

**Report of the Administration and Finance Committee
for the July 2008 meeting of the ARRL Board of Directors**

Thanks to outgoing A&F Committee chair, Tom Frenaye and members of the prior A&F Committee for providing oversight and wisdom to both the committee and staff of the ARRL. Their tenure on this committee makes it easier for a new cadre to assimilate their roles as A&F members.

Committee Activity

Following the January 2008 Board Meeting, the Administration and Finance Committee met in person in Newington on April 11, 2008. During this meeting, CFO Shelley commented at the January 2008 Board meeting, noting past-Chairman Frenaye's comments that the financial and administrative functions are insuring that the Plan for the year appears to be achievable and reasonable. The upward increase in membership was a positive aspect of 2007 operations and it was hoped this trend would continue in 2008 and into the future.

During the April meeting, the committee received reports from staff and discussed YTD financial results as well as discussing forecasts for the remainder of the year. Generally, staff re-forecasts the budget mid-year and we will plan to discuss their recommendations and comments during the A&F meeting.

The introduction of the "Fifth Pillar" – Technology was discussed and a plan to showcase this at the Dayton Hamvention was described. The committee noted that this is positive way to indicate that we see technology as a major element of our emphasis.

The plan to expand the number of pages in QST in September shows a strong advertising environment and foresight to focus on EMCOMM activities. This should be a cost neutral decision, as the advertising revenue should offset the cost delta for production expenses.

The committee also discussed the materials supplied to hamfests. We continue to solicit input regarding the format and relevancy of certain handouts because there is a pattern of some being obsolete and simply thrown away at the conclusion of the events. We believe a study should be undertaken to review this literature and more relevant documents provided if justified.

Another topic that was discussed is operating and financial metrics that would be of benefit to the A&F Committee and ARRL Board as a whole. Definition of these metrics and graphical representation of the same will be discussed throughout the year and probably into 2009. Board input is certainly solicited as we review an expanded reporting process.

Along with increasing inter-board communication, the committee received a presentation by representatives from Fathom. This firm specializes in creating strategic marketing and web design. Fathom is one of a number of firms staff reviewed in an effort to consolidate ideas and system architectural requirements for a new ARRL Web Site. Following presentation by the Fathom firm and follow-on discussion with staff (specifically Jon Bloom and Bob Inderbitzen), the committee approved follow-on planning and involvement of ARRL staff to complete the first phase of the project. The committee approved management's recommendation to proceed on Phase I and II of the project with periodic updates prior to approval to continue. These updates will be presented to both the A&F and entire board at the July 2008 meeting.

Changes to requirements specified in the Federal Pension Reform Act require implementation of new parameters for 403(b) organizations. The committee must discuss and implement changes to our pension program prior to the required implementation date on January 1, 2009.

During his investment comments, Treasurer Jim McCobb noted a conservative approach to investing ARRL funds due to the uncertainties in the market. There is a larger than normal cash balance used as a hedge for this uncertainty. Bonds maturing in the upcoming year that are yielding around 5% while similar investments are currently yielding 3-3.5%. He also noted a need to review HQ operations should cash and investments trend downward.

Finally, the Pension Investment Committee met via teleconference on March 27 to discuss pension-related topics with the Bostonian Group and MassMutual.

Fiscal Overview for First Half 2008

As noted in CFO Shelley's report, the League had a relatively good first half with no significant issues. Revenue is above plan with an exception while expenses are generally on plan or under plan. One area of concern, however, is the status of voluntary contributions and our reliance on the use of a portion of these donations to fund on-going operations. Fortunately, other revenue streams currently offset this problem. I expect there will be significant discussion at the A&F meeting on the July 17th. While we anticipate this metric will continue during the last half of the year, management plans to reforecast the 2008 budget using actual departmental and revenue results achieved during the past six months.

Upcoming items

The committee will meet again on July 17, 2008 to receive reports and comments from officers, meet with the ARRL's Auditor to formally receive the audit report for 2007, engage in discussions with the League's pension manager, and discuss various topics relating to the operations and future endeavors.

As was noted earlier, a presentation from Fathom will be briefly discussed, as representatives of this form will make a formal presentation to the entire board during the course of the meeting.

The committee plans to begin the budgeting process for 2009 by discussing certain parameters and areas of focus when the budget process begins in the fall. We plan to provide the Board with a verbal update of the items covered during the formal meeting.

Marketing amateur radio to non-hams will also be discussed. There is a significant portion of the nation that doesn't know about amateur radio or have not been significantly exposed to the avocation? We need to think "outside the box" and investigate other venues where our message can be communicated and interest generated. We plan to review options and see which of these might be viable as we look to the future. A new web site, on-going use of Allen Pitt's excellent publications, review of external communication and non-traditional means to generate interest are needed. We believe this will be an exciting process and has the potential to both extol the benefits of amateur radio, generate more dedicated licensees, with the resultant goal of increasing ARRL membership.

The Committee looks forward to our July 17 meeting and to report our activities to the Board on July 18. Please contact us for further comments and input.

A&F Committee

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Cliff Ahrens K0CA

Jay Bellows K0QB

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Brian Mileschosky N5ZGT

Jim McCobb K1LU

Jim Weaver K8JE

Plus:

Dave Sumner K1ZZ, CEO

Barry Shelley N1VXY, CFO

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Harold Kramer, WJ1B, COO

14 July 2008