

## **Report of the Administration and Finance Committee for the January 2008 meeting of the ARRL Board**

At the July Board meeting Chairman Frenaye reported on the previous day's Committee meeting with the auditors, and noted their comments that, "the ARRL has 'stable operations' with strong revenues but only limited growth." A mid-year staff reforecast of expenses and revenues for the year suggested the plan was on target for the year. The minutes from the 7/19/07 meeting were distributed to the Board on October 1<sup>st</sup> [arrrl-odv:15995].

During the July Board meeting, the Board approved two resolutions regarding investment accounts and accepted the auditor's report for the previous year.

### **Committee Activity**

The Committee met in Newington on November 17<sup>th</sup>, primarily to review the 2008-09 plan/budget. Minutes from the meeting were distributed to the Board on December 15<sup>th</sup> [arrrl-odv:16248].

Here is a summary of key items from the November 17<sup>th</sup> meeting:

- 1) The Committee discussed issues involving marketing to members and the collection and use of member data.
- 2) CFO Shelley led discussions about the October financial results, and noted that projections for year-end were on track.
- 3) Treasurer McCobb noted that annualized investment income (\$581k) was approaching the historic high point of the late 1990s. He also noted this was a good time to review and change the philosophy of the investment portfolio, if desired, because a significant portion of the portfolio would be maturing during the next two years.
  - 4a) In the discussion of 2008 plans, COO Kramer and Jon Bloom reported on the ARRL's extensive web site, and a proposal for a strategic review of the content, organization, goals and architecture of the site, as a first step in its upgrade. The Committee agreed that plans should proceed with the review phase of the proposal.
  - 4b) CEO Sumner noted challenges in 2008 will include retaining the membership increases, trends that are moving advertising from publications to the Internet, and

generating program fees (with fewer VE exams). He also noted the excellent work of Mr. Shelly in negotiating a 19-month renewal for medical insurance benefits.

4c) The Board's goal of 30,000 new hams per year is getting a start in 2008 with several steps in the queue.

4d) CDO Hobart spoke about adjustments in existing fund raising efforts and a new Campaign for Special Gifts, as a lead in to plans for our 100<sup>th</sup> anniversary in 2014.

4e) Mr. Shelley reported no major capital expenditures are expected for the building infrastructure in 2008, and a five-year capital plan and projection is to be reviewed in January.

5) The Committee voted to present a proposal to eliminate ByLaw 5 in January.

The Committee hosted a conference call on December 20<sup>th</sup> regarding the 2008-09 plan/budget, with staff officers available to answer questions from several Board members. The summary notes from the call were distributed on January 1<sup>st</sup> [arrrl-od:2398].

## **The Outlook**

As we enter 2008, the Plan for the year appears to be achievable and reasonable. Our sources of revenue (dues, advertising, publications sales, and donations) have been relatively flat for several years.

The upward movement in membership during 2007 (3.3%) was achieved by a lot of hard work, and the investment in staff resources focused on that effort. It was also a goal that was easily measured and tracked. If we are to continue with that success, we will also need to be successful in attracting more new people to Amateur Radio. We have set a goal of 30,000 new hams per year, with hope to build on the increases that came naturally as the FCC removed the CW requirement in early 2007. The success of this effort will depend a lot upon the efforts of local clubs and volunteers.

The A&F Committee's Future Revenue subcommittee has been working with staff members on some ideas for expanding revenues during the past two years, with some modest success in a couple of areas. The effort has not, however, found any magic solutions.

Longer term, we have a number of options regarding what ARRL might want to be as an organization, say in the year 2020. We know that there is a large group of existing licensees in their 70s and 80s, and at the present rate of new hams, the overall total of licensed hams will continue to drop over the next dozen years. With no significant change in our goals and outlook as an organization, we will be serving fewer members and there will be fewer, maybe significantly fewer, licensees in 2020.

One step that is essential in our preparation for the future is the analysis work that has started on our existing web site. We have a wealth of material on-line but overall the site has not kept pace with the changes in Internet technology and interaction with customers expected in today's world. Taking the necessary steps will require a serious commitment of resources and significant changes in our approach to doing business electronically.

### **Upcoming items**

The Committee will be meeting again on January 17<sup>th</sup>, the day before the Board meeting, and we will provide the Board with at least a verbal update of the items covered during our report to the Board.



A&F Committee  
Tom Frenaye, K1KI, chairman  
Dennis Bodson, W4PWF  
Bill Edgar, N3LLR  
Henry Leggette, WD4Q  
Bill Sawders, K7ZM  
Bob Vallio, W6RGG  
Jim McCobb, K1LU

plus  
Dave Sumner, K1ZZ, CEO  
Barry Shelley, N1VXY, CFO  
Mary Hobart, K1MMH, CDO  
Harold Kramer, WJ1B, COO

13 January 2008