

**American Radio Relay League
Proposed 2023 – 2024
Plan**

Executive Summary
(Revised 12/16/2022)

**BOARD
CONFIDENTIAL**

**American Radio Relay League
Proposed 2023-2024 Plan**

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SUMMARY

American Radio Relay League Proposed 2023-2024 Plan

Executive Summary

The 2022 Plan document started with “Everything that we do must be intentional, deliberate, collaborative, and positive to drive amateur radio forward and our organization.” Nothing remains truer today. This is how we have approached the last year and will continue going forward. We constantly ask ourselves how our actions will benefit amateur radio and ARRL. The culture changes that have been taking place at headquarters are resulting in a stronger and more positive organization. And, the members are noticing and being overwhelmingly supportive. We are working more collaboratively inside and outside of headquarters. Creating the right culture is an evolving process that needs to stay at the forefront in order to be successful.

In the following pages, we hope to provide you with an understanding of what we plan for ARRL and what it will take to move forward over the next year. With positive feedback from the members, we have confidence that we are moving in the right direction with our digital transformation and community engagement that will result in growth for the organization over time.

2022 To Date

Although 2022 is not over as this report is being written, it is important to look back at our successes, challenges and, yes, our disappointments so far this year.

- Engagement with the Field Organization has increased, and the response has been positive. A monthly virtual meeting is held with the Section Managers to update them on current happenings at HQ and provide training opportunities on how to be effective leaders in their section. The feedback from the participants is positive and encouraging. The Club News, a monthly email newsletter, has been re-established and goes to approximately 67,000 mailboxes with about a 50% open rate, which compares favorably with other newsletters.
- After a two year delay, the ARRL National Convention at the Orlando HamCation took place in February. In addition to the ARRL Expo we put together an all-day workshop program with four different training tracks. Despite the pallets not arriving in time for the event, the staff rallied and pulled off an extremely successful event.
- The Youth Licensing Grant Program was successfully launched in April with over 130 youths benefiting from the program to date.
- The end-fed half-wave antenna kit continues to be very successful plus another kit was added to our offering, an easy-to-construct radio receiver kit.

- Development launched the new exclusive Diamond Club Badge that highlights members' longevity as a Diamond Club member and is intended to build a great sense of pride. This new badge was rolled out to our 20-year members with a great response.
- Teacher's Institute (TI) returned to in person sessions in 2022 with four TI-1 sessions and one TI-2 session. For the first time a TI-1 was held in October when many teachers have more of an opportunity to attend.
- The ARRL Learning Network continued to expand throughout 2022. The webinars and recordings are available for viewing by members and ARRL-affiliated radio clubs and have become a popular member-benefit and an integral element of ARRL's digital expansion. This will remain a priority in 2023.
- For the first time in three years, ARRL held an in person Section Manger Orientation. ARRL hosted 22 new (in the last three years) Section Mangers in September. The program was designed to not only educate them on ARRL but to energize them to be leaders in the field. The program received a lot of positive feedback.
- Specific attention has been given to building out ARRL's social media engagement by intentionally being more prolific across all mediums.
- ARRL engaged a third-party election service company to conduct Division level elections with a hybrid model of paper and electronic balloting. The contract period is three years.
- ARDC funded two major initiatives through the ARRL Foundation. They provided \$750,000 for scholarships disbursed in 2022 and \$500,000 to be disbursed through the Club Grant Program plus, an additional \$100,000 for administrative cost to run the program. The Club Grant Program was overwhelmingly successful in generating proposals. So much so, we went back to ARDC for additional funding to extend the program and they declined to provide additional funding. Unfortunately, ARDC also denied the initial proposal to expand Teachers Institute to 25 sessions per year. A scaled down proposal was resubmitted for consideration this fall.
- ARRL completed a series of surveys conducted by third parties that included a benefits survey and employee satisfaction survey. Both were positive and provided management with valuable feedback.
- VEC has struggled to regain its pre-COVID market share.
- Membership set an extremely aggressive goal of 161,010 for the end of 2022, almost a 2% net gain – a level ARRL hasn't seen since 2015. Struggles with proper data pulls post conversion, over simplified redesigned renewal notices and over reliance on email renewal notices all contributed to just maintaining the membership level. While all of these issues are being addressed, it is expected that membership by year-end will be approximately 154,000.

Financially, 2022 is expected to finish the year with a smaller loss from operations (excluding realized gains on investment income) than planned, a direct result of lower than expected spending. Most revenue areas have been struggling and will fall short of Plan for the year.

- Product sales are expected to be \$210,000 lower than planned due to the lagging sales and minimal number of new titles.
- While print advertising in *QST* leads the decline in advertising revenue, overall advertising revenue is also beginning to see another decline. Many advertisers are reducing the amount of advertising to reduce costs while other advertisers just can't meet their obligations and have to leave the magazines.
- *QEX* and *NCJ* subscription revenues are expected to be down another 10–15% in 2022. If this trend continues in 2023, ARRL will reach the point at which the subscription and advertising revenue do not cover the direct costs of printing these magazines. A critical decision will need to be made about the future of the print versions of these magazines.
- Membership dues will be lower than planned by approximately \$300,000 in 2022.
- Program fees are expected to end the year around \$70,000 lower than planned. While awards revenue is expected to be on target, VEC fees have lagged projections all year.
- Overall voluntary contributions in 2022 have remained above Plan and is expected to finish the year ahead of Plan. The majority of the greater than planned results came from realized gains on investments that were allocated to earning funds for operations.

As noted above, there has been significant underspending during 2022. The major areas of this underspending have been:

- Compensation & benefits - expenses (net of additional consulting expenses) related to delays in hiring vacant positions is expected to be approximately \$550,000 for the year.
- Consulting expenses – The \$300,000 added to the Plan for an additional lobbyist has not been utilized as of this writing.
- Between international events being virtual in the beginning of the year, continued responsible spending on travel to events, and appearing virtually at more smaller events there will be almost \$100,000 in savings in travel expenses.
- Legal expenses have been lower than expected to date.
- Offsetting some of the lower spending are the increasing costs related to printing and shipping our books and magazines. Paper and freight costs have continued to rise throughout the year. As of September, while product sales are below Plan, the cost of goods sold related to those sales was over Plan by \$83,000. Production and forwarding of

our magazines have, through September, added an additional \$160,000 to our expenses – a trend that will continue through year-end.

Looking Towards 2023

2023 will be the “Year of the Volunteer”. This initiative will be designed to motivate members to engage more with amateur radio and step up their involvement from their current level of engagement - from volunteering hours to financial support through donations. As the leader in the community, ARRL needs to influence the culture of the community in the most positive ways. There is much work ahead to turn projects and initiatives into growth and revenue for the organization. With our committed team we feel we will continue to move in the right direction. The detailed Department Plans included as Appendix 2 of this document include the following initiatives:

- Year of the Volunteer will include:
 - Developing and empowering member volunteers.
 - A monthly spotlight in QST of individuals whose life was influenced by amateur radio.
 - An on the air event.
 - Spotlight articles on some of the most successful/ influential YouTube personalities.
 - A new logo themed product line.
- A continued focus on the digital transformation including meaningful use of YouTube, social media platforms, and video opportunities that cross all parts of the organization.
- Membership renewal activities will have some of the renewal notices return to paper rather than relying on e-mails. Experience has shown that after the initial email renewal notice, the response rate diminishes and then paper renewals have a better return rate.
- To increase Diamond Club members, initiatives include a focus on life members. A targeted solicitation to life members is planned to educate them on the potential giving opportunity to support the organization with unrestricted giving. Promotional materials for Diamond Club will also be returning to the annual renewal notices. Development will continue to roll out the exclusive Diamond Club Badge that highlights members’ longevity as a Diamond Club member to members under 20 years.
- A focus on building the Capital Endowment to grow our ability to depend on earnings for operations.
- Continue to build on the success of the end-fed half-wave antenna kit and the radio receiver kit with additional basic kits to engage members more with project building.
- Build on our success with the Section Managers by continuing monthly meetings and expanding meetings to other groups such as the SECs.

- With the help from a consultant who specializes in Amazon marketing strategies, there is a major initiative underway to lift ARRL's products visibility on Amazon's website resulting in increased sales. Results from this effort is expected to be meaningful by 2024.

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

- Staff will support several exhibits at the largest amateur radio conventions held annually in person (see Appendix #2, page 12) while continuing to support numerous events virtually to maximize resources.
- Maintain our publications pipeline with new editions of the *ARRL General Class License Manual*, *Tech Q and A*, *Antenna Book*, *Oscilloscopes for Radio Amateurs*, *Propagation and Radio Science*, *ARRL Periodical DVD*, *ARRL Calendar*, and *Repeater Directory*. New titles include *How to Radio Wave Propagate* and *POTA*.
- Continue to administer the full complement of awards and contests via the Radiosport Department.
- Maintain our dominant market share in the delivery of Amateur Radio testing opportunities through the ARRL VEC and increase our VEC teams use of ExamTools to be more competitive with other VEC's use of the software. We are projecting 29,000 new licensees and 11,000 upgrades in 2023.
- Continued expansion of topics in the Learning Center offerings.
- ARRL's plan includes four in-person Teacher's Institute classes in 2023.
- Maintain activities with organization like IEEE, FCC, and served agencies.
- Provide representation for Amateur Radio across a variety of international bodies and meetings (see Appendix 2, page 52).

Financial Considerations

- Total revenues are expected to stay flat with increased contributions supporting lower expected revenue in other areas.
- Publication sales are projected to be flat with 2022. The year after the launch of a major revision of the Handbook, publication sales usually drop somewhat, but we expect that growth in Amazon sales will level total sales in 2023.

- Advertising sales contribute a little more than 10% of ARRL's total revenue. While there is little room to grow advertising revenue over time because advertising dollars are at a premium, 2023 revenue is expected to be flat with 2022 actual.
- Membership dues revenue for 2023 is expected to be flat as compared to 2022 as we work to regain the lost family members and increase overall membership. The yearend goal for 2023 is 160,338 members.
- Subscription revenues from both *QEX* and *NCJ* are expected to continue to decline.
- Program fees are forecasted to be lower in 2023 than in 2022. This expectation is heavily based on our struggle to regain our pre-COVID market share of licensing activity. Awards revenues are expected to remain flat with 2022.
- Contribution revenues are expected to be higher in 2023 with Diamond Club growth and WIAW's capital spending plan.
- ARISS support has been planned at \$50,000 with no expectation to increase the funding due to ARRL's forecasted loss. We will, of course, continue to provide non-monetary support to aid ARISS in their mission.
- Thanks to a two year agreement signed last year, ARRL's Health insurance increase was limited to 11% in a marketplace where 13-15% is prevailing. Without this second year cap, the renewal would have been 39.9% based on utilization.
- Overseas travel has increased due to IARU travel related to WRC-23.
- Staff travel will continue to be closely evaluated for the return on investment. With our growing virtual abilities, more smaller events are being attended virtually rather than sending an in-person representative to an event that only gathers 20 or so attendees for the speaker. This approach permits ARRL to participate in more events.
- Proposed capital spending is \$446,000 with the majority of the spending for facilities related projects. See the Capital Expenditures section of this document for the detailed list of proposed capital purchases.
- The net staffing level was reduced by 1 position. These changes are detailed in the Staffing Section of this document. The proposal includes an average salary increase of 5% for the staff, effective April 1, 2023, and no changes to the current level of funding to the 403(b) defined contribution retirement plan.
- Cash flow will be monitored closely. The Spending Policy calculates the authorized cash draw from the portfolio not to exceed 3% of the average of the prior two fiscal year-end market values of the investment portfolio assets plus the annual cost of the Life Member Program. If the market remains low, as it is currently, the standard calculation will result in a lower amount permitted to be transferred before board approval is needed. With a

planned loss and a lower pre-authorized cash draw amount, multiple transfers from the investment portfolio are expected to need board approval during the year.

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

- The challenge to generate perceived value in ARRL membership to match the real value for new hams. It will remain a challenge to replace silent keys with new members and to grow overall membership.
- Our ability to produce additional publications that spark interest in the marketplace at price points that encourage buying while maintaining an appropriate profit margin.
- Increasing printing and shipping costs of our publications put pressure on margins if selling prices do not increase. Increased selling prices could deter buying behavior.
- With the job market continuing to be so tight, hiring and retaining qualified candidates will continue to be a struggle. Qualified candidates are expecting higher salaries and more control over their benefits and schedules. Remote work demands from candidates come with real costs from technology to appropriate management oversight skills. While employers are beginning to require more in-office work, the workforce is struggling to adapt.
- Several editorial contractors have or are retiring in the near future. Our ability to replace them is challenging.
- Our donor base is small, but it is loyal and, unfortunately, aging. The increasing number of estate bequests we have received in recent years is a double-edged sword. While the large gifts (over \$50,000) help build our endowment it also indicates the dwindling size of our donor base. It remains to be seen how effective we can energize and expand the donor base to produce a stable level of annual support for existing and new programs.
- As the number of paper manufacturers are shrinking and the industry has downside its standard weight and size offerings, the costs of producing print magazines may continue to increase even more.

As we have discussed for years, ARRL has reduced expenses to the point that any additional expense reduction would result in the elimination of programs and services. ARRL has a revenue problem.

Although dues have not been increased since 2016, we are not recommending an increase for 2023. What is under consideration is a new model separating membership from print QST. With printing and forward costs becoming unsustainable, this would be a way for the members who want a print magazine to pay for it while we continue to provide all content as part of membership.

There will be focus on building the Capital Endowment to a point, that we can regularly rely on significant earnings for operations. Envision a time when 25%-30% of ARRL's spending could be covered by endowment earnings, even in a down market.

Also under consideration is creating a bundled product, where for one price a customer would receive the Technician Ham Radio License Manual, Exam fee with ARRL and a one year membership. The concept is to build a product that could launch and build a relationship with a new licensee.

Fred, AB1OC, and Anita, AB1QB, Kemmerer created a successful licensing program, Ham Boot Camp, used by the Nashua Area Radio Society. The Kemmerer's have generously donated the program to ARRL to take the program to a national level.

Because these ideas are all in the vetting and creating stage, there is no financial impact of these ideas reflected in the 2023 – 2024 Plan.

While proposing a deficit spending plan never feels good, ARRL's healthy Unrestricted Fund Balance can allow the organization to sustain a few years of operating losses while revenue opportunities are nurtured and the current level of our services and programs are maintained. Emphasis must be on revenue growth through increasing the value proposition of the organization to be attractive to both current and new members.

We believe while this does require investing substantial financial resources over the next few years, the results in membership and engagement with amateur radio operators has the potential to be significant. As always, it is not without risk and will require specific attention to our financial results and mindful expense management.

The Plan is separated into three documents, the Executive Summary with financial information by function, a Detailed Income Statement (Appendix #1) and Department Plan narratives (Appendix #2), written by the individual department heads that provide more specific details on operating plans for 2023. As you read through the department narratives, you will notice a reoccurring theme of thoughtful spending while reaching out and engaging our community in the most positive ways.

Respectfully Submitted,

David Minster, NA2AA
Chief Executive Officer

Diane Middleton, W2DLM
Chief Financial Officer

AMERICAN RADIO RELAY LEAGUE, INC.
SUMMARY
2023 - 2024 Plan

	2021 Actual	2022 Plan	2022 Plan (Reforecast)	2023 Plan	2024 Plan
REVENUES	\$13,261,766	\$13,801,000	\$13,617,000	\$13,232,000	\$13,804,000
EXPENSES	<u>11,004,395</u>	<u>11,757,000</u>	<u>11,759,000</u>	<u>12,101,000</u>	<u>12,633,000</u>
NET AVAILABLE INCOME	2,257,370	2,044,000	1,858,000	1,131,000	1,171,000
MEMBER PROGRAM EXPENDITURES	<u>3,566,566</u>	<u>4,668,000</u>	<u>4,302,000</u>	<u>4,574,000</u>	<u>4,697,000</u>
SUB-TOTAL	(1,309,196)	(2,623,000)	(2,444,000)	(3,443,000)	(3,526,000)
CONTRIBUTIONS	<u>1,317,381</u>	<u>1,148,000</u>	<u>1,190,000</u>	<u>1,410,000</u>	<u>1,284,000</u>
INCOME (DEFICIT) FROM OPERATIONS	8,185	(1,476,000)	(1,254,000)	(2,033,000)	(2,242,000)
GAIN/(LOSS) ON INVESTMENT	724,233	0	0	0	0
PAYCHECK PROTECTION PROGRAM	1,055,789	0	0	0	0
EMPLOYEE RETENTION TAX CREDIT	330,000	0	0	0	0
COVID FFCRA REIMBURSEMENT	<u>2,929</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET EXCESS (DEFICIT)	<u>\$ 2,121,135</u>	<u>\$ (1,476,000)</u>	<u>\$ (1,254,000)</u>	<u>\$ (2,033,000)</u>	<u>\$ (2,242,000)</u>

AMERICAN RADIO RELAY LEAGUE, INC.
INCOME
2023 - 2024 Plan

	2021	2022	2022	2023	2024
	Actual	Plan	Plan	Plan	Plan
			(Reforecast)		
REVENUES	<u>\$14,650,483</u>	<u>\$13,801,000</u>	<u>\$13,617,000</u>	<u>\$13,232,000</u>	<u>\$13,804,000</u>
Product Sales	3,353,357	3,518,000	3,477,000	3,483,000	3,701,000
Advertising	1,617,420	1,720,000	1,693,000	1,642,000	1,628,000
Membership Dues	6,724,699	7,007,000	6,979,000	6,715,000	7,024,000
QST and Magazines	176,303	156,000	136,000	92,000	97,000
Program Fees	906,630	945,000	927,000	918,000	964,000
Interest/Dividends	388,362	350,000	300,000	297,000	300,000
Other	1,483,712	105,000	105,000	85,000	90,000
EXPENSES	<u>\$11,004,395</u>	<u>\$11,757,000</u>	<u>\$11,759,000</u>	<u>\$12,101,000</u>	<u>\$12,633,000</u>
Product Sales	2,698,242	2,801,000	2,908,000	2,739,000	2,870,000
QST and Magazines	2,403,988	2,453,000	2,548,000	2,649,000	2,833,000
New Media Outreach	5,869	11,000	11,000	1,000	1,000
Advertising	99,587	101,000	97,000	99,000	105,000
Membership Dues	943,016	1,145,000	1,113,000	1,243,000	1,280,000
Investment Expenses	5,548	99,000	64,000	62,000	62,000
Support:	<u>\$4,848,146</u>	<u>\$5,146,000</u>	<u>\$5,018,000</u>	<u>\$5,308,000</u>	<u>\$5,483,000</u>
Executive	761,333	865,000	853,000	913,000	968,000
Development/Fundraising	377,614	542,000	495,000	504,000	593,000
Controller	1,080,351	1,206,000	1,232,000	1,312,000	1,353,000
Information Technology	1,499,152	1,806,000	1,624,000	1,555,000	1,595,000
Administrative Services	233,183	238,000	236,000	251,000	264,000
Human Resources	303,419	154,000	188,000	153,000	152,000
Change in Payroll Accrual	29,000	(242,000)	(242,000)	0	(78,000)
Building	564,094	577,000	632,000	620,000	637,000
NET AVAILABLE INCOME	<u>\$3,646,088</u>	<u>\$2,044,000</u>	<u>\$1,858,000</u>	<u>\$1,131,000</u>	<u>\$1,171,000</u>
Product Sales	655,115	716,000	568,000	744,000	831,000
New Media Outreach	(5,869)	(11,000)	(11,000)	(1,000)	(1,000)
Advertising	1,517,834	1,619,000	1,596,000	1,543,000	1,523,000
Membership Dues	5,781,683	5,862,000	5,866,000	5,472,000	5,744,000
QST and Magazines	(2,227,684)	(2,297,000)	(2,412,000)	(2,557,000)	(2,736,000)
Program Fees	906,630	945,000	927,000	918,000	964,000
Investment Income	382,813	251,000	236,000	235,000	238,000
Other and Support	(3,364,434)	(5,041,000)	(4,913,000)	(5,223,000)	(5,393,000)

AMERICAN RADIO RELAY LEAGUE, INC.
SPENDING
2023 - 2024 Plan

	2021 Actual	2022 Plan	2022 Plan (Reforecast)	2023 Plan	2024 Plan
<u>MEMBER PROGRAM</u>					
<u>EXPENDITURES</u>	<u>\$3,566,566</u>	<u>\$4,668,000</u>	<u>\$4,302,000</u>	<u>\$4,574,000</u>	<u>\$4,697,000</u>
Advocacy	<u>\$617,184</u>	<u>\$1,225,000</u>	<u>\$899,000</u>	<u>\$1,007,000</u>	<u>\$951,000</u>
Washington	420,669	858,000	686,000	548,000	558,000
International/IARU	26,675	155,000	72,000	192,000	114,000
Public Relations & Outreach	50,371	170,000	99,000	236,000	248,000
Outreach through Discovery	681	13,000	13,000	1,000	1,000
Regulatory Affairs	118,788	29,000	29,000	29,000	29,000
Field Services and Radiosport	<u>\$1,555,462</u>	<u>\$1,708,000</u>	<u>\$1,678,000</u>	<u>\$1,773,000</u>	<u>\$1,874,000</u>
Administration	149,392	156,000	154,000	162,000	173,000
Contest	108,406	112,000	112,000	116,000	123,000
DXCC/Awards	486,984	453,000	468,000	531,000	564,000
QSL Bureau	47,515	56,000	55,000	62,000	67,000
W1AW	195,060	187,000	187,000	192,000	203,000
Field Services	227,616	312,000	320,000	299,000	319,000
Emergency Management	259,925	312,000	262,000	293,000	308,000
Section Expenses	80,562	119,000	119,000	118,000	118,000
Educational Programs	<u>\$394,163</u>	<u>\$487,000</u>	<u>\$492,000</u>	<u>\$500,000</u>	<u>\$514,000</u>
Education & Learning	349,104	325,000	326,000	298,000	309,000
Education & Technology	45,059	162,000	166,000	202,000	205,000
VEC	<u>\$414,233</u>	<u>\$392,000</u>	<u>\$411,000</u>	<u>\$427,000</u>	<u>\$457,000</u>
LAB	<u>\$389,199</u>	<u>\$441,000</u>	<u>\$407,000</u>	<u>\$465,000</u>	<u>\$499,000</u>
Governance	<u>\$196,325</u>	<u>\$415,000</u>	<u>\$415,000</u>	<u>\$402,000</u>	<u>\$402,000</u>
Divisions	65,621	134,000	134,000	139,000	139,000
Officers	11,512	32,000	32,000	32,000	32,000
Board Meetings	78,856	156,000	156,000	156,000	156,000
Committees	40,336	93,000	93,000	75,000	75,000

AMERICAN RADIO RELAY LEAGUE, INC.
CONTRIBUTIONS / INVESTMENT ACTIVITY
2023 - 2024 Plan

	2021 Actual	2022 Plan	2022 Plan (Reforecast)	2023 Plan	2024 Plan
<u>CONTRIBUTIONS AND SUPPORT</u>	<u>\$1,317,381</u>	<u>\$1,148,000</u>	<u>\$1,190,000</u>	<u>\$1,410,000</u>	<u>\$1,284,000</u>
Unrestricted	<u>\$699,898</u>	<u>\$535,000</u>	<u>\$572,000</u>	<u>\$635,000</u>	<u>\$642,000</u>
Diamond Club	439,607	390,000	390,000	450,000	475,000
Miscellaneous	260,292	145,000	182,000	185,000	167,000
Donor-Restricted: "Uses"	<u>\$617,482</u>	<u>\$612,000</u>	<u>\$618,000</u>	<u>\$775,000</u>	<u>\$642,000</u>
<u>Capital Campaign Earnings</u>	<u>\$206,734</u>	<u>\$62,000</u>	<u>\$62,000</u>	<u>\$52,000</u>	<u>\$53,000</u>
<u>David Bell Endow Earnings</u>	<u>\$10,084</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
<u>Defense</u>	<u>\$301,412</u>	<u>\$285,000</u>	<u>\$285,000</u>	<u>\$285,000</u>	<u>\$285,000</u>
Advocacy	264,381	248,000	248,000	246,000	246,000
Fundraising	37,031	37,000	37,000	39,000	39,000
<u>Education & Technology</u>	<u>\$65,194</u>	<u>\$180,000</u>	<u>\$185,000</u>	<u>\$222,000</u>	<u>\$225,000</u>
Program	45,059	162,000	166,000	202,000	205,000
Fundraising	20,135	19,000	19,000	20,000	20,000
<u>Legislative Issues Advocacy</u>	<u>\$1,719</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>
Program	1,719	1,000	1,000	0	0
Fundraising	0	0	0	0	0
<u>Legal Research & Resource</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Lab Fund</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Collegiate Amateur Radio</u>	<u>\$0</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
<u>Preservation of Artifacts</u>	<u>\$0</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>
<u>DX Log Archive</u>	<u>\$4,200</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,000</u>
<u>W1AW</u>	<u>\$20,517</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$157,000</u>	<u>\$26,000</u>
<u>Ham Aid</u>	<u>\$0</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$4,000</u>	<u>\$0</u>
<u>ARDF</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>E. Smith Earnings</u>	<u>\$0</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
<u>Colvin Award</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Hiram Percy Maxim Award</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Fred Fish Award</u>	<u>\$3,730</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,000</u>	<u>\$2,000</u>
<u>LoTW Awards Fund</u>	<u>\$2,392</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>
<u>GAIN/(LOSS) ON SALE OF INVESTMENTS</u>	<u>\$724,233</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

BOARD CONFIDENTIAL

CAPITAL EXPENDITURES

**American Radio Relay League
Proposed 2023 Plan**

**Proposed Capital Expenditures
Summary**

<u>Department</u>	<u>Description of Item</u>	<u>Cost</u>
Information Technology	HP Laptops (25 @ \$1,500)	\$37,500
	Eaton UPS (3 @ \$1,500)	4,500
	Printers (2 @ \$2,600)	5,200
	Large Format Color Printer	3,000
W1AW	Antenna Rotators (2 @ \$2,840)	5,680
	Broadcast Transceiver	2,300
	HVAC	120,000
HQ Building	Repair Parking Lot & Replace Sidewalks	250,000
	Glaze South Side Exterior Windows	10,000
	Protection Walking Mats for Roof	4,500
	Replace Mailroom Doors (2)	3,000
		\$445,680

**American Radio Relay League
2023 Plan**

**Proposed Capital Expenditures
Detail**

A. HP Laptops with docking station and carrying case - \$37,500 (25 units @ \$1,500 each)

As we do each year, we plan to continue our systematic replacement of older computers. We continue to be diligent about our replacement goals which allow us to replace a modest amount each year rather than have one year with a significant expenditure. The Plan includes replacing aging Desktop PCs that will be more than 5 years old in 2023. We will continue what we started in 2021 by replacing more of the aging desktop PC's with newer and more efficient laptop units, which will give us more flexibility to have users work on-site or remotely, when needed. These laptops will be under ARRL IT control and integrated with our internal security and management systems. The replacements quoted are HP Laptop PCs with 16GB RAM, docking station, and carrying case.

B. Eaton UPS - \$4,500 (3 units @ \$1,500 each)

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

C. Laser Printers - \$5,200 (2 units @ \$2,600 each)

Many of the high volume printers on the network are 10 years old or more. These printers are part of a systematic replacement program as older units fail.

D. Large Format Color Printer - \$3,000

This new large format (11x14) color printer is to be a dedicated printer for certificates for Awards and Field Services. This printer will be networked, should anyone in the building need the ability to print a certificate.

E. Antenna Rotators - \$5,680 (2 units @ \$2,840 each)

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

DX Engineering sells a new heavy-duty rotator - the DXE-RT4500HD - that is a more than an acceptable replacement. This unit will interface with existing rotator cable, and with the Green Heron Engineering RT-21 rotator controllers.

It's recommended two (2) rotators with mast clamps be purchased in 2023 to allow for installation in the spring and autumn during the W1AW antenna/tower inspections, and another set purchased in 2024.

F. Broadcast Transceiver - \$2,300

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

It's recommended another Icom IC-7300 be purchased in 2024, with another – or similar model – purchased in 2025.

G. HVAC System at W1AW - \$120,000

W1AW is currently maintained with three separate air conditioning units. Two of these units no longer function properly and the third is at the end of life. The equipment to replace the existing units also requires the air handlers be replaced as the new condensers require different freon. During evaluation of the project, the contractor discovered that the equipment room is relying on 100% outside air to cool it with supplemental cooling provided by the existing condenser and air handler. The current system lacks a way to control the ratio of outside air to conditioned air resulting in a strain on the system. The recommendation is to replace the air conditioning units with a full heating and air conditioning system. This will also eliminate the need for the existing boiler, that is approaching the end of its useful lifespan, to be replaced.

Scope includes:

- Remove the three condensers and air handlers of the existing system.
- Install one condenser/ heat pump that will heat and cool the entire building.
- Install three new air handlers.
- Install and modify the existing outside air duct to provide free cooling when available. This will also eliminate the waste of conditioned air in the warm months.
- Reconfigure the ductwork in the workshop room to benefit the cooling of the equipment room.

H. Repair Parking Lot, Curbing and Replace Sidewalks - \$250,000

The condition of the parking lot, curbing and sidewalks have deteriorated over the years and are in need of repair. The parking lot was last paved in 1997 and the curbing repaired in 2014. In 2022, a civil engineering firm was hired to evaluate the parking lot. They performed an analyses that included a topographic survey, a boring study and schematics to upgrade the parking lot and sidewalks to make them handicap compliant. This evaluation noted that “the existing pavement could maintain existing performance with ongoing sealing of random cracks and open payment joints”. In discussions with the engineer, he noted that with the proper sealing of the cracks (not what has been done previously) and then a re-sealing of the entire parking lot, the parking lot

should be good for another at least another 10 years. Based on his knowledge, he estimated that a full repaving of the parking lot without curbing, painting of lines or new sidewalks would be around \$400,000. Based on all of this information we are recommending to moving forward with repairing the areas in need and resealing the parking lot. Due to the condition of the sidewalks, we are also recommending moving forward with the replacement of them before someone gets hurt.

The next step, which is under way, is to scope the drainage pipelines to make sure that none of them are blocked or collapsing. Should repairs be needed to the pipelines, they will be addressed prior to moving forward with parking lot repairs.

The \$250,000 in this proposal is *only* a place holder. Unfortunately, with the current economic conditions it has been extremely difficult to get anyone to quote work because contractors are busy with their current workload while being understaffed or they won't quote work now for the spring because they don't know what to expect in the way of their costs.

I. Glaze (re-caulk) the Exterior Windows on the South Side of HQ - \$10,000

Several windows on the south side of the headquarters building currently leak water when heavy rain and wind come from the south and others are showing significant decay. This project will entail removing the caulk around the windows and panels and applying new caulk on all four sides of each unit.

J. Protection Walking Mats for the Roof - \$4,500

The front half of the building roof was replaced in August 2020. It experiences very high foot traffic and is beginning to show signs of wear due to most of the mechanical units are located on this section of the roof. The 20-year warranty does not cover damage from foot traffic. Walking mats will protect the roof from unnecessary and costly wear and damage from foot traffic while keeping the warranty in place.

K. Replace Exterior Double Doors (Shipping Area) - \$3,000

The current doors are wood and have deteriorated to a point that they are no longer weatherproof and from a security perspective, questionable.

BOARD CONFIDENTIAL

STAFFING

American Radio Relay League Proposed 2023 Plan

Staffing

The total staffing complement proposed in the Plan for 2023 includes 83 full-time and 5 part-time staff, for a total of 88 employees. This represents a total of 86 Full Time Equivalent (FTE) positions and a net reduction of 1 position from the 2022 Plan document.

We have reviewed the staffing levels and believe that this staffing is appropriate for the growth and initiatives envisioned for the organization in 2023 balanced with available resources.

Notable changes in the staffing Plan for 2023 include:

1. The Editorial department added a Book Editor position. This position will be responsible for copyediting books in manuscript and in layout; managing any freelance copyeditors or other contractors; and likely some developmental editing, working with authors and technical editors to ensure that a manuscript's topics, level, and focus are aligned with what was defined in the author's contract, the book's outline, and the book's marketing plan.
2. With the restructuring of the Marketing and Membership, two positions in the Marketing area (Director of Marketing, Communications, & Membership and a Marketing Associate) were re-allocated to the Member Services department to hire two additional Members Services Representatives. These positions will aid in backfilling the role Kim McNeill held prior to her promotion to Assistant Member Services Manager and permits succession planning within the department. Currently four employees in this department are at or near retirement age.
3. The three vacant IT positions have been eliminated. The intention is to work with the current staffing level and utilize consultants for specific engagements which exceed our technical teams' current abilities or are one-off specialized projects. The new Director of IT has successful experience in working consultants in this capacity. The consulting expenses in the Plan reflects this strategy.
4. An Awards and Program Assistant has been added to Radiosport to provide support across multiple areas including LoTW, Awards, Contest and Field Services. There is a need to have additional support and cross training in multiple areas. This position will require a versatile candidate that willing float among responsibilities as needed.

The Plan includes an average increase pool of 5.0% for the staff, effective on April 1, 2023. This is higher than previous years. Inflation has caused cost of living increases to rise. Social Security's cost living increase for 2023 is set at 8.7%. While other cost of living increase calculations may be lower, it is clear that a 3% increase pool will not be enough to maintain quality employees and keep employees properly within market salary ranges. While the salary survey that was performed

last year placed most employees within market range, few were over their target salary. It is important that well performing employees do not slide down their pay ranges.

The increase pool does not mean that everyone will receive a raise, or even if they do, one that will equal 5.0%. Each employee's performance will be reviewed, and any merit increase in their compensation will be based on their review as well as where their current compensation is within the appropriate salary range.

BOARD CONFIDENTIAL

AMERICAN RADIO RELAY LEAGUE, INC.

2023 STAFFING SUMMARY

<u>Function/Department</u>	<u>2022 Plan</u>				<u>2023 Plan</u>	
	<u>Total</u>	<u>Transfers</u>	<u>Add</u>	<u>Delete</u>	<u>Total</u>	<u>Additions</u>
<u>Publications and Editorial</u>						
Administration	4				4	
Composition	2				2	
Editorial	4		1		5	
<u>Membership, Marketing & Communications</u>						
Mkt Communications	6			-2	4	
Advertising	1				1	
Membership	1				1	
Member Services	5		2		7	Member Service Representatives
Warehouse	4				4	
<u>Product Development</u>						
	1				1	
<u>Support</u>						
Executive	4				4	
Development	4				4	
Controllers	5				5	
Information Technology	11			-3	8	*
Administrative Services	3				3	
Human Resources	1				1	
Building Maintenance	1				1	
<u>Advocacy</u>						
Washington D.C.	1				1	
News & Public Relations	2				2	
<u>Radiosport & Field Services</u>						
Administration	1				1	
Contests	1				1	
Awards	6		1		7	* Awards & Program Assistant
QSL Bureau	1				1	*
Field Services	3				3	
<u>Emergency Management</u>						
	3				3	
<u>Education & Learning</u>						
	2				2	
<u>VEC</u>						
	6				6	*
<u>W1AW</u>						
	2				2	
<u>Laboratory</u>						
	4				4	
<hr/>						
Total Staff	89	0	4	-5	88	
FTEs	88				86	
* Includes part time position(s).						