Gain on Sale of Building	1,572				1,572		-	1,572	
Grant (PPP)	331				331		-	331	
Miscellaneous Income	68				68		-	68	
Interest and Dividends	63	15	15	15	108		180	(72)	
<b>TOTAL REVENUE</b>	<b>\$ 5,637</b>	<b>\$ 197</b>	<b>\$ 2,924</b>	<b>\$ 205</b>	<b>\$ 8,963</b>		<b>\$ 6,884</b>	<b>\$ 2,079</b>	
<b>EXPENSES</b>									
<b>Program Services:</b>									
Conferences and Meetings	\$ 264		1,762		2,026		2,385	(359)	
Membership Activities	12	26	26	26	91		317	(226)	
Society Publications and Communications	142	1	34	1	179		206	(27)	
Programs	51	2	2	2	58		255	(197)	
Post Operations	137	25	8	25	195		204	(9)	
<b>Total Program Services</b>	<b>\$ 606</b>	<b>\$ 55</b>	<b>\$ 1,833</b>	<b>\$ 55</b>	<b>\$ 2,549</b>		<b>\$ 3,367</b>	<b>\$ (818)</b>	
<b>Supporting Services:</b>									
Management and General	\$ 3,003	345	345	345	4,038		3,729	309	
<b>Total Supporting Services</b>	<b>\$ 3,003</b>	<b>\$ 345</b>	<b>\$ 345</b>	<b>\$ 345</b>	<b>\$ 4,038</b>		<b>\$ 3,729</b>	<b>\$ 309</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 3,609</b>	<b>\$ 400</b>	<b>\$ 2,178</b>	<b>\$ 400</b>	<b>\$ 6,587</b>		<b>\$ 7,096</b>	<b>\$ (509)</b>	
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 2,028</b>	<b>\$ (203)</b>	<b>\$ 746</b>	<b>\$ (195)</b>	<b>\$ 2,376</b>		<b>\$ (212)</b>	<b>\$ 2,588</b>	
Change in Value of Investments	\$ 441	\$ -	\$ -	\$ -	441		-	441	
<b>NET CHANGE IN NET ASSETS</b>	<b>\$ 2,469</b>	<b>\$ (203)</b>	<b>\$ 746</b>	<b>\$ (195)</b>	<b>\$ 2,817</b>		<b>\$ (212)</b>	<b>\$ 3,029</b>	

Notes: 1. Supporting details up through the September close out were provided to the BOD in Nov.  
2. "Net change in assets" includes market performance up until September 30, 2021.

## FY 2021 Budget Execution "Behind the Numbers"

### Audit

✔ **Financial Statement** – 6<sup>th</sup> consecutive unqualified opinion; audit committee (bylaws) process followed

#### 📄 **401k Issue**

- Monthly contributions not released to Empower (national office mistake)
- Scope: 6 periods, randomly during the 2020, 18 participating staff
- Corrective Action: Staff informed immediately; contributions made; individual portfolios reconstructed
- IMPACT: Participants made whole; No tax implications
- LESSON: modify process; monitor 401k liability accrual

#### 📄 **Lease Accounting Standard Issue**

- New GAAP standard pending; Financial Mgr ignored Treasurer advice, implemented
- New Standard implemented incorrectly
- IMPACT: none

#### 📄 **Capitalization Issue**

- \$52k AMS related expense incorrectly capitalized (planning costs for software initiatives cannot be capitalized)
- IMPACT: none

### Revenue

## FY 2021 Budget Execution "Behind the Numbers"

#### ✔ **COVID Continuation**

- Virtual events through PLW; SBC first in person with virtual participation event (November).
- Forgiven 2020 PPP loan (recognized revenue in 2021 - \$355,000).
- Obtained second PPP Loan (\$312,500; covered 2.5 months labor; not forgiven yet; to be recognized in 2022).
- PPP x 2 contributed to increase in cash position (\$2M now; steady state is \$1M).

#### ✔ **Advertising and Marketing**

- Print advertising surpassed expectations (some SMs shifted resources).
- Online advertising continues to be an area of opportunity.
- Executed nine-month COI pilot initiative (Enlisted/FAM) to identify how to better support and expand COI's (BOD participation helped to execute).

#### ✔ **Improved Virtual Delivery; Leveraged best of in person and virtual for SBC (new future)**

- Sustained good participation in virtual events (through PLW); started to wane (virtual fatigue)
- Maximized return on SBC (in person with virtual participation) – close to 2019 record participation
- Budget Variance: fewer registrants and exhibitors than planned; Positive note: government participation increasing.

#### ✔ **607 Prince Street Building Maintenance Cost (avoidance)**

- 12 Aug – 31 Dec (After sale of 607) – avoided \$7250 per month (savings: ~\$30k)

#### ✔ **Century Book Sales**

- Production Costs (\$25k) recovered (\$28k); Production: 1250 copies
- Sales: 550 copies remain; sold 420; estimate future sales of 200 more (~\$14,000)
- Complementary (investment): 61 to support Foundation Planned Giving Campaign; 125 to SMs; 25 to leadership; 18 to LDP Class)

#### 📄 **Membership Revenue**

- Individual membership continues to be flat - 3% decline in individual membership; slight drop in SM memberships.
- Individual Dues Restructure implemented in 1 Aug (new members), 1 Oct (renewals): renewals received without comment; members with additional posts are maintaining posts and paying the newly instated fee.
- Sustaining membership represents 85% of overall membership revenue (base dues increase 1 Jan 2022; full new dues structure changes 1 Jul 2022).

## Expenses

## FY 2021 Budget Execution "Behind the Numbers"

### ✔ Continued Controlling Expenses

- PTO carry over reduction (240h to 160h); benchmarked excess on 31 Dec 2020 – payout \$38k, Dec 2021 (reduce LT liability).
- National Office size, quality – highly productive, small staff
- Generally (events) we overbudgeted expenses and managed the budget carefully; SBC expenses were higher than expected (inflation).

### ✔ Continued Investing in the Society

- PLW; IC Grant (\$10k); NLT Travel (\$12k); keynote speakers at major events;
- Provided Posts with Go To Meeting licenses at discount price.
- Began building IGE and Programs Staff to support IGE delivery and operationalizing COIs – services laud efforts, responding to IGE focus.
- Cash flowed EMS expenditures (did not execute reserve liquidation authority) – see Reserve Management Plan

### ✔ Completed Unbudgeted Initiatives

- Market Compensation Study (\$10k) – every three to five years; we're on track.
- Finance Outsourcing Assessment (\$9k) – determine best outsource model and system.
- Foundation and SAME Plaques (\$6k) – Founding Board recognition (prompted by passing of Col Bud Griffis); Past President Plaque for office.
- Member Survey (\$10k) – conduct every three years.
- Director Bonus Pool (\$20k) - top of salary band compensation management tool.

### ✔ Continued Investing in Major Events - Increased financial return = increased value

- Continued to invest in Big Marker and other IT refinements to support virtual delivery.
- Continued to invest in high quality keynote speakers (just as successful in virtual environ).
- Continued increasing program quality and education (Call For Presentation process key).

## Investment

## FY 2021 Budget Execution "Behind the Numbers"

### ✔ Joint Investment Committee

- Joint SAME (reserves) and Foundation (corpus) Investment Committee still working well; managing to Investment Policy Guidance (IPG).
- Succession (1 Jan 2022): Melissa Smith joining; Candice Hamilton and Mark Zanardi departing.
- Quarterly reviews are conducted with the investment advisors ([Fiducient](#) and RBC).
- Assessing IPG modification to anticipate and mitigate inflationary pressures.
- Assessing investment of Century House sale proceeds (\$2.07M) to establish *Home Fund*.

### ✔ Investing in new Enterprise Management System (EMS)

- Did not liquidate investments for initial invoices.
  - AMS: Finished Discovery Phase – now confirming Nimble understanding.
  - CMS: Website now in design phase; pacing development to insure total system integration. Continue to host over 80 post web sites; relieve financial costs and provide integration capabilities and tech support.
  - FMS: executed unbudgeted financial management assessment (\$10,000); implemented outsourcing of CFO and controller.

### ✔ Investing in People - Quality National Staff produces significant value

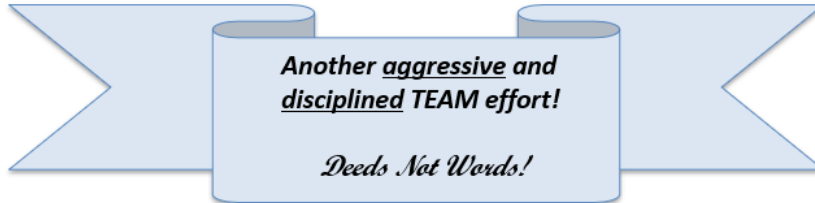
- Maintaining quality office space (rent began Jan 2021); adopted Hybrid Office Policy (retained all office space).
- Sustaining top notch benefits (1.32 burden); equipment, morale, training support; outsourced professional HR and EAP support.
- Sustaining annual salary increase and bonus – Completed new Compensation Market Study in 2021 - competitive with DC area market (compensates 5.9% government COLA for 2022).

FY 2021 Budget Execution  
"Behind the Numbers"

Risk

✓ Managed Risk Well

- Set aggressive budget – focused on quality of program (value) as basis for virtual events; invested in refining delivery capability; planned and executed in person with virtual participation SBC to leverage best of both worlds.
- Continued long term perspective – no quick win mentality – marathon, not sprint.
- Sustained National Office Staff through tough schedule ... compensation; morale; turnover.
- Reserves untouched and reserve still exceeds industry metric for a healthy association.
- Completed the national office relocation plan as approved by the XC in November 2019 (Sale of Century House, Aug 2021).



# FY 2022 Budget Proposal

## FY 2022 Budget Goals

The SAME National Office FY 2022 Budget will contribute to Strategic Plan 2025 by:

- **Deliver Results** by staffing up to support IGE Program Delivery and Operationalizing COI's; sustain event delivery.
- **Deliver the integrated EMS** to set the stage for the future; easier to be members; SAME App interface; enhance member management for Posts, regions and COI's; fully implement new, integrated financial management system (Intacct) and achieve steady state for outsourcing CFO and Controller support.
- **Implement the Dues Restructuring Initiative** to serve members better (all are individual members), better recovery of cost to serve members, and reduce reliance on events revenue.
- **Diversify Revenue** expand and diversify revenue streams (Multiview, etc); maximize return on new Job Center; grow dues paying membership ("billable", active COI members)

## FY 2022 Budget Objectives

- **Revenue:**
  - Assess “in person with virtual participation” format to deliver value (priority) while maximizing profitability
  - Reenergize Tri-Service FM workgroup and FAM efforts; reset FMW for 2023; operationalize FAM COI first (IFMA, APWA ready to support)
  - Pursue initiatives to diversify revenue: Multiview; talent management (Oplign) service concept; marketing ideas; Century Book sales; new Job Center
  - Leverage opportunities to support the Infrastructure Bill (training, business development, educating, advocating)
- **Expenses:**
  - Continue strict management of expenses; monitor and learn nuances of office rental situation
  - Assess impact of Hybrid Office Policy (staff productivity, office utilization, etc.)
  - Maximize value on delivery of EMS contracts – produce intended impacts
  - Continue to look for ways to invest in the Society (NLT Engagement Plan, etc.) to improve member engagement
  - Continue to assess ROI of outsourcing support (HR: \$60k; FM: \$144k; AUDIT/taxes: \$55k; IT: \$84k)

## FY 2022 Budget Objectives

- **Society Investments:**
  - Sustain Joint SAME-Foundation Investment Committee results and succession;
  - Review and adjust as necessary IPG to anticipate and mitigate inflationary trends
  - Fully support Foundation Board fundraising campaigns; refine Foundation budget and corpus management to support SAME programs and corpus growth
  - Mature the Financial Reserve Management Plan; execute authority, report ROI to XC
  - Establish “board designated” Home Fund (\$2.07M) to establish long term options for funding the National Office “home”
- **Risk Management:**
  - Monitor and account for inflationary trends
  - Monitor and account for Dues Restructure impacts (SM dues implementation)
  - Monitor and account for Foundation (trend: 1.5 FTE/year), Grant and other “project” support and management requirements
  - Assess, monitor, adjust as necessary, event format (in person with virtual participation)
  - Monitor COVID health and safety standards by event; remain consistent, but mitigate anticipated financial impacts

## FY 2022 Balanced Budget Overview

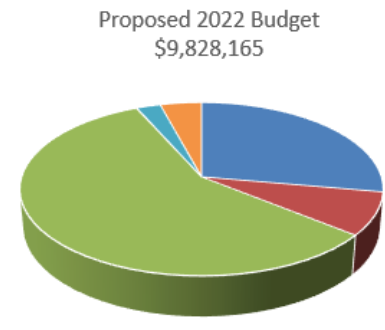
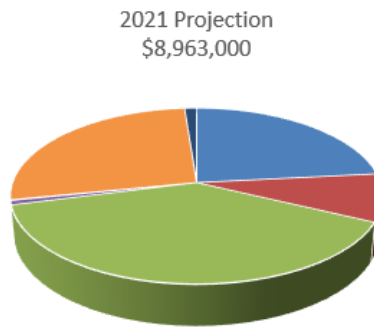
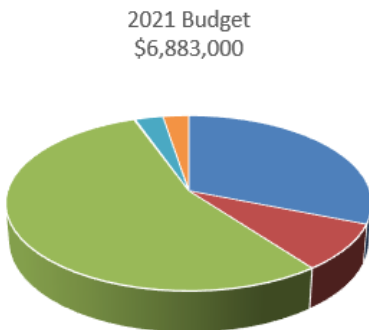
Operational Budget only – no market predictions.

	Actual 2019	Actual 2020	Projected 2021	Proposed 2022
<b>Revenue:</b>				
Membership	2,060,100	2,047,102	2,093,000	2,730,735
Communicators	673,000	714,000	786,000	788,000
Meetings and Events	4,835,000	1,269,000	3,481,000	5,650,830
Post Operations	143,000	28,000	18,000	7,200
Programs(old Continuin Education)	8,000	8,000	65,000	238,900
Other Income		665,000	2,412,000	412,500
Interest and Dividends	171,000	147,000	108,000	
<b>Total Revenue</b>	<b>7,890,100</b>	<b>4,878,102</b>	<b>8,963,000</b>	<b>9,828,165</b>
<b>Expenses:</b>				
Membership	78,000	16,000	91,000	230,010
Communications	212,000	207,000	179,000	251,940
Meetings and Events	3,135,000	527,000	2,026,000	4,546,925
Post Operations	557,000	209,000	195,000	216,738
Programs	4,000	7,000	58,000	376,059
General and Administrative	3,421,000	3,236,000	4,038,000	4,150,316
<b>Total Expenses</b>	<b>7,407,000</b>	<b>4,202,000</b>	<b>6,587,000</b>	<b>9,771,988</b>
Change in Net Assets from Operation	483,100	676,102	2,376,000	56,177

**Overview:**

- Conservative Revenue projections based on trends and 2021 experience.
- Includes 2% inflation hedge on all expenses.
- Track uncertainties and their impacts as we execute.
- Established practice of Quarterly Management Reviews focuses on EOY forecast and adjustments to make budget.

### FY 2022 Revenue By Source

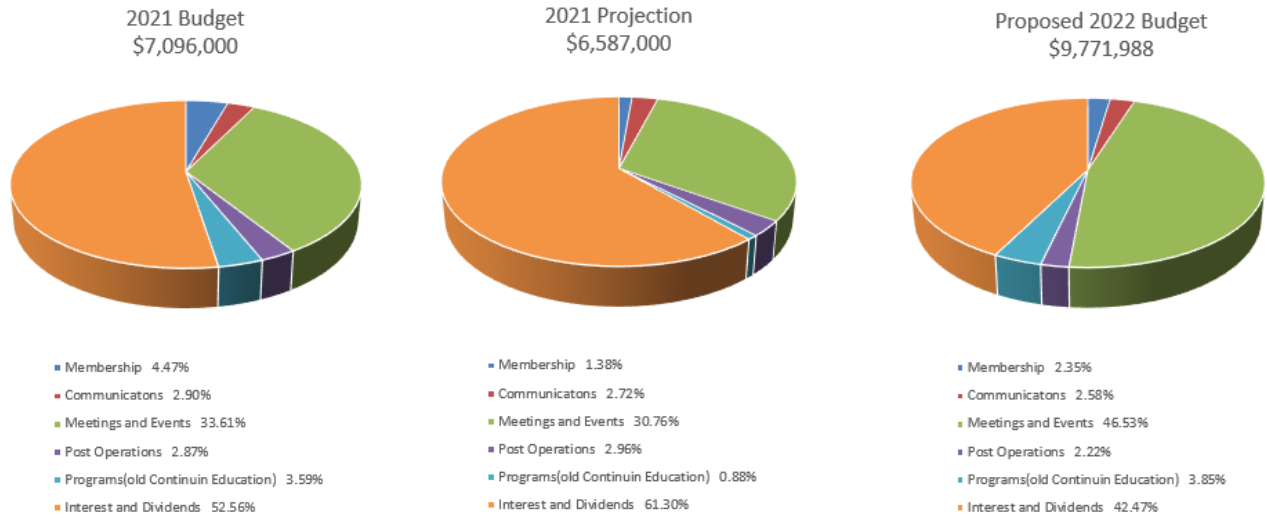


- Membership 31.03%
- Communicators 8.67%
- Meetings and Events 54.71%
- Post Operations 0.15%
- Programs 2.82%
- Interest and Dividends 2.62%

- Membership 23.35%
- Communicators 8.77%
- Meetings and Events 38.84%
- Post Operations 0.79%
- Programs 0.13%
- Other Income 26.91%
- Interest and Dividends 1.21%

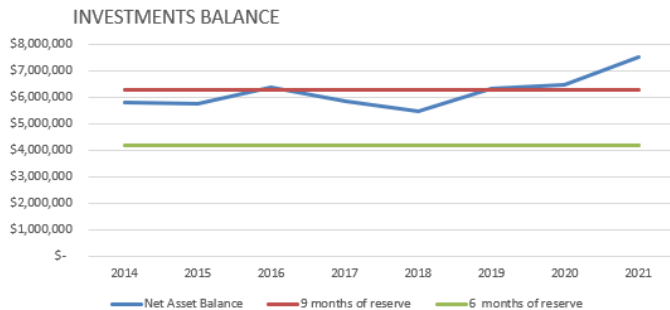
- Membership 27.78%
- Communicators 8.02%
- Meetings and Events 57.50%
- Post Operations 0.07%
- Programs 2.43%
- Other Income 4.20%

## FY 2022 Expenses by Functional Area



# FY 2022 Reserve Management Plan

## SAME's Investments (Reserves)



- **\*Total reserves** are valued at **\$7,552,477** (30 Sept)
- **Target Reserve** = 6 months of FY 2021 Expense Budget = \$4,788,279 (Never go Below)
- **Excess Reserve** = Reserve + Projected Net change in assets (FY21) + Projected Net Change in Assets (FY22) – Target Reserve
- **Excess Reserve** = \$7,552,477 - 212,000 + 56,177 - \$4,788,279 = **\$2,608,375**
- **Growing Reserves:** Continue policy of contributing excess operational funds at year end (need to assess excess cash balance after PPP offset for initial EMS expenditures).

*\*NOTE: Does Not Include \$2.07M Century House proceeds.*

## Existing Reserve Authority (Status)

Purpose	Authority	Amount Liquidated
Centennial Plan TF Budget Execution (2018)	\$250k	\$0
COI Managers (2020)	\$150k	\$0 (PPP Offset)
Enterprise Management System (2020) AMS (Nimble) CMS (Results Direct) *FMS (CLA, Intacct)	NTE \$1M	\$0 (PPP Offset)
* <u>CliftonLarsenAllen</u> LLP		

### EMS Replacement Cost (Estimate)

System Component	Current Annual Cost	First Year Implementation Cost	Total First Year Cost <sup>1</sup>	Paid to Date
AMS	\$ 40,000	\$ 440,000	\$ 480,000	\$ 240,651
CMS (Also APP)	\$ 18,000	\$ 200,000	\$ 218,000	\$ 73,500
Job Center	\$ 0	\$ 40,000	\$ 40,000	\$ 0 <sup>2</sup>
Submittal Module	\$ 0	\$ 40,000 <sup>3</sup>	\$ 40,000	\$ 14,200
Event Module	\$ 85,000	\$ 0	\$ 85,000 <sup>3</sup>	\$ 85,000
Financial Management System	\$ 9,000	\$ 0	\$ 9,000	\$ 9,000
<b>Total</b>	<b>\$ 148,000</b>	<b>\$ 720,000</b>	<b>\$ 868,000</b>	<b>\$ 422,351</b>

Does not currently exist

<sup>1</sup> Total First Year cost includes Implementation cost plus cost of sustaining the existing system through the transition to the new system.

<sup>2</sup> No implementation costs – revenue sharing only.

<sup>3</sup> Current events module provides on-site support and is foreseen to continue regardless of the new AMS but would be integrated.



## FY 2021 Excess Financial Reserve Utilization Plan

### Concept:

- Conduct an annual review of financial reserves to identify excess reserves
- Consider potential use of excess reserves to invest in the Society

### FY 2022 Excess Utilization Plan

- Execute EMS authority (NTE \$1M) as granted by the XC in 2020.
- Reduce the Centennial Budget authority (\$250k) to \$65k to:
  - \$35k for the History Award Banners and Post Centennial Special Issue (not budgeted in FY2022)
  - \$30k for follow on projects to leverage Century Book investment (SAME professional Wikipedia entry (\$6k); SAME history web page – to be integrated with new CMS (est. \$24k)
- Close out COI Manager Authority (\$150k) – PPP offset

### Century House Sale Proceeds (\$2.07M)

- Investment Committee recommendation: add to one of existing funds as a separate Board Designated Fund (separate line; same IPG)
  - Keeps Home Fund purpose separate
  - Allows BOD flexibility to shift purpose if necessary

**Recommend:** Approve concept to establish Home Fund as a “board designated” fund.

**Recommend:** Approve reducing Centennial reserve authority to \$35k to be executed.

## Summary and Recommendations

### Summary:

FY 2021 was a very successful year that set the stage for significant improvements in IGE impact, member and financial management and Foundation growth.

The SAME National Office FY 2022 Mission Essential Tasks, Priorities and Balanced Budget will contribute significantly to SAME’s short- and long-term impact.

### Recommend XC Approval:

- **National Office FY 2022 Mission Essential Tasks, Priorities and Budget** (we confirm 2021 execution after Year End Close Out in January). The tasks and priorities are the basis for the National Office disciplined performance management system. All performance plans are developed and approved by 31 Jan.
- **Concept to establish Home Fund as a “board designated” fund** (Century House sale proceeds; \$2.07M).

### **FY 2022 Excess Financial Reserve Utilization Plan:**

- No new opportunities to utilize excess reserves.
- Execute approved reserve expenditure for EMS.
- Close out prior authority for COI Managers (PPP offset).
- Approve reducing Centennial reserve authority to \$65k to be executed.

## ENCLOSURE 2

Existing Award	Change?	Reason	New Name
Young Professional Medal	Discontinue	Replicated by Sverdrup and Tudor Medals and those are named awards	
STEM Excellence Post Award	Discontinue	Individual generally drives STEM programs to success	
Industry Government Engagement Post Award	Discontinue	Individual generally drives IGE programs to success	
Bliss Medal	Name clarification, modify criteria	to allow more nominees than just educators	Bliss Medal (Post-Secondary Stem)
Goethals Medal	Name clarification, modify criteria	to allow more nominees than just PEs	Goethals Medal (Engineering Construction Excellence)
Sverdrup Medal	Name clarification, modify criteria	to include participation in SAME	Sverdrup Medal (Uniformed Young Professional)
Urbahn Medal	Name clarification, modify criteria	to be participation in SAME instead of requiring to be on COI	Urbahn Medal (Excellence in Architecture)
Walter O. Bachus Gold Medal	Name clarification, modify criteria	to limit only awarding once to any individual	Walter O. Bachus Gold Medal (Lifetime Achievement)
Industry Government Engagement Award (Individual)	Modify criteria	to include process and policy changes as demonstrated	Industry Engagement Award
J.W. Morris Sustaining Member Award (Large Company)	Modify criteria	to separate large/medium firms, to reflect membership changes, firms may not win more than once every 5 years	
Paul R. Smith NCO Medal	Modify eligibility and selection criteria	to match at 3 years and to weigh contributions to military engineering and SAME equally	
Robert B. Flowers Small Business Award	Modify eligibility and selection criteria	to mirror Large and Medium Sustaining Member Awards to reflect membership changes, firms may not win more than once every 5 years	
Seymour S. Greenfield Sustaining Member Award (Medium)	Modify eligibility and selection criteria	to mirror Large and Small Sustaining Member Awards to reflect membership changes, firms may not win more than once every 5 years	
Student Leadership Medal	Modify criteria	to allow more nominees	
President's Medal	Retain but remove from National Awards page	because there are no nominations, based on selection by President and XD	
Toulmin Medal	Retain but remove from National Awards page	because there are no nominations, selected by an editorial committee	
Member Recruitment Champion	Move to COI, remove from National Awards page		
Design Awards	Move to COI, remove from National Awards page		
SBC Large Business Award	SBC Award - Modify criteria	to include more than just federal programs, firms may not win more than once every 5 years	
SBC Small Business Award	SBC Award - Modify criteria	to include more than just federal programs, firms may not win more than once every 5 years	
SBC Business Advocate Award (Individual)	SBC Award - Modify criteria	to allow non-member (SBA rep for example) nominees, remove requirement of being a member of SB COI	
SBC Post Small Business Liaison Officer Award	SBC Award - Modify criteria	to strengthen criteria to more than single events or activities	
Edward C. Gibson Veteran Transition Medal	No change		
STEM Champion Award (Individual)	No change		STEM Champion Award
Post Service Medal	No change		