

**American Radio Relay League  
Proposed 2011-2012  
Plan**

**ARRL, INC.**  
**The National Association for Amateur Radio**

**2011-2012 Plan**

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## **SUMMARY**

## **The National Association for Amateur Radio**

### **Proposed 2011-2012 Plan Summary**

#### **To: ARRL Board of Directors**

The Administration and Finance Committee met on November 20, 2010 and, after a lengthy discussion with ARRL management, voted to recommend the 2011-12 Plan as contained in this report to the full Board of Directors for ratification.

The ARRL management team is pleased to present for your consideration our recommendations and financial projections for 2011, with initial projections for 2012. Included with this summary are discussions, by individual operating segment, of the respective plans and goals for each unit. We are also including the financial projections in two forms. One is the projection “by function” that we report internally on a monthly basis and the second is a more traditional income statement projection.

#### **2010.....Where are we starting from?**

A year ago, we were worried about the economy, unemployment and the overall impact it would have on the ARRL going forward. How long would the recession, the high unemployment and the turmoil in the financial markets which seemed to hover over everyone’s lives last? Would the bailouts and stimuli offered by the government help the economy and the unemployment? We were ten months into a new administration in Washington and healthcare was a major debate. The Dow Jones Industrial Average had started the year at a little over 9,000, dipped to around 6,500 in March and had recovered to 9,712 at the end of October. While this was mildly encouraging to many, it was nowhere near the 13,043 level at which the DJIA had started 2008. This mini-rally still served as an indication that, in at least some segments of the economy, things might be getting better. But we were a long way from knowing when and how much recovery we might see in 2010.

At this time last year, our outlook for 2010 was not overwhelmingly positive. So, in response, we were conservative in our expectations for the year. We projected continuing growth in membership, although we tempered our enthusiasm by using lower totals to predict membership dues revenues. We projected a slight decrease in overall revenues but also slightly lower spending levels in certain areas. Most importantly, our initial proposal included a different approach to financial planning than in recent years. In the 2010 Plan we stated:

*We have also taken a different approach to this coming year’s financials than we have over the past several years. In recent years our financial projections have been based on a “break-even” scenario for the bottom line. While this has allowed us to survive the economic turmoil it is not the best plan for the organization over the long term as we need to produce an excess of revenues over*

*expenses to be able to fund new initiatives and replace infrastructure in the future. As such, we approached this year's planning process with a goal of projecting a more significant amount of income from operations. As you will see in the following pages and financial projections, we have been able to achieve our objective by controlling spending on existing programs in conjunction with expectations of slightly improved revenues in certain areas.*

In hindsight, this has proven to be a good strategy to pursue. In 2010, it allowed us to add staff positions requested by the Board and provide resources for additional staff positions in the coming year and a significant new program which we are proposing in 2011.

Overall, we expected to produce operating revenues of approximately \$14.2 million including voluntary contributions and operating income of approximately \$169,000 in 2010. At this point in the year, we are generally on track to meet these overall projections although publication sales and revenues from the sales of advertising have not fully met our expectations. As always, the fourth quarter of the year is a critical financial quarter in terms of our fiscal year results. This year the new ARRL Handbook was introduced in October and did not meet our expectations for the first month of sales. It remains to be seen how the Defense Fund campaign, another fourth quarter financial stalwart, will do this year. Because our annual results are very dependent on what happens in the fourth quarter we are still somewhat unsure of how the year will finish. We have also not met our goals for membership so far in 2010. Through October we've experienced a small decline (0.1%) in the total membership compared to the beginning of the year, and while the fourth quarter generally provides good membership results we may be seeing a flattening in membership after three straight years of growth. New licensing – our best source of new members – has softened in recent months and we may see fewer new licenses issued in 2010 than in 2009, although we expect the number still to be above that of 2008.

All of this should not be taken as a predictor of a “bad” financial year for the organization in 2011. It should, however, be considered a possible harbinger for the near term. The slight growth we've seen in our revenue sources in recent years may be coming to an end. If so, we must be very careful in the coming year to insure a positive financial result in addition to meeting our other objectives.

Just as important as the financial results, are the outcomes and objectives we've been able to produce and or meet so far in 2010. Admittedly, the work surrounding the launch and subsequent restoration of functionality for the ARRL web site has taken a significant amount of resources for the past two calendar years, particularly in the IT Department, and has delayed other projects originally expected to be completed during this period of time. Additional programming resources added in 2010 has helped some and, despite the frustrations, we've recently made progress not only toward completing the transition to the new web site but also on other major projects. We hope to complete the process of transition to the new web site early in the new year, at the latest, and move forward on several new project initiatives.

But while the web site took a significant amount of attention, there were other things being accomplished:

- Several new additions to the staff that included the above mentioned programming resources and Mike Corey, W5MPC, to fill the Emergency Preparedness & Response Manager vacancy. Diane Middleton joined the staff, replacing the former Controller who resigned mid-year. In an unfortunate development, in October Dewey Rykard, KI4RGD, came up from Georgia to join the Education Department as Instruction and Resource Coordinator however, owing to personal circumstances had to resign and return to his home state in November.
- Although Mike Corey's addition to the staff wasn't in time to deal with our response to the Haitian earthquake, Allen Pitts stepped up to coordinate the ARRL response with one of the more visible outcomes being ARRL Ham Aid equipment that was shipped to the affected area.
- Contributions to the Education and Technology Fund allowed us to hold seven Teachers' Institutes in 2010, including an advanced seminar. Grant awards were delivered to 14 schools which had been approved late in the prior year and recommendations were made for six more schools to receive grants.
- We met or exceeded most of the fundraising goals for the first nine months of the year and received a partial estate distribution for \$1,000,000 in October. This was by far the largest, but not the only estate gift we received in 2010; in all the ARRL Endowment has grown by more than \$1.2 million so far in 2010 as a result of six bequests. It is gratifying that ARRL members have confidence in the organization to put their gifts to good use for the betterment of Amateur Radio.
- Preparations for the 2012 World Radiocommunication Conference continued, with crucial support from the United States gained through the patient efforts of our Technical Relations Office.
- The year saw an unusual level of FCC rulemaking activity, including the very timely completion of the "pecuniary interest" proceeding with a result very close to that sought by the ARRL.
- Despite a slow uptake in sunspots, on-the-air activity remained high with dramatic increases in log submissions for both HF and VHF contests. The Rookie Roundup was launched to give newly licensed amateurs the sort of experience of being sought after that the Novice Roundup used to provide.
- ARRL Expo at the Dayton Hamvention continued to build on past success, with this year's effort drawing many "best ever" comments and another increase in booth sales.

2010 also saw the beginning of a recovery in the financial markets which increased the value of the ARRL's portfolio, and under the investment guidance of the Treasurer we are getting the benefit of more investment income from our portfolio than we have in many years. With the

addition of the \$1 million estate gift noted above, the total value of the ARRL investment portfolio is now approximately \$17.2 million.

We continue to watch the value of the assets in the defined benefit pension plan and the value of the accrued liability. Our plan is eventually to terminate the plan and distribute the assets to the plan participants, but because of the lowest interest rate environment in decades it would not be in the best interest of the organization to terminate the plan at this time.

### **Looking Ahead at 2011**

So, where do we go from here? As noted above, there are still concerns about the economic recovery. At best, it will be a slow recovery as no one seems to have produced the magic elixir for the country's economy. Unemployment is still at 9.6% and there are hundreds of thousands of people who have stopped looking for work altogether that aren't counted in these statistics. On top of that, the results of the mid-term elections are likely to lead to legislative gridlock. Amateur Radio is a discretionary activity, and while it has been counter-cyclical in past recessions – anecdotally, the result of people having more time while still having a bit of discretionary income – radio amateurs are part of a population that feels less wealthy because of the decline in real estate values and greatly reduced interest income, and less confident of being able to enjoy a comfortable retirement.

Despite the reports from some economists and government agencies, most Americans believe that we're still in the throes of an economic recession and the signs of a significant turnaround in the coming year are simply not there. We don't believe it would be prudent to plan for financial results that would be contrary to that assumption. As such, we approached 2011 planning with some caution. We continue to believe that the approach we took in the 2010 Plan, that of striving for a better than break-even result, is still appropriate, especially in an era of significant uncertainty. However, in 2011 it is also necessary for us to invest in future programs, and in particular one that is geared to future financial growth. As a result, the planned income from operations for 2011 is not as substantial as that planned for 2010.

We are planning for an increase of about 1% in the number of members. Based on where we expect to finish this year that would result in a total membership of 158,576 at the end of the 2011. This is consistent with the results of the past several years where membership grew slightly. We believe we will be able to achieve this result through a combination of traditional direct mail (and e-mail) solicitations and leveraging the guest member information provided by the new web site. New licensee activity is expected to remain constant with this year (about 29,000 new licensees) and upgrades are expected remain at the level of about 10,000 annually as well. With no increase in VE fees planned, this also results in no increase in fee revenues from this source.

Overall, projections for revenues in the coming year from two of our major sources (sales of publications and advertising) are that they will remain level with the 2010 revenue targets. There is too much uncertainty surrounding consumer spending and the economy to predict significant increases. Given our expectations for the slightly increasing membership, dues income is expected to grow in 2011 but only by a small percentage. We are seeing encouraging signs in the

area of voluntary contributions, particularly unrestricted contributions, and as a result slight increases are predicted in this area as well. We are tempering our expectations for giving in specific program areas like the Education and Technology Fund, however. Program fee revenues are projected to increase in 2011 solely on the results from DXCC.

What is different and not as conservative as the rest of our assumptions about the financial projections for 2011 is a significant increase in the amount of investment income we are projecting. Results in 2010 from the Regular portfolio have been much better than we had projected and, reviewing the portfolio, we expect that to continue. This, coupled with the additional income from the growing endowment will increase the amount of investment income allocated to normal operations. Increasing the endowment and the related income allocated to operations was one of the initial objectives when we expanded the development function several years ago and we are beginning to see the fruits of those labors.

Total spending in the 2011 Plan is up by almost \$486,000 over the spending levels budgeted in the 2010 Plan. This may seem a bit aggressive given our concerns about the economy and how those will impact the organization. However, there is a significant new program being proposed which accounts for almost 30% of this increase. In addition, there is \$50,000 of cost in the 2011 Plan for staff additions in 2010 which are now annualized plus another \$107,000 for new positions proposed for 2011. We did achieve significant savings by freezing the defined benefit pension plan and this is also factored into the planned spending in 2011.

For the record, you will see that this Plan projects total revenues of almost \$14.6 million, slightly more (2.5%) than the \$14.2 million projected in 2010. Total expenses are budgeted at slightly less than \$14.6 million leaving a very small cushion of operating income in the coming year, \$37,000. However, it should be noted that the projected bottom line would be slightly higher than the 2010 Plan if not for the amount of funds we're proposing be invested in the Second Century fund raising campaign. There is certainly some risk in projecting a small net operating income, but we believe it is worth it to create a vehicle (a significant fundraising campaign) that should generate income for the organization well beyond the coming 12 months.

### **Strategic Objectives for 2011**

On the recommendation of the Executive Committee, in late September the Board adopted the following strategic objectives for 2011. Implementation of these objectives is included in the operational plan for 2011.

A4. Improve member awareness of IARU activities and issues via ARRL media. *Rationale:* This strategy is timely because the next World Radiocommunication Conference will be held in early 2012. *Plan:* We will educate members about how the IARU and the ARRL represent their interests at the ITU and regional telecommunications organizations with particular focus on the Conference Preparatory Meeting to be held in February 2011. In addition to *QST* and the Web we now have the additional medium of the *Spectrum Defense Matters* newsletter.

B2. Provide a Web-based means for members to share knowledge on a timely, yet formal basis. *Rationale:* This capability is one of the reasons for the ARRL's investment in its new Web site



and is one way to empower members by providing them with an opportunity to interact, collaborate, and learn from one another. *Plan:* Our intent is not to reinvent the social-networking or the Wikipedia “wheels,” but to apply these proven concepts to develop and expand knowledge bases in specific areas of Amateur Radio through collaborative volunteer efforts. The list of activities in members’ profiles provides a place to start, but we will need to increase the number of members with public profiles in order to reach critical mass.

C1 (as revised). Make ARRL the “gold standard” for volunteer emergency radio communications training. *Rationale:* This strategy builds on one of the ARRL’s strengths and would improve Amateur Radio’s emergency communications capabilities and our value to served agencies. *Plan:* This strategy will not be fully achieved in a single year, but we will begin in 2011 by launching a new Introduction to Emergency Communications course and a new publication, the working title for which is the *Emergency Communications Manual*.

D1. Develop web-based instructional videos produced by staff and members on technical and operational topics that encourage learning, encourage member involvement, give ARRL a more *technical* feel, and make members feel more valued. *Rationale:* The Executive Committee believes that the emphasis should be on motivating and empowering members to develop such videos, using the consumer-level video creation and production tools that recently have become available. *Plan:* A great deal of amateur video production is not very good. Our starting point should be to identify existing videos that illustrate best practices in producing instructional videos, supplemented with staff-produced videos as required. Then we can solicit volunteer-produced videos on specific topics with prizes and recognition for the best work.

E5. Achieve a cohesive relationship between ARRL and its Foundation. *Rationale:* This strategy is timely because of the Board-endorsed Centennial Campaign to launch the ARRL’s Second Century in 2014. *Plan:* Incorporate this objective in the Second Century Campaign.

F1. Develop more effective incentives and materials for members and clubs to use in bringing potential hams to appropriate sections of the ARRL’s Web site. *Rationale:* This strategy is closely related to F2, “Develop effective and appropriate follow-up processes and materials for potential hams and new members” that was adopted in 2010 for implementation. *Plan:* The two strategies will be pursued in concert. An interdepartmental team will need to develop a detailed plan, including opportunities for volunteer input.

## **Member Initiatives and Spending for 2011**

As noted above, while an increase of approximately 3.5% in spending is being proposed, there is little of that being expended on new programs. The major exception is the Second Century Campaign described below. We were conservative when it came to adding new programs in 2011, realizing that there were projects from 2010 that had been delayed due to the work on the web site and that need to be completed. We were also concerned about increasing spending without being more confident about revenues. Included in this plan are proposals to increase staffing in both the Editorial and Graphics departments which are intended to add to our capacity for producing new titles. This is an important initiative to increase revenues in the future. As you will also see, spending on benefit plans, specifically health insurance continues to escalate at

rates well above the level of inflation and there is no end in sight. The landscape in this area is changing, but not in favor of small organizations like ours that provide insurance benefits for their employees.

The major initiatives that will be implemented in 2011 include:

- The Second Century Campaign. In three short years the ARRL will celebrate its 100<sup>th</sup> anniversary. In January of 2010, the Board of Directors voted to form a nominating committee to lead this initiative which was an important first step. With a vision statement almost completed, it is time to start the project in earnest. 2011 is the time to do this. While the campaign will be in a “quiet phase” in 2011, a significant amount of work is necessary in the area of donor research, identification and contact to get commitments from the largest donors. This will require the hiring of a manager level position to give the Chief Development Officer the time and resources necessary to properly implement the Second Century Campaign. Total new spending on the campaign is budgeted at \$142,000 in 2011 with additional expenditures in the years leading up to 2014. Additional information on the campaign is included on page 49 of this Plan.
- Additional work on Logbook of the World including:
  - a) Adding a CQ award (VUCC is to be implemented yearend 2010 and so is not listed for 2011);
  - b) Upgrading the code to support new database versions;
  - c) Client-side improvements;
  - d) Enhance user interface;
  - e) Improvements to integration of logging software.
- Completing the transfer of all the web site functionality to the new web page which includes:
  - a) E-store integration
  - b) Membership application and renewals
  - c) Membership account management issues
  - d) Pay and download for Travel Plus (May, 2011)
  - e) Integration of EmComm course info with CTDL (1<sup>st</sup> quarter)
  - f) Process clean-up and re-engineering (where necessary)
- A digital version of QST by the end of the year.
- Replace the floor in the Lab. This project will be disruptive for a short period of time but will complete the asbestos removal in the building begun several years ago.
- Creation of a promotional video on the various technologies in Amateur Radio to be distributed to groups, clubs and others to support presentations given to a variety of audiences.
- Deliver the ARRL Expo at both the Dayton Hamvention® and the ARRL National Convention in Texas.

There are several other projects that are planned for the Information Technology Department. Although these are primarily extensions of projects that weren't completed in 2010, with the completion of the web site functionality issues and the expanded programming staff, we expect to complete these in 2011. These projects include (in no particular order):

- Digital DXCC application;
- Replace the Lyris system;
- Move existing web site to in-house servers;
- Replace the MS Exchange server which supports all HQ e-mail functions.

These, along with the LOTW and web site functionality noted above, represent the projects indentified as "high priority" in the IT Department for the coming year. For a discussion of the full list of 2011 IT projects, please see pages 54-55 of this Plan.

In addition to the major initiatives described above, on-going activities and goals included in the Plan are:

1. Increase the total membership by about 1%, finishing the year with 158,576 members.
2. Launch the new Introduction to Emergency Communications Course in the first quarter of the year.
3. Sponsor five Teachers' Institutes including one "advanced" TI.
4. Increased activity in the DXCC branch.
5. Publish a major, new title, the *Emergency Communications Manual* as well as other new titles including the *ARRL Hamspeak Encyclopedia*, *Small Antennas for Small Spaces*, and *Introduction to Antenna Modeling*.
6. Publish new editions of several major titles including the *ARRL Antenna Book* and the General Class License exam titles.

There are several new positions being proposed in the 2011 Plan. A Book Editor position is proposed in the Publications Group to expand our capacity to produce profitable titles. One of the issues to increasing our publication sales is the ability to produce new titles to drive these expanding revenues. There is an additional position in the Development Department as a result of the Second Century Campaign. This, too, is a position that is intended to increase future revenues. There is also a new full-time position being proposed in the IT Department that is in response to the volume of technical user support calls being forwarded to the department, the result of member issues with the web site and other e-mail related matters such as the ARRL.net e-mail forwarding service. Finally, we are proposing to increase the staff in the Graphics

Department by effectively one position to support a) additional book projects and b) the additional requirements of the Sales and Marketing Department for graphics projects related to promotional materials and the e-store on the web site. On the opposite side of staff additions, we are also proposing the elimination of two part-time positions, one in the ARRL VEC and the other in Composition.

The rising cost of health and dental insurance continues to be a significant concern. Initial renewal proposals for health and dental insurance were for increases of 23% and 17% respectively. We were able to make certain structural changes which reduced the health insurance number to an increase of about 12.5% but to do so required shifting a larger share of the healthcare costs to the employees. Under a “worst case” scenario, the total health insurance cost for the organization and the employees could approach almost \$1 million in 2011. The company’s share of that is about \$690,000. For now, the organization can absorb this increase, but unless the situation gets better in the coming years – an unlikely possibility – we will have to make significant changes to the structure of our health insurance benefits to limit the cost of this one particular benefit. Helping fund other benefit increases in 2011 is the savings that accrues to the organization from the freezing of the defined benefit pension plan. Because the benefits were frozen in 2009, there is little or no growth in the benefit liability. However, we still have a significant liability on our books that needs to be funded before we can terminate the plan which is the ultimate goal. In this plan we have also been able to continue the funding for the League’s defined contribution pension plan at the same level as the past two years.

Another major expense assumption each year is the increase in the compensation of the staff. We have included a proposed 3% average increase for the staff, effective on April 1, 2011, dependent on the evaluation of the individual performance. Compensation information we’ve been provided by the Connecticut Business and Industry Association and our compensation consultants both indicate an average salary increase of 3% in this area of the country. Some may argue that this figure is high relative to anticipated inflation, but when coupled with increases in the employee share of benefit costs we will have staffers who will lose ground even with that increase.

In summary, all the activities and spending proposals result in a total spending budget of \$14.5 million for 2011. This is not the largest spending budget we’ve had in recent years but we believe it is appropriate to fund all the activities included in this Plan.

### **Revenue Trends and Assumptions**

So, after understanding the plans and proposals for the coming year, the next biggest question is, how best to fund all of these activities? For the ARRL in 2011, that will basically mean what it always has.....earning dues from the members, selling publications and advertising, raising voluntary contributions and charging activity fees for specific programs. Included in the revenue side of the Plan are the following assumptions:

## **Membership and Dues**

As noted earlier in this report, we expect to see a similar level of licensing activity in the coming year as in 2010. This would mean about 29,000 new licensees and roughly 10,000 upgrades for the year. We are beginning to see a bit of a slowdown in the latter stages of 2010 but still believe we will achieve these numbers. There is, however, the continuing trend noted last year that, despite all the new licenses that have been awarded in recent years, the number of new upgrades is not growing as one might hope. Public service communications continues to rank very high in our information gathering from new hams. It ranked behind only “just listening” and “mobile or portable operating” when asked “What Amateur Radio activities do you primarily enjoy?” This indicates a growing segment of the Amateur Radio population that is not as interested in possibly upgrading their license as those in the past. They appear to be more interested in the utility of Amateur Radio rather than the achievement of moving up the license structure to gain more privileges.

With a consistent level of licensing activity, we believe we can continue to grow the membership of the organization in the coming year. While it becomes more difficult each year to identify and attract potential members, we are planning to leverage information provided by the web site to help attract new members as well as to continue testing our solicitation methods and messages to improve the return.

Included in this plan is the assumption that we will be able to increase the total membership by about 1% or 1,600 members. While this is our internal membership target, as we have in the past to be conservative, we have tempered our revenue projection including only about half of these anticipated new members in our revenue projection. As a result, dues revenue in 2011 is projected to total \$5.6 million. It should be noted that we have not had an increase in the basic dues rate since July 1, 2001 and we are not proposing one for 2011. With the economy as it is and our desire to increase membership in the face of current conditions, now would not be the time. In addition, the phasing out of the senior dues rate is still fresh in the minds of some of our older members. We should recognize, however, that the time will come when this decision will need to be made.

## **Publication Sales**

For the first time in several years, we anticipate that 2010 will see a decrease in revenues from sales of publications and other products in comparison to the prior year. One of the big reasons is that the totally revised 2010 Handbook, introduced in the fourth quarter of 2009, was such a runaway best seller for the organization. There was no way we were going to duplicate that level of sales for a significant title in the following year and we projected sales revenues with that in mind. However, we have also seen drops in sales of training materials, particularly in upgrade materials. As mentioned above, this may be indicative of a shift in our market away from the achievement oriented licensee and more to those who are comfortable with holding the Technician Class license. This will have an effect on our sales of certain titles.

While there are several new titles and new editions planned for 2011, there are few individual books that offer an opportunity for a significant increase in sales revenues. The big winners like

the 2010 ARRL Handbook are few and far between. We must be more flexible and be ready to produce more, smaller revenue, titles if we're going to maintain and increase our overall revenues from publications. We will be introducing a new edition of the *ARRL Antenna Book* in the fourth quarter of 2011 and a new title, tentatively named the *ARRL Emergency Communications Manual*. Our expectations are high for these books. We also plan to expand our offerings of ARRL-branded merchandise, and re-sale of third-party publications and products.

Product marketing will continue to encompass direct mail, catalogs, e-mail solicitations and new product bulletins, on-line e-commerce and advertising across all of ARRL's varying publishing platforms including the ARRL web site. We will continue to leverage all sales channels, direct to individuals, dealers and large wholesale outlets. The wholesale/retail mix of sales is expected to stay roughly the same in the coming year.

Our projection for total publication sales revenues for 2011 is slightly more than is planned for 2010.

### **Advertising Revenues**

Sales of advertising, be it print ads in our magazines, advertising in books or on the web, have been increasingly difficult with each passing year. Our Business Services Department has done an excellent job of not only maintaining sales levels but producing small increases in revenues each year for the past four years. 2011, however, is likely to see the end of that particular trend for several reasons. Unfortunately, 2010 saw an increasing number of our advertising clients cutting their advertising budgets in response to the effects of the economy on their businesses. A few have even have closed their doors. Coupled with this, reduced co-op advertising dollars from some of the major manufacturers have served to further reduce the amount of advertising dollars available from our retail store clients. And after several years of declining profitability, we are planning to discontinue the annual ARRL On-line Auction. All of these factors have caused a reduction in our expectations for advertising revenues in the coming year.

This is not to say that all categories of advertising revenues are trending downward. We are projecting increases in revenues from web banner ads and other specialty advertising offerings which help to offset decreases in other categories.

All told, we are projecting total advertising revenues of almost \$2.7 million in 2011. This is about \$38,000 (about 1.4%) less than projected for 2010.

### **Voluntary Contributions**

As a result of the economic recession, 2009 was a low point in raising voluntary contributions for the ARRL, particularly unrestricted revenues from the Diamond Club and the annual Defense of Frequencies fundraising campaign. There was a significant drop in the level of these contributions. However, during 2010 we saw small signs of a turnaround in the giving habits of our members. Through programs like installment giving to the Diamond Club and the new *Spectrum Defense Matters* newsletter, we have seen slight increases in revenues from voluntary

contributions so far this year although we still have a way to go to meet our Spectrum Defense goal. These are encouraging signs that we believe we can build on in 2011.

We also plan to continue to promote giving to specialized, temporarily restricted funds like the Education and Technology Fund. This particular fund is an important resource in support of one of the ARRL's "Five Pillars" and is the backbone of our ability to provide equipment grants to schools and offer Teachers' Institutes which provide excellent technical education to middle and high school teachers from across the country. Continuing these programs is a significant commitment for the organization and one we believe is important going forward. The well of support for these programs, however, is not a bottomless pit. There is a limit on how much can be raised for this fund. Therefore, we will continue to scale our commitments each year to match the amount of funding we project will be available. As such, we've planned to hold 5 Teachers' Institutes in 2011, slightly less than in 2010. With the assistance of a volunteer in Pennsylvania we are pursuing possible grants that would allow for program expansion.

Looking back at 2010, we believe our decision to delay the launch of the Second Century Campaign to bolster the ARRL's endowment was a good one. However, this can't be delayed any further if we are going to be able to mount a successful campaign to raise a significant amount of money for the League's endowment. Work must begin in earnest in 2011, although it is designated as the "quiet phase" of the campaign. Mission statements must be completed, campaign materials prepared, donor research begun and initial meetings with large, potentially influential donors must take place to prepare for a national roll-out in 2012. This Plan includes funding for these activities including an additional staff position, but it is important to note that there are no revenues associated with this program included in the 2011 Plan.

We expect to offset approximately \$1,027,000 of organizational expenses with voluntary contributions in the coming year – a slight increase from 2010.

### **Program Fees**

Across all our fee generating programs, we are not projecting any particular revenue increases in the coming year, opting for a "status quo" approach to budgeting in these areas. While this year's DXCC fee production has been significantly more than expected, we don't expect to see any increase over this year's overall activity levels even with the addition of new countries at the beginning of the year. Receipts from Logbook of the World are below budget for 2010 because of delays in adding new awards; those awards should be in place in 2011 but because we do not know the demand, we are being conservative in estimating revenue.

As the ARRL VEC is responsible for over half the total program fees collected each year, it is important to understand the assumptions which are used to project this important revenue source. They are also barometers of other revenues such as dues and sales of our training materials. You will see on page 70 of the Plan that we are projecting similar levels of new and upgrade testing activity in 2011 as we did in 2010. There is no indication that these will change. As such, our projection of VE fees for the coming year is just above \$400,000, in line with this year's receipts.

Total program fees are projected to be about \$852,000 in the first year of this planning cycle. While this is close to \$45,000 more than projected for this year, it is solely the result of the better than planned activity in DXCC which is expected to remain level next year.

### **Other Income**

As noted earlier in this report, the amount of investment income allocated to regular operations is expected to grow in the coming year, particularly with the sizeable addition to the permanent endowment and the better than expected results we've seen so far in 2010. This income has been included in the 2011 Plan in the amount of \$365,000.

### **In Summary**

We look forward to 2011 as another year of challenges for the ARRL. We expect to put the transition to the new web site behind us and begin to look forward regarding how best to leverage the information and technology it offers. Long awaited improvements to LOTW, as well as other technology projects will take center stage. The beginning of the Second Century Campaign is also exciting as it begins the countdown to the organization's 100<sup>th</sup> anniversary. An ARRL National Convention will be held in Plano, Texas in June and preparations for another World Radiocommunication Conference to be held early in 2012 will peak. Advancements in our Education and Emergency Communications capabilities will be accomplished and our awards programs will continue to afford Amateurs a wide variety of opportunities to participate in those activities. All in all, it will be a busy and hopefully productive year.

Financially, it is likely to be more challenging than 2010. Our projections, after a significant investment in the Second Century Campaign, are for a small surplus of revenues over expenses, so small as to be basically break-even. We have the benefit of a strong balance sheet, significant financial reserves and fairly consistent revenue sources even though we don't expect them to grow in any great percentage in the coming year. There are financial challenges on the horizon. The goal of terminating the defined benefit pension plan and the significant financial liability it represents continues to present a significant challenge. The rising cost of employee benefits requires constant attention. As it stands, management of our expenditures at every level must be a part of our operating mindset. That's not to say we shouldn't spend money. Clearly, to accomplish what we plan to do in 2011 will require the expenditure of resources over a wide spectrum. But we must continue to be smart about how we do it.

### **Capital Expenditures**

Capital expenditures proposed in this plan total of \$165,000. Unlike past years, only a small percentage of this amount is allocated to the technology infrastructure. Investments in other areas of the building including removal of the asbestos flooring materials in the Lab and a long overdue upgrade of the Mailroom are but two of the projects proposed. We are also proposing to replace the company truck which will be 14 years old this year.



## **Staffing**

The total staffing complement proposed in this Plan encompasses 92 full time and 11 part-time positions. As a result of the staff composition, this equates to 99 full time equivalent positions which is two more than were included in the final Plan for 2010.

There are several new positions and two position eliminations/combinations that are proposed as we continue to add and shift staff to meet the needs of the organization. A detailed description of the staffing changes is included in the “Staffing” section of this Plan document.

## **Risks and Opportunities**

As is always the case, while we believe the activities and financial projections are achievable, there are identifiable risks that may cause different results than expected.

1. **Bottom Line-** We are projecting a very small gain from operations for 2011. As noted previously, the income from normal operations is higher, actually more than proposed in the final 2010 Plan. However, the proposal to invest a significant portion of that gain in the Second Century Campaign serves to reduce the projected bottom line. Any small deviation in our assumptions could result in a loss from operations for the year. This wouldn't be fatal as we have sufficient reserves, but the possibility of an operational loss does exist. On the other hand, the prospects for long-term benefits from the Second Century Campaign make it worth the risk.

2. **The Economy-** The economy can still be characterized as “sluggish” at best and no one is able to predict when this may change. While the financial markets have stabilized somewhat for the moment, unemployment is still high and credit is still hard for many to get, including the small businesses among our advertisers and book dealers. Our operations will continue to be impacted by the economy but we've been successful so far in navigating the rough waters of the nation's economic downturn. There is reason for optimism, but it remains to be seen if we can continue to have the kind of success in doing so that we've experienced over the past three years.

3. **Membership-** We've been able to show small but steady membership increases over the past several years and we are projecting that we will continue this trend in 2011. The 1,600 increase in membership will be our internal (and measurable) goal. But again, we're hedging our bet by moderating our projections for dues revenues to be conservative. Membership growth is critical to the future of the organization, both operationally and financially.

4. **Voluntary Contributions-** Although we're beginning to see some positive signs from our donor base, prolonging the current economic conditions could put a damper on some people's appetite to continue their charitable giving. We have a loyal donor base, particularly among larger donors but this group cannot be counted on to deliver the entire result we're projecting in 2011. The actions of the smaller donors will hold the key to meeting our overall financial projections in this area.

5. **Advertising-** All advertising, but especially print advertising, is vulnerable in the economic climate we're currently experiencing. Because of what we've seen in 2010 we've reduced our

expectations slightly for 2011 but there is always a chance, albeit small, that a major advertiser will withdraw from the market, even temporarily. If that were to occur, we would have to take immediate action to reduce expenses to offset the loss of revenues.

We believe this Plan is responsive to the current direction and objectives of the Board of Directors. It maintains the current level of our services and programs for members while meeting the objective of a balanced financial result. In addition, it provides for a major program that we expect will benefit the organization financially over the long term. As always, it is not without risk and will require specific attention to our financial results and careful expense management as the year unfolds.

Respectfully submitted,

David Sumner, K1ZZ  
Chief Executive Officer

**AMERICAN RADIO RELAY LEAGUE, INC.**  
**SUMMARY**  
**2011**

	2009 Actual	2010 Plan	2011 Plan	2012 Plan
REVENUES	\$13,476,989	\$13,218,000	\$13,554,000	\$13,698,000
EXPENSES	<u>10,474,804</u>	<u>10,358,000</u>	<u>10,659,000</u>	<u>11,005,000</u>
NET AVAILABLE INCOME	3,002,185	2,860,000	2,895,000	2,693,000
MEMBER PROGRAM EXPENDITURES	<u>3,570,898</u>	<u>3,700,000</u>	<u>3,885,000</u>	<u>3,985,000</u>
SUB-TOTAL	(568,713)	(840,000)	(990,000)	(1,292,000)
CONTRIBUTIONS	<u>938,151</u>	<u>1,009,000</u>	<u>1,027,000</u>	<u>1,076,000</u>
INCOME FROM OPERATIONS	369,438	169,000	37,000	(216,000)
PENSION PLAN ADJUSTMENT	(3,668,924)	-	-	-
GAIN/(LOSS) ON INVESTMENT	<u>(47,658)</u>	-	-	-
NET EXCESS (DEFICIT)	<u>\$ 3,990,704</u>	<u>\$ 169,000</u>	<u>\$ 37,000</u>	<u>\$ (216,000)</u>

**AMERICAN RADIO RELAY LEAGUE, INC.**  
**INCOME**  
**2011**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Plan</b>	<b>Plan</b>	<b>Plan</b>
<b><u>REVENUES</u></b>	<b><u>\$13,476,989</u></b>	<b><u>\$13,218,000</u></b>	<b><u>\$13,554,000</u></b>	<b><u>\$13,698,000</u></b>
Product Sales	3,835,923	3,607,000	3,654,000	3,723,000
QST and Magazines	261,731	246,000	258,000	257,000
Advertising	2,731,604	2,732,000	2,694,000	2,735,000
Membership Dues	5,410,673	5,480,000	5,600,000	5,610,000
Program Fees	868,999	807,000	852,000	851,000
Interest/Dividends	268,509	241,000	365,000	375,000
Other	99,550	105,000	131,000	147,000
<b><u>EXPENSES</u></b>	<b><u>\$6,805,881</u></b>	<b><u>\$10,358,000</u></b>	<b><u>\$ 10,659,000</u></b>	<b><u>\$11,005,000</u></b>
Product Sales	2,910,691	2,848,000	2,671,000	2,751,000
QST and Magazines	2,889,321	2,769,000	2,914,000	3,138,000
Advertising	324,914	313,000	244,000	254,000
Membership Dues	708,859	722,000	930,000	957,000
Investment Income	32,414	36,000	48,000	48,000
Support:	<b><u>(\$60,318)</u></b>	<b><u>\$3,670,000</u></b>	<b><u>\$3,852,000</u></b>	<b><u>\$3,857,000</u></b>
Administration	833,968	792,000	812,000	838,000
Development/Fundraising	402,920	478,000	595,000	595,000
Comptroller	833,879	787,000	813,000	825,000
Information Technology	796,454	852,000	884,000	923,000
Administrative Services	217,350	223,000	253,000	260,000
Personnel	(3,636,950)	55,000	34,000	(55,000)
Building	492,061	483,000	461,000	471,000
<b><u>NET AVAILABLE INCOME</u></b>	<b><u>\$ 6,671,108</u></b>	<b><u>\$ 2,860,000</u></b>	<b><u>\$ 2,895,000</u></b>	<b><u>\$ 2,693,000</u></b>
Product Sales	925,232	759,000	983,000	972,000
QST and Magazines	(2,627,590)	(2,523,000)	(2,656,000)	(2,881,000)
Advertising	2,406,690	2,419,000	2,450,000	2,481,000
Membership Dues	4,701,814	4,758,000	4,670,000	4,653,000
Program Fees	868,999	807,000	852,000	851,000
Investment Income	236,095	205,000	317,000	327,000
Other and Support	159,868	(3,565,000)	(3,721,000)	(3,710,000)

**AMERICAN RADIO RELAY LEAGUE, INC.**  
**SPENDING**  
**2011**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Plan</b>	<b>Plan</b>	<b>Plan</b>
<b><u>MEMBER PROGRAM</u></b>				
<b><u>EXPENDITURES</u></b>	<b><u>\$3,570,898</u></b>	<b><u>\$3,700,000</u></b>	<b><u>\$3,885,000</u></b>	<b><u>\$3,985,000</u></b>
<b>Advocacy</b>	<b><u>\$835,844</u></b>	<b><u>\$837,000</u></b>	<b><u>\$867,000</u></b>	<b><u>\$858,000</u></b>
Washington	578,571	585,000	565,000	608,000
International/IARU	160,816	148,000	189,000	154,000
Public Relations	96,457	104,000	113,000	96,000
<b>Membership/Vol Programs</b>	<b><u>\$1,315,532</u></b>	<b><u>\$1,393,000</u></b>	<b><u>\$1,569,000</u></b>	<b><u>\$1,632,000</u></b>
Administration	240,631	243,000	236,000	244,000
Contest	116,034	129,000	136,000	141,000
DXCC/Awards	310,282	323,000	364,000	379,000
QSL Bureau	76,374	77,000	79,000	87,000
W1AW	114,237	121,000	159,000	165,000
Logbook	40,285	40,000	39,000	40,000
Field Services *	303,354	212,000	290,000	307,000
Emergency Preparedness & Response	-	142,000	151,000	152,000
Section Expenses	114,335	106,000	115,000	117,000
<b>Educational Programs</b>	<b><u>\$366,851</u></b>	<b><u>\$392,000</u></b>	<b><u>\$385,000</u></b>	<b><u>\$405,000</u></b>
Education Services	130,625	145,000	147,000	149,000
Educ & Technology	236,226	247,000	238,000	256,000
<b>VEC</b>	<b><u>\$358,647</u></b>	<b><u>\$379,000</u></b>	<b><u>\$363,000</u></b>	<b><u>\$374,000</u></b>
<b>LAB</b>	<b><u>\$390,492</u></b>	<b><u>\$400,000</u></b>	<b><u>\$393,000</u></b>	<b><u>\$407,000</u></b>
<b>Governance</b>	<b><u>\$303,532</u></b>	<b><u>\$299,000</u></b>	<b><u>\$308,000</u></b>	<b><u>\$309,000</u></b>
Divisions	111,766	119,000	119,000	119,000
Officers	42,712	45,000	45,000	45,000
Board Meetings	111,893	100,000	100,000	100,000
Committees	37,161	35,000	44,000	45,000

\* Emergency Preparedness & Response expenses have been separated from Field Services effective 1-1-10.

**AMERICAN RADIO RELAY LEAGUE, INC.**  
**CONTRIBUTIONS / INVESTMENT ACTIVITY**  
**2011**

	2009 Actual	2010 Plan	2011 Plan	2012 Plan
<b><u>CONTRIBUTIONS AND SUPPORT</u></b>	<b><u>\$938,151</u></b>	<b><u>\$1,009,000</u></b>	<b><u>\$1,027,000</u></b>	<b><u>\$1,076,000</u></b>
<b>Unrestricted</b>	<b><u>\$309,411</u></b>	<b><u>\$358,000</u></b>	<b><u>\$372,000</u></b>	<b><u>\$377,000</u></b>
Diamond Club	239,243	263,000	270,000	275,000
Miscellaneous	70,168	95,000	102,000	102,000
Member Loyalty			-	-
<b>Donor-Restricted: "Uses"</b>	<b><u>\$628,740</u></b>	<b><u>\$651,000</u></b>	<b><u>\$655,000</u></b>	<b><u>\$699,000</u></b>
<b>Defense:</b>	<b><u>\$291,064</u></b>	<b><u>\$325,000</u></b>	<b><u>\$350,000</u></b>	<b><u>\$375,000</u></b>
Advocacy	267,239	240,000	276,000	300,000
Fundraising	23,825	85,000	74,000	75,000
<b>Education &amp; Technology:</b>	<b><u>\$272,979</u></b>	<b><u>\$283,000</u></b>	<b><u>\$265,000</u></b>	<b><u>\$284,000</u></b>
Program	254,240	256,000	238,000	256,000
Fundraising	18,739	27,000	27,000	28,000
<u>W1AW Endowment</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Legal Research &amp; Resource Lab Fund</u>	<u>\$1,865</u>	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Preservation of Artifacts</u>	<u>\$23,332</u>	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>
<u>W1AW</u>	<u>\$12,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>HPM Award /DARA</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>E. Smith Earnings</u>	<u>\$20,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
<u>Colvin Award</u>	<u>\$6,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>GAIN/(LOSS) ON SALE OF INVESTMENTS</u></b>	<b><u>(\$47,658)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**American Radio Relay League  
Detailed Income Statement  
2011 Plan**

	2009 Actual	2010 Total Plan	2011 Total Plan
<b>RECONCILIATION BY TOTALS</b>			
<b>REVENUES</b>			
PUBLICATIONS & PRODUCTS	\$ 3,835,923	\$ 3,607,000	\$ 3,654,000
ADVERTISING	2,731,604	2,732,000	2,694,000
DUES & SUBSCRIPTIONS	5,672,404	5,726,000	5,858,000
PROGRAM & SERVICE FEES	868,999	807,000	852,000
INVESTMENT INCOME	220,851	241,000	365,000
CONTRIBUTIONS & SUPPORT	938,151	1,009,000	1,027,000
OTHER	99,550	105,000	131,000
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<b>TOTAL REVENUES</b>	<b>14,367,482</b>	<b>14,227,000</b>	<b>14,581,000</b>
<b>DIRECT COSTS</b>			
PUBLICATIONS & PRODUCTS	1,714,288	1,635,000	1,570,000
MEMBERSHIP & SUBS	2,225,595	2,085,000	2,209,000
ADVERTISING	-	1,000	1,000
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<b>TOTAL DIRECT COSTS</b>	<b>3,939,883</b>	<b>3,721,000</b>	<b>3,780,000</b>
<b>ADMINISTRATIVE EXPENSES</b>			
HEADQUARTERS	6,019,029	9,933,000	10,341,000
BOARD OF DIRECTORS, OFFICERS & COMMITTEES	303,532	299,000	308,000
SECTION LEVEL	114,334	105,000	115,000
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<b>TOTAL ADMIN EXPENSES</b>	<b>6,436,895</b>	<b>10,337,000</b>	<b>10,764,000</b>
	-----	-----	-----
<b>TOTAL EXPENSES</b>	<b>10,376,778</b>	<b>14,058,000</b>	<b>14,544,000</b>
	-----	-----	-----
<b>NET EXCESS (DEFICIT) FROM OPERATIONS</b>	<b>\$ 3,990,704</b> =====	<b>\$ 169,000</b> =====	<b>\$ 37,000</b> =====

**REVENUES:****PUBLICATION AND PRODUCT SALES:**

ARRL Handbook	\$ 754,240	\$ 565,000	\$ 537,000
Repeater Directory	148,307	170,000	127,000
Ham Radio License Manual	387,950	411,000	445,000
Training Aids	470,383	486,000	452,000
Non-ARRL Publications	164,483	165,000	150,000
Royalty Items	387,043	345,000	392,000
Other Books	760,928	823,000	888,000
RSGB	117,458	110,000	102,000
Other Pubs/Product Sales	5,894	-	-
Membership Supplies	169,677	160,000	166,000
	-----	-----	-----
	3,366,363	3,235,000	3,259,000
Apparel Commissions	8,812	10,000	10,000
Other Products: Publishing Rights	7,276	-	25,000
On-line Courses	73,923	34,000	32,000
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	90,011	44,000	67,000
Postage/Handling Fees	410,022	364,000	364,000
Sales Returns and Allow.	(30,473)	(36,000)	(36,000)
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<b>TOTAL PUBLICATION &amp; PRODUCT SALES</b>	<b>3,835,923</b>	<b>3,607,000</b>	<b>3,654,000</b>



**ADVERTISING:**

QST	\$ 2,403,563	\$ 2,357,000	\$ 2,351,000
QST Specialty	70,352	75,000	72,000
Electronic Advertising	46,263	67,000	43,000
Ham Ads	15,058	15,000	13,000
QEX	11,670	13,000	6,000
NCJ	23,471	21,000	22,000
WEB Banners	13,875	14,000	50,000
All Other Advertising	110,678	130,000	137,000
Auction Revenue	36,674	40,000	-
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<b>TOTAL ADVERTISING</b>	<b>2,731,604</b>	<b>2,732,000</b>	<b>2,694,000</b>

**MEMBERSHIP DUES AND SUBSCRIPTIONS**

Term Membership Dues	4,905,052	4,974,000	5,091,000
Life Membership Dues	505,621	506,000	509,000
QST: Dealer	28,845	31,000	25,000
QEX Subscriptions	177,260	165,000	177,000
NCJ Subscriptions	55,626	50,000	56,000
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<b>TOTAL DUES &amp; SUBSCRIPTIONS</b>	<b>5,672,404</b>	<b>5,726,000</b>	<b>5,858,000</b>

**REVENUES:**

**PROGRAMS & SERVICE FEES**

QSL Bureau Service	\$ 45,182	\$ 44,000	\$ 47,000
DXCC Fees and Receipts	287,678	250,000	300,000
W1AW Cert Fees	734		
Logbook Receipts	54,902	65,000	64,000
Contest Fees	28,127	21,000	22,000
Lab Fees	1,209	1,000	1,000
Volunteer Exam Fees	439,201	415,000	407,000
IARP Fees	1,505	1,000	1,000
Volunteer Exam Patches	12	-	-
Vanity Renewal Fees	8,771	9,000	9,000
Non-Member FCC changes	1,678	1,000	1,000
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<b>TOTAL FEES</b>	<b>868,999</b>	<b>807,000</b>	<b>852,000</b>

**INVESTMENT INCOME**

Interest/Dividend Income	\$ 268,509	\$ 241,000	\$ 365,000
Gain/(Loss) from Sale of Investments	(47,658)	-	-
	-----	-----	-----
<b>TOTAL INVESTMENT INCOME</b>	<b>220,851</b>	<b>241,000</b>	<b>365,000</b>

**CONTRIBUTIONS & SUPPORT**

Contributions - Unrestricted	69,148	95,000	102,000
Contributions - Diamond Club	239,243	263,000	270,000
Contributions - Member Loyalty	1,020	-	-
Contributions - Restricted	628,740	651,000	655,000
	-----	-----	-----
<b>TOTAL CONTRIBUTIONS &amp; SUPPORT</b>	<b>938,151</b>	<b>1,009,000</b>	<b>1,027,000</b>

**OTHER REVENUES**

Royalties	3,123	4,000	4,000
Affinity Credit Card	32,440	32,000	36,000
Insurance Commission	21,890	21,000	21,000
Affinity Insurance Royalty	2,915	3,000	3,000
Misc. Other Income	39,182	45,000	67,000
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<b>TOTAL OTHER REVENUES</b>	<b>99,550</b>	<b>105,000</b>	<b>131,000</b>
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**DIRECT COSTS:**

**DIRECT COSTS OF PUBLICATIONS & PRODUCTS:**

ARRL Handbook	\$ 317,520	\$ 196,000	\$ 188,000
Repeater Directory	52,024	57,000	46,000
Ham Radio License Manual	46,723	50,000	62,000
Training Aids	87,321	116,000	104,000
Non-ARRL Publications	93,624	181,000	90,000
Royalty Items	141,821	98,000	149,000
Other Books	151,497	66,000	197,000
RSGB	59,695	137,000	51,000
Other Pubs/Product COGS	7,834	-	-
Membership Supplies	61,001	59,000	10,000
On-line Course Expense	32,691	15,000	9,000
Publications Forwarding Expense	519,242	527,000	521,000
Advertising/Promotion Expense	9,250	17,000	17,000
In-House Pub Use	106,699	98,000	108,000
Obsolete Inventory	27,346	18,000	18,000
<b>TOTAL DIRECT PUBLICATION &amp; PRODUCT SALES</b>	<b>1,714,288</b>	<b>1,635,000</b>	<b>1,570,000</b>

**DIRECT COSTS OF MEMBERSHIPS  
AND SUBSCRIPTIONS:**

QST Publication Expense	\$ 1,067,189	\$ 966,000	\$ 1,052,000
QST Insertion Costs	51,244	24,000	33,000
QST Forwarding Expense	966,356	927,000	969,000
QST Electronic Production Exp.	2,170	19,000	-
QEX Publication Expense	52,214	59,000	62,000
QEX Forwarding Expense	34,955	34,000	36,000
NCJ Publication Expense	34,974	40,000	41,000
NCJ Forwarding Expense	16,493	16,000	16,000
	-----	-----	-----
<b>TOTAL DIRECT MEMBERSHIP &amp; SUBSCRIPTION COSTS</b>	<b>2,225,595</b>	<b>2,085,000</b>	<b>2,209,000</b>

**DIRECT COSTS OF ADVERTISING:**

Client On-line Services	-	1,000	1,000
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<b>TOTAL DIRECT ADVERTISING COSTS</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>

**HEADQUARTERS OPERATIONS:**

Salaries Regular	\$ 4,561,248	\$ 4,908,000	\$ 5,179,000
Salaries Overtime	60,208	35,000	44,000
Commissions and Bonuses	24,993	22,000	22,000
Employee Recognition /Awards	10,852	9,000	10,000
Temporary Employees	7,728	-	-
Employee Benefits	(2,009,353)	1,612,000	1,394,000
Employee Relocation	572	-	-
Recruiting Advertising	2,930	2,000	2,000
Legal and Professional	105,746	96,000	113,000
Accounting/Audit Fees	40,200	43,000	50,000
Other Consultants	328,147	326,000	345,000
Education Grants	16,313	10,000	10,000
Promotional Materials	859	1,000	3,000
Donor Recognition	28,312	34,000	38,000
Office Supplies	40,390	41,000	54,000
Stationery/Printing/Forms	309,600	373,000	407,000
Exhibit Expense	36,180	31,000	61,000
Membership Recruiter Program	5,270	-	-
Expensed Equipment/Furniture	68,897	65,000	62,000
Computer Supplies	889	2,000	12,000
Purchased Software Packages	3,391	5,000	5,000
Hardware Parts	8,791	10,000	10,000
Telephone	44,122	43,000	48,000
Internet/ISP/Electronic Mail	38,891	39,000	30,000
ARRL.net	32,500	30,000	30,000
Postage	532,041	590,000	671,000
Dues and Subscriptions	26,531	26,000	31,000
IARU Dues	46,372	48,000	49,000
Business Travel	83,429	102,000	163,000
Overseas Travel	147,287	140,000	162,000
Member Contact Travel	\$ 49,959	\$ 50,000	\$ 40,000
Program Travel	79,530	91,000	76,000

Utilities	144,146	153,000	139,000
Insurance	62,628	62,000	83,000
Property Taxes	114,693	119,000	118,000
Building Maintenance	125,856	109,000	115,000
Computer Maintenance	25,386	10,000	7,000
Maintenance of Equipment	68,753	58,000	55,000
Rent/Leased - Equipment	12,494	14,000	28,000
Rent/Leased - Storage	51,617	52,000	52,000
Rent/Leased - Office Space	25,680	26,000	27,000
Truck Expenses	1,170	1,000	2,000
Overseas QSL Service	22,697	24,000	26,000
Awards Expense	60,185	64,000	77,000
W1AW Station Expense	1,898	4,000	4,000
Product Review Expense	6,099	7,000	33,000
Lab Expense	6,406	5,000	7,000
Payroll Processing	8,391	8,000	9,000
Interest Expense		-	-
Bank Service Charges	29,968	30,000	32,000
Credit Card Fees	181,061	177,000	190,000
Credit and Collections	1,945	1,000	3,000
Bad Debt Expense	18,059	18,000	12,000
Other Taxes and Permits	408	-	-
Depreciation and Amortization	262,648	198,000	195,000
Miscellaneous	54,016	9,000	6,000
<b>TOTAL HEADQUARTERS OPERATIONAL EXPENSES</b>	<b>6,019,029</b>	<b>9,933,000</b>	<b>10,341,000</b>

**BOARD of DIRECTORS, OFFICERS & COMMITTEES:**

Divisions	\$ 111,766	\$ 119,000	\$ 119,000
President and Officers	42,712	45,000	45,000
BOD Meetings	111,893	100,000	100,000
Committees	37,161	35,000	44,000
	-----	-----	-----
	303,532	299,000	308,000
 Section Level Administrative Exp.	 114,334	 105,000	 115,000
	-----	-----	-----
<b>TOTAL BOARD OF DIRECTORS, OFFICERS &amp; AUTHORIZATIONS</b>	<b>417,866</b>	<b>404,000</b>	<b>423,000</b>



## **DEPARTMENT PLANS**

## **SALES AND MARKETING DEPARTMENT**

- Year-end goal of 158,576 members—net growth of 1,568 members.
- Continue to exploit the new web site to cultivate membership prospects and new members.
- Test and refine membership appeals to new licensees, upgrade licensees, and renewing members.
- Year-end publication and product sales goal of \$3,259,000.
- Continue to integrate the new e-store and web site into our multi-channel ‘mix’ of product marketing strategies.
- Expand products to include more kits and technical projects.
- Organize ARRL’s exhibit for Dayton Hamvention 2011.
- Organize ARRL’s exhibit for the 2011 ARRL National Convention in Plano, Texas.
- Hire a part time graphic designer to support marketing activities.

### **Summary**

The Sales and Marketing Department includes the following operational divisions:

- membership and subscriptions
- publication and product direct sales
- fulfillment and warehouse

The group’s primary activities involve marketing, application processing, circulation, order processing and member/customer service. The group also manages fulfillment of exhibit and event collateral (brochures and handouts, display materials, etc.) and other in-house inventory fulfillment and distribution.

### **Staffing Changes**

We propose adding a part time graphic designer to support marketing and identity branding:

- Producing graphics for membership and publication direct marketing (mail, email, e-newsletters, and house advertising).
- Producing graphics tailored to the new Web site, including graphics and logos for many tertiary pages.
- Producing graphics and designs supporting ARRL merchandise and supplies (non-publications).

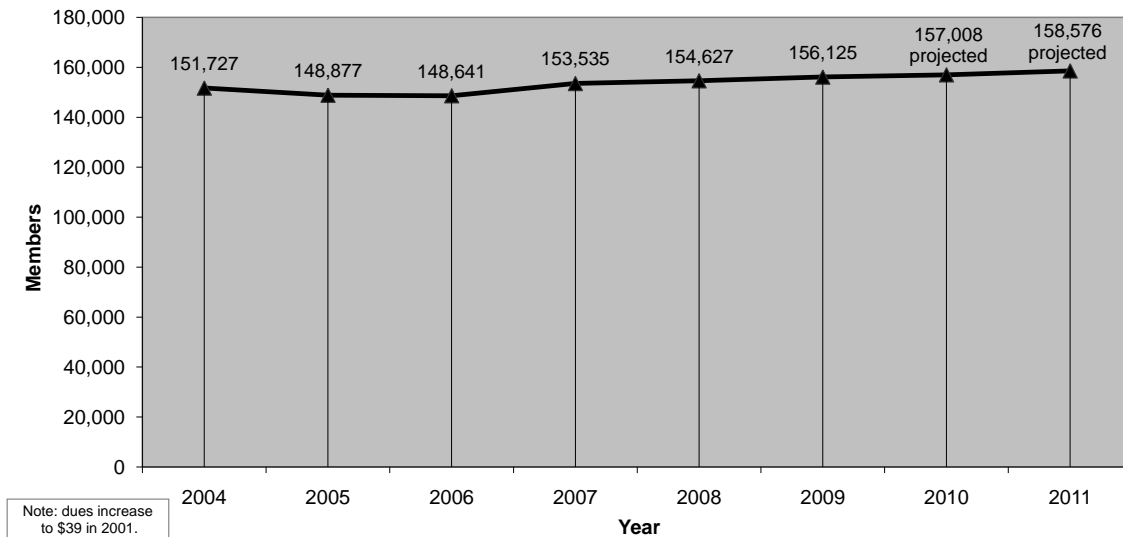
## Membership Retention and Recruitment

### Summary

Our year-end 2011 goal is 158,576 members—1.0% increase.

ARRL membership has experienced modest annual growth since 2007—attributed to consistently strong levels of new licensees, high retention, and the aggregate of our direct marketing acquisition activities: mailings to new licensees and recently lapsed and “never” members. We predict ending 2010 with 157,008 members.

### **ARRL Membership 2004-2011 (2010-11 projected)**



### Strategies

Our 2011 planning will capitalize on those activities that yielded growth and results throughout the last year. Though a largely unrealized goal in 2010, we will begin to exploit data gathered through the new ARRL Web site, specifically data gathered through the creation of online guest user accounts.

#### New Web Site

The online guest user account feature of the ARRL Web site will give us the opportunity to promote membership to both licensed and unlicensed prospects. Gathering information on prospective members will enable us to segment lists, allowing us to send personalized membership appeals based on individual interests. This strategy of “pushing” personalized information out will foster our relationship with non-members, convincing them there is value in being an ARRL member.

Once we have developed and tested a successful strategy of list segmentation and appeals, our goal is to pursue (with IT support) administrative tools to automate e-mail campaigns and communication to guest users. This, in conjunction with future enhancements to the site supporting greater member engagement and topic-specific forums, will ultimately contribute to increased member retention.

#### New Ham and Upgrade Mailings

Radio amateurs that have earned new or recently-upgraded licenses are a rich source of ongoing membership prospecting. Within 90 days of licensing, approximately 18% of new licensees join ARRL (based on data from the first half of 2010).

As part of the mailings to new hams in 2010, we encouraged all new hams to complete an online survey. In 2011, we will continue to test and refine the mailings to new licensees based on data we gather from the web site and surveys. For example, when asked, “What are the top 3 reasons you are currently involved in ham radio?,” the top two answers are consistently public service and technical interests. When asked, “What Amateur Radio activities do you primarily enjoy?” the top 3 answers are:

61% -- Just listening

47% -- Mobile or portable operating

41% -- Emergency communications/ARES/RACES

#### Retention Activities

We will build on the success of efforts in 2010 to improve response rates to renewal notices—concentrating on messaging, format and incentives.

#### Direct Mail Campaigns

In 2010, we conducted 5 large membership campaigns—targeting lapsed and “never” members. Test mailings precede some of these campaigns, further honing the appeal, offers, format and list selection. Our 2011 planning includes:

- 5 large mailing campaigns (50,000 each)
- 3 test mailings

We will also continue to mail to smaller, targeted groups such as VE’s, previous purchasers, LoTW users, teachers, instructors, etc.

#### Field Recruitment

We have a collection of high quality recruitment collateral and display items. In 2010 we added items that can be used as giveaways to help officials and volunteers engage prospective members. We will continue to develop new materials as needed and requested. These items are frequently requested by Directors, Vice Directors, Section Managers, club officials and members.

#### Conventions

Since 2005, we have developed a successful organizational presence for large-scale conventions such as the annual Dayton Hamvention and ARRL National Conventions. The focal point of our participation is ARRL EXPO, a showcase of ARRL exhibits, activities and program

representatives. ARRL EXPO has been a source of great pride and success—measured in relationships and revenue. At 2010 Hamvention, 1,212 membership applications were taken (1,050 in 2009), and product sales topped \$68.6K (\$64K in 2009, \$58k in 2008, \$48k in 2007).

Our 2011 planning includes ARRL EXPO at 2 events. Since the events are organized closely together, we will take advantage of repurposing materials to support both events. An additional \$5,000 capital expenditure is proposed for special display materials and exhibit items.

#### Dayton Hamvention in Dayton, Ohio – May 20-22, 2011

- ~20 exhibits; major exhibits include sales/membership, award card checking (DXCC, etc.), public service and EmComm, project building, ARRL Youth Lounge.
- 20 staff (including youth organizer and 1 special guest)
- 80 volunteers
- Speakers/Presenters (as part of the Hamvention forum slate)
- Youth Dinner
- Hamvention theme: “Global Friendship”

#### ARRL National Convention at Ham-Com in Plano, Texas – June 10-11, 2011

- ~10 exhibits; major exhibits include sales/membership, award card checking (DXCC, etc.), public service and EmComm, project building, ARRL Youth Lounge.
- 15 staff (including youth organizer and 1 special guest)
- 40 volunteers
- Speakers/Presenters (as part of the Ham-Com forum slate)
- ARRL Wouff Hong Ceremony
- Youth Dinner

#### Advertising

In 2011, we will place advertising in publications, periodicals and on web sites with like-minded members or readers. Specifically, we will promote Amateur Radio, ARRL membership, and ARRL publications that are of interest to IEEE members, RVers, and those interested in public service and emergency communications.

#### New Benefits Investigation

Efforts to investigate and implement new benefits for our members is ongoing.

In 2010 we updated the publication we use in the first mailing to new hams – previously the Ham Express 411. The new format, the Quickstart Guide for All Hams, features several new articles specifically targeted to new hams. In 2011, we will focus on adding more online resources for new hams.

In August 2010 we surveyed members regarding existing and proposed member benefits. An excerpt from the survey is included, below:

**ARRL is considering several new programs, products and services as member benefits. Which three of these would you find most valuable?**

1. Member discounts on ARRL publications and courses	58%
2. Discounts on Amateur Radio equipment and/or equipment financing	57%
3. Online resources for selecting equipment	46%
4. Online resources for new hams	41%
5. Access to the most recent issues of QST digitally	35%
6. More digital products (ARRL publications, training courses)	31%
7. A membership option that includes automatic delivery of annual ARRL publications such as the Repeater Directory and Handbook	19%
8. Member discount programs (Medicare supplemental insurance, hotel, car rental, magazines, prescriptions)	16%

**How valuable would each of the new programs, products and services be to you?**

	4 or 5 (very valuable)
1. Member discounts on ARRL publications and courses	70%
2. Online equipment advisory service with ratings	68%
3. Discounts on Amateur Radio equipment and/or equipment financing	67%
4. Online resources for new hams (tips to set up shack and use equipment, radio terms, etc.)	66%
5. Online tips on how to buy equipment	59%
6. Online equipment classifieds/swap	56%
7. Digital training courses	54%
8. Digital versions of ARRL books	52%
9. Digital version of magazines (QST, QEX and NCJ)	51%
10. Access to the most recent issue of QST digitally	51%

### Telemarketing

In late 2010, we identified a telemarketing firm to help develop a new asset for our membership marketing mix. The 2010 test will focus on re-acquisition of lapsed members. It is believed that telemarketing will elicit a favorable return from among membership prospects who might not otherwise respond to other direct marketing channels (mail, email, etc.). If the 2010 test proves successful, this effort will augment other re-acquisition activities in 2011.

### Other Programs, Benefits, and Recruitment

- Affinity Benefits: ARRL Visa Card, MetLife Insurance Program, and the ARRL Equipment Insurance Program
- Develop campaigns and techniques to help our telephone representatives proactively promote membership, multi-year sign-ups, and cross-selling
- Membership and Product Bundles
- International Membership Recruitment
- ARRL Tour and Visitors Program

## **Publication and Product Sales**

The 2011 publication and product sales forecast is \$3,231,610.

### Publication and Product Sales History

2005	\$2,961,870
2006	\$2,888,101
2007	\$3,261,604
2008	\$3,232,233
2009	\$3,367,283
2010 (fall re-forecast)	\$3,103,000
2011 forecast	\$3,231,610

## **Assumptions and Risks**

- 1) The new e-store was introduced with the new Web site in 2010. The new capabilities of the e-store have not been entirely realized. The site continues to receive additional programming attention.
- 2) There continues to be uncertainty about the current national and global economic recovery (slow), and the effects on consumer spending. We have generally weathered these uncertain times, making adjustments to short term marketing strategies.
- 3) Sales of ‘upgrade training materials’ (upgrade license manuals, etc.) have been down considerably, possibly an indication of declining demand following the peak levels enjoyed during the license restructuring boom. To help re-invigorate license manual sales, by the end of 2010 all of the license manuals will be re-introduced with new practice exam software.
- 4) We regularly follow trends that split our customer base between direct sales and wholesale purchases. Some customers prefer to purchase books directly from ARRL, while others turn to Amazon, Barnes & Noble or other major book outlets who sell our manuals much cheaper (sometimes as a loss leader). The sales mix is further complicated by the fact that some titles are sold more successfully via direct promotion and fulfillment, while others are sold primarily through our wholesale buyers. We will continue to leverage all sales channels: direct, dealer and wholesale.
- 5) In fall 2011, we will introduce both the 2012 *ARRL Handbook* and a new edition of the *ARRL Antenna Book*. We are already considering the best approach for introducing two major flagship titles during the same, short period. In addition, we are discussing considerations involving future editions of the *ARRL Handbook*; for instance, reducing the book in size or splitting it into multiple volumes; continuing with an annually-produced *Handbook*, or extending the time between editions.

## Strategies

### New Products

Our most successful sales strategies involve the regular introduction of new products, particularly new publications, throughout the year. Sales promotions and advertising often focus on new publications, while benefiting our long tail of previously published titles and third-party offerings.

Publication opportunities in 2011 include new editions of annual flagship titles and other popular books, as well as some entirely new titles. Additionally, we will continue to expand offerings of ARRL-branded merchandise, and re-sale of third-party publications and products.

We will expand our offerings to include more kits and technical projects. Before the end of 2010, we will introduce a PIC programming kit and a Morse code oscillator project.

### Multi-Channel Product Marketing

Marketing ARRL publications and products involves a multi-channel ‘mix’ of strategies and tactics:

- Online ecommerce
- Email solicitations and “new product” bulletins
- Advertising: *QST*, *NCJ*, *QEX*, web, e-newsletters, third-party catalogs, etc.
- Copywriting: book covers and product packaging, e-store.
- Direct mail and catalogs

#### *January*

Licensing Products Mailing

#### *April*

Spring Books Mailing

Publications Catalog (Spring/Summer)

#### *May*

TravelPlus Mailing

#### *July*

Spring Book Mailing (follow-up)

#### *August*

TravelPlus Mailing (follow-up)

#### *September*

Handbook Mailing

#### *October*

Handbook w/ International QST

Publications Catalog - (Winter)

#### *November*

Holiday Products Mailing

#### *December*

Handbook Mailing (follow-up)



### Ongoing

- Custom Awards, Specialty Products and Apparel
- ARRL Field Day product line (over \$79k from March-June 2010)
- ARRL Periodicals: *NCJ* and *QEX*

### **Fulfillment and Warehouse**

The Fulfillment and Warehouse branches support membership application processing, circulation (*QST*, *NCJ* and *QEX*), product sales, direct mail campaigns, sales of logo-bearing clothing and other merchandise, and fulfilling increasing amounts of ARRL forms, handouts and other media. Our staff supporting these areas is adeptly cross-trained in all areas to support efficient work flow among these diverse activities.

### **Strategies**

**Technology:** The new e-store introduced in 2010 will be integrated with the organization's accounting system. New efficiencies will be realized once our member services team no longer has to re-key online publication orders. Members will enjoy more information about order status, package tracking, and sales history.

**Training:** The member services team receives ongoing training and regular evaluation. As we have introduced processing efficiencies, we have modified job responsibilities to include greater emphasis on our personal contact with members and customers. The team is trained to help educate members about benefits, and to leverage cross-selling and up-selling opportunities.

**Cost Management:** We are committed to delivering a cost effective, customer service oriented fulfillment strategy to our members and customers. Cost savings is central in our consideration of carrier options, costs for materials and supplies, in contract negotiations, and all of our business dealings. Printing and mailing services are regularly sourced. Competitive pricing is solicited for all projects. Periodic reviews are made to ensure compliance with postal regulations.

**Capital Investment:** Cargo Van (see Capital Item proposal p.79)

Purchase cost: \$28,000

We propose the purchase of a cargo van to replace the 1997 Dodge Dakota pickup truck used on a daily basis by the Warehouse Supervisor and warehouse clerks. A van would provide us with 100% more transporting space, ease of loading via multiple entries, and enhance workplace safety. The cargo van would be more versatile for transporting boxes, mail, bulky items and maintenance equipment. As most of the mileage would be city miles and average only 4,000 miles/year, we hope to identify a used vehicle for about half of what a new one would cost. (\$28,000)

## **PUBLICATIONS DEPARTMENT**

### **Segment: Books, Videos and CDs**

This area is responsible for producing (writing and/or editing) ARRL publication products including books, video presentations, software, CD-ROMs and some World Wide Web content.

#### **A. Operational Goals**

Produce well written, technically accurate publications and other items for sale that not only generate net revenues, but also further the educational and other objectives of the organization.

#### **B. Strategies**

1. Manage resources to ensure a smooth flow of books and periodicals throughout 2011, according to established schedules.
2. Develop additional new or revised non-print products, including CD-ROM and software products.
3. Maintain the quality of League publications and other material while meeting agreed-to deadlines.

#### **C. Action Plans--New**

1. In the first quarter we will be producing new editions of the *General Class License Manual* and *General Class Q&A* books in response to the release of the new General question pool.
2. The new ARRL exam software will be available for the new General question pool as well.
3. Other new book projects for 2011 include the *ARRL Hamspeak Encyclopedia*, *Small Antennas for Small Spaces*, *Introduction to Antenna Modeling*, the *Emergency Communications Handbook* (contingent on hiring the Managing Editor of Books – see “Discussion”) and *ABCs of SDR* (late 2011 into 2012).
4. Several other books will see new editions in 2011: *2012 ARRL Handbook*, *ARRL Antenna Book*, *Emergency Power* and the *Repeater Directory*.
5. If resources permit, we also hope to publish another *Field Day Handbook*.

## **D. Action Plans--On-Going**

1. Maintain the high quality of League publications and software while meeting deadlines.
2. Revise existing ARRL books and software for new editions or printings, avoiding stockouts whenever possible.
3. Find and contract with authors for new titles. As part of this effort, we will also rely increasingly on freelance editors as well.
4. Work closely with Production Department staff to improve number and quality of graphics in publications, especially those for beginners.
5. Assist Publication Sales and Marketing staff with press releases, ad copy and other promotional material as requested.

## **E. Discussion**

We anticipate 2011 will be a difficult year in terms of generating new books due to several large projects that will effectively swamp departmental resources throughout the year: the General Class study materials, the *2012 Handbook* and the new edition of the *Antenna Book*. To improve our ability to generate more illustrations for books and magazines – always a serious chokepoint in the production process – we will be adding a full-time illustrator in the Graphics area as well as a part-time illustrator (primarily to support the needs of the Marketing department).

However, to acquire more new books we must devote resources to finding new authors. In addition, once the authors are under contract, we must have personnel at Headquarters to work with these authors and freelance editors, and manage what we hope will be a busier production cycle. To that end, we have proposed the addition of a new position tentatively titled Managing Editor of Books. This individual would coordinate the book production process internally as well as manage the communications between authors, freelance editors and Headquarters staff. The Managing Editor of Books would also possess copyediting skills and an in-depth knowledge of both Amateur Radio and the book publishing industry. The anticipated salary level would be \$70,000.

With the Managing Editor of Books in place, the Publications Manager would be free to devote substantially more time to author acquisition, not just for books but also for *QST* and other publications. The net result would be an improved ability to locate and publish new book titles, including a much-desired *Emergency Communications Handbook*. Assuming that a stable of new authors can be created, we could anticipate approximately three new book titles per year, with new titles entering the Production pipeline in late 2011. The annual revenue from the new titles would be more than sufficient to compensate for the Managing Editor of Book's salary.

## **Magazines**

This function is responsible for producing *QST* magazine as well as the other periodicals sold by the organization including *QEX* and *NCJ*.

### **A. Operational Goal**

To write and edit the best Amateur Radio magazine and other periodicals on the market, serving amateurs with a wide variety of interests and skill levels.

### **B. Strategies**

1. Identify ways to make *QST* and our other publications more useful to members, especially new hams.
2. Working within the constraints of available page space, produce a *QST* that fulfills its mission as a general-interest membership magazine, while covering as many special interests within Amateur Radio as possible.

### **C. Action Plans--New**

1. Produce a digital version of *QST* magazine in the fourth quarter of 2011.
2. Continue with our semi-annual *QST* "Zoomerang" surveys that began in September 2008. These surveys will aid us in fine-tuning *QST* content to better meet reader needs.
3. Institute a *QST* editorial calendar in 2011 for the benefit of our advertisers.

### **D. Action Plans--On-Going**

1. Write and edit material for *QST* according to schedule.
2. Work with outside column conductors to maximize the content of *QST's* special interest columns. Work with Joel Kleinman and Joel Hallas to develop topics for upcoming issues and source articles for those topics.
3. Produce regular news and features for the *ARRL Web*.
4. Produce weekly e-mail and audio versions of the *ARRL Letter*.
5. Produce an issue of our contest magazine *NCJ* and our technical magazine *QEX* every two months.

## **Support Services**

### **Graphics and Composition**

#### **A. Operational Goals**

Serve as the source for content in ARRL books, CDs and magazines. This includes setting design and composition needs in the production of publications, magazines newsletters, brochures, certificates and other printed material, as well as electronic publications.

#### **B. Strategies**

1. Work closely with editors to modernize the look and feel of League publications and make them more useful and inviting to the reader through the use of improved illustrations and graphics techniques.
2. Update the graphic design of our periodicals, books, brochures and other material whenever possible.

#### **C. Action Plans--New**

1. Review and improve procedures for creating graphics files that can be used for electronic publications and the Web. (**ongoing**)
2. Review and update procedures for organizing, storing and archiving electronic text and graphic files used in ARRL publications. (**ongoing**)

#### **D. Action Plans--On-Going**

1. Produce projects such as brochures, certificates and posters for all departments.
2. Work closely with editors to improve number and quality of graphics in our publications, especially those for beginners.

## 2011 Book Production Activity

This list was updated: November 30, 2010

<b>2011 Projects</b>	<b><i>New or Revised</i></b>	<b><i>Author</i></b>	<b><i>Editor</i></b>	<b><i>Publication Date</i></b>
<b>2010 Periodicals (CD-ROM)</b>	Revised	-----	S. Bloom	Feb 15
<b>Instructor Manual</b>	Revised	Cantor	Wilson	March 1
<b>Repeater Directory</b>	Revised	Ford	Ford	March 15
<b>General Class License Manual</b>	Revised	Silver/Wilson	Wilson	April 1
<b>ARRL General Q&amp;A</b>	Revised	Silver/Wilson	Wilson	April 1
<b>ARRL's Antenna Modeling for Beginners</b>	<b>NEW</b>	Dettman	RSGB	May 1
<b>Hamspeak Encyclopedia</b>	<b>NEW</b>	J. Hallas	J. Hallas	May 1
<b>Small Antennas for Small Spaces</b>	<b>NEW</b>	Ford	Ford	May 1
<b>TravelPlus (CD-ROM)</b>	Revised	DHF Systems	Ford	May 1
<b>DXCC Yearbook</b>	Revised	Moore	Kleinman	June 1
<b>2012 Handbook</b>	Revised	Silver/Wilson Et al	Wilson	October 1
<b>Antenna Book, 22nd Ed</b>	Revised	Silver/Wilson Et al	Wilson	October 1
<b>ARRL Calendar</b>	Revised	Ford	Ford	October 1
<b>Emergency Communications Handbook</b>	<b>NEW</b>	TBD	TBD	November 12
<b>Emergency Power, 2nd ed</b>	Revised	Bryce	Wilson	January 1 2012
<b>ABCs of SDR</b>	<b>NEW</b>	Ewing	TBD	Feb 2012

## **BUSINESS SERVICES DEPARTMENT**

### **Summary**

The Business Services Department has the responsibility for the following areas:

- Advertising Sales
- Publication and Product Wholesale Sales
- Graphic Design
- ARRL On-Line Auction

The group's primary areas of activities include print advertising procurement for *QST*, *NCJ*, *QEX* and various ARRL publications. Our efforts continue to expand in digital advertising, beyond website banner advertising, and include advertising procurement for various ARRL e-mail newsletters.

Business Services is responsible for all book sales efforts to the wholesale market that includes traditional Amateur Radio point of sales locations and mainstream wholesale booksellers.

Our group provides graphic design support to various departments at HQ, producing a variety of promotional pieces, displays, certificates and digital designs. We also work with external clients to produce many of the advertisements featured in *QST* and other vehicles.

### **Staffing Changes**

There are tentative plans in 2011 for a digitized version of *QST*. Organization, reformatting, alternative media (video clips, etc.) and placement of advertisements for digitized publications will present additional work for the staff. At this time, we are not proposing any additional staff until we have experience with the increased workload.

### **Advertising Sales**

Our 2010 goal planned for advertising revenue totaling \$2,732,047 a modest increase over the year before. Although mainstream and niche advertising continues to decline in the current economy we are currently on track with our goal and have continued to grow advertising revenue for the past four years.

During the course of the year, especially the last quarter, a number of our clients began experiencing difficulties in three major areas: (1) a decline of sales, especially in big ticket items. These declines have caused several clients to initiate lay-offs and eliminate their advertising presence. Several have declared bankruptcy and ceased business operations. Others have opted to

decrease their advertising. (2) steep cuts in advertising cooperative funds coupled with product price hikes from major manufacturers, again affecting their ability to advertise; (3) a tightening of credit from their traditional lending/credit line sources making it difficult to procure stock.

During this time we have worked with clients experiencing difficulties to reassess where their advertising funds will serve them best. Check-ins are frequent, our support is critical and we have earned these clients loyalty and appreciation—hopefully in future good times as well as during their challenging circumstances.

Thus, we have managed to counter numerous setbacks by working with troubled clients, continuing to procure new advertising accounts and working with our present client base who, despite the current climate, continue to do well. The focus with these clients is to expand their presence further. A good example was the ICOM 16-panel poster that appeared in September *QST*. Other good examples are clients who have expanded beyond print to a larger digital presence via our website and other electronic vehicles.

To summarize, our 2011 plans are to continue to aggressively seek out new advertisers, work with our present advertisers to expand their presence when it is financially doable and to work with our clients experiencing difficulties to maintain a presence in *QST* and other vehicles.

Based on the number of challenges described above, we have budgeted 2011 advertising sales at the same level as 2010.

### **Publication and Product Wholesale Sales**

During the year, we were able to achieve our goal of forming more personal relationships with our wholesale clients. They constitute a significant portion of our wholesale book business. These interactions have been productive and, in many months, wholesale books sales comprise 50% of total sales, significantly higher than last year.

Our 2011 plans call for the continuation of this type of relationship building. As we work more closely with these companies, we realize that they have little interest in sales specials, sales pitches or promotional flyers. We have become more proficient in providing them with exactly what they want in order to make decisions on carrying our products and they receive it in the correct format with all I's dotted and T's crossed. And personal feedback has proven that our efforts are appreciated and expedite purchases.

Our 2011 sales strategy for our traditional Amateur market is an entirely different model than mainstream sales. Our customers have indicated that their preference is continuing personal contact and consultation on what products they should carry. They now prefer announcements sent electronically, rather than via mail, with frequent personal follow-ups.



To summarize, in 2011, our goal continues to be increasing the volume of wholesale book sales and we plan to continue and further refine two very different sales approaches for these two very different client types.

## **DEVELOPMENT DEPARTMENT**

With only three years until ARRL celebrates its centennial, ARRL Development will begin the daunting task of managing a major fund raising campaign to build the ARRL Endowment in 2011 while maintaining the current level of annual contributions to support ARRL programs. Such a task will require the complete involvement and commitment of ARRL Board and staff to embrace the vision for the second century for Amateur Radio and the ARRL. It cannot be overstated that the support of every department at ARRL must be committed to the success of the Second Century campaign from its inception. This plan presents both the continued operation of the Development Office annual activities and the investment to cover the campaign expenses, including the addition of a new Annual Giving Manager to support Development operations.

### The Second Century Campaign

The decision of the Board of Directors in January 2010 to create a nominating committee for the Second Century campaign was an important step in the timeline for a campaign to celebrate ARRL's 100 years. With a draft vision statement under review at this writing, the next step is to identify and recruit a campaign chairman.

Preparation for the next phase of the Second Century campaign involves three key functions – recruiting the campaign volunteer committee, prospect research and the development of campaign materials including gift acceptance policies and the case statement that presents to donors the “what”, “why” and “how” of the campaign. The first active phase of fund raising is the “quiet phase” when the most important prospects are identified and approached for their financial commitment. Included in that group are the members of the campaign committee, each of whom is expected to make a significant personal commitment. The success of the “quiet phase” will help ARRL determine the overall financial goal of the campaign.

While no significant revenue from the campaign is expected in 2011, expenses for the first year of campaign activity are required to launch the campaign with funding for prospect research and campaign materials and for the addition of an Individual Giving Manager to handle day-to-day operations of the Development Office, including fundraising for the Diamond Club, Spectrum Defense, Education, W1AW and other ARRL funds. This position should be filled by July, 2011 to provide adequate time for the new manager to understand the Development operation while the Chief Development Officer is still close at hand.

### Annual giving – the ARRL Diamond Club

The Diamond Club generated increased revenue in 2010 from the offer of installment giving made to Diamond Club and ARRL members. Plans are to continue to offer that option and identify one new cost-effective benefit for Diamond Club donors that will solidify renewal revenue and attract new Diamond Club donors. The Diamond Terrace at ARRL continues to grow and provide an important recognition option for members for themselves or for memorials, Elmers and friends. Toward the end of the year, Diamond Club donors and ARRL members are offered a calendar if they renew or join before December 31. Plans are to raise \$270,000 in unrestricted giving from Diamond Club donors in 2011.

Related to the Diamond Club is the ARRL Maxim Society. Near the close of 2010 membership in this group has reached 69 members whose lifetime giving has reached \$10,000. The Maxim Society opportunities have expanded in recent years to provide recognition for donors who may give to the Second Century campaign with leadership gifts or commitments of up to \$1,000,000 (or more).

Another opportunity ARRL provides to donors is the ARRL Legacy Circle that recognizes those who remember ARRL in their estate plans. Such planned giving commitments may play an important role in funding the ARRL Endowment as part of the Second Century Campaign.

#### Annual Giving – the Combined Federal Campaign (CFC)

ARRL will file its annual application in December 2010 to participate in the Federal government's Combined Federal Campaign for its employees. This campaign runs concurrently with the United Way and generates more than \$40,000 in revenue annually at no expense to the organization.

#### ARRL Funds – The Spectrum Defense Fund

In 2010 Development launched *Spectrum Defense Matters*, a quarterly newsletter designed to keep ARRL donors and members informed on matters related to Amateur Radio spectrum and radio amateur operating privileges. Thanks to the writing of CEO Sumner and CTO Price the newsletter has been a success and helped ARRL moved some key revenue from the 4<sup>th</sup> quarter to earlier in the year. Development intends to continue producing the newsletter —mailing it to donors, emailing it to members and posting each issue in an archive on the Spectrum Defense pages of the ARRL website. The financial goal for 2011 is to raise \$350,000 during the year.

#### ARRL Funds—The Education & Technology Fund

The funding of the stations in schools program and the summer Teachers Institutes in Wireless Technology is second only to Spectrum Defense in its importance to Amateur Radio. In 2010 the fund raising campaign for this donor-supported program was mailed later than usual due to the launch of the Defense newsletter. In 2011 the mailing will be sent out in the spring to maximize revenue in advance of the Teachers Institutes. The departure of coordinator Mark Spencer, WA8SME, leaves big shoes to fill by Instructors Miguel Enriquez, and Nathan McCray, K9CPO and a new instructor. Development expects to raise \$65,000 from ARRL members for the Education & Technology Program and an additional \$150,000 for the Teachers Institutes.

In 2011 Development will work with the Education Services Department and Dr. Robert Clark, NJ4J, of Penn State University on a grant application to the National Science Foundation to provide significant funding to ARRL's education programs. This relationship began in 2010 as Dr. Clark worked with the Education Services Department to survey teachers who have received equipment and training through the ARRL Education & Technology Program. The survey should provide some measureable results for the nine years of work ARRL has expended to reach students in middle and high schools with electronics, Amateur Radio and related subjects.

### ARRL Funds – Historic Preservation Fund

For the past several years the YASME Foundation has generously provided funding for ARRL's work to preserve its history. With the centennial ahead the work to identify and preserve documents and artifacts that tell the ARRL story is gaining in importance. Development plans to continue its efforts to attract funding from YASME and others to support the Historic Preservation work in 2011.

### ARRL Funds – Year End Appeal

As the year winds down, Development will reach out to donors and members to make an unrestricted year-end contribution. With bulk-email capability, Development can reach nearly the entire ARRL membership in early December to close the funding gap for the year. The goal for this effort is \$32,500 though some gifts may be marked for other funds. Once again Development will offer a calendar for contributions over \$50 before December 31.

Each year Development asks the ARRL Officers and Directors to make their personal contribution to ARRL to whatever fund they wish. As we move into the Second Century Campaign Board giving of 100% is vital to give credence to the campaign's vision and goals.

### Other Development Activities

Development will continue to recognize the longevity of ARRL members in the first quarter of 2011. Members whose support has reached the 40-, 50-, 60-, 70- or 80-year milestone will receive a congratulatory letter, certificate and pin. Members of 50 years will receive notice of one complimentary year of diamond Club membership. All members in these longevity categories are eligible to purchase (at cost plus shipping) a QST cover plaque marking their decade milestone.

The annual donor reception in Dayton just prior to Hamvention in May will host donors whose giving has reached \$1000 or more during one of the previous two years. This event is an opportunity for ARRL Board members to meet and thank some of ARRL's most generous donors, including the Maxim Society members, Legacy Circle members and key prospects. More than 400 invitations are mailed in March and attendance is expected to be 120-130 guests. Each year donors whose total giving and commitments for the prior year has reached \$1000 or more are given the opportunity to be recognized in the ARRL Annual Report, on the web site and in QST. Letters requesting permission for this listing are mailed during the first quarter of the year.

### Personnel

As mentioned earlier in this plan, Development intends to hire a Manager of Individual Giving in the second quarter of 2011. This new position will enable the Chief Development Officer to introduce an experienced Development professional to ARRL and ramp up activity around the Second Century campaign with increased attention to committee recruiting, prospect review, material development and donor contact travel. The secondary benefit of hiring this position in

2011 is to provide 2 – 3 years of experience in ARRL Development for an individual that may succeed the current Chief Development Officer upon retirement.

## **CONTROLLER DEPARTMENT**

The Controller's Department is responsible for the day-to-day accounting functions of the organization. These include, among others, cash receipts, cash disbursements, payroll, credit/collections, general ledger maintenance, subsidiary ledger updates, fixed asset maintenance and inventory. Financial results are then distributed monthly or quarterly to all appropriate parties.

In July 2010 Diane Middleton accepted the Controller position, overseeing the Controller's Department along with the Mailroom.

In 2011 we will maintain current staffing levels.

While improvements will continue to be made to procedures, a major focus will be made in 2011 on cross training within the Controller's department and training the Controller's Department staff on mailroom procedures and equipment. The Controller's Manual will continue to be tested and developed as we proceed with training.

## **MAILROOM**

The Mailroom is responsible for continuous processing of outgoing mail for all departments. Some of these mailings include: membership renewal notices, membership cards, ballots, new Ham mailings, Diamond Club mailings, MVP certificates, pins, contest awards, and license renewals. The mailroom also handles incoming packages, all priority, certified and registered mail.

In April 2010 Trish Feeney came on board as the Mailroom Supervisor. Her many years at the U.S. Postal Service have proven to be a great asset to ARRL.

In 2011 we expect to maintain current staffing levels.

In the upcoming year we are requesting to update the folder and inserter machines. The new equipment will not only aid in stream lining processes, it will also allow us to work closer with departments to meet their changing needs and over the long term save money. We have also included a request to give the mailroom a facelift. Every tour of Headquarters includes a walk through the mailroom. The mailroom is in great need for a redesign of the equipment set up, paint, and new flooring. It is our vision to remove old broken equipment, give the mailroom a fresh look, and strategically place new equipment for maximum efficiency.

## INFORMATION TECHNOLOGY

2010 was a difficult year in the Information Technology Department. What began as a year with a variety of projects in support of all areas of the organization to be completed became one where implementation of the new ARRL web site and the transfer of all the prior functionality took precedence over almost all other activities of the department. 2011 will be a year to reclaim some momentum and complete many of the projects that had been identified for 2010. There will still be work to be done on the web site as indicated below, but we should be able to allocate the department resources across a broader array of projects in the coming year.

One result of the new web site that was not anticipated was the volume of user support calls needing to be handled by the IT Department. This has kept existing personnel, in one case, a senior network engineer, from completing projects that we view as critical to meet the organization's objectives. As a result, we are proposing the addition of a staff position to support technical user inquiries from primarily members, but also other internal constituencies. We anticipate this individual would be the first line of response for inquiries about technical issues with the web site, Arrl.net and Arrl.org e-mail functions. We also anticipate that this individual will work with both the programming staff and Marketing staff to devise better answers and techniques for supporting our members.

We have identified the following specific projects for 2011. This is the priority list with which we will begin the year. This does not mean that priorities won't change or projects can't be added, but it must be noted that additions to the list will have to be prioritized and will impact the delivery of those projects deemed to be lower on the priority list.

### *High Priority Projects:*

1. Complete transfer of existing web site functionality
  - a. E-store integration
  - b. Membership application and renewals
  - c. Membership account management issues
  - d. Process clean-up re-engineering (where necessary)
2. Logbook of the World
  - a. CQ Award added to LOTW
  - b. Database improvements (e.g upgrading code to support newer database versions)
  - c. Client side improvements
  - d. Integration of logging software
  - e. User interface enhancements
3. Digital DXCC application
4. Web site enhancements
  - a. Pay and download for Travel Plus (May, 2011)
  - b. Integration of EmComm course info with CTDLC (1<sup>st</sup> quarter)

5. Replace Lyris system
6. Replace Exchange server
7. Move web site to in-house server(s) (End of 1<sup>st</sup> quarter)

***Medium Priority Projects:***

8. Migration of existing DXCC system to LoTW
9. Complete work on VEC project including remote entry portal for VE teams
10. Web site enhancements
  - a. Forums
  - b. RSS Feeds
  - c. Report generator
  - d. Other enhancements

***Low Priority Projects:***

11. Automatic renewal of memberships
12. Contest 2020

Generally, it should not be assumed that these projects will be done in the exact order shown above. High-priority projects will be done in preference to lower-priority projects, but since there are different resources (mostly staff) devoted to different projects, the order in which things get tackled is not necessarily going to follow the list, and multiple items will be worked on simultaneously. In addition, some of the items shown are dependent on other items or on activities not listed. Finally, some of the listed items will be done piecemeal. For example, LoTW's user-interface improvements will be implemented as each of the other additions to LoTW is worked on.



## **WASHINGTON OFFICE**

In addition to the General Counsel's and Legislative Affairs Consultant's professional fees and the costs related to our Northern Virginia office, this budget reflects the WRC-12 preparatory activities of Chief Technology Officer Price and Technical Relations Specialist Siverling.

Despite favorable developments in the United States, the international opposition to WRC-12 Agenda Item 1.23, considering a secondary amateur allocation between 415 and 526.5 kHz, remains strong. The international travel line reflects the regional and international meetings at which final preparations for this and other WRC-12 matters will be made, with the objective of garnering crucial support by countries beyond the United States.

The 2012 projection accounts for the presence of three staffers (Sumner, Price, and Siverling) at RA-12 and WRC-12 in January and February.

## **PUBLIC RELATIONS**

The primary goal for 2011 will be the continued development and full usage of opportunities offered by the ARRL website (ARRL.org) and the creation of video pieces which can be used both for instruction and promotional work. The media world is going video and the ARRL must do likewise.

In addition to the planned development of in-house video production capabilities, the PR Committee and I hope to empower members with information on how to shoot good video clips with presentations in hamfest forums and the creation of a video piece showing how to make video clips *that are usable* at little cost. While editing and re-purposing of web-type clips will be possible with the computer and software upgrades proposed in the COO's video proposal, I have already tried and found that my current computer is inadequate and locks up. For my higher resolution videos I need more computing power. However, any commercial (full broadcast level) promotional video pieces will still continue to require professional help. These professional editing costs (from Kevin O'Dell) are \$100 per finished minute up to ten minutes and \$50 per finished minute after the first ten.

We currently do not have a video worthy of broadcast promotional use. What video we have is now outdated. We need a replacement on the level of Amateur Radio Today, but this time we must have (1) the ability to broadcast it and (2) repurpose clips derived from it to create new Public Service Announcements. A general purpose, entertaining, promotional video is desired. I believe both of these goals can be met in one video and some draft scripts have been developed. Cost for this professionally done, dual-purpose, 10-12 minute video is estimated at \$15,000 and it should "hold the fort" until a grander video is created for our centennial.

A third major goal is to finally move the content of Hello-Radio.org, Emergency-Radio.org and WeDoThat-Radio.org onto the ARRL's own web servers. This will require the services of a programmer and is estimated at 40 hours of work as there are many pages involved. An ex-staff person (Micah) who now freelances this type of work charges \$40/hr, totaling \$1600.

If ARRL subscribes to GoToMeeting.com as expected and has its own webinar capabilities, host two or more webinars for PIOs, motivating them and allowing for sharing, questions and concerns.

Of course, I will continue to provide trainings and the variety of media aids made freely available to PIOs and others promoting Amateur Radio. Two assumptions are being made: That PR-101 will become required for appointment as an ARRL PIO and that the course will be available on the Web. If the latter is not fulfilled, then there will be need for funds covering production and distribution of the course.

As in every previous year, there is no way to predict just what events may happen. Some require a major PR response by ARRL. Others are unforeseen opportunities. The "miscellaneous" budget line, while as accurate as possible at this time, also allows for rapid reaction to these opportunities and has saved ARRL significant funds in the past when events, production cost and media bargains presented themselves.

## **Media & PR outlook for 2012**

Ongoing activities of providing PIOs and others with materials and opportunities for promotion of their own local groups, ARRL and Amateur Radio overall.

Continue 2011 training activities teaching hams how to shoot good Amateur Radio specific video.

Creation of in-house video library of usable clips (both our own and submitted) on main “editing” computer and using them to create PSAs and other video promotions.

Using expected “streaming video” capabilities, have two or more live presentations about promotion of ARRL activities (Field Day and S.E.T.?) as well as “live feed” options for newscasts.

Return to the NAB convention

Participation in planning for 100<sup>th</sup> anniversary

Updating of the PR-101 course and probable creation of a PR-102 focusing on video and Internet promotions.

Train my probable replacement and discuss possibilities of part-time or contract work after October.

## **MEMBERSHIP AND VOLUNTEER PROGRAMS**

### **Summary**

The Membership and Volunteer Programs Department was created through the merger of Field and Educational Services and Membership Services in January, 2007. 2010 represents the fourth full year of MVP in its present form.

The Plan for 2011 includes MVP staffed with 18 full-time employees and 1 part-time employee. No new staff positions are requested at this time.

One of the objectives of MVP management for 2011 is to continue to stress cross-training of staff across the entire department where possible. The benefits of having people on staff who can do more than one thing are many, and include being able to step-in when someone is lost to sickness or injury for an extended period; to relieve the stress and/or monotony of performing the same tasks daily; and to increase the efficiency of the entire departmental operation. We have been quite successful thus far. Most of the DXCC staff is now able to process plaque orders, assist with updating of affiliated club information, perform customer service, assist with contest log processing, and work in the QSL Bureau. Kathy Allison has assisted with contesting processes again, and in the future will assist with some special projects for Dave Patton and DXCC. DXCC staff has been trained to assist Sharon Taratula with many of her administrative duties. Chuck Skolaut is now a trained operator for W1AW, along with Norm Fusaro, Bill Moore and Dan Henderson. Sean Kutzko and Norm Fusaro assist Mike Corey with EP&R and Ham Aid duties. All MVP staff assist with the Section Manager election processing. We will continue the learning process throughout 2011.

MVP will continue to provide personnel for Member Contact Travel, as well as take on departmental travel and convention attendance at events such as major DX conventions around the world, Dayton Hamvention, Emergency Communications conferences and meetings, and various agency and volunteer organization gatherings such as National Volunteer Organizations Active in Disasters, Red Cross, and the National Public Safety Telecommunication.

### **Contests**

2011 will see the Contest Branch continuing to adapt to the amount of customer service work generated by the new ARRL web site. With many of the bugs ironed out, continually-evolving content will be expected by our members, which will cut into the amount of time available to process results, issue awards and other standard functions of the Contest Branch.

Contest activity continues to grow, thanks in part to continuous promotion of on-air events by the Branch Manager. Anecdotal evidence suggests more amateurs are trying their hand at contesting than ever before. We saw record participation in the RTTY Roundup, DX, June VHF, Field Day and November Sweepstakes contests for the fourth straight year. January and September VHF continue to maintain standard levels of activity but have achieved no real growth. The introduction of the Rookie Roundup in 2010 got off to a slow start technologically, but has

rebounded nicely and appears poised to become a major event for the newly-licensed in years to come.

Increased reliance on volunteers for adjudication, promotion and data entry will assist the Contest Branch in dealing with the increased demand for fresh information and faster results, but the current level of growth cannot be successfully managed without paid administrative assistance for the Branch.

### **DXCC Branch**

The DXCC/Awards Branch (includes DXCC, VUCC, WAS, WAC and other certificate programs) continues to be MVP's main source of revenue.

As of October 1, 2010, DXCC had received with 4,936 applications containing 584,224 entity credits. At the same point in 2009, DXCC had received 5,043 applications with 553,537 entity credits.

In 2010, DXCC maintained consistent staffing which allowed for maximum attention to DXCC processing. No major server or operating system issues were noted so application processing has moved without interruptions. The branch's continued goal of turning around applications in four to six weeks has been realized. As DXCC continues to work towards a system based on LoTW, efficiency and turnaround time can be reduced. As greater efficiency happens new award designs and more offerings for awards chasers can be added.

The old DXCC processing system continues running on Foxpro and is working satisfactorily but it has developed some problems which will be relieved through eventual migration to a system based in LoTW. A digital DXCC application is in the works and we hope for a 2011 implementation. This will eventually lead to a significant processing-time reduction. We also expect this will decrease the potential errors that occur with manual data input. The benefits of an electronic import feature for DXCC where applicants do the bulk of the work can only save DXCC staff a lot of processing time and decrease costs involved in the manual process. A digital tool will need to be released for testing and incorporation by logging program authors first.

We expect participation levels of other ARRL awards to remain consistent with previous years, and have experienced some increase in WAS awards thanks to more and more logs being placed into the LoTW system.

### **Emergency Preparedness and Response**

The main element of concern in the plan for EP&R centers on travel. Mike Corey, W5MPC, is frequently requested to travel and present at meetings and conventions around the country. The amount of travel in 2010 has stayed within budgeted amounts and may have achieved a good balance between member contact travel and representation at agencies and associations. There were some meetings and conferences that are usually attended but were not during 2010. We plan on attending these during 2011 which may require more from the travel budget. We also

need to leave open the possibility of accommodating unplanned travel requests – especially those requests that come from government.

## **Field Organization**

### **Support of the ARRL Field Organization**

There are 22 different positions (including the elected Section Manager position) in the ARRL Field Organization. As of September 28, 2010, there are 8,257 Field Organization appointees. This figure compares to 8,287 appointees one year ago.

With the difference of thirty between last year and this year (and considering 71 sections across the country), one could say the number of Field Organization appointees has remained steady.

The Field Organization branch expects to have a need to print 12,000 ARES membership cards next year. These are not only sent to new ECs, DECs, SECs, but also to present ECs, DECs and SECs that are wishing to give new ARES cards to their renewed ARES members (as well as new ARES members). Last year's budget for 10,000 ARES cards has been pretty close, but it seems that arranging to print 2,000 (if possible) would be even better to cover the popular demand for these cards out in the Field Organization.

Official Observer report cards and reporting forms have been reprinted once a year for many years. The all-electronic format for Official Observer reporting did not come to pass this year (2010) even though many, many reports are sent electronically. It seems that some printed reporting cards and reporting forms will likely be necessary for some time to come.

The Official Observer Advisory Notice is usually post-card sized and is mailed to the recipient of the OO notice via the postal service. An “all-electronic” version of the OO Advisory Notice card and related procedures for implementing it have not been established yet. Therefore, it is best to include some amount in the budget to print a stock of OO Advisory Notice Cards and OO Good Operator Report cards for 2011.

The Amateur Auxiliary/Official Observer Training Manual will likely be reprinted sometime in 2011. Chuck Skolaut, among others, are working on a revised version of the manual. We thought the reprint would occur sometime in late 2010, and an amount was placed in the budget for 2010. That printing/production has not happened yet.

We still have some Training Manuals left in stock, however, the available stock is getting even smaller. Perhaps the Amateur Auxiliary Training Manual could be published electronically in some manner to save on some printing costs “down the road.”

### **Section Manager Elections**

On average, ARRL administers between seven and ten Section Manager elections per calendar year. The cost of printing ballots, candidate statements, envelopes and mass mailing costs are included in the 2011 budget plan.

It is very hard to predict how many elections will be held a year in advance. For example, some SM election cycles have no contested SM elections at all, and some cycles may have as many as five. (The fall of 2010 has three SM elections.) At the end of 2010, a total of seven SM balloted elections will have occurred within the calendar year.

### Section Manager Workshop

The ARRL Section Managers' Workshop is held once a year at ARRL HQ. For the past few years, it has been held in either October or September. ARRL Headquarters reimburses customary expenses for Section Managers to travel to Newington. This includes the transportation, lodging and main meals throughout the Workshop weekend.

On average, the ARRL Section Managers' Workshop for new Section Managers hosts around ten Section Managers per Workshop. However, the number of participants varies from year to year. For example, there were 11 SMs here for the Workshop in 2005, 9 SMs in 2006, 5 SMs in 2007, 14 SMs in 2008, and 12 SMs in 2009. In 2010, 5 Section Managers attended the Workshop at HQ.

### Awards

The ARRL Board of Directors has the prerogative to award several annual ARRL awards based upon nominations received each year.

The Field Organization Branch has helped to coordinate the plaque and recognition program and the ordering of plaques for a few of these annual awards including the International Humanitarian Award; Hiram Percy Maxim Award (with a \$1,500 cash award included); the Technical Innovation Award (with a \$500 cash award included); the Herb S. Brier Instructor of the Year Award; Joe T. Knight Service Award (for outstanding Section Managers), and the George Hart, W1NJM, Distinguished Service Award. The Graphics Department is coming up with a new, ARRL-branded look for these awards now (here in the latter portion of 2010). The new design will "pave the way" for the awards already conveyed in 2010 and in years to come after that.

### **Logbook of the World**

There have been no substantive changes to the internal operations of LoTW and we don't expect there to be LoTW management issues of major nature in 2011. We expect the levels of support to internal and external clients to remain at the levels seen over the past several years.

### **Outgoing QSL Bureau**

The Outgoing QSL Bureau continues to be one of the primary membership benefits and continues to enjoy high levels of usage. Unfortunately though, QSL Bureaus outside the USA are folding-up shop

at an alarming rate. Some Bureaus that don't officially close continue to accept mailings of QSLs but do nothing with them. We would like to investigate ways to help these operations, if we can, in 2011.

Inter-departmental cross-training continues in the Outgoing Bureau with Sabrina Jackson assisting.

Continuing to volunteer in the Bureau are Lisa, K1UQT and Mike Zeug, W1YM, Rich Lawrence, KB1DMX, and David Kaplan, WA1OUI.

In an effort to reduce departmental postage costs, mailings are conducted on a three month schedule.

### **W1AW**

The Commander HF-2500C 40-meter amplifier used for the broadcast transmission is over 10 years old. The tubes are getting soft so the output power is reduced and its reliability is questionable after multiple repairs. In addition, the input tuning circuits all have problems that require hard to find replacement parts and extensive repair time and cost. For these reasons we need to replace this amplifier.

Therefore, we plan to replace the Commander HF2500C amplifier with an Acom 2000A. Acom donated a 2000A amplifier to W1AW two years ago that is in daily use in Studio One. It has proven to be reliable and stable while maintaining its rated output power. In addition to being able to handle 1.5kW without difficulty, it also has automatic tuning and an internal antenna tuner so that it can, if necessary, be used on multiple bands and can automatically compensate for slight changes in SWR.

The upstairs conference room lights waste power and generate a great deal of heat, thus requiring running the air-conditioning system much more often than is necessary. New lighting and ceiling fans will reduce energy costs overall.

The wooden stockade fence surrounding the generator and North tower was replaced back in 2000. It's warping and is now subject to insect damage. The fence should be replaced with vinyl fencing and post covers. This will improve on both the life of the fence and its aesthetics.



## **EDUCATION SERVICES DEPARTMENT**

The Education Services Department currently has functional responsibilities for supporting volunteer instructors, guiding the development of license instruction materials, managing the Continuing Education Program of on-line courses and emergency communications field instruction and exams, and managing the educational outreach programs. Outreach programs include Amateur Radio on the International Space Station (ARISS) and the Education & Technology Program (ETP), including the Teachers Institute on Wireless Technology (TI). Education Services also provides coordinating support for outreach activities with the Scouts.

### **Projects for 2011 include:**

- Reconfigure personnel support for Education & Technology Program
- Launch new Introduction to Emergency Communications course on a new online platform. This will entail IT work to support integration of the registration and payment system and transfer of data to and from the student history database;
- Develop print version of above course for publication;
- Implement changes in requirements for EmComm field instructors and mentors and protocols for EmComm field exams as decided by Emergency Services Manager;
- Update /develop new Instructors Manual for General Class instruction;
- Guide development of new Introduction to Antenna Modeling Course for print publication, and possible Advanced Antenna Modeling Course for print publication;
- Evaluate re-purposing of other retired online course content and ideas for new online courses;
- Continue to manage teacher referrals from ARISS program to ETP and proactively support ARISS educational initiatives through more emphasis on education and less emphasis on ARISS operations;
- Write articles and pursue stories to report on department programs for Web news stories and for publication in QST;
- Support areas of the website for which we are primarily responsible or for which we are contributors including the following: Getting Licensed, Getting on the Air, Volunteer Instructor/Mentors, Courses & Training, Amateur Radio in the Classroom, Scouting and Outreach to Teachers and Schools. In addition to the ongoing task of keeping current information posted to these areas of the website, the following specific tasks need to be addressed:
  - Update old content transferred to new website which has not yet been reviewed;
  - Identify new resources to support licensing instruction and for the new ham website and build out these resource centers on the website;
  - Write articles and stories to report on department programs catching up on the current backlog of material;
  - Manage implementation of new web forums to develop greater interactivity with instructors and teachers;
  - Manage implementation of new web forums to support Extra class study and new Intro to Antenna Modeling course;
  - If possible with available staffing, develop, promote and oversee new website area for sharing science project ideas.

- Develop/revise promotional materials and applications for ETP/TI and website communications;
- Support 5 sessions of the Teachers Institute for 56 participants, including one session of the TI-2 on Space in the Classroom;
- Manage two grant application cycles under the ETP;
- Work with Robert Clark from Penn State and the Development Office to develop project plans for grant applications for the ETP.

**Instructor Support (cost center 332).** Efforts will be focused on identifying and organizing instructional resources and updating web content to make information more readily available for instructors. One of the first website forums we'll implement will be one for registered instructors to encourage sharing of ideas. We'll manage the development of an updated Instructors Manual for General Class licensing instruction (included in capital budget). We'll participate in the PSC's review of the instructor registration program and begin implementation of any recommended actions as resources permit.

**Licensing Materials and Other Resource Development (cost center 332).** We'll be providing limited support for the development of the new General Class license study manual if there is opportunity for our input. Our focus in this area will be on building out the website resource pages for license self-study.

**Website Support (cost centers 332 and 302).** As you will note there are a number of projects listed that involve development, editing and support of website features. Resources will be required to do this work. Though budget for additional contract editor time was requested to address the backlog of work, we will do what we can with existing staff to address the maintenance backlog as we also move forward to communicate about current activities and support new website forums.

**Continuing Education Program (cost center 332).** In 2011 we will be launching the new Intro to EmComm course on a new online platform called Moodle. This is an open source platform that will be hosted by Connecticut Distance Learning Consortium (CTDLC). This platform has been selected because it provides the features we need, it offers the capability for remote access course development and course editing, and at some future time, could be implemented and supported in-house. Moodle is an open source platform and benefits from constant improvement from a very engaged development community. CTDLC vendor support for platform set-up, hosting and Help Desk support is offered at a competitive cost compared to other platforms. CTDLC has provided us with very competent advice and instructional design support to develop the EmComm management course released in 2010 and recently also, our Intro to EmComm course, at very reasonable cost. Because they have been supporting our online program for many years, CTDLC also is very familiar with our online course configuration. This should make transition and implementation on the Moodle platform much easier to accomplish. Jennifer Knapp has been providing administrative support for our Continuing Education Program since March of 2010 and has worked through the difficult transition with the new website and the

implementation of the new EmComm management course this year. She is now quite familiar with the support needs for the online platform and will be a valuable asset as we configure the new platform. Currently we are on a schedule to release the new Intro course early next year. The budget reflects enrollments/ revenues beginning in January and building to 2009 levels (50/month) by March. It will take several months to produce a print version of the course needed to support field instruction, so revenues from field exams are projected to resume in July. The only other revenues included in the budget for online courses in 2011 are those for enrollments for the EmComm management course (\$280/month).

I had planned purchase of the Lectora software for 2010, and this may yet occur this year. There has been a new release of this software this year, which presented some compatibility problems that have recently been resolved. I am holding off on the purchase of the software until I determine who will be available to do the editorial work as we reorganize the department around recent changes in staffing. It may be that we will need to contract with CTDL to perform this work. I have included some expense for training on the Lectora software in the 2011 budget.

The capital budget includes funding for development of another EmComm training course in 2011. Depending on the media chosen for this course (video, online, print?), the Education Department may be involved in its development. As noted above, we have initiated and will continue to support the project to redevelop content from the retired Antenna Modeling course into a print product with Web forum support. There are no resources planned for further redevelopment of other retired online course content in the 2011 budget.

**Education & Technology Program (cost center 302).** A restructuring of personnel supporting this program will be necessary as Mark Spencer departs at the end of 2010. Nathan McCray has agreed to increase his contracted support for the program on an interim basis, effective November 1 of this year. Since he is employed full-time as a school principal he can provide a limited number of additional hours to help maintain the program (review, evaluate and execute grants, coordinate Teachers Institute (TI) instruction and the delivery of the planned TIs next year) until we find a replacement to fulfill all of the responsibilities of the Coordinator role vacated by Mark. *The proposed budget does not include budget for personnel costs to fulfill these additional responsibilities, which includes curriculum development and development and production of resources that will be needed to continue offering Teachers Institutes beyond 2011.* The proposed 2011 budget includes continuing contracted support from Nathan McCray and Miguel Enriquez to instruct TIs in 2011 and to provide continuing support to ETP teachers and schools. This is consistent with their role in previous years.

A schedule of 5 Teachers Institutes is planned in 2011, including one TI-2 on “Bringing Space Into the Classroom.” The number of sessions has been reduced to keep expenditures within fundraising expectations. Once again we will pursue funding and hosting for the TI-2 Space from DARA and in-kind contributions from Yaesu and HRO to make this feasible. The plan includes training two new contract instructors (one to lead the TI-2 and one to lead basic TIs) to develop additional depth of trained personnel for the future.

The budget for 2011 includes an allocation of 25% of all staff positions in the department to provide support for the ETP/TIs, which includes communications and inquiries about the program and managing teacher applications and logistics of the program.

The total ETP grant budget for station equipment and progress grants is projected at the same level as 2010. As explained in last year's budget report, budget for grants for radio station equipment has been reallocated to provide radio station equipment to support the TI-2 on Space in the Classroom. Teachers participating in this session of the TI-2 receive radio station equipment as part of the program resource package. The expensed equipment budget line reflects the costs of the instructional activity boards, publication resources and robotics for the Teachers Institute as well as costs of some boards and equipment that are given in grants to schools.

The program travel budget reflects travel expenses of teachers and instructors for the Teachers Institute. The business travel budget reflects plans for Miguel or Nathan to attend two regional education conferences or hamfests to promote the ETP. (It is assumed that the expenses for travel of one Education Dept. staff person to the Dayton Hamvention and to the Plano National Convention will be provided for in the Marketing budget.)

No budget provisions have been included for expenses of possible meetings or travel related to the partnership with Penn State to develop a project plan for a future grant application.

**ARISS (cost center 332).** The goal for our role with the ARISS program in 2011 continues to be to turn the focus away from the public relations aspect of the program and more toward the educational impact. We will continue our efforts to find ways to engage ARISS schools in sustained involvement with amateur radio and to encourage more cross-pollination between ARISS and the ETP. NASA has recently been more open to our interest to encourage use of ETP resources and Teachers Institute training by teachers planning an ARISS contact. We are initiating a direct contact by instructors of our ETP with teachers who are planning an ARISS contact with a goal of introducing more content about radio science and amateur radio to classroom teachers and students and this seems to be producing results. In the last year there are at least 6 teachers who have or had or are planning ARISS contacts who have participated in the TI. The continuity of Teachers Institutes and continued development of ETP curriculum is essential to progress with this effort. Dewey Rykard will be tasked to provide the support to better coordinate our educational outreach efforts through ARISS and the ETP. In 2011 half of Rosalie's contracted support is allocated to cost center 302, the balance of her fee for service and other program costs are in the budget for cost center 332.

## **VOLUNTEER EXAMINER COORDINATOR**

### **Summary:**

The purpose of the ARRL/VEC is to provide initial licensing examination for prospective new hams and upgrade examination opportunities for those already licensed.

### **Planned Activities and Services**

**Description of service:** Accredite eligible and qualified Volunteer Examiner (VE) applicants, soliciting applicants across a broad amateur base without discrimination; supplying accredited ARRL VEs with examination materials, registering and publicizing the scheduled exam activities of the teams of VEs; supplying hardcopy exam materials or software to meet the VEs examination needs; receiving and processing (reviewing and record keeping) the completed test session results packages; answering exam or license related verbal or written inquiries regarding the licensing process; electronically forwarding successful applicant license application data and club license data to the FCC.

Our plan for 2011 calls for the continuation of our 2010 strategies. The ARRL/VEC Department will:

1. continue to maintain an adequate supply of exam versions and booklets for each examination element for distribution to volunteer examiners and create any replacement exam versions as necessary.
2. continue to provide a sufficient number of examination opportunities convenient to the applicants and that meet all applicable requirements of current FCC Rules and Regulations.
3. continue marketing through quality VE services, publicity, support at hamfest/conventions and special mailings to VEs and to new licensees.
4. continue the administration for the International Amateur Radio Permit (IARP) program for ARRL.
5. continue to administer the 1x1 Special Event Call Sign program for ARRL, as one of five such coordinators.
6. continue to administer the FCC Club Call Sign Administrator program for ARRL, as one of three such coordinators and to provide an electronic filing mechanism for FCC Club Station License applications.

7. continue to provide FCC-license renewal notices to ARRL Members. We will process vanity license renewal requests received from members for a modest fee and will process non-vanity license renewals for members at no charge.
8. continue to provide administration for an electronic filing mechanism for FCC License modifications (changes in name/call/address). The service is available to ARRL members for free and to non-members for a fee.
9. continue our service goal to file all test session data electronically to the FCC within three (3) business days or less.
10. continue to participate as a member of the National Conference of VECs Question Pool Committee.
11. continue to maintain the highest degree of service and integrity in ARRL/VEC examinations, with ARRL VEs and customers.
12. continue to include pencils, with ARRL/VEC logo and web address, in outgoing VE team test session packages.

### **New Activities and Services**

1. Web Automation: transition forms, processes and services to web.
  - a. Continue to improve and add features to *VE Exam Maker* exam generating software.
  - b. Launch VE Team post session data input web portal of Form 605s in the field to import into FCC application software. Increase functionality of FCC software (reports, searches, etc.)
  - c. As we refine the VEC section of the new ARRL website in 2011 the new and improved pages will be easier to understand and navigate through, offering straight forward information and resources for VEs and candidates.
2. Transition to new General class (element 3) question pool which will become effective July 1, 2011. Supply VE Teams with new exam booklets and update VE Exam Maker Software.
3. Boost visibility in current and new medium to attract new VEs and encourage participation. Expand our product line and identify further opportunities for marketing ARRL/VEC as the premier VEC in the nation, committed to serving the Amateur Radio community for over 25 years.

## Assumptions and Strategies

1. *Market Share.* ARRL/VEC Market Share of the Amateur Service Volunteer Examining Program. The VEC anticipates maintaining our share of 72% of total amateur exams given. With VEC activity remaining steady, we are conservatively optimistic about the number of new licensees entering into Amateur Radio. We are forecasting 29,000 new licensees and 10,000 upgrade licensees in 2011. See VEC Table 1.

<b>TABLE 1: VEC ACTIVITY - PROJECTIONS AND ACTUALS</b>								
<b>New and Upgraded FCC Licenses by Year</b>								
<b>FCC ACTION</b>	<b>2005</b>	<b>2006</b>	<b>2007</b> (Restructuring Feb)	<b>2008</b>	<b>2009</b>	<b>2010</b> (Projected)	<b>2010</b> (through Sept 30)	<b>2011</b> (Projected)
New Technicians	15,775	20,461	24,249	25,598	27,464	26,700	20,412	26,700
New Generals	472	506	2,156	2,109	2,307	2,000	1,864	2,000
New Extras	121	146	323	359	373	300	325	300
<b>TOTAL New Licenses</b>	<b>16,368</b>	<b>21,113</b>	<b>26,728</b>	<b>28,066</b>	<b>30,144</b>	<b>29,000</b>	<b>22,601</b>	<b>29,000</b>
Upgraded to General	3,379	3,411	18,698	9,752	7,590	7,000	6,374	7,000
Upgraded to Extra	2,715	2,867	5,655	5,749	3,206	3,000	2,183	3,000
<b>TOTAL Upgraded Licenses</b>	<b>6,094</b>	<b>6,278</b>	<b>24,353</b>	<b>15,501</b>	<b>10,796</b>	<b>10,000</b>	<b>8,557</b>	<b>10,000</b>
<b>GRAND TOTALS</b>	<b>22,462</b>	<b>27,391</b>	<b>51,081</b>	<b>43,567</b>	<b>40,940</b>	<b>39,000</b>	<b>31,158</b>	<b>39,000</b>

2. *Services and Programs.* VEC will continue providing high standards of integrity and quality products and services to our Volunteer Examiners and the public at large. Our competitive edge is the quality and integrity of our services and supplies. By maintaining current standards of excellence and by offering new services (web automation) of the highest order to our VEs, the VEC believes the result will be repeat customers. The VE Honor Roll List launched in September 2007 *QST* (published quarterly) generates positive public relations with our volunteers and is met with high regard. This list identifies our VEs as being critical to our operations and acknowledges and awards their contribution to our program. Web automation will provide more efficient and better customer service and give us a competitive advantage. The level of quality will allow us to remain in the forefront of the VEC community.
3. *Personnel.* We have a knowledgeable, friendly staff that can relate to our consumers needs and circumstances and are especially adept in handling problems. Staff has been crossed trained, honing our skills and improving the quality of service to our members. We efficiently managed tasks and stream-lined assignments so our part-time position

could be eliminated in 2011. As a courtesy to our VEs, VEC pencils and/or pens will be supplied in each outgoing VE team test session package. Our main focus will remain on test session processing and data entry. By offering ongoing support to VEs and VE teams and by providing good customer experiences, our assumption is we will continue to build and retain a loyal customer base.

4. *Economy.* The VEC exam fee will remain at \$15 in 2011. With ever increasing shipping, printing and fuel charges, control of expenses will continue to be a priority and relationship building our main concern. VEs will be steered towards web based software programs to decrease VEC spending on printed materials and supply shipments. Cost effective shipping methods for test session packages will be sought and test fee revenue will continue to be evaluated. We are dedicated to offering quality programs and superb customer care at the lowest cost.



## LAB DEPARTMENT

### A. Operational Goal

1. Assist amateurs in developing their technical knowledge and skills through a combination of research and development, technical writing for League publications and providing engineering and technical support to other Headquarters departments, the Field Organization and the Membership at large.

### B. Strategies

1. Deliver engineering services to the League.
2. Deliver technical information to members.
3. Help ensure the technical accuracy of League publications.

### C. Action Plans--New

1. **On-line Technical Information Service (TIS):** This project is carried over in part from 2010. The ARRL.org web site did not have the functionality to allow the creation of on-line discussion forums until the end of the 3<sup>rd</sup> quarter of 2010. At that time, the Lab had begun to plan what the architecture of these forums should be and started the development of an RFI forum as the seed for the project. This will continue through 2011, with at least one additional forum in place by the end of the 1<sup>st</sup> quarter and a slow phase-in to a series of topical discussion forums over the remainder of the year. **(1Q, 4Q)**
2. **Display areas:** After renovation of the Lab facility in the 1<sup>st</sup> quarter, the Lab will construct various display areas to offer a better membership experience in touring the Lab. Existing displays of D-STAR and software-defined radio will be improved and in two new areas partitioned from the machine shop and the cage, other displays of modern technology and vintage test equipment are planned. These will be installed and updated on an ongoing basis throughout the year, starting in the 2<sup>nd</sup> quarter. **(2Q, 3Q, 4Q)**

### D. Action Plans--On-Going

1. **Spectrum Challenges:** In 2012, the ARRL Lab staff will continue to provide continuing technical input and other assistance to our Washington, DC counsel for our filings with the FCC. Most of these FCC filings deal with various forms of spectrum challenges. BPL will continue to be a declining, but not dead, issue, but the Lab staff will continue to participate in industry committee meetings and provide support as needed to our Washington, DC offices. As typically happens every year, other issues requiring Lab support will crop up during 2011.

This action item will be an ongoing responsibility of the Laboratory staff, under the leadership of Laboratory Manager, Ed Hare, W1RFI. **(Issue driven; as required by the Washington office)**

2. **Technical Information Service (TIS):** As staff time is available, the TIS pages on the ARRL web site will be revised on an **ongoing** basis. As is done every year, by the end of the fourth quarter (**4Q**), all pages will have been evaluated by the Lab staff and any necessary changes made, based on the availability of staff time. On an **ongoing** basis, the Lab will continue to solicit and develop outside volunteers to maintain certain TIS pages in areas where the volunteer has expertise. (An example of a page maintained by an outside volunteer is the page on AM phone operating.) TIS staff manages a number of databases, used for internal TIS research and distributed as part of the ARRL Handbook software. As staff time is available, on an **ongoing** basis, TIS will maintain the accuracy of these databases, adding new companies and products as they are identified. Lab staff will continue to maintain the ARRL Technical Library and periodically update the ARRL Library database. As outlined under “Action Plans -- New” above, a significant amount of staff time will be spent on the transition to the new web page. **(Ongoing, as needed)**
3. **RFI:** The Laboratory will continue to provide **ongoing** support to ARRL members resolving interference problems. The Lab RFI staff will continue to work with Laura Smith to manager RFI caseloads involving the FCC and to improve the process that is used with the FCC to resolve power-line interference cases and bring those needed enforcement to the FCC Enforcement Bureau **(ongoing)**. Under the wing of Ed Hare’s participation in IEEE committees, the IEEE has undertaken the development of a Recommended Practice for the resolution of power-line noise complaints. Mike Gruber and Ed will facilitate the completion of an IEEE Recommended Practice on the resolution of power-line noise through to an IEEE ballot. It is expected that Mike Gruber will Chair the IEEE Working Group developing this standard, although that will be driven by decisions within the IEEE. **(4Q)**
4. **Industry contact:** ARRL’s participation in the development of industry standards will continue in 2010. At this time, ARRL participates on the ANSI accredited C63<sup>®</sup> EMC committee and the IEEE EMC Society’s Standards Development Committee. Ed Hare also has developed a cadre of industry contacts that gives ARRL informal leverage within companies and other organizations. Most of the committee meetings take place in 2Q and 4Q. Ed Hare will continue to represent ARRL and Amateur Radio on the Industry IEEE Standards Coordinating Committee 28 (RF safety); IEEE P1775 BPL EMC standards committee; IEEE EMC Society Standards Development Committee; ANSI Accredited Standards Committee C63<sup>®</sup> (EMC); Society of Automotive Engineers EMC and EMR committees. Ed is the Chairman of C63<sup>®</sup>’s Immunity subcommittee and the Secretary of the EMCS Standards Development Committee. Continue liaison with the RFI Task Group, EIA, IEEE, NCTA, SCTE, HomePlug and SAE, and develop other contacts as appropriate. **(Ongoing)**.
5. **Provide publications support:** Write *QST* and *QEX* articles and columns as directed or approved. **(Issue driven)**. Provide Lab staff input to the *QST* and Book Team staff as required. **(Monthly)**. Perform product testing for Ad-acceptance and Product Review

programs. (**Monthly**). In the 1<sup>st</sup> quarter, Mike Gruber will work with Ward Silver to revise the *ARRL Handbook* RFI chapter. (**1Q**)

6. **Product Review testing:** Continue to develop and refine the Laboratory's test procedures and software (**Ongoing**). Update the ARRL Laboratory Test Procedures Manual to reflect any new or revised test procedures (**as needed**). Revise the ARRL Laboratory Long Term Plan for the Acquisition of Test Equipment with a 5-year capital equipment acquisition plan, deliverable as part of the normal budget and business planning process. (**Ongoing, 4Q**)
7. **Other member contact:** Supply technical support to ARRL HQ staff and Field Organization; conduct forums at ARRL Conventions. (**Ongoing**)
8. **ARRL Board committees:** Supply liaison with ARRL Board committees, professional and government organizations (i.e. RFI Task Group, RF Safety Committee, Technology Task Force, Technology Working Group, IEEE, etc.). (**Ongoing**)
9. **W1AW:** Provide technical assistance and test equipment to W1AW staff as needed. (**Ongoing**)
10. **Miscellaneous:** ARRL Lab staff will continue to assist in the preparation for the ARRL auction, assist as needed with the USTTI training courses. Bob Allison will arrange one or two staff training sessions, helping staff interested in kit building construct a shortwave receiver kit. (**Ongoing**)

## **E. Additional Discussion**

*Laboratory Staffing Requirements:* The Laboratory Manager, Senior Lab Engineer, Test Engineer, RFI Engineer and part-time administrative assistant will continue in 2011. In addition, some consulting will be contracted as needed, for special projects as needed for spectrum-defense work, industry-contact work and the necessary updating of the Lab's web pages.

Testing for Product Review is expected to remain fairly steady. Over the past three years, the Lab staff has been discussing improvements in the ARRL's test procedures with a volunteer panel of testing experts. This group will continue to be an asset as measurement uncertainty calculations are done for each of the tests the Lab performs on Product Review equipment. The Lab's "Test Procedures Manual" will be maintained as changes are made in test methods and procedures.

Liaison with professional and government organizations (i.e. IEEE, FCC); liaison to selected Board committees; technical support to ARRL HQ staff and Field Organization; conduct forums at ARRL Conventions. Presently, Ed Hare is the staff liaison to the RFI Task Group, RF Safety Committee; serves as the ARRL representative on the Society of Automotive Engineers EMC Committee; serves as ARRL's primary representative on the ANSI-accredited C63<sup>®</sup> committee; serves as an ARRL representative on SCC-28, the committee developing standards for RF-exposure and on the IEEE Electromagnetic Compatibility Society's Standards Development Committee. . He also serves as an informal liaison to several other committees and programs,

such as the TIA T1E1 VDSL standards committee, HomePlug, the Home Phone Networking Alliance, the Society of Cable Telecommunications Engineers.

Laboratory staff will write articles for ARRL publications on an ad hoc basis, primarily documenting their work from other areas of responsibility. The Laboratory staff will continue to review technical material in their areas of expertise, as requested by the editor.

The RFI engineer, Mike Gruber, will continue to help members with RFI problems. He will also develop better methods for amateurs to use to locate and identify power-line noise. (**Ongoing, issue driven**).

## **CAPITAL ACQUISITIONS**

**ARRL, Inc.**  
**The National Association for Amateur Radio**

**2011 Plan**

**Proposed Capital Expenditures**

<b>Department</b>	<b>Description of Item</b>	<b>Cost</b>
<b>Information Technology</b>	Replace Computers	\$ 3,600
	High speed PC for Video Editing	2,500
	Servers for ARRL Web Site (4)	6,000
	Color Laser Printer	1,100
<b>Lab</b>	Replace Flooring	32,000
	Display Areas	5,000
	Signal Generator (used)	12,000
<b>Warehouse</b>	Cargo Van	28,000
<b>Mailroom</b>	Upgrade Mailroom and QSL Bureau	13,000
<b>ARRL Web</b>	Enhancements	15,000
<b>Contest</b>	Rebuild Access Databases	10,500
<b>Education Dept.</b>	Video Equipment	6,600
<b>Building</b>	Upgrade Security System	8,500
<b>Marketing</b>	New Exhibit Booth Materials	5,000
<b>W1AW</b>	Amplifier	6,900
	Replace Fence (around generator)	1,500
	Conference Room Lighting	1,300
	Chairs	1,200
<b>Production</b>	Upgrade Adobe Software (Creative Suite)	2,800
	Carpet	2,500
<b>Total</b>		<b>\$ 165,000</b>

**ARRL, Inc.**  
**The National Association for Amateur Radio**

**2011 Plan**

**Proposed Capital Expenditures**

**A. Replace Desktop/Laptop Computers**

As we have each year, we plan to replace older desktop computers (approximately 5 years old). As we have been diligent in doing this for many years, there are very few computers that will need to be replaced in 2011. We expect to replace 3 desktop units and 2 laptop computers. The laptops are used company-wide for staff traveling on League business.

**B. High Speed PC for Video Editing**

Additional computing power is required, specifically for the Public Relations function that is routinely dealing with the higher resolution video clips submitted from the field. The standard desktop configuration for HQ does not have the capabilities to smoothly edit and divide these clips into useable form for several different media including the web page and certain broadcast outlets.

**C. Servers of ARRL Web Site**

The ARRL website is presently hosted in the Rackspace cloud, sharing server resources with other Rackspace customers. This was done when we discovered late in the process of deploying the new site that the system requires many more processors than anticipated -- more than can be provided in a single server. However, in the cloud we are sharing resources with other cloud users, and the site's performance suffers because of this. We considered getting additional leased servers at Rackspace or another provider but concluded it would be more cost-effective and more manageable to move the site back to HQ. (HQ Internet connectivity was upgraded substantially this year, making this move feasible.)

We are requesting the addition of four small server-grade machines. The requested machines, which have multi-core processors but not much in the way of disk storage or memory, are to be used to service Web-page requests under the guidance of a master server. This is the same configuration as the present cloud-based system, but the hardware will be fully dedicated to the Web site, providing higher performance, and the backing database will be run on optimized SAN storage, substantially ameliorating one of the main bottlenecks of the present site.

Each of the servers costs \$1,500, amounting to a total of \$6,000.

#### **D. Color Laser Printer**

This proposal is to replace the current printer in the Businesses Services Department which has reached the end of its useful life and has needed more and more maintenance. It is used primarily in the production of ads for QST, books and other media which are a significant revenue source for the organization.

#### **E. Replace Lab Flooring**

Over the years we have undertaken the necessary steps to remove all the flooring tiles which include asbestos from the building. At different times, this remediation has taken place in the MVP, VEC and Sales and Marketing departments. The last area of the building where these types of flooring tiles exist is the ARRL Lab and we are beginning to see small areas where the tiles are beginning to break up. This is the first sign of deterioration and now is the time to resolve the situation. This project is not without complications as the bulk of the Lab will have to be moved to storage, staff relocated and specialists used to remove the old flooring before we can have a new floor installed. About one-third of the cost is for the asbestos removal alone. Moving and storage comprise another one-third of the cost. Total cost of the project is \$32,000.

#### **F. Lab Display Area**

After the replacement of the floor, the Lab staff is proposing to reconfigure some of the space, specifically a portion of the machine shop. The full space is no longer needed as a machine shop and the proposal is to split the existing space into two areas, one to house a smaller machine shop and workbenches and the other as an area which will feature displays of modern technology used in the Lab. These displays would be similar to the popular displays that are currently in the main portion of the Lab currently and will be used as a destination for visitors and guests on tours of Headquarters. The \$5,000 budget is for shelving, display cases and other finishing expenses.

#### **G. Signal Generator (Used)**

The present signal generator, used for various testing of equipment, has been discontinued by the manufacturer, but it is still being supported. Although it is still supported, there is no timeline for how much longer the manufacturer will continue to do so. The current piece of equipment (Marconi 2041) has failed two times in the past three years, each instance requiring a repair in the U.K. at a cost of about \$3,000 for each instance.

The Lab staff proposes the purchase of a used IFR 2041 which is about 10 years newer than the current test equipment. This will provide more reliability and better service into the future on a piece of equipment that is likely to be supported by the manufacture longer than the current gear.

#### **H. Cargo Van**

We propose to purchase a cargo van to replace the 1997 Dodge Dakota pickup truck used on a daily basis by the warehouse personnel and, occasionally by the Building Manager.



The organization's pickup truck is garaged at our warehouse facility on North Mountain Road in Newington. On a daily basis, the pickup truck is used for mail pickups between the Newington Post Office and ARRL Headquarters, and for transferring orders, products and supplies back-and-forth between the ARRL warehouse facility and Headquarters. The Building Manager also occasionally utilizes the truck for transporting building supplies (lumber, drywall, electrical, and plumbing). The truck is also used for special annual projects, such as transporting valuable auction items for shipping.

Although the 13 year old truck has relatively low mileage (54,000 miles), it is requiring increasing amounts of maintenance and repairs. Current issues include:

- Faulty shift knob
- Damaged bed liner
- Broken fog light
- General wear/tear
- Leaking antifreeze
- New brakes (recently installed)

It is basically at the end of its useful life and has little actual blue book value.

In retrospect, for what it is used for, the pickup truck has not been the most practical vehicle. It only has one entry point for loading, via the tail gate which can make it physically difficult for certain types of cargo. A van would provide roughly 100% more transportation space, more ease of loading via multiple entries, and enhance workplace safety. The van would also be more versatile for transporting boxes, mail, bulky items and maintenance equipment. As most of the mileage would be city miles and average only 4,000 miles/year we will attempt to acquire a used van if possible at about half the cost of a new one. (\$28,000)

The impact on our annual auto insurance premium would be minimal. (less than \$200)

## **I. Upgrade the HQ Mailroom**

The Headquarters mailroom has not had a facelift in over two decades. In that time, almost every other area of the building has been upgraded, painted, floor replacement, etc. The equipment and the configuration of the room haven't changed in almost that long. We are proposing a redesign of the space with a replacement of the flooring and painting. This will also include the Outgoing QSL Bureau.

As part of this proposal, we are also proposing to replace the aging folding and insertion machines that have caused problems in the recent election. While we had planned to propose replacement before the issues arose, they only highlighted the facts that the machines are old, balky and in constant need of maintenance. We are proposing to lease a new combination folder/inserter which will include maintenance. The equipment will allow the Mailroom to become a more productive resource and meet more of the varying requirements of the other HQ departments. We have included an estimate of the monthly lease cost in the operating budget for

the department. Purchase of this equipment would cost over \$50,000, plus a monthly maintenance fee over and above that which we believe is not a good use of our funds at this time.

#### **J. ARRL Web Enhancements**

As mentioned earlier in this Plan, initially much of the work on the web site will be to complete the transfer of the functionality. There are, however, several enhancements which have been proposed which we believe should be added sooner rather than later. These include:

- RSS Feeds
- Capacity to print lists that are generated by user queries on the site (report generator)
- Forums

These do not have to be programmed by our in-house staff and can be contracted out as they are relatively generic projects. We have included \$15,000 for outside programmers to do this work.

#### **K. Rebuild Access Databases in the Contest Department**

The current Contest databases are written as MS Access databases and reports are generated through queries from these databases. The routines which manipulate the databases are in need of serious repair in many cases and need to be updated to reflect changes over the years in various contest rules, etc. We've reached a point where significant manual effort is required to produce the results from each contest result.

By upgrading the databases and routines (including bringing them up to current versions of MS Access) we will improve both the efficiency of the work as well as improve the overall contest administration.

Initial plans would involve using the ARRL IT Department to develop the specifications document for the project and then allocate the work to outside programmers, possibly volunteers. If appropriate volunteers could not be identified, we estimate the cost to complete all the work would be \$10,500.

#### **L. In-house Video Equipment**

We are proposing to expand our video production capabilities with the purchase of about \$6,600 worth of video production and editing equipment. We propose to purchase an additional camera and some better desktop editing equipment along with a few accessories. We have some video equipment now, but its capabilities are limited. The equipment upgrade will deliver higher quality audio and video, be easier to operate and have expanded editing capability.

This modest equipment upgrade will allow ARRL departments to create short topical video pieces which will be for the web site, inserted into E-Letters and other digital publications, educational courses and cable and broadcast promotional announcements. Among the departments who have already indicated they had specific videos they would like to produce in 2011 are: marketing, VEC, Education Services, ARRL Lab, Media & PR and Emergency

Preparedness. Additional video capability will allow us to edit and integrate volunteer, member-donated and historical video clips when possible. Such clips, created in-house or donated, can be re-purposed and used in several productions.

### **M. Upgrade the HQ Access and Security System**

The HQ building access is controlled by an electronic key card system installed many, many years ago. Each employee is given a credit card-like “key” which provides access to the front and back entrances and the system can track when and where these cards are used to access the building. Unfortunately, the technology that is used in this system is, by all standards, ancient. It is so old that we cannot get replacement key cards because they are no longer manufactured which has put us in a situation where, with a few more failed cards, we might not have enough to meet the needs of the staff. As such we are proposing to upgrade the electronic entry system for the HQ building.

In addition, we are also proposing to install continuous loop security cameras to monitor both entrances and, if possible the parking lots. The unauthorized entry of a year ago along with other minor incidents involving local teenagers over the years has put us in the position of proposing a more robust security system. We are not recommending a 24/7 monitoring service at this time, simply recording cameras where images would be captured for a certain amount of time.

Total cost of both proposals is \$8,500.

### **N. New Exhibit Booth Materials**

We are proposing to add to and upgrade our exhibit and trade show display items, equipment and accessories. This will include custom artwork, large graphic display items and other accessories that will be used in our major exhibits over the next several years at the Dayton Hamvention® and the 2011 and 2012 ARRL National Conventions. The proposed expenditure for these materials is \$5,000.

### **O. W1AW Amplifier**

With the exception of one amplifier purchased in 2009 and another in 2006, all the other amplifiers in current service at W1AW have been in use for quite a number of years. One was installed in 2000 and the three remaining Harris amplifiers were installed as part of the W1AW renovation in 1989. All of these amplifiers are subject to heavy duty cycles and the oldest ones are beginning to show the effects of age.

We are proposing to replace a total of four amplifiers in the coming years starting in 2011 with one. The proposal is to acquire an Acom 2000A which has demonstrated itself to be an excellent piece of equipment. In addition to being able to handle 1.5kW without difficulty, it also has automatic tuning and an internal antenna tuner.

Total cost of this proposal is \$6,900.

## **P. Replace Fence at W1AW**

The wooden stockade fence at W1AW surrounds the external generator and the North tower. This fence was last replaced in 2000. As with most wooden fences, over time the pickets tend to bend and warp due to weather exposure. In addition, because this was untreated pine the lower portion of the fence is more susceptible to insect damage. As with the original fence, the current wooden fence is showing the effects of its age.

The recommendation is to replace this fence with vinyl fencing and post covers which would hold up better in the weather and won't be susceptible to insect damage. The cost to replace the fence is \$1,500.

## **Q. W1AW Interior**

We are proposing to spend \$2,500 to upgrade two items at W1AW. The chairs in the guest operating stations were purchased in 1996 and they look like it. The wear and tear of the past 15 years has taken its toll and they are deteriorating. This will cost \$1,200.

In addition, we are proposing to replace the lighting in the upstairs conference room at the station. The lighting has always been somewhat problematic with two large flood lamps that not only waste power, but generate a great deal of heat. With only two small windows, this results in excess heat and the need to run the upstairs fans or the air conditioning, even on cool days. We propose to replace the lighting with newer, more energy efficient lights that are better suited for the space as well as add two ceiling fans to assist with air circulation. This will make the space much more comfortable and allow for more use. This piece of the project is expected to cost about \$1,300.

## **R. Upgrade Production Department Software**

This proposal is to upgrade the Adobe software used in the Graphics and Composition Departments in the production of ARRL publications, advertisements for advertisers in QST and other digital publishing media. Currently the department is using Adobe Creative Suite version 4 and many of our clients are using version 5. To support them properly, we need to upgrade as well. Three licenses are needed, one in Graphics and two in Composition for the staff that will be using this software. Total cost for all three licenses is \$2,800.

## **S. New Carpeting**

The carpeting in the Publications Manager's office is badly worn and buckled in a number of places. This is not only an aesthetic issue, but at a point where it could become a safety hazard. The cost to replace the carpet will be about \$2500.

## **STAFFING**

## **ARRL, Inc.**

### **The National Association for Amateur Radio**

#### **2011-2012 Plan**

#### **Staffing**

The 2011-2012 Plan includes a staffing component of 92 full-time and 11 part-time positions. This is the same number of positions as in the 2010 Plan but there is a reallocation in the number of full and part positions so that there is an additional 2 Full Time Equivalents (FTEs) proposed for the coming year.

We continue to evaluate the staffing levels across all departments each year and 2011 was no different. We have proposed adding two positions that we believe will directly impact revenues in the future and another that will support our expanding need for graphics capabilities across a wide variety of projects. The following is a detailed explanation of the staffing changes proposed in this year's Plan:

1. The implementation of the Second Century Campaign will require the full time attention of the Chief Development Officer. We are proposing the addition of an Individual Giving Manager to handle day-to-day operations of the Development Office, including fundraising for the Diamond Club, Spectrum Defense, Education, W1AW and other ARRL funds. This position should be filled by April, 2011 to provide adequate time for the new manager to understand the Development operation under the supervision of the Chief Development Officer who will become more fully immersed in the Second Century Campaign as the year goes on.

2. It is clear that we need to increase the number of new, revenue-producing titles if we are going to increase our publication sales revenues. To do this we need to acquire new authors, a need which exists for QST and our other periodicals as well as in the area of books. We are proposing to add a position for a full-time Managing Editor for Books in the Editorial Department to coordinate the book production process internally as well as manage the communications between authors, freelance editors and Headquarters staff. This would allow the Production Manager to devote substantially more time to author acquisition for books as well as QST and our other periodicals. With this new position in place we will be able to increase the overall number of titles. One of the first projects expected to benefit from the addition of the Book Editor is the Emergency Communications Manuals which will be published in the fourth quarter.

3. The growing need for illustrations in all our publications and additional graphics across a wide variety of media including printed and electronic solicitations, the web page and other media requires the addition of a full-time technical illustrator in the Graphics Department. This will also eliminate our reliance on outside vendors for this service. To accomplish this we plan to upgrade the existing part-time position as the incumbent has the requisite CAD/CAM skills and replace that individual with a new, part-time graphics position which will support all areas but primarily Sales and Marketing.

4. The number of technical support calls from members relating to issues of the ARRL web site, ARRL.net E-mail Forwarding System and other regular Arrl.org e-mail has increased dramatically in the past year. In addition to the normal day-to-day in-house requests for Help Desk support, the rise in these member-related support calls has overwhelmed the one help desk support position currently on staff. This has resulted in the Network Engineer having to pick up the overflow which, in addition to his normal network maintenance and security responsibilities, has limited his ability to complete critical infrastructure projects like the replacement of the Lyris system and the upgrading of the MS Exchange software. If we are to complete the range of IT projects, not simply programming projects, we need to add a position to the Help Desk to alleviate the backlog of day-to-day issues.

The Plan also proposes the elimination of several part-time positions that we do not believe are required. All of these positions are being eliminated through attrition as the former incumbents have already left the organization and it was decided that we did not need to replace them.

5. There is a part-time proof reading position we have eliminated with the work being picked up by the other part-timer in the Production Department and a little bit if outside support from contract proofreaders.

6. A part-time position in VEC was also eliminated based on the volume of work expected.

7. And finally, a part-time sales position in the Business Services Department had been a “contingency” position in the 2010 Plan depending on the level of additional sales efforts that might be required. We believe that this addition would not increase the level of revenues significantly, particularly as we’ve been able to expand the web advertising category without it.

Included in the financial projections is an average 3% merit increase which is consistent with what is reported as being the average for other companies in the local region.

**AMERICAN RADIO RELAY LEAGUE, INC.  
STAFFING SUMMARY  
PLAN 2011**

<u>Function/Department</u>	<b>2010 Plan</b>			<b>2011 Plan</b>		
	<b>FT</b>	<b>PT</b>	<b>Total</b>	<b>FT</b>	<b>PT</b>	<b>Total</b>
<u>Production &amp; Sales</u>						
Editorial/Production						
Administration	3	1	4	2	1	3
Graphics	2	1	3	3	1	4
Composition	2	1	3	2		2
Editorial	5		5	6		6
Laboratory	4	1	5	4	1	5
<u>Sales &amp; Marketing</u>						
Marketing	2		2	2		2
Business Services	5	1	6	5		5
Fulfillment	6	1	7	6	1	7
Warehouse	3	1	4	3	1	4
Membership	2		2	1		1
<u>Support</u>						
Executive VP	3	2	5	4	2	6
CFO	2		2	2		2
Development	3		3	3		3
2nd Century				1		1
Controllers	4	1	5	4	1	5
Information Technology	8		8	9		9
Administrative Services	3	1	4	4		4
Maintenance	1		1	1		1
<u>Advocacy</u>						
Washington D.C.	2	1	3	2	1	3
Public Relations	1		1	1		1
<u>Member Services</u>						
MVP Administration	3		3	3		3
Field Services	4		4	4		4
Contests	1		1	1		1
DXCC	5	1	6	5	1	6
QSL Bureau	1		1	1		1
W1AW	2		2	2		2
Logbook	1		1	1		1
Emergency Preparedness	2		2	2		2
Education	2	1	3	2	1	3
VEC	6	1	7	6		6
<b>Total Staff</b>	<b>88</b>	<b>15</b>	<b>103</b>	<b>92</b>	<b>11</b>	<b>103</b>
<b>FTE's</b>			<b>97</b>			<b>99</b>