

**American Radio Relay League  
Proposed 2020 – 2021  
Plan  
(Revised 11/22/19)**

**Executive Summary**

**BOARD  
CONFIDENTIAL**

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

**Proposed 2020-2021 Plan**

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BOARD CONFIDENTIAL

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**SUMMARY**

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

**Proposed 2020-2021 Plan**

**Executive Summary**

**To: ARRL Administration and Finance Committee**

*“Change is inevitable. Growth is optional” – John Maxwell, Author*

We have chosen growth. The Proposed Plan embodies a deliberate and conscientious methodology to grow ARRL through a considerable and strategic investment of resources. This investment is designed to build a more attractive ARRL for all Amateurs.

As an organization we know from years of data that Amateur Radio and ARRL are changing. Through our work with Mintz + Hoke (M+H), and the creation of new products and services along with new ways to engage members, we have begun a path toward growth. The proposed 2020 Plan includes the significant investment in this growth first outlined by the CEO in his report to the Board in January 2019.

With continued progress on the Lifelong Learning Center (a joint effort between staff and M&H), the new long-needed Association Management Software (AMS) conversion underway, and the long-awaited launch of *On the Air*, there is much excitement about what the future can bring for the League. This excitement is critical in our success, for if the staff loses faith, success will quickly become questionable.

In the following pages, we hope to provide you with an understanding of what we believe is possible for the ARRL and what it will take to continue down the path we have started. This path will lead to a prosperous future and make our organization relevant to a broader range of Amateurs, no matter their age, license class or reason for being engaged in Amateur Radio.

**2019 To Date**

Although 2019 is not over as this report is being written, it is important to take a look back at our successes, challenges and, yes, our failures so far this year. The effects of which will impact 2020.

- Once again, ARRL began the year with a new CEO. After assessing ARRL, a reorganization was undertaken that successfully flattened the organization. Although not initially welcomed by everyone, the management staff quickly understood and embraced the vision and realized the changes were going to strengthen the path they were already on. They continued to work hard on the goals set forth to grow and improve the organization financially and operationally.

- Two new essential positions were created with the reorganization: The Marketing Communications (MarCom) Manager and Product Development Manager. Both of these positions take a leadership role in ensuring that their work is the product of cross-functional efforts that span the entire organization.
  - The Marketing Communications Manager is responsible for defining an organizational-wide strategy that will unify department efforts and metrics and consistently deliver ARRL marketing and branding. This will include designing various “verticals” of products and services for different segments of the membership including the new licensee, the guardian and the public service volunteer. In the past, none of these efforts were centralized and the message could be diluted.
  - The Product Development Manager is primarily dedicated to the creation of new products and services that have value for our members and other stakeholders. This position will also take the lead in investigating suggestions from staff or members, allowing others to remain focused on their primary responsibilities. This position centralizes efforts related to product development. This ARRL-wide approach creates synergy rather than having multiple departments working on similar concepts independently.
- The Management Council (Council) was created to provide a cross-functional, deliberative and generative body whose purpose is to discuss ideas, operations, and long-term planning for ARRL. The Council has a key role in reviewing new product ideas, green-lighting proposals, assigning projects and evaluating products (for success, failure, refinement or discontinuing).
- At the beginning of the year a group of stakeholders selected a new AMS, Personify 360, to replace the outdated Seibel system. The new AMS will allow ARRL to implement newer, sophisticated association management techniques. The transition process was difficult because the organization needed to evolve its current processes into modern best-practice methods. The easier path would have been to customize the software to replicate current practices. Over customizing is what led to the loss of Seibel support years ago. The 13-month integration and cutover process began in late July. Although this project is extremely demanding on the work group consisting of multiple departments (in addition to their already full-time schedules), and there were some initial bumps as we started, it is currently moving along on track and we anticipate going live on schedule.
- During 2019, to further the effectiveness of the group of staff working with M+H, this group became a smaller highly focused subset of the original work group. Steady progress has been made on this project including: work on “moodboards”, wireframe evaluation, home page layout review, and discussions with the ARRL Marketing and Communications staff to begin development of a comprehensive marketing and social media promotion plan. In addition, a small group of new licensees participated in a “card sorting” exercise conducted by M+H to help with selection and alignment of content categories and the

ARRL Content Workgroup is working with experienced content experts to identify and develop specific training courses.

- Through the efforts of the Management Council, the decision was made to launch *On the Air*. This new membership benefit will introduce beginner-to-intermediate-level radio amateurs to a variety of topics to help them get more active and involved. By design, this magazine is expected to begin to recycle/refresh content every two to three years when the typical engaged radio amateur will desire more advanced articles and information. By design, this magazine will be one product in a vertical of products and services targeting newer hams. The long-term approach will be to create more “mini” magazines to meet the needs of different segments of the membership. We anticipate creating additional verticals in 2020.
- We implemented a secure ARRL website-based remote entry system of test-session data with a select group of high volume ARRL VE teams. This system was designed to speed up the processing and issuance of licenses, and to make ARRL VEs more competitive with other VEs. While successful, a more robust strategy that would serve all VEs is included in the 2020 Plan.
- Successfully launched a new podcast, “So Now What?”. Based on its success, additional resources will be put into the podcast to improve its production quality. Advertising spots on the podcast quickly sold.
- Created the Code Proficiency Certificate Program which included advertising sponsorship revenue. This is an example of a product in the guardian vertical. In 2020, we will be looking to expand products, such as additional awards through LoTW, in the guardian vertical.
- Significant work was accomplished by Riley Hollingsworth and staff to launch the new Volunteer Monitoring (VM) Program. The Development Phase and the Solicitation and Training Phase have been completed. Work will continue into 2020.
- A Communications Audit was begun in the last quarter of 2019 to evaluate how the ARRL brand is currently being used and to assess the consistency and clarity of our identity, messaging, graphic presentations and benefits-statements. The goal is to ensure the use of the ARRL brand and communications consistently to support the business goals outlined in the ARRL Strategic Plan. By discovering our strengths and weaknesses, we can create opportunities for improving the delivery of our identity and messages as we innovate and grow.
- Despite numerous different approaches, it remains enormously difficult to find willing, skilled and competent authors to write books and articles for QST.
- In early 2018, we terminated the contract with Surge to replace the DXCC legacy system software due to concern over cost overruns. The decision to take the DXCC replacement project in-house – to be completed by existing staff software-development resources – was,

in hindsight, an over reach and a mistake. The learning curve was much steeper than anticipated and consequently progress was slow while simultaneously still consuming all the resources available to work on other IT projects. Lessons have been learned. We now have a much clearer understanding of the detailed work and how the cost and schedule estimates made by the original contractor went terribly awry. To complete the project, we will be contracting the development work to external, expert developers, but this time we will be contracting in small, tightly focused work packages while maintaining a close watch on the estimated vs. actual costs.

Financially, 2019 should be considered a positive year due to realized investment earnings and mindful spending.

- The ARRL should finish the year with a gain from operations (including investment income and contributions) for the third year in a row. That, plus the continued growth in our investment portfolio, has bolstered our overall net assets, providing the organization the financial ability to invest in the future of ARRL.
- Even with what we expect to be a successful financial result, there are trends of which we need to be aware and actively monitor. Revenues continue to decline in major areas including publication sales, advertising and some of the activity-based programs such as awards.
- At the beginning of 2019, ARRL hired new FCC Counsel along with consolidating general Connecticut law, employment and trademark issues with Murtha Cullina. In the case of FCC Counsel this changed the billing rate from \$100 per hour to \$575 per hour, adding a significant increase in operating expenses.
- Dues revenue continues to grow at a rate higher than planned, despite the decline in the overall membership.
- Voluntary contributions in 2019 have remained consistent. Diamond Club, Spectrum Defense and miscellaneous contributions all have spent the majority of the year ahead of Plan. However, it is the realized gains and interest on the Capital Campaign Endowment that has pushed contributions well above Plan this year. Unfortunately, we do not expect these same investment earnings results in 2020.
- Even though operating cash flow has been negative in 2019, excluded from this was the operational cash flow from investment income allocated to operations and earnings from the Life Member reserve. For the first nine months of 2019 these funds totaled over \$1.2 million. This fall we transferred \$500,000 from the investment portfolio to the operating account.
- We continued to run the operation within the established spending plans for the most part and are meeting our overall financial goals.

## Looking Towards 2020

For 2020, the management team was challenged to view spending in terms of how it will grow the business, (i.e. investing in the business) with the focus on:

- ✓ Value creation, value delivery and advocacy.
- ✓ Stewardship.
- ✓ Engagement with members and potential members on their terms.
- ✓ Expanding positive relationships and partnerships at all levels.

Significant progress has been made towards these objectives in 2019.

In 2020, the organization will see some long-term projects realized (the new AMS and Learning Center going live) but there is still much work ahead to turn these projects into growth and revenue for the organization. The 2020 Plan was approached with the desire to invest in the next chapter of this journey. The detail Department Plans included as Appendix 2 of this document includes the following initiatives:

- In January, ARRL will launch *On the Air*. To be published on a bimonthly basis, the goal of this new magazine is to be a vital resource in introducing beginner-to-intermediate-level radio amateurs to a variety of topics to help them get more active and involved in radio communications. *On the Air* will be one product in a “vertical” of products and a services targeting newer hams.
- The Lifelong Learning department will continue developing the Learning Center with Mintz + Hoke, focusing on formally launching the program in 2020. The Learning Center’s initial courses will be another product in a vertical of products and services targeting newer hams.
- Incorporate knowledge gained from users’ engagement with the Learning Center into all membership activities including updating messaging, improving marketing materials to new licensees and creating targeted campaigns based on different segments of the community (different verticals) with a consistent organizational wide marketing and branding strategy.
- Migration to the new Association Management Software, Personify 360, is expected to go live in early fall 2020. This will entail a learning curve for the staff to fully utilize the system.
- The previous practice of obtaining quality content from the membership has proven to be increasing difficult to maintain. During the last several years there has been a sharp decline in the quality and quantity of submitted articles. This has resulted in an increasing amount of staff authorship to make up for the shortfall. The present editorial resource burden is unsustainable.

At the same time, decreased interest in paid advertising in QST has led us to increase our “house” ads promoting ARRL products which has generated complaints from the

membership that QST is “mostly advertising”. These issues have led us to plan to reduce the page count of the magazine by 16 pages (8 pages of ads and 8 pages of content) beginning with the April 2020 issue. By doing this, we will be able to maintain the quality of QST and not impact the visual profile of the magazine when compared to previous issues when placed side by side.

- With the return of programming resources to LoTW, the LoTW Committee, which includes staff, will be developing the ability for LoTW users to apply for other IARU society’s awards through LoTW. The 2020 Plan does not include any additional revenues or expenses other than staff resources related to this initiative, however, it is anticipated that improvements and enhancements to LoTW will lead to additional long-term revenue from users with minimal cost to ARRL.
- Development will be working on a plan to lift Diamond Club membership by distinguishing this group as a prestigious leadership group with a sense of pride. Development will also produce a solicitation for the Legacy Circle, as the majority of the membership is reaching a point in their lives that they are thinking about their legacies and estate plans.
- The Communications Department, in conjunction with the Marketing Communications Manager, intends to develop a robust Social Media Engagement Strategy in 2020 to help us more fully connect with members and potential members through social media platforms.
- With the hiring of an Emergency Management Director, the Emergency Communications Department will build a strategic approach to advance EmCom offerings to meet the needs of our members including designing a new vertical of products and services.
- Detailed preparations will begin to ramp up for the 2021 Collegiate QSO Party. This will be an organization-wide effort, engaging such departments as Marketing, Communications, Development, Radiosport, Editorial, Advertising and Publications. The event will be designed to resonate with younger college students along with core members as they re-connect with their own alma mater.
- Design and implement a new secure, access-controlled web-based program that will rapidly deliver exam session documents from the field to VEC. The interface will include pre-registration and prepayment options in order to speed up the process for the Volunteer Examiners.
- Build and maintain partnerships with organization like IEEE, Civil Air Patrol and served agencies (see Appendix 2, pages 22 and 31).
- The Volunteer Monitoring (VM) Program will be turned over to Headquarters during 2020. The exact timing is yet to be determined due to succession planning.

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

- Sales and Marketing will support several exhibits at the largest Amateur Radio conventions held annually (see Appendix 2, page 8).
- Maintain our publications pipeline with three new titles and new editions of the *Amateur Radio Satellites for Beginners*, *MF/LF Radio Communications Handbook*, *Microcontroller Projects for Amateur Radio*, *Storm Spotting*, *Extra Class License Manual*, *Extra Class Q&A* and the *ARRL Handbook*. The *Extra Class License Manual* and *Extra Q&A* will include the new General class question pool to be implemented on July 1, 2020. We will also introduce an improved 2020 edition of the *ARRL Repeater Directory* near the beginning of the year.
- Maintain our dominant market share in the delivery of Amateur Radio testing opportunities through the ARRL VEC. We are expecting 2020 to remain relatively flat with 2019 actual volumes. We are projecting about 29,000 new licensees and 9,500 upgrades in 2020.
- Continue to administer the full complement of awards and contests via the Radiosport Department.
- ARRL will hold three Teacher's Institute classes in 2020, two TI-1 classes and one TI-2 class. In order to increase the effectiveness of the TIs, several new promotional methods will be utilized to expand the number and quality of applicants.
- Provide representation for Amateur Radio across a variety of International bodies and meetings (see Appendix 2, page 46).
- Increase the organization's knowledge and resources in the areas of high-speed digital communications and mesh networks through establishing test networks in collaboration with local partners and the hiring of a part-time technically skilled Data Network Assistant.

### **Financial Considerations**

- As previously discussed, the 2020 Proposed Plan includes a conscience decision to invest a significant amount of resources in growing the organization. Overall, we are projecting a loss from operations of \$1,104,000 for 2020. With total revenue projections for 2020 being slightly lower than originally projected for 2019. Below is a list of the investment spending that is included in the proposed 2020 Plan.

2020 Plan Loss as Presented (\$1,104,000)

Expenses investing in ARRL included in the 2020 Plan:

On the Air Publication/Promo Expenses	\$83,000	
On the Air Advertising Revenue	<u>(\$13,000)</u>	\$70,000

Staffing with benefits		
IT Staff - 2 FTE positions	\$323,000	
Marketing Communications Manager	\$145,000	
Product Development Manager	\$157,000	
DC Lobbyist	\$145,000	
National Club Liaison	\$60,000	
Instructional Designer (partial year)	\$53,000	
Upgrade to Emergency Management Director	<u>\$44,000</u>	\$927,000

Depreciation on Lifelong Learning website (partial year)		\$16,000
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Lifelong Learning Platform Software Licensing for educational courses		\$15,000
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Lifelong Consultants for content collaboration		\$24,000
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2020 Plan assuming no investments in the future		<u><u>(\$52,000)</u></u>
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- Publication sales are projected to be lower than the original 2019 Plan by \$180,000. Once again, there are a limited number of new publications proposed for 2020 (see Appendix 2 page 11). It remains extremely difficult to find skilled and competent authors to write books in order to maintain a robust pipeline of new publications.
- Advertising revenue, in total, is projected to remain relatively flat from 2019 despite the continued decline in interest in QST print advertising. Our clients have expressed their need to engage a younger, more active customer base that are buying equipment rather than dismantling their stations. Based on this, the Advertising Department along with Marketing Communications is working on creating new and innovative ways to reach those audiences and provide the types of advertising desired by our clients.
- Membership dues revenue for 2020 is expected to increase by \$112,000 with a forecast of 157,326 members at the end of 2020. This represents an increase of 824 members from the end of 2019.

- Program fees are forecasted to remain flat in 2020. This expectation is based on VEC maintaining their market share and a planned small increase in DXCC award fees and postage rates.
- Contribution revenues are expected to drop slightly in 2020 due to lower revenue from sales of donated equipment. Refurbished donated equipment is being held for the annual auction more frequently rather than being sold one at a time on e-Bay.
- Each year the constantly rising costs of health insurance is always a concern. After the renewal increase of 16% for 2019, the single digit increase negotiated down from the initial 19% for 2020 is refreshing.
- Proposed capital spending is \$232,000 with more than half of the funding used for the replacement of the roof on the headquarters building. The Plan also includes funding for maintaining the computer systems infrastructure, W1AW equipment, upgrades to work space and software for VEC. See the Capital Expenditures section of this document for the complete list of proposed capital spending.
- We are proposing an overall increase in the staff of 5 full time equivalent positions over the 2019 Staffing Plan. This net increase is detailed in the Staffing Section of this document. The proposal includes an average salary increase of 3% for the staff, effective April 1, 2020 and no changes to the current level of funding to the 403(b) pension plan.

Many of the risks and threats involved with maintaining the progress achieved to date and our ability to build on that progress have not changed over the last several years. The risks include:

- The business climate for Amateur Radio remains uncertain as suppliers are shifting their product focus to the newer ham and are looking for new and innovative ways to reach the new licensee. A large amount of work is going into creating advertising opportunities to meet these needs (see Appendix 2, page 12).
- We have forecasted what we believe to be a conservative increase in membership of 0.53% or 824 members for 2020. We have taken the conservative approach because the major initiatives started in 2019 will not be up and running until mid to late 2020, and their impact on membership will thus only be felt for a few months in late 2020. An additional increase of as little as 0.25% – an additional increase we believe is possible – could add an additional \$15,000 in revenue for 2020. We believe that with the new initiatives set forth, we will begin to see an increased interest in membership along with better retention rates because of these efforts. We expect compounding growth in membership starting in 2021. Membership is our largest revenue source, comprising 49% of our total revenue stream annually.
- 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.

- It will remain extremely difficult to find skilled, competent authors to write books. The Editorial Department is constantly looking for different ways to uncover and attract the qualified talent needed to support our ongoing need for new titles. New titles are the leading force behind the success of publication sales.
- The improving job market, pushing market salaries higher, may impact our ability to attract and retain a skilled workforce. A 3% increase pool may not be enough to retain highly skilled talent. This, coupled with the aging of the HQ staff, may impact our ability to remain fully staffed as employees retire or leave the organization.
- Perhaps the greatest risk for the organization is not reacting swiftly to the response from new licensees to our newest initiatives. When something falls short of expectations, we need to listen, evaluate and adjust appropriately.

The Plan is separated into three documents, the Executive Summary with financial information by function, a Detailed Income Statement and individual Department Plan narratives, written by the individual department heads that provide more specific details on operating plans for 2020. As you read through the department narratives, you will notice a reoccurring theme of cost reduction and careful spending while reaching out and engaging our membership in the most positive ways.

We believe this Plan strives to maintain the current level of our services and programs for our core members, while increasing the value proposition of the organization to be attractive to the new licensee. 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 not only our financial results and mindful expense management as the year unfolds but will also require responding quickly to feedback we obtain from the new licensee as they experience our new products and services.

Respectfully Submitted,

Howard E. Michel, WB2ITX  
Chief Executive Officer

Diane L. Middleton, W2DLM  
Chief Financial Officer

**AMERICAN RADIO RELAY LEAGUE, INC.**  
**SUMMARY**  
**2020 Plan**

	2018 Actual	2019 Plan	2019 Plan (Reforecast)	2020 Plan	2021 Plan
REVENUES	\$13,795,738	\$13,633,000	\$13,574,000	\$13,518,000	\$13,676,000
EXPENSES	<u>10,726,557</u>	<u>10,629,000</u>	<u>10,511,000</u>	<u>11,249,000</u>	<u>11,345,000</u>
NET AVAILABLE INCOME	3,069,181	3,005,000	3,063,000	2,269,000	2,331,000
MEMBER PROGRAM EXPENDITURES	<u>3,809,892</u>	<u>4,024,000</u>	<u>4,092,000</u>	<u>4,441,000</u>	<u>4,507,000</u>
SUB-TOTAL	(740,711)	(1,019,000)	(1,029,000)	(2,172,000)	(2,176,000)
CONTRIBUTIONS	<u>1,170,322</u>	<u>1,075,000</u>	<u>1,075,000</u>	<u>1,068,000</u>	<u>1,078,000</u>
INCOME FROM OPERATIONS	429,611	56,000	46,000	(1,104,000)	(1,098,000)
GAIN/(LOSS) ON INVESTMENT	<u>155,793</u>	-	-	-	-
NET EXCESS (DEFICIT)	<u>\$585,404</u>	<u>\$56,000</u>	<u>\$46,000</u>	<u>(\$1,104,000)</u>	<u>(\$1,098,000)</u>

**AMERICAN RADIO RELAY LEAGUE, INC.**

**INCOME  
2020 Plan**

	<b>2018 Actual</b>	<b>2019 Plan</b>	<b>2019 Plan (Reforecast)</b>	<b>2020 Plan</b>	<b>2021 Plan</b>
<b><u>REVENUES</u></b>	<b><u>\$13,795,738</u></b>	<b><u>\$13,633,000</u></b>	<b><u>\$13,574,000</u></b>	<b><u>\$13,518,000</u></b>	<b><u>\$13,676,000</u></b>
Product Sales	3,535,423	3,487,000	3,419,000	3,307,000	3,388,000
QST and Magazines	233,139	242,000	242,000	233,000	227,000
Advertising	1,883,114	1,786,000	1,767,000	1,778,000	1,764,000
Membership Dues	6,754,691	6,745,000	6,745,000	6,858,000	6,992,000
Program Fees	983,560	983,000	966,000	964,000	927,000
Interest/Dividends	283,282	265,000	310,000	284,000	284,000
Other	122,529	125,000	125,000	96,000	96,000
<b><u>EXPENSES</u></b>	<b><u>\$10,726,557</u></b>	<b><u>\$10,629,000</u></b>	<b><u>\$10,511,000</u></b>	<b><u>\$11,249,000</u></b>	<b><u>\$11,345,000</u></b>
Product Sales	2,759,601	2,654,000	2,643,000	2,884,000	2,833,000
QST and Magazines	2,380,582	2,435,000	2,366,000	2,306,000	2,229,000
New Media Outreach	4,998	4,000	4,000	4,000	4,000
Advertising	191,995	202,000	196,000	137,000	143,000
Membership Dues	823,458	866,000	805,000	824,000	840,000
Investment Expenses	2,354	2,000	2,000	5,000	5,000
Support:	<b><u>\$4,563,569</u></b>	<b><u>\$4,467,000</u></b>	<b><u>\$4,495,000</u></b>	<b><u>\$5,089,000</u></b>	<b><u>\$5,291,000</u></b>
Administration	1,009,196	694,000	755,000	819,000	834,000
Development/Fundraising	415,653	450,000	449,000	407,000	423,000
Controller	985,571	1,032,000	1,027,000	1,022,000	1,119,000
Information Technology	1,320,692	1,458,000	1,434,000	1,886,000	1,968,000
Administrative Services	221,289	237,000	236,000	239,000	244,000
Personnel	67,599	22,000	22,000	104,000	104,000
Change in Payroll Accrual	-	21,000	21,000	53,000	24,000
Building	543,569	552,000	551,000	559,000	575,000
<b><u>NET AVAILABLE INCOME</u></b>	<b><u>\$3,069,181</u></b>	<b><u>\$3,005,000</u></b>	<b><u>\$3,063,000</u></b>	<b><u>\$2,269,000</u></b>	<b><u>\$2,331,000</u></b>
Product Sales	775,822	832,000	776,000	422,000	554,000
QST and Magazines	(2,147,443)	(2,193,000)	(2,124,000)	(2,073,000)	(2,002,000)
New Media Outreach	(4,998)	(4,000)	(4,000)	(4,000)	(4,000)
Advertising	1,691,119	1,584,000	1,571,000	1,641,000	1,621,000
Membership Dues	5,931,233	5,880,000	5,940,000	6,034,000	6,152,000
Program Fees	983,560	983,000	966,000	964,000	927,000
Investment Income	280,928	263,000	308,000	279,000	279,000
Other and Support	(4,441,040)	(4,341,000)	(4,370,000)	(4,993,000)	(5,195,000)

**AMERICAN RADIO RELAY LEAGUE, INC.**  
**SPENDING**  
**2020 Plan**

	2018 Actual	2019 Plan	2019 Plan (Reforecast)	2020 Plan	2021 Plan
<b><u>MEMBER PROGRAM</u></b>					
<b><u>EXPENDITURES</u></b>	<b><u>\$3,809,892</u></b>	<b><u>\$4,024,000</u></b>	<b><u>\$4,092,000</u></b>	<b><u>\$4,441,000</u></b>	<b><u>\$4,507,000</u></b>
<b>Advocacy</b>	<b><u>\$792,741</u></b>	<b><u>\$965,000</u></b>	<b><u>\$985,000</u></b>	<b><u>\$1,171,000</u></b>	<b><u>\$1,154,000</u></b>
Washington	482,848	512,000	533,000	692,000	705,000
International/IARU	122,811	158,000	158,000	141,000	142,000
Communications	178,482	187,000	187,000	188,000	196,000
Outreach through Discovery	8,600	8,000	8,000	16,000	15,000
Regulatory Affairs	-	100,000	99,000	134,000	96,000
<b>Field Services and Radiosport</b>	<b><u>\$1,536,361</u></b>	<b><u>\$1,466,000</u></b>	<b><u>\$1,524,000</u></b>	<b><u>\$1,622,000</u></b>	<b><u>\$1,670,000</u></b>
Administration	174,271	182,000	196,000	136,000	147,000
Contest	149,125	148,000	187,000	110,000	111,000
DXCC/Awards	424,769	433,000	431,000	509,000	517,000
QSL Bureau	71,815	50,000	50,000	53,000	53,000
W1AW	163,945	167,000	175,000	174,000	183,000
Field Services	246,113	175,000	174,000	219,000	227,000
Emergency Preparedness & Response	191,628	193,000	192,000	302,000	314,000
Section Expenses	114,695	119,000	119,000	118,000	118,000
<b>Educational Programs</b>	<b><u>\$236,560</u></b>	<b><u>\$338,000</u></b>	<b><u>\$337,000</u></b>	<b><u>\$412,000</u></b>	<b><u>\$422,000</u></b>
Lifelong Learning	138,874	217,000	216,000	290,000	300,000
Education & Technology	97,686	121,000	121,000	121,000	122,000
<b>VEC</b>	<b><u>\$406,176</u></b>	<b><u>\$416,000</u></b>	<b><u>\$409,000</u></b>	<b><u>\$389,000</u></b>	<b><u>\$389,000</u></b>
<b>LAB</b>	<b><u>\$445,458</u></b>	<b><u>\$463,000</u></b>	<b><u>\$460,000</u></b>	<b><u>\$470,000</u></b>	<b><u>\$492,000</u></b>
<b>Governance</b>	<b><u>\$392,596</u></b>	<b><u>\$377,000</u></b>	<b><u>\$377,000</u></b>	<b><u>\$379,000</u></b>	<b><u>\$379,000</u></b>
Divisions	120,681	142,000	142,000	136,000	136,000
Officers	28,453	36,000	36,000	36,000	36,000
Board Meetings	117,961	120,000	120,000	124,000	124,000
Committees	125,501	79,000	79,000	84,000	84,000

**AMERICAN RADIO RELAY LEAGUE, INC.**  
**CONTRIBUTIONS / INVESTMENT ACTIVITY**  
**2020 Plan**

	2018 Actual	2019 Plan	2019 Plan (Reforecast)	2020 Plan	2021 Plan
<b><u>CONTRIBUTIONS AND SUPPORT</u></b>	<b><u>\$1,170,322</u></b>	<b><u>\$1,075,000</u></b>	<b><u>\$1,075,000</u></b>	<b><u>\$1,068,000</u></b>	<b><u>\$1,078,000</u></b>
<b>Unrestricted</b>	<b><u>\$553,358</u></b>	<b><u>\$494,000</u></b>	<b><u>\$494,000</u></b>	<b><u>\$484,000</u></b>	<b><u>\$505,000</u></b>
Diamond Club	366,516	365,000	365,000	365,000	385,000
Miscellaneous	186,842	129,000	129,000	119,000	120,000
<b>Donor-Restricted: "Uses"</b>	<b><u>\$616,964</u></b>	<b><u>\$581,000</u></b>	<b><u>\$581,000</u></b>	<b><u>\$584,000</u></b>	<b><u>\$573,000</u></b>
<u>Capital Campaign Earnings</u>	<u>\$110,547</u>	<u>\$66,000</u>	<u>\$66,000</u>	<u>\$66,000</u>	<u>\$66,000</u>
<u>David Bell Endow Earnings</u>	<u>\$5,648</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
<u>Defense</u>	<u>\$301,523</u>	<u>\$285,000</u>	<u>\$285,000</u>	<u>\$285,000</u>	<u>\$285,000</u>
Program	256,319	237,000	237,000	237,000	237,000
Fundraising	45,204	48,000	48,000	48,000	48,000
<u>Education &amp; Technology</u>	<u>\$118,604</u>	<u>\$143,000</u>	<u>\$143,000</u>	<u>\$143,000</u>	<u>\$144,000</u>
Program	97,687	121,000	121,000	121,000	122,000
Fundraising	20,917	22,000	22,000	22,000	22,000
<u>Legislative Issues Advocacy</u>	<u>\$3,990</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000</u>	<u>\$5,000</u>
Program	\$3,990	\$0	\$0	\$5,000	\$5,000
Fundraising	\$0	\$0	\$0	\$0	\$0
<u>Legal Research &amp; Resource</u>	<u>\$230</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Lab Fund</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000</u>	<u>\$5,000</u>
<u>Collegiate Amateur Radio</u>	<u>\$1,819</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$4,000</u>
<u>Preservation of Artifacts</u>	<u>\$1,078</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>
<u>W1AW</u>	<u>\$22,324</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$28,000</u>	<u>\$20,000</u>
<u>Ham Aid</u>	<u>\$3,482</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,000</u>	<u>\$0</u>
<u>ARDF</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>E. Smith Earnings</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
<u>Colvin Award</u>	<u>\$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Hiram Percy Maxim Award</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>DX Log Archive</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Starr Technology Fund</u>	<u>\$2,719</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>GAIN/(LOSS) ON SALE OF INVESTMENTS</u></b>	<b><u>\$155,793</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

BOARD CONFIDENTIAL

**CAPITAL EXPENDITURES**

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

**2020 Plan**

**Proposed Capital Expenditures**

<u>Department</u>	<u>Description of Item</u>	<u>Cost</u>
<b>Information Technology</b>	Desktop Computers with Monitors - 20	\$ 18,500
	Laptop Computers - 2	3,000
	Production Printer	7,000
	Workgroup LaserJet Printers - 3	3,600
	HP G9 Server	9,000
	Uninterruptible Power Supply Units - 4	5,200
<b>VEC</b>	VEC Exam Registration Software	20,000
<b>W1AW</b>	Broadcast Amplifier	8,200
	Satellite Antenna Array	2,700
<b>Warehouse</b>	Low Profile Floor Pallet Scale	1,900
<b>Emergency Preparedness</b>	Pactor 4 Modems – 3	6,000
<b>Field Services &amp; Emergency Preparedness</b>	Workstation Upgrade of Field Service & Emergency Preparedness Area	12,000
<b>Sales &amp; Marketing</b>	Workstation Addition – 2 stations	2,600
<b>Building</b>	Roof Replacement	132,000
<b>Total</b>		<b>\$ 231,700</b>

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

**2020 Plan**

**Proposed Capital Expenditures**

**A. Desktop Computers with Monitors (Quantity 20 @ \$925 each)**

As we do each year, we plan to continue our systematic replacement of older desktop 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. This year's proposal encompasses replacement of 20 desktop computers that will be more than 5 years old. The replacements quoted are HP ProDesk 400 G1 Mini PCs with Intel i5 2.0 GHz quad-core processors, 12GB RAM and Windows 10 Pro with PH E223 21.5" monitors.

**B. Laptop Notebook Computers (Quantity 2 @ \$1,500 each)**

The Plan includes the replacement of the aging general-purpose laptop computers that will be over 5 years old in 2020. These laptop computers are primarily used by traveling staff and for presentations in conference rooms. The replacements quoted are HP ProBook 450 G3 with additional memory.

**C. Production Printer**

In 2020, the existing HP9050 production printer that is used to generate all ARRL mailings to members and perspective members will be over 5 years old. This is a critical printer to our daily operations. The replacement quoted is an HP LaserJet Enterprise M609 with five expanded feed trays.

**D. Workgroup LaserJet Printers (Quantity 3 @ \$1,200 each)**

These printers are expected to replace aging networked printers around the building that will be at least 5 years old. Quoted are HP LaserJet Enterprise networked M605dn w/1.5 GB RAM.

**E. HP G9 Server**

The 2020 Plan includes the replacement of the HP DL360 Gen6 server that is more than 5 years old. The replacement quoted is an HP DL380p Gen9 server with dual XEON processors, 256GB RAM and will run an existing VMware ESXi license to host the LoTW production web servers.

## **F. Uninterruptible Power Supply Units (UPS - Quantity 4 @ \$1,300 each)**

These units are required to provide a continuous source of AC power to IT equipment during the brief interval from when commercial power is lost until our IT backup generators can start-up and come on-line. The Plan for 2020 is to replace hardware currently in server racks which are over 6 years old.

## **G. VEC Exam Registration Software**

One of the new resources requested by the VEC department to support its 2020 initiatives is to have a software program developed to allow online registration for VEC examinations. The purpose of the software is to speed license issuance, capture information about potential hams and current licensees and to reduce staff costs.

## **H. Broadcast Amplifier**

In the continuing effort to keep the W1AW equipment up to date, the 2020 Plan includes replacing one of the oldest amplifiers currently in use.

With the exception of the four Acom 2000A amplifiers, all the other amplifiers used in the bulletin equipment have seen many years of use. The older Icom IC-PW1 amplifiers need to be replaced. The amplifiers should be capable of all-band, auto-tune operation. The amplifiers should also be capable of meeting or exceeding (preferable) the full-legal limit.

Acom 2000A amplifiers that were purchased in 2012, 2013, 2015, and 2016 and placed into service have proven themselves to be workhorses. In addition to being able to handle 1.5kW without difficulty. They also have automatic tuning and internal antenna tuners. Automatic tuning is critical because the amplifier is able to quickly adjust itself for optimum efficiency. In addition, auto-tune amplifiers have much more monitoring circuitry than their manual-tuning cousins – at least of those located in the broadcast racks.

Therefore, the Plan includes the purchase of one of a minimum of three (3) new amplifiers (HF) recommended over the course of the next five years. With these new amplifiers, our station presence will not be compromised.

## **I. Satellite Antenna Array**

In the continuing effort to keep updated and functioning equipment in W1AW, the 2020 Plan includes a complete replacement of the W1AW Satellite Antenna System which was originally installed in 1997.

In 1997, a Satellite Antenna system – originally consisting of crossed-yagis for 2 meter and 70-centimeters, as well as a Yaesu G5400 Azimuth/Elevation rotator system, was installed. In the early 2000s, the rotator system was upgraded to a Yaesu G5500. Antennas for 23-centimeters, and a receive-only “BBQ grill” dish antenna for 2.4 Ghz, was also installed. Since the original install, and the subsequent additions, all the antennas and rotators have needed servicing. The early 2019 antenna inspection revealed hardware and connection issues with each antenna.

Problems with the connections are observed when trying to utilize each antenna. (The problems are poor SWR readings and weak signal reception.) Since W1AW is an active participant in the Satellite community – and is viewed favorably by Satellite operators – the purchase of new antennas for 2 meters, 70 centimeters, 23 centimeters and rotators are recommended. The 2.4 GHz receive-only antenna does not exhibit any signs of failure at this point.

#### **J. Low Profile Floor Pallet Scale**

Currently, the warehouse staff manually weighs boxes before they are palletized. Individual cartons are placed on the Starship scale and the weight of each box is then tallied up using a calculator and tally sheet. On large shipments such as Amazon orders and convention materials this can take up to hours to complete versus only a couple minutes with a pallet scale and forklift. Some items such as the Pelican cases shipped to Hamvention are bulky and push the 100 pound threshold of the current scale.

Purchasing the pallet scale will make the process more efficient by reducing material handling and calculation time, increase accuracy and certainly create a safer workplace environment.

#### **K. Pactor 4 Modems (Quantity 3 @ \$2,000 each)**

The Emergency Preparedness department's plan includes 3 Pactor 4 Modems which are specialized modems for digital communications used during disaster relief efforts. The Plan includes the use of Ham Aid Funds for the purchase of the modems.

#### **L. Workstation upgrade of Field Services & Emergency Preparedness Area**

The area of the building that currently houses the Field Services and Emergency Preparedness staff is in need up an upgrade and redesign to make efficient use of the work space. The 2020 Plan includes the installation of six 7'x8' workstations, powered, at 54" high.

#### **M. Workstation addition in Sales and Marketing**

With the addition of the Marketing Communications Manager a minor reconfiguration/addition of workspace is needed in the Sales and Marketing area. The 2020 Plan includes the installation of two 6'x6' workstations including 54" wall panels. This addition is designed to complement the current workstations in the area.

#### **N. Roof Replacement**

The roof on the Headquarters building was installed in 2000 with some areas being repaired in 2004 and 2006. The entire roof is in need of replacement as it is approaching 20 years old and leaks have appeared in several areas during heavy storms over the last few years.

BOARD CONFIDENTIAL

**STAFFING**

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

**2020-2021 Plan**

**Staffing**

The total staffing complement proposed in the Plan for 2020 includes 86 full time and 8 part-time staff for a total of 94 employees. This represents a total of 90 Full Time Equivalent (FTE) positions and a net addition of 5 FTE positions from the 2019 Plan document.

We have reviewed the staffing levels and believe that this staffing is appropriate for the growth and initiatives envisioned for the organization's future.

The Staffing Summary Schedule that follows starts with the staffing summary included in the 2019 Plan document then details transfers, additions and deletions by department. Several of the additional positions have been discussed throughout the year and are currently filled. These positions include the Marketing Communications Manager, Product Development Manager, Director of Operations and Executive Administrative Assistant.

There are several changes in the staffing Plan for 2020 that should be noted:

1. With the shrinking Awards (revenue) volume combined with increasing usage of Logbook, the Awards department plans to reduce 3 full time (37.5 hours/week) positions to 3 part time positions (30 hours/week) to right-size staffing levels for the current and expected volume.
2. During 2019, an additional Emergency Preparedness Assistant position was created to meet the increasing needs of ARES Connect and the field organization. This position was filled by transferring a current employee from Awards. The position in Awards has been eliminated.
3. VEC has eliminated the vacant Customer Service Representative position due to lower volume and anticipated efficiency with the registration software in the Plan.
4. The 2 Graphic Artist positions will be replaced by a lower level Creative Services Manager position who will work with consultants to outsource the larger graphic projects and have the skills to handle small in-house changes. This position will be responsible for insuring that established brand guidelines are followed. The estimated net savings of this change is expected to be over \$20,000 per year.
5. At the July 2019 A&F meeting, the hiring of 2 full time equivalents for the IT department was approved. The current plan is to hire an IT Director along with an additional programmer, allowing resources to be returned to LoTW and complete the DXCC software project.

6. At the request of the Legislative Advocacy Committee, a Government Relations Specialist was added to be located in Washington, DC to represent ARRL with served agencies.
7. The Communications Department has added a part-time intern position to assist in many of the minor, yet time consuming tasks while providing a real-world experience for a local student in the community.
8. With a renewed focus on clubs, leadership, and community engagement a National Club Coordinator position has been added. This position will act as the primary point of contact for Section Affiliated Club Coordinators - who in turn work directly with their section's ARRL Affiliated Clubs. This position will assist in the development and enrichment of ARRL's Club structure and help to implement strategic initiatives to foster and coordinate activities which promote recruiting and training of new radio amateurs, endorse ARRL membership and impart a positive image of Amateur Radio within the local community.
9. The Lifelong Learning (LLL) department has proposed taking the Lifelong Learning Administrator position from 30 hours/week (which already includes full benefits) to 37.5 hours/week to provide valuable resource time at nominal cost. These additional hours will help provide administrative support to the expanding role of the LLL department.
10. The Lifelong Learning department has also added an Instructional Specialist. This position will provide the knowledge in the skills of writing instructional materials for on-line courses. This position will assist with a variety of tasks including instructional design, course management, content development and technical support. This position is essential for properly supporting the growth of the Learning Center from the instructional perspective.

Also included in the Plan is an average increase of 3.0% for the staff, effective on April 1, 2020. This does not mean that everyone will receive a raise, or even if they do, one that will equal 3.0%. Each individual's performance will be reviewed, and any merit increase in their compensation will be based on this review as well as where their current compensation is within the appropriate salary range.

AMERICAN RADIO RELAY LEAGUE, INC.						
STAFFING SUMMARY						
	2019 Plan				2020 Plan	
Function/Department	Total	Transfers	Add	Delete	Total	Additional Positions
<u>Editorial/Content Production</u>						
Administration	2				2	
Composition	2				2	
Editorial	4				4	
Graphics	2			-1	1	
<u>Sales &amp; Marketing Communications</u>						
Mkt Communications Admin	3		2		5	Marketing Communications Manager & Creative Services Manager
Advertising	3			-1	2	
Membership	1				1	
Fulfillment	6			-1	5	*
Warehouse	4				4	
<u>Product Development</u>						
	0		1		1	Product Development Manager
<u>Support</u>						
Executive	2	1	1		4	Executive Admin Assistant
CFO	2	-2			0	
Development	3				3	
Controllers	5				5	
Information Technology	10		2		12	IT Director & Programmer approved in July 2019
Administrative Services	3				3	
Personnel/HR	0	1			1	
Building Maintenance	1				1	
<u>Advocacy</u>						
Washington D.C.	1		1		2	Government Relations Specialist
Communications	2		1		3	* Intern - Part time
Regulatory Affairs	1				1	
<u>Radiosport &amp; Field Services</u>						
Administration	2	-1	1	-1	1	Operations Director
Contests	1				1	
Awards	6	1			7	*
QSL Bureau	1				1	*
Field Services	2		1		3	National Club Coordinator
Emergency Preparedness	2		1		3	Emergency Preparedness Asst.
<u>Lifelong Learning</u>						
	2		1		3	Instructional Specialist
<u>VEC</u>						
	7			-1	6	*
<u>W1AW</u>						
	2				2	
<u>Laboratory</u>						
	4		1		5	* Data Network Assistant - Part time
<b>Total Staff</b>						
	86	0	13	-5	94	
<b>FTEs</b>						
	85				90	
* Includes a part time position.						