

**American Radio Relay League
Proposed 2024 – 2025
Plan**

Revised 12/12/2023

Executive Summary

**BOARD
CONFIDENTIAL**

**American Radio Relay League
Proposed 2024-2025 Plan**

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BOARD CONFIDENTIAL

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Executive Summary

Success rarely happens by accident. It takes hard work. And working hard to improve Amateur Radio and ARRL is at the core of everything we do, every day. We are constantly working to be more collaborative to solve problems, create ideas and be successful. Creating this culture has taken time, but has made our organization healthier and stronger, and will always be in the forefront of what we do. Our collaboration has created this Plan and it will require our continued teamwork to make the initiatives for 2024 a reality. In the following pages, we hope to provide you with an understanding of what we plan for ARRL and what it will financially require to move forward over the next year.

2023 To Date

Although 2023 is not over as this report is being written, it is important to look back at our successes, challenges and, yes, our disappointments so far this year.

- Engagement with the Field Organization has increased, and the response has been positive. Monthly virtual meetings continued to be held with the Section Managers and quarterly meetings with the Section Emergency Coordinators began. Meetings with ARES groups will also be taking place to support and encourage participation in activities.
- The Youth Licensing Grant Program continues to be utilized. Between its launch in April 2022 and September 30, 2023, 342 youths have benefited from the program. To date almost \$12,000 in FCC fees have been reimbursed and \$3,420 in VEC fees have been waived.
- ARRL has been elected as a member of SAFECOM. The election of ARRL to SAFECOM provides ARRL a seat at the table for the future of planning in emergency communications.
- EMCOMM courses have been transitioned to the Learning Center. Members who are already taking courses on Canvas will complete the courses there, but all new enrollees will utilize the course through the Learning Center.
- Teacher/Educator Lesson plans have been developed and placed in the Learning Center. These lesson plans are available to members and non-members. Additional plans will be added throughout the year. All plans are correlated to state/national education standards.
- The Lab has continued to lead the Clean Signal Initiative (CSI) program which is focused on creating a package of industry standard specifications, we hope manufacturers will endeavor to meet which will improve the transmit signal quality of their products. To date, the CSI working group has recommended and voted on masks for CW bandwidth, IMD,

and Composite Noise. The working group is planning to have the specification finalized and ready to roll out in early 2024.

- VEC has continued to struggle to regain pre-COVID revenues. Since the FCC application fee took effect in April 2022 for the Amateur Radio service, the number of new licensees is declining while upgrades have increased. This increase did not have enough impact to offset the lagging Technician license volume. Combine this with the impact of the increased use of ExamTools turning electronic testing into more of a commodity that our competitors either charge less for or not at all.
- At Dayton Hamvention®, the ARRL Estate Planning Workbook was launched. It was followed up by an informational email in August. Both proved to be successful with multiple requests for additional copies as well as invitations to present the Workbook at local club meetings.
- The Logbook of the World (LoTW) system was successfully moved to AWS, providing enhanced server and processing resources at a lower cost. File processing times have significantly improved to generally under 1 minute.
- The Ham Radio Bootcamp series launch was delayed due to technical difficulties with getting certain aspects of the program to function properly on ARRL's platforms. A 2024 launch is expected.
- Two major capital projects were completed. The new heating and air conditioning system at W1AW was installed along with the parking lot repairs and sidewalk replacement. Both projects came in under the planned funding amounts.
- Membership decreased slightly during 2023. The organization struggled to implement successful strategies to regain lapsed members. Membership at year-end is expected to be approximately 150,000.

Financially, 2023 is expected to finish the year with a smaller deficit from operations (excluding realized gains on investment income) than planned, primarily due to the timing of hires, increased contributions, and higher interest and dividend income allocated to operations. Total revenues are expected to be higher than originally planned for the year. Some noteworthy items are:

- Product sales are expected to be close to targets for the year but postage revenues combined with sales returns and allowances are expected to be approximately \$200,000 below Plan.
- Advertising revenue, specifically in *QST*, will be close to \$200,000 short of Plan. The loss of Eton and BridgeCom advertising had a significant impact. Also contributing to the shortfall is additional advertisers taking a pause in their advertising or reducing the amount of overall advertising spending.

- Membership dues will be approximately \$160,000 higher than planned in 2023.
- Program fees are expected to end the year around \$60,000 higher than planned. While VEC fees have lagged projections all year, Awards has seen substantial uptick in activity with Cycle 25.
- Interest and dividends allocated to operations is expected to be close to \$150,000 greater than planned due to rising interest rates.
- Overall voluntary contributions in 2023 have remained above Plan and is expected to finish the year ahead of Plan. The majority of the greater than planned results came from miscellaneous contributions and higher interest and dividends that were allocated to earning funds for operations.

As noted above, overall spending for the year is expected to be under Plan. Areas of interest include:

- Compensation & benefits - expenses (net of additional consulting expenses) related to delays in hiring vacant positions is expected to be approximately \$420,000 for the year.
- Equipment maintenance expenses – With the move of systems to AWS, we will no longer need maintenance on the outdated hardware in-house.
- Offsetting some of the lower spending are the increasing costs related to printing and shipping our products. Paper and freight costs have continued to rise throughout the year putting pressure on our margins. As of September, while product sales are below Plan, the cost of goods sold related to those sales was over Plan by \$75,000.

Looking Towards 2024

In 2024, the organization will be dealing with the challenges of a dues increase. As with any dues increase, we expect to lose members and continuously communicating the value that ARRL brings to Amateur Radio will be essential for regaining some of those members over time. We will be focused on new products to engage the Amateur Radio community along with a significant effort will be put into making Amateur Radio and wireless technology into STEM programs to grow interest and membership. There is a lot of exciting work ahead to turn projects and initiatives into growth and revenue for the organization. With our committed team we feel we will continue to move in the right direction. The detailed Department Plans included as Appendix #2 of this document include the following initiatives:

- With a continued focus on digital transformation and the desire to drive members to the digital editions of our magazines, there will be a focus on adding more digital-only content that is included in each issue.

- The Education and Learning department will add a new Teachers Institute 3 course to its offerings. This course will focus heavily on space and high-altitude ballooning, high areas of interest to youth and the STEM community.
- In early 2024, there will be an e-mail campaign to international LoTW users in an effort to expand international memberships. The feedback received at the International Exhibition of Radio Amateurs in Germany this year was they believe our presence is important and look at us as a leader in promoting and protecting Amateur Radio for the benefit of all hams.
- Outreach activities include a mailing to current General Mobile Radio Service (GMRS) users and explore the opportunities to increase visibility of Amateur Radio and ARRL among organizations and communities promoting STEM education.
- The Development department will be focusing on the Education and Technology Fund as a priority as ARRL positions itself as leader in STEM education.
- The use of Teams and Zoom technologies has largely been accepted by our community allowing ARRL staff and volunteers to expand participation at more local meetings and events while focusing travel expenses on major events for maximum impact. This approach will continue in 2024.
- ARRL will support the 2024 Dayton Hamvention® as the National Convention.
- An ARES recruiting campaign will be developed to attract volunteers to become active in their local ARES group. The goal will be to have a scalable program that will allow local groups to use these resources to grow their teams and attract new and experienced hams.
- Public Relations will be working to ensure that every section has a functioning PIC.
- Work will be done to create the 2025 ARRL Colleges On the Air operating event. It will be run in a similar fashion to other previously organized operating events, using the infrastructure already in place.

In addition, we will continue to support the current array of products and services we provide including:

- Staff will support several exhibits at the largest Amateur Radio conventions held annually in person (see Appendix #2, page 13) while continuing to support numerous events virtually to maximize resources.
- Maintain our publications pipeline with new editions of the *ARRL Extra Class License Manual*, *Extra Q and A*, *ARRL Periodical DVD*, *ARRL Calendar*, and *Repeater Directory*.

New titles include *Practical EMCOMM Projects* and *Lightning Protection*. For the full list see Appendix #2, page 17.

- Continue to administer the full complement of awards and contests via the Radiosport Department.
- With the help from a consultant who specializes in Amazon marketing strategies, we will continue to maximize ARRL's products visibility on Amazon's website resulting in increased sales. Results from this effort are expected to be impactful.
- Maintain our dominant market share in the delivery of Amateur Radio testing opportunities through the ARRL VEC and increase our VEC teams use of ExamTools to be more competitive with other VEC's use of the software.
- Continued expansion of topics in the Learning Center offerings.
- ARRL's plan includes seven in-person Teacher's Institute classes in 2023. The plan is to hold four TI-1 classes, two updated TI-2 classes, and one new TI-3 class.
- The Lab will continue to spearhead the Clean Signal Initiative program focusing on creating industry standards for manufacturers to improve the transmit signal quality of their products.
- Maintain activities with organizations like IEEE, FCC, and served agencies.
- Provide representation for Amateur Radio across a variety of international bodies and meetings (see Appendix 2, page 51).

Financial Considerations

A small income from operations of \$63,000 is forecasted for 2024. A full detailing of the financial forecast can be found as Attachment #1. Specific items that are noteworthy include:

- Total revenues will increase with the new dues rate structure and print magazine model.
- Publication sales are projected to increase over 2023 with a focus on building up ARRL's presence on Amazon.
- Overall Advertising sales are expected to be down by nearly \$190,000. Because advertising dollars are at a premium, and there are few areas of potential growth, great effort will be placed on the profit and loss analysis of advertising ads and increasing prices where appropriate. In addition, there are several unique (non-*QST*) advertising opportunities in the 2024 Plan.

- Membership dues revenue for 2024 is expected to increase along with subscription revenue, a result of the new membership rate structure and the separation of the print magazine. The yearend goal for 2024 is 142,800 members.
- Subscription revenues from both *QEX* and *NCJ* are forecast to be relatively flat from 2023 to 2024. However, it should be noted that in 2024 we are forecasting that subscription and advertising revenues for these magazines will fall short of covering direct expenses (production costs paid to outside parties and forwarding) of about \$8,000 for *QEX* and \$11,000 for *NCJ*.
- Program fees are forecasted to be higher as a direct result of increased awards revenues. It is anticipated that award activity will remain high next year. Somewhat offsetting the higher awards revenue is the lower VEC revenue forecasted due to our struggle to regain our pre-COVID market share of licensing activity.
- Overall contribution revenues are expected to be relatively flat in 2024 due to exhausting the Legislative Issues Advocacy fund in 2023 and lower capital spending planned for W1AW.
- While estimates are included in the Plan for revenues and expenses related to how many printed magazines will be produced and mailed, the accuracy of these estimates is yet to be seen. Overall printing and forwarding expenses will go down but exactly how much will be based on the membership's behavior. We may see large variances during the year for these line items.
- ARISS support has been planned at \$50,000 with no expectation to increase the funding level in 2024. We will, of course, continue to provide non-monetary support to aid ARISS in their mission and have plans in 2024 to, again, share the cost of booth space at two events.
- Health insurance will be the single greatest expense behind salaries in 2024. Last year we escaped an increase of almost 40% thanks to a two year agreement signed in 2022 that capped our increase in 2023 at 11%. Unfortunately, ARRL will be at the mercy of the market in 2024, where an increase of 9-13% is prevailing for the average group our size in Connecticut. To compound the problem, at our mid-year review, ARRL was at a 158% utilization rate – far from the 80-85% utilization rate expected and desired. What this means to ARRL is that we will be changing insurers and will pay significantly higher rates. The evaluation of the final proposals resulted in an increase range of 14% to 22% depending on the type of plan selected by the employees. The average increase is expected to be approximately 16%. The increase will be shared proportionally with employees who select coverage.
- Staff travel will continue to be closely evaluated for the return on investment. With growing acceptance of virtual participation, more, smaller events are being attended.

- At the request of the Administrative and Finance Committee, \$25,000 has been included for Legislative Advocacy activities in the attached 2024 Plan. The Board voted to add \$353,800 to the 2023 Plan for these activities which included \$180,000 for DLA Piper, \$90,000 for Vogel, \$54,000 in travel and meeting expenses and \$29,800 in outreach activities.
- Proposed capital spending is \$154,580. See the Capital Expenditures section of this document for the detailed list of proposed capital purchases.
- The net staffing level was reduced by 1 position. These changes are detailed in the Staffing Section of this document. The proposal includes an average salary increase of 5% for the staff, effective April 1, 2024, and no changes to the current level of funding to the 403(b) defined contribution retirement plan.

As always, there are risks and threats to the success of any Plan. Some of the risks include:

- Arguably, the most impactful risk is the actual effect of the 2024 dues increase along with separating the print magazines from membership will have on revenues and the membership. This is something that will be monitored closely all year.
- The challenge to generate perceived value in ARRL membership to match the real value for new hams. It will remain a challenge to engage and retain new members.
- Our ability to produce additional publications and products that spark interest in the marketplace at price points that encourage buying while maintaining an appropriate profit margin.
- Increasing printing and shipping costs of our publications put pressure on margins if selling prices do not increase. Increased selling prices could deter buying behavior.
- As noted for a number of years now, ARRL is in a retirement transition. Beginning a few years ago we entered a period where over a third of the Staff either reached or would be reaching retirement age. So far this year, the organization has said farewell to four retirees with another 11 employees at or reaching normal retirement age by the end of 2024. Although there are signs of employees beginning to understand the in-office environment is returning, qualified candidates are expecting higher salaries and more control over their benefits and schedules.
- The continued challenge of finding skilled technical advisors and editorial contractors.
- The increasing number of estate bequests we have received in recent years is a double-edged sword. While the large unrestricted gifts (over \$50,000) help build our general endowment it also indicates the dwindling size of our donor base. Cultivating the donor base, particularly in the area of estate planning could be critical for building our

endowment. Our efforts are focused on donor intent and how we can best serve their wishes.

As we have discussed for years, ARRL has reduced expenses to the point that any additional expense reduction would result in the elimination of programs and services. ARRL has a revenue problem. As part of the solution, the Board voted to raise the dues and charge separately for print *QST* and *OTA* beginning in 2024. This will allow the organization to operate close to breakeven in 2024. As always, specific attention will be given to our financial results and mindful expense management.

The Strategic Planning Committee has been working on several other initiatives with the intent to increase overall revenues and membership. The financial impact of these initiatives are not reflected in this Plan.

The Plan is separated into three documents, the Executive Summary with financial information by function, a Detailed Income Statement (Appendix #1) and Department Plan narratives (Appendix #2), written by the individual department heads that provide more specific details on operating plans for 2024. As you read through the department narratives, you will notice a reoccurring theme of thoughtful spending while reaching out and engaging our community in the most positive ways.

Respectfully Submitted,

David Minster, NA2AA
Chief Executive Officer

Diane Middleton, W2DLM
Chief Financial Officer

Financial Projections
AMERICAN RADIO RELAY LEAGUE, INC.
SUMMARY
2024 - 2025 Plan

	2022 Actual	2023 Plan	2023 Plan (Reforecast)	2024 Plan	2025 Plan
REVENUES	\$12,869,544	\$13,232,000	\$13,482,000	\$15,297,000	\$15,363,000
EXPENSES	<u>11,626,028</u>	<u>12,187,000</u>	<u>12,337,000</u>	<u>12,059,000</u>	<u>12,267,000</u>
NET AVAILABLE INCOME	1,243,516	1,045,000	1,145,000	3,238,000	3,096,000
MEMBER PROGRAM EXPENDITURES	<u>4,091,754</u>	<u>4,911,000</u>	<u>4,875,000</u>	<u>4,650,000</u>	<u>4,668,000</u>
SUB-TOTAL	(2,848,238)	(3,866,000)	(3,730,000)	(1,412,000)	(1,572,000)
CONTRIBUTIONS	<u>2,041,247</u>	<u>1,467,000</u>	<u>1,464,000</u>	<u>1,475,000</u>	<u>1,475,000</u>
INCOME (DEFICIT) FROM OPERATIONS	(806,991)	(2,399,000)	(2,266,000)	63,000	(97,000)
GAIN/(LOSS) ON INVESTMENT	2,300,561	0	0	0	0
NET EXCESS (DEFICIT)	<u>\$ 1,493,570</u>	<u>\$ (2,399,000)</u>	<u>\$ (2,266,000)</u>	<u>\$ 63,000</u>	<u>\$ (97,000)</u>

AMERICAN RADIO RELAY LEAGUE, INC.
INCOME
2024 - 2025 Plan

	2022	2023	2023	2024	2025
	Actual	Plan	Plan	Plan	Plan
			(Reforecast)		
REVENUES	<u>\$12,869,544</u>	<u>\$13,232,000</u>	<u>\$13,482,000</u>	<u>\$15,297,000</u>	<u>\$15,363,000</u>
Product Sales	2,975,793	3,483,000	3,497,000	3,632,000	3,633,000
Advertising	1,588,980	1,642,000	1,511,000	1,450,000	1,420,000
Membership Dues	6,749,957	6,715,000	6,868,000	7,235,000	7,384,000
Subscriptions	110,780	92,000	92,000	1,376,000	1,321,000
Program Fees	873,719	918,000	958,000	1,030,000	1,031,000
Interest/Dividends	422,563	297,000	471,000	475,000	475,000
Other	147,752	85,000	85,000	99,000	99,000
EXPENSES	<u>\$11,626,028</u>	<u>\$12,187,000</u>	<u>\$12,337,000</u>	<u>\$12,059,000</u>	<u>\$12,267,000</u>
Product Sales	2,707,591	2,739,000	2,781,000	2,909,000	2,940,000
Subscriptions	2,648,406	2,650,000	2,631,000	1,892,000	1,935,000
New Media Outreach	2,990	1,000	1,000	0	0
Advertising	98,059	99,000	97,000	103,000	107,000
Membership Dues	1,074,841	1,242,000	1,210,000	1,235,000	1,248,000
Investment Expenses	30,629	62,000	62,000	60,000	65,000
Support:	<u>\$5,063,512</u>	<u>\$5,394,000</u>	<u>\$5,556,000</u>	<u>\$5,860,000</u>	<u>\$5,972,000</u>
Executive	830,320	912,000	933,000	894,000	929,000
Development/Fundraising	387,840	518,000	520,000	562,000	603,000
Controller	1,249,958	1,314,000	1,385,000	1,405,000	1,397,000
Information Technology	1,480,522	1,620,000	1,704,000	1,909,000	2,003,000
Administrative Services	233,974	251,000	235,000	243,000	254,000
Human Resources	277,624	153,000	153,000	174,000	167,000
Change in Payroll Accrual	0	0	0	54,000	4,000
Building	603,274	625,000	625,000	620,000	615,000
NET AVAILABLE INCOME	<u>\$1,243,516</u>	<u>\$1,045,000</u>	<u>\$1,145,000</u>	<u>\$3,238,000</u>	<u>\$3,096,000</u>
Product Sales	268,202	744,000	717,000	724,000	693,000
New Media Outreach	(2,990)	(1,000)	(1,000)	0	0
Advertising	1,490,920	1,543,000	1,414,000	1,348,000	1,313,000
Membership Dues	5,675,116	5,473,000	5,658,000	6,000,000	6,136,000
Subscriptions	(2,537,626)	(2,558,000)	(2,540,000)	(517,000)	(614,000)
Program Fees	873,719	918,000	958,000	1,030,000	1,031,000
Investment Income	391,934	235,000	409,000	415,000	410,000
Other and Support	(4,915,760)	(5,309,000)	(5,471,000)	(5,761,000)	(5,873,000)

AMERICAN RADIO RELAY LEAGUE, INC.
SPENDING
2024 - 2025 Plan

	2022 Actual	2023 Plan	2023 Plan (Reforecast)	2024 Plan	2025 Plan
<u>MEMBER PROGRAM</u>					
<u>EXPENDITURES</u>	<u>\$4,091,754</u>	<u>\$4,911,000</u>	<u>\$4,875,000</u>	<u>\$4,650,000</u>	<u>\$4,668,000</u>
Advocacy	<u>\$672,243</u>	<u>\$1,141,000</u>	<u>\$1,152,000</u>	<u>\$820,000</u>	<u>\$844,000</u>
Washington	512,140	683,000	684,000	418,000	427,000
International/IARU	74,582	192,000	192,000	99,000	109,000
Public Relations	48,016	236,000	246,000	263,000	279,000
Outreach through Discovery	13,379	1,000	1,000	16,000	5,000
Regulatory Affairs	24,126	29,000	29,000	24,000	24,000
Field Services and Radiosport	<u>\$1,682,820</u>	<u>\$1,898,000</u>	<u>\$1,911,000</u>	<u>\$1,961,000</u>	<u>\$1,957,000</u>
Administration	158,341	162,000	162,000	170,000	178,000
Contest	101,951	116,000	116,000	123,000	128,000
DXCC/Awards	498,753	507,000	509,000	655,000	691,000
QSL Bureau	55,830	62,000	67,000	54,000	55,000
W1AW	199,558	192,000	192,000	195,000	203,000
Field Services	317,780	449,000	451,000	311,000	325,000
Emergency Management	235,630	293,000	296,000	337,000	260,000
Section Expenses	114,978	118,000	118,000	116,000	116,000
Educational Programs	<u>\$485,011</u>	<u>\$494,000</u>	<u>\$482,000</u>	<u>\$584,000</u>	<u>\$590,000</u>
Education & Learning	279,680	298,000	288,000	301,000	309,000
Education & Technology	205,330	196,000	194,000	282,000	281,000
VEC	<u>\$433,939</u>	<u>\$427,000</u>	<u>\$424,000</u>	<u>\$432,000</u>	<u>\$414,000</u>
LAB	<u>\$415,996</u>	<u>\$465,000</u>	<u>\$422,000</u>	<u>\$413,000</u>	<u>\$455,000</u>
Governance	<u>\$401,744</u>	<u>\$486,000</u>	<u>\$486,000</u>	<u>\$440,000</u>	<u>\$407,000</u>
Divisions	125,889	139,000	139,000	137,000	137,000
Officers	30,181	32,000	32,000	45,000	35,000
Board Meetings	144,954	156,000	156,000	156,000	156,000
Committees	100,720	159,000	159,000	103,000	80,000

AMERICAN RADIO RELAY LEAGUE, INC.
CONTRIBUTIONS / INVESTMENT ACTIVITY
2024 - 2025 Plan

	2022 Actual	2023 Plan	2023 Plan (Reforecast)	2024 Plan	2025 Plan
<u>CONTRIBUTIONS AND SUPPORT</u>	<u>\$2,041,247</u>	<u>\$1,467,000</u>	<u>\$1,464,000</u>	<u>\$1,475,000</u>	<u>\$1,475,000</u>
Unrestricted	<u>\$843,370</u>	<u>\$635,000</u>	<u>\$635,000</u>	<u>\$714,000</u>	<u>\$735,000</u>
Diamond Club	417,993	450,000	450,000	454,000	475,000
Miscellaneous	425,376	185,000	185,000	260,000	260,000
Donor-Restricted: "Uses"	<u>\$1,197,877</u>	<u>\$832,000</u>	<u>\$829,000</u>	<u>\$760,000</u>	<u>\$740,000</u>
<u>Capital Campaign Earnings</u>	<u>\$476,092</u>	<u>\$52,000</u>	<u>\$52,000</u>	<u>\$76,000</u>	<u>\$76,000</u>
<u>David Bell Endow Earnings</u>	<u>\$22,918</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$4,000</u>	<u>\$4,000</u>
<u>Defense</u>	<u>\$361,251</u>	<u>\$285,000</u>	<u>\$285,000</u>	<u>\$285,000</u>	<u>\$285,000</u>
Advocacy	323,405	246,000	246,000	252,000	250,000
Fundraising	37,846	39,000	39,000	33,000	35,000
<u>Education & Technology</u>	<u>\$226,753</u>	<u>\$216,000</u>	<u>\$214,000</u>	<u>\$303,000</u>	<u>\$302,000</u>
Program	205,232	196,000	194,000	282,000	280,000
Fundraising	21,521	20,000	20,000	21,000	22,000
<u>Legislative Issues Advocacy</u>	<u>\$10,096</u>	<u>\$62,000</u>	<u>\$62,000</u>	<u>\$0</u>	<u>\$0</u>
Program	10,096	62,000	62,000	0	0
Fundraising	0	0	0	0	0
<u>Legal Research & Resource</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Lab Fund</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Collegiate Amateur Radio</u>	<u>\$2,158</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
<u>Preservation of Artifacts</u>	<u>\$174</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>DX Log Archive</u>	<u>\$4,200</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,000</u>
<u>W1AW</u>	<u>\$39,533</u>	<u>\$157,000</u>	<u>\$157,000</u>	<u>\$35,000</u>	<u>\$23,000</u>
<u>Ham Aid</u>	<u>\$8,218</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$7,000</u>	<u>\$0</u>
<u>ARDF</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>E. Smith Earnings</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
<u>Colvin Award</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Hiram Percy Maxim Award</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Fred Fish Award</u>	<u>\$4,769</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$2,000</u>
<u>LoTW Awards Fund</u>	<u>\$1,715</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>
<u>GAIN/(LOSS) ON SALE OF INVESTMENTS</u>	<u>\$2,300,561</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

BOARD CONFIDENTIAL

CAPITAL EXPENDITURES

**American Radio Relay League
Proposed 2024 Plan**

**Capital Expenditures
Summary**

<u>Department</u>	<u>Description of Item</u>	<u>Cost</u>
Information Technology	HP Laptops (15 @ \$1,400)	\$21,000
	Eaton UPS (2 @ \$1,500)	3,000
	HPE Aruba Network Switches	40,500
W1AW	Antenna Rotators (2 @ \$2,840)	5,680
	HF Transceiver	2,400
	Sandblast & Paint Window Grates	4,000
	Front Step Replacement	5,000
Public Relations	Video & Audio Equipment	14,000
	Media Room Upgrade	8,500
Lab	Apache Labs Anan-G2 HF & HM 100 W SD	4,000
HQ Building	Two Roof Drains	12,000
	Paint Exterior of Attic	10,000
	Stormwater Drain (rear of building)	4,500
	Renovate Office Space	5,000
	Tree Replacement	5,000
	Miscellaneous Building Projects	10,000
		\$154,580

**American Radio Relay League
2024 Plan**

**Proposed Capital Expenditures
Detail**

A. HP Laptops with docking station and carrying case - \$21,000 (15 units @ \$1,400 each)

As we do each year, we plan to continue our systematic replacement of older computers. We continue to be diligent about our replacement goals which allow us to replace a modest amount each year rather than have one year with a significant expenditure. The Plan includes replacing aging computers that will be more than 5 years old in 2024. We will continue what we started in 2021 by replacing more of the aging desktop PC's with newer and more efficient laptop units, which will give us more flexibility to have users work on-site or remotely, when needed. These laptops will be under ARRL IT control and integrated with our internal security and management systems. The replacements quoted are HP Laptop PCs with 16GB RAM, docking station, and carrying case.

B. Eaton UPS - \$3,000 (2 units @ \$1,500 each)

Most of the UPS units in the computer rooms are well beyond the recommended age for such equipment. Although they are only used to bridge the short gap between power loss and the generators being fully operational, newer and more reliable UPS's should be in place.

C. HPE Aruba Network Switches - \$40,500

Both the Avaya Phone Server and the Avaya PoE switches used to support the phone system are at end of life and lack available support. The purchase of new switches is the first step in a two year plan to upgrade the phone system and migrate the phone server to the cloud. In 2025, as part of a new phone contract ARRL will need to replace the phones headsets and the PoE switches which provide the power for them. We believe that we can configure a virtual phone server on AWS for less than it would cost to have a vendor support an on-premises system.

D. Antenna Rotator Equipment - \$5,680 (2 units @ \$2,840 each)

There are currently three (3) M-Square Orion OR2800 rotators in use for all visitor operations. (There is also one spare in-house should a rotator fail.) These rotators have been in operation since late 2001. Although each of these rotators had to undergo a repair at one point in time or another, for the most part they function. However, we are noticing intermittent issues with them. Given their age, overall use, and the normal stress they endure on a daily basis, it is recommended they be replaced.

DX Engineering has available a new heavy-duty rotator - the DXE-RT4500HD - that will interface with existing rotator cable, and with the Green Heron Engineering RT-21 rotator controllers.

It's recommended two (2) rotators with mast clamps be purchased in 2024 to allow for installation in the Spring and Autumn during the W1AW antenna/tower inspections.

E. HF Transceiver - \$2,400 (2 units @ \$1,200 each)

There are currently five (5) relatively new HF transmitters in place for all of W1AW's scheduled bulletins. The three (3) remaining are older units, with two (2) of these having been swapped with spare transmitters. Since it is important not to compromise our on-air presence, it's recommended to continue with the yearly purchase of broadcast transmitters. The Icom IC-7300 has proven itself to be a relatively inexpensive transmitter, but one that holds up to the daily transmit schedule.

F. Sandblast & Paint Window Grates - \$4,000

As W1AW is the highlight of every visitor's trip to ARRL, keeping W1AW in excellent condition is a top priority. Due to natural weather conditions and time the window grates on the building need to be given a facelift.

G. W1AW Front Step Replacement - \$5,000

One of the top photo ops for guests is their picture on the steps of W1AW. For safety purposes, a new step needs to be installed.

H. Video & Audio Equipment - \$14,000

Two professional computer systems are needed for video editing. The current equipment in service are workstation grade systems, which severely limit productivity and create a significant opportunity cost. Two MacBook Pro systems will allow efficient production of video content. MacBook Pro laptops are industry standard for professional video editing and allow for off-the-shelf implementation. They have processing power, RAM, and drive space to allow for ease of use. Being laptops, they are able to be easily transported to support rapid content production at events, such as Dayton Hamvention®. Mac Studio Display monitors allow a larger viewing screen while doing editing at ARRL Headquarters and are capable of reproducing images more accurately than consumer grade monitors, which is critical for the professional level work we will output.

I. Media Room Upgrade - \$8,500

This will allow ARRL to update the media room for ease of production of video podcast content to engage new and young audiences, as well as supporting legacy content such as the 'On The Air Podcast' and *QST* product reviews. It will also support production of Bootcamp and training material for the ARRL Learning Center. Currently, there is a random assortment of consumer and prosumer level equipment in a very poorly utilized space. Each time the space is used, it requires a significant setup and teardown, while not allowing for much versatility or visual depth. This plan

seeks to furnish a versatile, modern production set background with studio lighting to increase productivity and production value in multimedia content. It will significantly improve ARRL's production quality, while reducing opportunity costs and lessening wear on the equipment as it won't require frequent setup and teardown.

J. Apache Labs Anan-G2 HF & HM 100 W SD - \$4,000

For many years ARRL Lab has been only able to measure amplifier transmit IMD on the 20m band with the in-house built test fixture. The components of this fixture include custom Class A pre-amplifiers, 20m band pass filters, and RF sampling units all designed for the 14 MHz band. For a period after the fixture was designed and put into service, most amplifiers tested had IMD worse than the test-fixture IMD. In the case of excellent amplifiers, though, we see the IMD coming out of the amplifier at a level where test fixture IMD can impact it. These issues will only get worse as amplifier design improves.

Through the work of Clean Signal Initiative, the limitations of our aging test fixture were realized, and it is time to replace the equipment. It was suggested by members of the working group who are experts in Amateur Radio testing that we purchase an Apache SDR to perform these tests as it offered the following important benefits:

- The ability to test IMD on all bands as opposed to currently only 20m.
- With the exceptionally low composite noise, ~ -145 dBc, testing of the best of the state of the art devices would be able to be performed without compromising measurements due to test fixture IMD.

K. Two Roof Drains - \$12,000

Due to the flat nature of the roof on the headquarters building, there are areas of excessive puddling during heavy or extended rainfall. These puddles lead to unnecessary wear on the roof and leaks. The recommendation is to install two drains on the roof to prevent pooling.

L. Paint Exterior of Attic - \$10,000

As part of routine maintenance, it is time to re-paint the exterior painted portion of the attic.

M. Install a Stormwater Drain at rear of HQ - \$4,500 (Part 1 of 2)

There is an office in the southwest corner of the building that has been unoccupied due to water damage. The exterior door over the years has allowed water and moisture to seep into the office doing long term damage. To resolve this issue a new storm drain needs to be installed outside of the office to permit proper run off.

N. Renovate Office - \$5,000 (Part 2 of 2)

Once the above storm drain is installed, the office will be renovated. This will include new sheet rock in places, painting and carpeting. The majority of the labor portion of this project will be handled by the building manager.

O. Tree Replacement - \$5,000

Over the last several years, many trees on the property have had to be taken down for various reasons such as storm damage, encroachment and signs of decay. Most of these trees provided an aesthetically pleasing barrier between ARRL's antennas and the neighbors. While it will take years to replace them in size and quantity, the planting should begin.

P. Miscellaneous Improvements - \$10,000

The proposal includes an additional \$10,000 for capital building maintenance projects. While the priority of these projects has not yet been decided, these funds are to insure at least one additional capital maintenance project is addressed during the year.

BOARD CONFIDENTIAL

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STAFFING

**American Radio Relay League
Proposed 2024 Plan**

Staffing

The total staffing complement proposed in the Plan for 2024 includes 85 full-time and 2 part-time staff, for a total of 87 employees. This represents a total of 86 Full Time Equivalent (FTE) positions and a net reduction of 1 position from the 2023 Plan.

We have reviewed the staffing levels and believe that this staffing is appropriate for the growth and initiatives envisioned for the organization in 2024 balanced with available resources.

Notable changes in the staffing Plan for 2024 include:

1. The Executive department eliminated the Administrative Assistant position. This position was in the 2022 and 2023 Plans with the understanding that IARU was in need of a support person equivalent to half of a full-time position. The remaining time of this position was in support of executive clerical needs and assisted throughout the organization as time permitted. In the year and half that this position was filled, IARU did not utilize the available resource. When the position became vacant through attrition, the position was eliminated. The Executive Assistant position will absorb the clerical duties with outside assistance for taking the minutes of the Board meetings.
2. The part-time VEC Representative position was eliminated. The position was vacated due to health reasons of the employee. Based on lower VEC revenues and increasing electronic testing, the position was recommended for elimination.
3. A LoTW and Awards Program Associate has been added to Radiosport to provide support across multiple areas with the primary focus on LoTW support. This position will also be cross trained in other areas such as Awards, Contest and Field Services to provide support for these areas as needed.

As last year, the Plan includes an average increase pool of 5.0% for the staff, effective on April 1, 2024. This level of funding is appropriate in order to ensure that employees move appropriately within their pay ranges and can sustain ever increasing health insurance costs. Failing to show employees the ability to move along their salary range with experience and strong performance will risk the organization losing the best employees and only having to replace them with more expensive new hires.

The increase pool does not mean that everyone will receive a raise, or even if they do, one that will equal the pool average. Each employee's performance will be reviewed, and any merit increase in their compensation will be based on their review as well as where their current compensation is within the appropriate salary range.

**AMERICAN RADIO RELAY LEAGUE, INC.
2024 STAFFING SUMMARY**

<u>Function/Department</u>	<u>2023 Plan</u>				<u>2024 Plan</u>		<u>Additions</u>
	<u>Total</u>	<u>Transfers</u>	<u>Add</u>	<u>Delete</u>	<u>Total</u>		
<u>Publications and Editorial</u>							
Administration	5	1			6		
Composition	2				2		
Editorial	4	-1			3		
<u>Membership, Marketing & Communications</u>							
Mkt Communications	4				4		
Advertising	1				1		
Membership	1				1		
Member Services	7				7		
Warehouse	4				4		
<u>Product Development</u>							
	1				1		
<u>Support</u>							
Executive	4			-1	3		
Development	4				4		
Controllers	5				5		
Information Technology	9				9	*	
Administrative Services	3				3		
Human Resources	1				1		
Building Maintenance	1				1		
<u>Advocacy</u>							
Washington D.C.	1				1		
News & Public Relations	2				2		
<u>Radiosport & Field Services</u>							
Administration	1				1		
Contests	1				1		
Awards	6		1		7		LoTW & Awards Associate
QSL Bureau	1				1	*	
Field Services	3				3		
<u>Emergency Management</u>							
	3				3		
<u>Education & Learning</u>							
	2				2		
<u>VEC</u>							
	6			-1	5		
<u>W1AW</u>							
	2				2		
<u>Laboratory</u>							
	4				4		
<hr/>							
Total Staff	88	0	1	-2	87		
FTEs	86				86		

* Includes part time position(s).