**Administration and Finance Committee**

**January 14, 2016**

**Newington, CT**

**Meeting Minutes**

In attendance were Chairman Greg Widin, K0GW, Directors Jim Pace, K7CEX, Dr. Jim Boehner, N2ZZ, Dick Isely, W9GIG, Rod Blocksome, K0DAS, Vice Director Mike Lee, AA6ML, Treasurer Rick Niswander, K7GM, President Kay Craigie, N3KN, CEO David Sumner, K1ZZ, CFO Barry Shelley, N1VXY, and COO Harold Kramer, WJ1B. Also in attendance were Controller Diane Middleton, KC1BQF, and IAVP Jay Bellows, K0QB and Directors Bob Vallio, W6RGG, and Tom Frenaye, K1KI.

1. Chairman Widin called the meeting to order at 8:30 am and welcomed everyone.
2. Mr. Widin then distributed copies of the agenda and asked if anyone had any changes or additions to offer. No changes were offered and nothing was removed from the consent agenda at this time.
3. Mr. Widin referred to the minutes of the prior meeting and asked if there were any changes to the minutes as presented for the meeting on November 14, 2015. **Upon the MOTION of, Mr. Niswander, seconded by, Mr. Lee, it was VOTED UNANIMOUSLY to accept the minutes as presented.**
4. CEO Report

Mr. Sumner referred to his written report distributed prior to the meeting and distributed a report on the activities of the Development Department. He reported that the Second Century Campaign pledges and donations continue to come in as anticipated. He also noted that the department performed close to plan with the exception of the Defense Fund which seems to have lost some of its cachet and that The Diamond Club seems to be of more interest due to the benefits.

Mr. Sumner continued, noting that the Legislative initiative fund has grown nicely despite being relatively new. Mr. Pace reported that Director Lisenco had asked if there was the opportunity to move funds in the budget to promote the Legislative Fund. Mr. Sumner responded that the decision is simply an operating decision and can be made by management and any formal action by the Committee would simply tie the hands of management. Mr. Shelley noted that the 2016 Plan did include funds to promote the Legislative Fund. The Committee then had a discussion of the plans for the Legislative fund in the coming year.

Mr. Sumner closed his report by expressing his appreciation for this A&F Committee as the Committee’ composition would likely be changing in the new year.

1. Financial Results

Mr. Shelley began his report by highlighting the organization’s balance sheet. He noted that total assets had grown slightly from the prior year, $26.4 million to $26.6 million. He also reported that cash and investments continue to be a significant portion of the total assets and will defer any comments on the portfolio to Mr. Niswander and his Treasurer’s report. Mr. Shelley continued his remarks by reporting that Accounts Receivable are higher than last year but the aging is good. The Inventory balance has grown since last year likely due to lower sales volume and receipt of two new titles late in 2015 when originally expected in January 2016.

He also highlighted the net asset balances.

Turning to the Income Statement, Mr. Shelley reported that total revenues had been short of expectations, the largest shortfall being in the Centennial results followed by product sales. He also noted that dues were on target and that advertising continued to meet expectations. He reported that the organization had an operating loss of about $450,000 for 2015.

1. ACH status

Ms. Middleton reported that the process of reimbursing volunteers was going smoothly and would be expanded in the near future with an offer to Section Managers.

1. Treasurer’s Report

Mr. Niswander opened his remarks by referring to his written report. He reported that the last two quarters have basically “been a wash” from a portfolio valuation perspective. He also reported that, for the full year, the portfolio missed the benchmark by a slight margin. Mr. Niswander reminded the Committee that the portfolio has a moderate risk, weighted slightly higher to bonds which right now is a good thing and that we must focus on the long term, not day to day fluctuations in the market.

Continuing, Mr. Niswander told the Committee that, for the most part, the economy is improving. However, corporate profits are not expected to get much better so the returns for investors are not likely to improve much.

He reported that the current value of the portfolio is $21.8 million. While referring the Committee to his report which included more detail on the composition of the portfolio by type of investments, he noted that over the last 4 years the overall credit quality of the bond portfolio has improved.

Mr. Frenaye asked how oil will affect the economy. Mr. Niswander responded that oil has become a smaller piece of the overall economy and most companies are benefitting from lower prices with the exception of the oil companies.

Michael Keane, K1MK, joined the meeting at this point.

1. IT Report

Mr. Keane distributed the IT project status report and discussed the updates to the report from the last meeting in November. He noted that the major accomplishment was the delivery of the work for the National Parks on the Air operating event. He also reported that work continued on the specification process of the Membership and Subscription module revision in AIS. He noted that they were on schedule for delivering the Education project in the first quarter of 2016 and work was being finalized for advertising on the LoTW web pages.

Continuing his report, Mr. Keane told the Committee that the final work on the DMZ (firewall) was being scheduled. He noted that the IT Department was in a better position going into 2016 than in past years to execute the majority of the projects scheduled for the coming year. He also noted that LoTW is coming to a point in its evolution that we are in a position to look forward to new things. Mr. Widin then told the Committee that, while it may be tempting to say we’re finished with the technical debt in LoTW, it’s not finished quite yet and there is still work that needs to be completed.

Mr. Niswander asked about the DMZ project and its completion. Mr. Keane responded that there were two more overnight sessions required to complete it. Mr. Isely asked about the co-location site for LoTW and Mr. Keane responded that it was in Massachusetts and the systems would be running simultaneously. Mr. Frenaye asked about one connection to the outside world and one firewall. Mr. Keane noted that there were two physical firewalls in fail-over mode and that it is a manual operation to switch lines. Mr. Lee asked about multi-homing and Mr. Keane responded that it was possible but expensive for us.

Mr. Pace asked about the progress of the Field Organization project. Mr. Shelley noted that the problem is getting the field to submit enough test data. He also reported that the IT Department was working on the external reports. He noted that Field Services has been encouraged to expand the testers. Mr. Pace offered his Division as another group to provide test data.

Dr. Boehner asked about the opt-in policy for new members relative to Division and Section email notifications. Mr. Sumner responded that staff would research the specifics and report back. Mr. Lee mentioned new spam laws that might apply as well.

1. IT Policies Statement

Mr. Shelley began his report by referring to the draft policies that had been distributed prior to the meeting. He discussed the draft as a needed document for employees and new employees and that this was a first attempt to document codify what had previously not been organized. He noted that the draft was based on a document provided by Rehman Technologies free of charge and had been modified to meet ARRL’s needs. Mr. Sumner expressed a concern that the current document doesn’t allow the use of a thumb drives as he felt it was unreasonable and not practicable. Mr. Shelley reiterated that it is a draft and will continue to be refined including that policy.

1. COO Report

Mr. Pace asked about the status of the process for ordering and sending Centennial QSL cards. Mr. Kramer noted that the cards have been ordered and some delivered to HQ. He also noted that this should have been done sooner. He also showed the Committee a display of the card designs.

The Committee took a break from 9:45 am to 10:00 am. Mr. Bellows left the meeting at this point.

1. Chief Executive Officer Search Committee

The CEOSC report was removed from the consent agenda at the request of Mr. Pace. He began his report to the Committee by describing the process for reviewing and selecting the final candidates. He reported that approximately 80 resumes had been received, which the CEOSC had pared down to about 20 people who were interviewed via phone by two separate members of the Committee. There was then a third, more intense follow-up interview by one additional CEOSC member. He reported that the 3 finalists had been interviewed in person the day before and that the CEOSC would be presenting the list of finalists with the CEOSC’s recommendation to the Board. He reported that they planned to introduce the primary recommended candidate to the Board on Thursday night. Mr. Pace then acknowledged the contributions of Messrs. Niswander, Woll, Roderick and Buxton as contributors to the process, specifically the work of the Buxton Group. Mr. Widin thanked Mr. Pace for all his efforts since he took up the Chairmanship of the CEOSC. Mr. Sumner noted that, after participating in the face-to-face interviews, he strongly endorses the candidate.

1. LoTW Study Committee

The LoTW Study Committee report was removed from the consent agenda at the request of Mr. Pace. Mr. Widin referred to the written report of the Committee distributed prior to the meeting. In his oral remarks he noted that the number of negative comments on the LoTW group on Yahoo has gone down significantly and that the system downtime has improved dramatically. He also noted that the operations have gotten much better. He praised the work of Mr. Keane and his staff as well as that of Rick Murphy, K1MU. He reported that the identified technical debt is not completely erased but there is a list and it is discussed at monthly meetings.

Mr. Widin then discussed the possibility of integrating LoTW with other organizations and that the overall goal is for LoTW to be the #1 source of Amateur Radio contact verification world-wide. He noted that at the recent Committee meeting future enhancements for the system had been discussed. He reported that he had been in conversation with ClubLog and there was interest on their part to work together in the future.

Mr. Kramer noted that Debra Jahnke, K1DAJ, has been successful in selling the newly created ad space on the LoTW pages. In response to a question from Mr. Blocksome, Mr. Kramer noted that ad rates for LoTW pages were a little higher than the main web site. Mr. Lee asked about how the League is selling ads for LoTW, are we selling through an agency or direct? Mr. Kramer responded that it was direct. Mr. Niswander noted that we already know our customers. Mr. Lee responded that there are now more opportunities to be had through agencies.

Mr. Bodson joined the meeting during this discussion.

1. 2016-2017 Plan

Mr. Widin asked if there were any other questions about the Plan, noting that this Committee had already recommended this Plan to the Board. Mr. Pace asked about any possible adjustments to the Plan. Mr. Shelley noted that while membership at the end of the year had been higher than anticipated in the dues estimate for 2016, he would not recommend changing the estimated dues income. Mr. Isely then recounted a personal experience about selling many three year memberships at the end of the year.

Mr. Frenaye noted his concern about the lack of specific plans to attract new hams to the Amateur Radio Service. He reported that this was emphasized at the recent New England Division cabinet meeting. He reported that the Field is concerned about the lack of efforts in this regard and, in some cases, people were not even aware of where to turn at HQ for resources/help to do so. Mr. Widin noted that all three of the CEO candidates interviewed the prior day mentioned this issue and that the final recommended candidate felt very strongly on that subject. Mr. Sumner commented that metrics had also been a significant discussion of the implementation of the Strategic Plan. He also noted that there were many more new hams in 2015 than we had planned.

Mr. Roderick joined the meeting during this discussion.

1. Old Business
2. Round-up Committee

Dr. Boehner began his remarks by reminding the Committee about the discussion held at the July meeting, noting the verbal proposal by Vice Director Stratton. He reported that the sub-committee studied two areas relative to the proposal, 1) practical operational issues and 2) regulatory and reporting issues. He noted that discussions with the League’s auditors revealed issues with nexus and, more importantly, regulatory reporting issues. He told the Committee that State registrations were identified as a specific issue as part of the discussions as regulations varied by state and would likely be costly to track. He reported that, based on the reports on these issues, Vice Director Stratton had elected to withdraw the proposal. The A&F Committee then decided not to pursue the proposal further at this time and that the sub-committee was discharged.

1. Division budget allocations

Mr. Blocksome began his report by reviewing the history of the issue and referred the Committee to the written report. He reported that the sub-committee had reviewed 6 different approaches to recalculating Division budgets. He told the Committee that it was the consensus of the sub-committee to recommend a method that includes a base amount ($2,500 or $5,000) with an additional amount based on members and density.

Mr. Shelley noted that most of the Divisions don’t spend the total of the current budgeted amount each year. After a lengthy Committee discussion of the details of the various options, the Committee decided to approve option 6b as noted in the report (attached to these Minutes).

**Upon the MOTION of Mr. Isely, seconded by Mr. Pace, it was UNANIMOUSLY VOTED to accept option 6B as proposed in the sub-committee report, for computing Division budgets beginning in 2016.**

It was discussed that the impact on the 2016 budgeted spending presented in the 2016 Plan is estimated to be an additional $20,000.

1. Data Request Policy

Mr. Shelley referred to the written report distributed prior to the meeting regarding data requests to staff from authorized individuals (copy attached to the Minutes). The Committee had a short discussion of the subject and agreed with the policy.

**Upon the MOTION of MOTION of Mr. Pace, seconded by Mr. Isely, it was UNANIMOUSLY VOTED to accept the recommended policy as recommended by staff.**

Mrs. Craigie asked how the policy would be distributed to the staff and Mr. Shelley replied that everyone will know about this policy. It was explained it would be taken up at a Manager meeting on Monday, 2/1.

The Committee recessed for lunch at 11:45 am, reconvening at 1:05 pm.

1. ARRL Operating Reserves

Mr. Niswander began his report by referring to the sub-committee report that was distributed to the Committee prior to the meeting. He noted that the report recommends a procedure for evaluating the operating reserves of the organization going forward. He reported to the Committee that good practice in the not-for-profit world is to have 3-6 months of unrestricted assets in reserve. Mr. Niswander also recommended that we monitor the levels of the unrestricted assets and, if in the future we want to set a particular level of reserves, then consider a formal policy at that time. He also recommended that there be internal procedures to monitor and report annually to the Committee and the Board.

Mr. Sumner agreed that we should review this over some period of time before recommending a policy. He noted that, generally, not-for-profits have different types of revenue sources than does the ARRL. He opined that the ARRL has more stable revenue sources than the standard not-for-profit organization and may not need as much held in reserves. He also noted that the organization had been strong financially and hadn’t needed to borrow money since the 1970’s. Mr. Niswander noted that the reserves in the ARRL may be needed in the future for spectrum and other legislative issues.

It was decided that the sub-committee report would be attached to the minutes of the meeting.

**It was MOVED by Mr. Isely, seconded by Mr. Pace, that the conclusions contained in the sub-committee report be ACCEPTED and ENDORSED for implementation.**

Messrs. Lisenco and Bellows entered and Mr. Roderick left during this discussion.

1. New Business
2. Web site redesign

Mr. Widin began the discussion by opining that a plan is needed to proceed with this project. Mr. Sumner recommended starting at a higher level prior to delving into the issues of design and functionality. He offered that the question of member (user) interaction and the experience we intend needs to be answered first. He suggested that there is a need to bring in a professional consulting team to help with the project. Mr. Widin agreed.

Mr. Shelley offered that we need to know what we want to do with the website before beginning the detail work and what the agreed end point is. He noted that in the case of the ARRL, the website is a lot of things to a lot of different constituencies. Also, he noted that we need to make sure the technology fits the solution this time. He offered that we may need two teams, content and programming, working together to accomplish the finished product. He also concurred that there is no one on staff that can lead this project.

Mr. Lee noted that nothing we’re planning to do is going to be ground breaking and that was good news. He suggested that the organization not look at the end product but look at what we need to do with the website and how a particular technology will fit into our needs. He offered that the ARRL is a content repository. He suggested that similar organizations like the New York Time, New Yorker magazine, The Atlantic, and the Weekly Standard would all be good examples, as they have 50+ years of content, which is their strength.

Mr. Niswander opined that we need to start the process sooner rather than later. Mr. Widin asked how we would find a consultant. Mr. Frenaye recommended that the first part of the process is the content and what are you trying to achieve. Mr. Lee noted that good consultants in this field can cost up to $1,000 per day. He opined that the organization needed a very savvy media consultant (newspaper/magazines) with credibility in marketing and public relations. Someone grounded in current technologies, internet ads, multi-media etc. He also recommended someone who knows publishing. Mr. Niswander opined that we should not skimp on the front end expenditures.

Mr. Sumner offered that the ARRL is an association who does publishing, not solely a publisher. He opined that the ARRL is driving many different constituencies and suggested looking at successful association web sites (e.g. AOPA). Mr. Lee offered that association centric consultants are weak in media savvy, etc.

Mr. Lee offered that he would like to participate as the organization moved forward with this project. Mr. Widin offered that he would make sure the new Chairman was made aware of this issue and the need to get this project going sooner rather than later.

1. Prior to adjournment, Mrs, Craigie noted that another issue which has been detailed in the General Counsel’s report was the handling of members’ money by the incoming QSL bureaus. She wanted to highlight the issue for the Committee as a future topic. Mr. Bellows reported that the Programs and Services Committee was looking at this as well and this may be more of a risk analysis than a legal issue.
2. The Committee dissolved into a Committee of the Whole at 1:40 pm to discuss a personnel matter.
3. **At 2:00 pm the Committee arose from the Committee of the Whole and upon the MOTION of Mr. \_\_\_\_\_\_\_\_\_\_\_, seconded by Mr. \_\_\_\_\_\_\_\_\_\_\_, they VOTED to ADJOURN.**
4. Appendices attached to these Minutes:
5. Appendix A - Report of the Round-up sub-committee
6. Appendix B - Report of the Division budget sub-committee
7. Appendix C - Report of the Operating Reserves sub-committee
8. Appendix D - IT Project Statues Report – January, 2016
9. Appendix E - Data Request Policy

**Report of the “Round UP” committee to the ARRL Administration and Finance Committee, January 2016**

At the July A&F meeting, Vice Director Stratton (West Gulf) presented a verbal proposal of a process that could potentially add revenues to the ARRL. This was based on a process used by an organization called Midway USA ([www.midwayusa.com](http://www.midwayusa.com) ), a firearms dealer, who offers their customers the ability to “Round Up” the totals on their invoice to the next dollar. For example, if their invoice comes to $47.19, the customer would be charged $48, and $.81 would be collected for a future donation to the NRA Political Action Committee. Mr. Stratton was of the opinion that this could be applicable to the ARRL. He informally contacted a number of Amateur Radio vendors, and stated the vendors gave him a very positive response to the idea.

Director Widin (Dakota), Chair of A&F, appointed a subcommittee to research the matter. Committee members included Director Jim Boehner (Roanoke) Chairman, Director David Woolweaver (West Gulf), Director Rod Blocksome (Midwest), Vice Director John Stratton (West Gulf), and Deb Jahnke- Sales Manager Advertising and Billing Services-ARRL HQ.

There were two broad areas for the committee to assess. The first concerned practical aspects of implementation and interaction with dealers. The second revolved around tax and legal issues of soliciting and collecting contributions.

Although initially looking at the process very positively, the committee immediately raised a number of implementation concerns. These were: 1) whether dealers were willing to modify their billing software to accommodate this process or even expect ARRL to provide modified billing software; 2) whether they would expect something from the ARRL in return such as reductions in QST advertising rates; 3) whether this could incur a tax liability for our vendors or for us; and 4) whether we needed a formal agreement with each vendor.

Concerning tax and legal issues, Barry Shelly CFO was asked to contact the ARRL’s accountants/auditors, Cohn Reznick for an opinion on the process. His report is paraphrased below. Main points included 1) donation reporting limits and acknowledging donations 2) Nexus issues and 3) State Registration.

First, the IRS requires an organization to formally acknowledge to the donor and report donations over $250 annually. This would not seem to be an issue.

Second, regarding nexus, which is the term for creating a legal presence in a particular state or jurisdiction, the discussion was wide ranging. In summary, under the strictest definition of nexus, the tax advisor suggested that by the simple creation of this program and, in effect, asking the radio stores to act as our agents for collecting the donations, we could be creating nexus in those particular states. Should we create nexus in a particular state or jurisdiction, we would be required to charge sales tax in that state or jurisdiction on our sales, such as ARRL publications. This may or may not be a problem. It would be unlikely, given the expected volume of donations, that this program might ever hit a state’s radar for nexus.

Third, State registration for charitable solicitations, however, is a much bigger issue than nexus. At the present time, the ARRL only does direct solicitation from members; in other words, individuals with whom we have a relationship. Under current regulations, we are allowed to do this without having to register with any particular state and we do not have to pay annual fees or complete annual filings. However, with this process, we would effectively be soliciting from the general public, which would change this dynamic considerably.

Each state has its own unique set of requirements for when a charity has to begin filing and reporting its solicitation efforts. In some states, the threshold for contributions is high (around $25,000 annually). Others require registration from the first dollar collected. For example, California is a state that requires registration and fees when you begin collecting any amount of donations from the public. This would be a huge administrative burden for the ARRL to undertake. Large national, charitable operations usually engage outside firms to track all the state registration regulations and meet the annual filing and fee requirements.

Mr. Shelley’s concern is that the cost is likely to be more than the program would bring in, particularly in the early years. It should also be noted that, once the organization is required to register for charitable solicitation purposes, the likelihood of a state pushing a claim under an argument of nexus will increase.

After Mr. Shelley’s report was distributed to the committee, the original presenter of the proposal, Mr. Stratton, withdrew the Round-up proposal from further consideration. . As a result, many of the concerns cited here remain without resolution, and would still remain relevant if this or a similar concept was again proposed.

The Subcommittee was thanked for its time and effort in considering this proposal.

Respectfully Submitted,

James Boehner N2ZZ
Round-up Subcommittee Chair
Director, Roanoke Division

ARRL Directors' Division Budget Allocation Study

Report to the Administration and Finance Committee

by Rod Blocksome, Jan. 10, 2016

Background

The issue of annual budget allocations to each division was discussed at the A & F Committee meeting held Nov. 14, 2015. Jim Pace outlined the issue for the committee and I presented a proposed process based on the previous year's average of actual expenditures plus a fixed percentage for each division. In the ensuing discussion, several comments and alternatives were put on the table. Chairman Widen asked me to form a working group of two additional people to analyze the various proposals and report back at the next A & F Committee meeting scheduled for Jan. 14, 2016. I asked directors Frenaye and Isely to serve on the working group and they accepted.

Working group tasks

1. Gather proposed budget allocation methods
2. Model each proposal
3. Evaluate each proposal by listing Pros and Cons of each
4. Submit written report to A & F Committee by Jan. 8, 2016

List of Budget Allocation Methods to Consider

Note: In each method, the current option for a director to request a justifiable change to his budget by the A&F Committee would remain in effect.

1. Make No Changes (default position)
	1. Continue with current budget amounts
2. Actuals Averaged Plus a Fixed Percentage (Blocksome)
	1. A&F sets total division budget each year
	2. Compute average expenditures last 3-years for each division
	3. A&F establish new total budget which determines percentage increase above 3-year average for each division.
3. Fixed Amount per Member Plus Fudge Factor (Sumner)
	1. $1.00/member mentioned
	2. About $174K total budget mentioned
	3. "Fudge Factor" could be the percentage increase of $174K over actual expenditures
4. Each Director States Required Amount (Isely)
5. Add 20% to each Division's Current Budget (Frenaye)
6. Use the member population density formula used to establish Section Manager Budgets but adapted to the Divisions. Each division budget = member density factor + base amount. (Frenaye)
	1. Base amount = $2,500
	2. Base amount = $5,000

Recommendation

The working group's recommendations are:

1. Method 6 be adopted, with a stated fixed base amount, and sent to the full board in the form of a motion.

2. Method 1 (Make No Changes) should not be adopted.

Respectfully Submitted,

Rod Blocksome, K0DAS

Director, Midwest Division

Tom Frenaye, K1KI

Director, New England Division

Dick Isely, W9GIG

Director, Central Division

**Reference Information - 5-Year Actuals for each Division**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ARRL Division** | **2010** | **2011** | **2012** | **2013** | **2014** |
| Atlantic | $12,352  | $12,149  | $12,150  | $10,950  | $12,151  |
| Central | $5,009  | $4,960  | $6,123  | $3,952  | $3,880  |
| Dakota | $1,585  | $3,552  | $3,574  | $2,545  | $1,663  |
| Delta | $7,905  | $5,803  | $8,135  | $7,725  | $9,780  |
| Great Lakes | $4,456  | $7,823  | $5,251  | $7,757  | $4,424  |
| Hudson | $3,427  | $6,787  | $9,714  | $8,869  | $6,169  |
| Midwest | $4,309  | $7,200  | $4,437  | $3,205  | $2,822  |
| New England | $4,531  | $5,310  | $5,200  | $5,837  | $4,414  |
| Northwestern | $4,711  | $6,444  | $7,876  | $10,838  | $11,891  |
| Pacific | $6,157  | $5,971  | $6,668  | $6,737  | $7,044  |
| Roanoke | $11,448  | $10,693  | $10,633  | $10,961  | $7,575  |
| Rocky Mountain | $1,454  | $3,516  | $5,741  | $6,180  | $5,843  |
| Southeastern | $11,379  | $11,662  | $9,544  | $8,216  | $9,428  |
| Southwestern | $11,489  | $9,788  | $8,615  | $12,240  | $13,007  |
| West Gulf | $8,114  | $9,478  | $8,433  | $8,555  | $9,097  |
|  |   |   |   |   |   |
| **TOTAL** | **$98,326**  | **$111,136**  | **$112,094**  | **$114,567**  | **$109,188**  |

**Reference Information - 3-Year Actuals for each Division**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ARRL Division** | **2012** | **2013** | **2014** | **3-Yr Avg** | **Current Budget** |
| Atlantic | $12,150  | $10,950  | $12,151  | $11,750 | $12,150 |
| Central | $6,123  | $3,952  | $3,880  | $4,652 | $6,750 |
| Dakota | $3,574  | $2,545  | $1,663  | $2,594 | $4,050 |
| Delta | $8,135  | $7,725  | $9,780  | $8,547 | $8,920 |
| Great Lakes | $5,251  | $7,757  | $4,424  | $5,811 | $10,800 |
| Hudson | $9,714  | $8,869  | $6,169  | $8,251 | $8,550 |
| Midwest | $4,437  | $3,205  | $2,822  | $3,448 | $7,200 |
| New England | $5,200  | $5,837  | $4,414  | $5,150 | $8,280 |
| Northwestern | $7,876  | $10,838  | $11,891  | $10,202 | $13,577 |
| Pacific | $6,668  | $6,737  | $7,044  | $6,816 | $12,600 |
| Roanoke | $10,633  | $10,961  | $7,575  | $9,723 | $10,800 |
| Rocky Mountain | $5,741  | $6,180  | $5,843  | $5,921 | $6,850 |
| Southeastern | $9,544  | $8,216  | $9,428  | $9,063 | $14,400 |
| Southwestern | $8,615  | $12,240  | $13,007  | $11,287 | $14,050 |
| West Gulf | $8,433  | $8,555  | $9,097  | $8,695 | $9,550 |
|  |   |   |   |  |  |
| **TOTAL** | **$112,094**  | **$114,567**  | **$109,188**  | **$111,950** | **$148,527** |

**Method 1 - Make No Changes (default position)**

|  |  |  |
| --- | --- | --- |
| **ARRL Division** | **Current Budget** | **Inc (Dec) Compared to Current Budget** |
| Atlantic | $12,150 | $ 0 |
| Central | $6,750 | $ 0 |
| Dakota | $4,050 | $ 0 |
| Delta | $8,920 | $ 0 |
| Great Lakes | $10,800 | $ 0 |
| Hudson | $8,550 | $ 0 |
| Midwest | $7,200 | $ 0 |
| New England | $8,280 | $ 0 |
| Northwestern | $13,577 | $ 0 |
| Pacific | $12,600 | $ 0 |
| Roanoke | $10,800 | $ 0 |
| Rocky Mountain | $6,850 | $ 0 |
| Southeastern | $14,400 | $ 0 |
| Southwestern | $14,050 | $ 0 |
| West Gulf | $9,550 | $ 0 |
|  |  |  |
| **TOTAL** | **$148,527** | **$ 0** |

|  |  |
| --- | --- |
| **PROS** | **CONS** |
| **Easiest to implement of all options** | **Does not address the issue of "too small a budget" raised by some directors** |

**Method 2 - 3-Year Average Plus a Fixed Percentage (Blocksome)**

**Table shown is Actual 3-Year Avg. + percentage increase based on bottom line budget**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ARRL Division** | **Current Budget** | **3-Yr. Avg. + 32.7% = Current Budget** | **3-Yr. Avg. + 55.4% = New Budget** | **Inc (Dec) Current Budget vs. $174K Budget** |
| Atlantic | $12,150 | $15,600 | $18,250 | $6,100  |
| Central | $6,750 | $6,200 | $7,250 | $500  |
| Dakota | $4,050 | $3,450 | $4,050 | $0  |
| Delta | $8,920 | $11,350 | $13,300 | $4,380  |
| Great Lakes | $10,800 | $7,700 | $9,050 | ($1,750) |
| Hudson | $8,550 | $10,950 | $12,800 | $4,250  |
| Midwest | $7,200 | $4,650 | $5,400 | ($1,800) |
| New England | $8,280 | $6,850 | $8,000 | ($280) |
| Northwestern | $13,577 | $13,550 | $15,850 | $2,273  |
| Pacific | $12,600 | $9,050 | $10,600 | ($2,000) |
| Roanoke | $10,800 | $12,900 | $15,100 | $4,300  |
| Rocky Mountain | $6,850 | $7,850 | $9,200 | $2,350  |
| Southeastern | $14,400 | $12,000 | $14,100 | ($300) |
| Southwestern | $14,050 | $15,000 | $17,550 | $3,500  |
| West Gulf | $9,550 | $11,550 | $13,500 | $3,950  |
|  |  |  |  |  |
| **TOTAL** | **$148,527** | **$148,650** | **$174,000** | **$25,473** |

|  |  |
| --- | --- |
| **PROS** | **CONS** |
| **Consistent formula based on actual average expenses of each division** | **Five divisions will take a "hit" compared to current budget** |
| **Self-adjusting as circumstances change going forward** | **A 17.2% total budget increase** |
| **A&F controls bottom line budget total** |  |

**Method 3 - Fixed Amount per Member Plus Fudge Factor (Sumner)**

**Table shown is $1.00/member + 9.8% = New Budget. (9.8% is $174,050/$148,527)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ARRL Division** | **Current Budget** | **Members****a/o Oct 2015** | **New****Budget** | **Inc (Dec) Compared to Current Budget** |
| Atlantic | $12,150 | 13,834 | $15,200 | $3,050  |
| Central | $6,750 | 11,184 | $12,300 | $5,550  |
| Dakota | $4,050 | 3,466 | $3,800 | ($250) |
| Delta | $8,920 | 7,569 | $8,300 | ($620) |
| Great Lakes | $10,800 | 12,759 | $14,000 | $3,200  |
| Hudson | $8,550 | 6,457 | $7,100 | ($1,450) |
| Midwest | $7,200 | 7,216 | $7,950 | $750  |
| New England | $8,280 | 9,462 | $10,400 | $2,120  |
| Northwestern | $13,577 | 12,382 | $13,600 | $23  |
| Pacific | $12,600 | 11,181 | $12,300 | ($300) |
| Roanoke | $10,800 | 12,997 | $14,300 | $3,500  |
| Rocky Mountain | $6,850 | 7,426 | $8,150 | $1,300  |
| Southeastern | $14,400 | 15,995 | $17,550 | $3,150  |
| Southwestern | $14,050 | 13,531 | $14,850 | $800  |
| West Gulf | $9,550 | 12,979 | $14,250 | $4,700  |
|  |  |  |  |  |
| **TOTAL** | **$148,527** | **158,438** | **$174,050** | **$25,523** |

|  |  |
| --- | --- |
| **PROS** | **CONS** |
| **Provides an incentive for membership recruitment** | **A budget decrease for 4 Divisions** |
|  | **A 17.2% total budget increase** |
|  | **Could be viewed as a negative for members in sparsely populated areas** |

**Method 4 - Each Director States Required Amount (Isely)**

|  |  |  |  |
| --- | --- | --- | --- |
| **ARRL Division** | **Current Budget** | **New Budget** | **Inc (Dec) Compared to Current Budget** |
| Atlantic | $12,150 | (Fill in Amount) | (TBD) |
| Central | $6,750 |  |  |
| Dakota | $4,050 |  |  |
| Delta | $8,920 |  |  |
| Great Lakes | $10,800 |  |  |
| Hudson | $8,550 |  |  |
| Midwest | $7,200 |  |  |
| New England | $8,280 |  |  |
| Northwestern | $13,577 |  |  |
| Pacific | $12,600 |  |  |
| Roanoke | $10,800 |  |  |
| Rocky Mountain | $6,850 |  |  |
| Southeastern | $14,400 |  |  |
| Southwestern | $14,050 |  |  |
| West Gulf | $9,550 |  |  |
|  |  |  |  |
| **TOTAL** | **$148,527** |  |  |

|  |  |
| --- | --- |
| **PROS** | **CONS** |
| **All directors are happy** | **A&F lose control of total budget amount - but could control total by "trimming" director budget requests - but would likely lead to inflated initial requests** |

**Method 5 - Add 20% to each Division's Current Budget (Frenaye)**

|  |  |  |  |
| --- | --- | --- | --- |
| **ARRL Division** | **Current Budget** | **New Budget** | **Inc (Dec) Compared to Current Budget** |
| Atlantic | $12,150 | $14,600 | $2,450  |
| Central | $6,750 | $8,100 | $1,350  |
| Dakota | $4,050 | $4,850 | $800  |
| Delta | $8,920 | $10,700 | $1,780  |
| Great Lakes | $10,800 | $12,950 | $2,150  |
| Hudson | $8,550 | $10,250 | $1,700  |
| Midwest | $7,200 | $8,650 | $1,450  |
| New England | $8,280 | $9,950 | $1,670  |
| Northwestern | $13,577 | $16,300 | $2,723  |
| Pacific | $12,600 | $15,100 | $2,500  |
| Roanoke | $10,800 | $12,950 | $2,150  |
| Rocky Mountain | $6,850 | $8,200 | $1,350  |
| Southeastern | $14,400 | $17,300 | $2,900  |
| Southwestern | $14,050 | $16,850 | $2,800  |
| West Gulf | $9,550 | $11,450 | $1,900  |
|  |  |  |  |
| **TOTAL** | **$148,527** | **$178,200** | **$29,673** |

|  |  |
| --- | --- |
| **PROS** | **CONS** |
| **All directors are happy** | **A total budget increase of 20%** |
| **Quick and easy** |  |

**Method 6 - Section Manager Formula (Frenaye)**

**Data for Method 6:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ARRL Division** | **Sq. Miles** | **Members** | **Density****(mem/1k mi2)** | **Category** | **Member****Amount** |
| Atlantic | 97,061 | 13,824 | 142 | D | $9,124 |
| Central | 146,003 | 11,147 | 76 | D | $7,357 |
| Dakota | 224,800 | 3,475 | 15 | C | $2,676 |
| Delta | 184,836 | 7,493 | 41 | C | $5,770 |
| Great Lakes | 137,627 | 12,709 | 92 | D | $8,388 |
| Hudson | 14,953 | 6,411 | 429 | E | $3,206 |
| Midwest | 283,332 | 7,200 | 25 | C | $5,544 |
| New England | 63,014 | 9,465 | 150 | D | $6,247 |
| Northwestern | 961,329 | 12,215 | 13 | B | $12,704 |
| Pacific | 219,410 | 11,109 | 51 | C | $8,554 |
| Roanoke | 142,869 | 12,876 | 90 | D | $8,498 |
| Rocky Mountain | 403,901 | 7,387 | 18 | C | $5,688 |
| Southeastern | 166,794 | 15,680 | 94 | D | $10,349 |
| Southwestern | 172,068 | 13,295 | 77 | D | $8,775 |
| West Gulf | 338,608 | 12,895 | 38 | C | $9,929 |
|  |  |  |  |  |  |
| **TOTAL** | 3,556,605 | 157,181 |  |  | **$112,809** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Density****Lower** | **Density****Upper** | **Category** | **Amount/Member** |
| 0 | 2 | **A** |  $1.30  |
| 3 | 12 | **B** |  $1.04  |
| 13 | 64 | **C** |  $0.77  |
| 65 | 159 | **D** |  $0.66  |
| 160 | 610 | **E** |  $0.50  |
| 611 | 9,999 | **F** |  $0.39  |

**Method 6a - SM Formula with $2,500 Base Amount (Frenaye)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ARRL Division** | **Member****Amount** | **Base****Amount** | **New** **Budget** | **Current Budget** | **Inc (Dec) Compared to Current Budget** |
| Atlantic | $9,124 | $2,500 | $11,624 | $12,150 | ($526) |
| Central | $7,357 | $2,500 | $9,857 | $6,750 | $3,107 |
| Dakota | $2,676 | $2,500 | $5,176 | $4,050 | $1,126 |
| Delta | $5,770 | $2,500 | $8,270 | $8,920 | ($650) |
| Great Lakes | $8,388 | $2,500 | $10,888 | $10,800 | $88 |
| Hudson | $3,206 | $2,500 | $5,706 | $8,550 | ($2,844) |
| Midwest | $5,544 | $2,500 | $8,044 | $7,200 | $844 |
| New England | $6,247 | $2,500 | $8,747 | $8,280 | $467 |
| Northwestern | $12,704 | $2,500 | $15,204 | $13,577 | $1,627 |
| Pacific | $8,554 | $2,500 | $11,054 | $12,600 | ($1,546) |
| Roanoke | $8,498 | $2,500 | $10,998 | $10,800 | $198 |
| Rocky Mountain | $5,688 | $2,500 | $8,188 | $6,850 | $1,338 |
| Southeastern | $10,349 | $2,500 | $12,849 | $14,400 | ($1,551) |
| Southwestern | $8,775 | $2,500 | $11,275 | $14,050 | ($2,775) |
| West Gulf | $9,929 | $2,500 | $12,429 | $9,550 | $2,879 |
|  |  |  |  |  |  |
| **TOTAL** | **$112,809** | **$37,500** | **$150,309** | **$148,527** |  |

|  |  |
| --- | --- |
| **PROS** | **CONS** |
| **Total budget nearly same as current** | **Several unhappy directors** |
| **Same method used for SM budgets - "We eat the same dog food"** |  |

**Method 6b - SM Formula with $5,000 Base Amount (Frenaye)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ARRL Division** | **Member****Amount** | **Base****Amount** | **New** **Budget** | **Current Budget** | **Inc (Dec) Compared to Current Budget** |
| Atlantic | $9,124 | $5,000 | $14,124 | $12,150 | $1,974 |
| Central | $7,357 | $5,000 | $12,357 | $6,750 | $5,607 |
| Dakota | $2,676 | $5,000 | $7,6 76 | $4,050 | $3,626 |
| Delta | $5,770 | $5,000 | $10,770 | $8,920 | $1,850 |
| Great Lakes | $8,388 | $5,000 | $13,388 | $10,800 | $2,588 |
| Hudson | $3,206 | $5,000 | $8,206 | $8,550 | ($344) |
| Midwest | $5,544 | $5,000 | $10,544 | $7,200 | $3,344 |
| New England | $6,247 | $5,000 | $11,247 | $8,280 | $2,967 |
| Northwestern | $12,704 | $5,000 | $17,704 | $13,577 | $4,127 |
| Pacific | $8,554 | $5,000 | $13,554 | $12,600 | $954 |
| Roanoke | $8,498 | $5,000 | $13,498 | $10,800 | $2,698 |
| Rocky Mountain | $5,688 | $5,000 | $10,688 | $6,850 | $3,838 |
| Southeastern | $10,349 | $5,000 | $15,349 | $14,400 | $949 |
| Southwestern | $8,775 | $5,000 | $13,775 | $14,050 | ($275) |
| West Gulf | $9,929 | $5,000 | $14,929 | $9,550 | $5,379 |
|  |  |  |  |  |  |
| **TOTAL** | **$112,809** | **$75,000** | **$187,809** | **$148,527** |  |

|  |  |
| --- | --- |
| **PROS** | **CONS** |
| **Directors are happy** | **A total budget increase of 26%** |
| **Same method used for SM budgets - "We eat the same dog food"** |  |