



# SAME Executive Committee Meeting Notes

1600, Thursday, April 22, 2021

Attended			
Mario Burgos	Mike Darrow	Mark Handley	Mike Huffstetler
Allison Ingram*	Bob Keyser	Miro Kurka	Cindy Lincicome*
Chris Knutson	Dave Newkirk	Charlie Perham	Jim Romasz
Hal Rosen*	Heather Wishart-Smith	Neal Wright	Joe Schroedel*
Craig Crotteau*			
Did Not Attend			
Victoria Mechtly	Buddy Barnes		

\*Non-voting

## Call to Order: 1600 hrs

A quorum was established (12 of 14 voting members). Heather Wishart-Smith, Chair of the XC, called the meeting to order and reminded all that the XC was not voting on decisions, but reaching consensus to determine if the information was ready for a decision brief to the BOD in a Special BOD Meeting. Heather turned the meeting over to Mark Handley, President-Elect at 1645. Joe led the presentation to the XC (Encl 1).

## Purpose

The ultimate objective is to establish regular procedures for the review of SAME membership to support governance and management decisions. The short-term urgency of the effort is the need to change our sustaining membership structure to support the development of the recently contracted Enterprise Management System (EMS) overhaul. The intent is to establish a much-needed regular and responsive procedure for assessing membership needs and dues increases and allocating resources to identified needs.

## XD Brief

- 65% of our members pay nothing for dues. 83% of our dues revenue comes from sustaining member companies.
- EMS will be in place by March 2022. Need structure by August, but if can get it by June, will assist with system development.
- Will not put proposals about dues or structure forward without a Draft Membership Review Procedures Guide.
- We are managing “slots” and not people. As part of the guide, the items that will be reviewed are membership terms, benefits and value, operations (policies, procedures, rules) and member experience.
- Step 1 to consider dues increase (per Draft Membership Review Procedures Guide):
  - 33% of National Office revenue should be from dues – this is an industry standard.

- Although 2020 accounted for 48%, this was a unique year due to overhead costs being so low.
- This is just the first of 2 steps. Dues will not automatically increase annually to meet the 33% benchmark.
- Step 2
  - Benchmark A: 33% membership revenue
  - Benchmark B: cover direct expenses – allows us to offer a limited segment of membership a more competitive rate.
- Frequency of review does not necessarily correlate to frequency of dues increase. These benchmarks provide the “guard-rails” to keep us straight. President recommended annual review of the benchmarks – as part of the annual budget process.
- Q – If overall revenue increases (events), won’t the 33% benchmark get higher as well, driving dues increases? Yes, but as event revenue increases, so do event expenses (example – F&B). We would need to consider this aspect in Step 1 to inform decisions but needs to remain as an industry accepted standard – also to diversify revenue and risk management. For the last several years, the budget has been balanced by increasing event registration fees vs increasing membership dues.

**Individual Member Structural Review (Part A): General consensus was reached to approve the individual member structural changes (present to BOD).**

**Individual Member Dues Adjustments (Part B): General consensus was reached to approve the individual member dues changes – including individual post dues changes (present to BOD).**

- Can implement Part B immediately – with grandfathering of current members.
- Will continue to subsidize two categories of membership.
- Total increase (both individual & sustaining member) brings us to 33% benchmark.
- Q – How will govt. react to increase in dues? SAME is known for govt. participation compared to other organizations. There was govt. participation on the membership focus groups – they felt that the value was worth the rate (which is still largely discounted).
- Q – Why so many categories? Can it be streamlined (Private Industry Regular pays \$125, Students free, everybody else pays \$50)? **National Office will address that possibility.**

**Sustaining Member Company Structural Review (Part A): General consensus was reached to approve the sustaining member structural changes (present to BOD).**

**Public Sector Agency/Organization Members Dues Review (Part B): General consensus was reached to approve public sector agency/organization member dues changes (present to BOD).**

- Public Agencies are the exception to no multi-year membership. They are allowed the multi-year membership to alleviate the burden of obtaining permission on an annual basis.

**Sustaining Member Companies Dues Review (Part B): General consensus was reached to approve Sustaining Member Company dues changes (present to BOD).**

- IM dues remain at \$5 per registration (individual must declare primary post). SM post membership share remains at 15% - even as rate increases.
- Conducted three extreme scenarios with several “what if” charrettes: dues adjustments will pose no financial risk to SAME and will likely result in a moderate gain in revenue. (Encl. 2)
- Scenarios show a potential decrease in membership numbers for most companies – XC agreed that engaged members are the goal, not inflated numbers.
- SM Focus group felt that flexibility in sustaining member decisions was key: what posts they want to sponsor and provide company rate to individuals who are active (vs. filling slots). Maximum flexibility in invoicing was also a recommendation.
- Critical action item for National Office is to provide strategic communications to company reps so they are armed for decision makers and can relate changes and make the best decisions for their companies. Part of it should include what is happening with the extra money.
- Q – Will lower membership drive up dues to meet the 33% benchmark? A small company is no longer making the “jump” from individual members to sustaining members as an act of allegiance to the organization – their rate actually goes down - individual rate should be higher.
- Value proposition still needs to be part of the discussion – IGE is key. Need to be clear on impact the Society is making. Need to look at for SMs AND IMs (two different value propositions).

## Bylaws Modifications

- XD recommended a Bylaws sub-committee of the XC to clean up Bylaws. Two immediate changes presented to XC (to present to BOD):
  - Implementing Procedures – take out structure from bylaws and include in Membership Business Procedures Guide.
  - Business Operations Authority – stay consistent with XC handling business operations which includes dues changes tied to the budget. Structure stays with BOD.
- One XC member felt that dues decisions should remain with the BOD as a full representation of the membership. XC is a representation of the BOD.
- The XC discussed the importance of the BOD’s role in building and guiding the Strategic Plan.
- The President-Elect conducted a round-robin of comments. **The majority of members concluded that the XC should include dues changes in their business operation management (supported the proposal as is to BOD).**

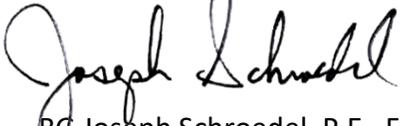
## Next Steps

The XD, President, and President-Elect agreed to the following course of action:

- Staff will refine the presentation to:
  - Address XC questions.
  - Conduct additional analysis of Sustaining Member rates to ensure the burden is not being shifted to large businesses.
  - Produce a draft outline of the Membership Business Procedures Guide.
  - Produce a draft communication to Sustaining Members.

- The XD, President, and President Elect will review the refined brief and supporting documents prior to scheduling the next XC meeting.
- The XC will then be assigned specific BOD members to engage – to ensure they understand the proposed decisions and to gather their concerns.
- The XC will reconvene to consider BOD concerns and assess if the brief is ready for a special BOD meeting.
- At the direction of the President, a special BOD meeting will be scheduled.

**Adjourn:** 1750 hrs.

A handwritten signature in black ink that reads "Joseph Schroedel". The signature is written in a cursive style with a large initial "J".

BG Joseph Schroedel, P.E., F.SAME, USA (Ret.)  
Executive Director

Encl 1: 2021 XC Membership Review Final Decision Brief

Encl 2: Supporting Slides

Encl 3: Proposed Bylaws Changes

# Enclosure 1: XC Membership Review Final Decision Brief



## Membership Review

*Decision Brief to the Executive Committee  
22 April 2021*

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### Meeting Rules

1. BOD members are reminded of their fiduciary responsibility to place the interests of SAME (standard of care, obedience and loyalty) above themselves and their company.
2. Detailed analysis will not be presented; ask questions during discussion of each recommendation. Staff will respond. President will control timing allotted to discussion.
3. Since the current membership structure is in the bylaws, 2/3 majority vote is required to carry any motions for decision that derive from recommendations.

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## Outcomes of Affirmative BOD Decisions

1. **Enable us to better serve our members!**
2. **Improve the governance and management of SAME IAW BOD Focus Group Recommendations:**
  - a. **Membership Focus:** Establish a *Membership Review Procedures Guide* for regular reviews of our membership to support governance and management decisions.
  - b. **\*Member Management:**
    1. Simplify our overly complicated membership and dues structure to make it easier to be a member.
    2. Adopt the standard of one member record per individual to support development (structure by Jun '21) of our Enterprise Management System (EMS) ... (Date: c. March 2022).
  - c. **Financial Management:**
    1. Adopt the membership organization industry standard for membership dues to reduce the current risk of being overly dependent on net dues revenue.
    2. Modify dues (some increases, some decreases) to manage the financial risk of structure changes and better align dues the value we provide.
  - d. **Governance:** Amend our bylaws to align them with recommended decisions and current practices.

**\*NOTE: Contract for EMS signed 1 March; member structure required by Jun '21 for system development.**

## Decision Briefing Sequence

1. **INFO: Draft Membership Review Procedures Guide**  
(extract – see NOTE on next slide)
2. Decisions: Membership Structure Changes
3. Decisions: Dues Adjustments
4. Decisions: Bylaws Changes
5. Communications Plan



## Draft Structure Change and Dues Change Procedures

***NOTE: To support the BOD Focus Group recommendation of improving our focus on membership by developing a Membership Review Procedures Guide, we developed draft procedures for structure changes and dues changes ... then used them to determine structure changes and dues changes recommended herein. See next three slides for draft procedures used for remainder of the analysis and recommendations presented.***

## Draft Review Procedures Guide (Is a member structure change needed?)

### **Desired Outcomes for Membership Structure**

- Establish a single member record for each individual in database; manage people not slots.
- Improve, simplify, and standardize membership operations, management, and data accuracy.
- Treat all individuals equitably.
- Allow flexibility for the member.
- Better indicate likelihood of engagement.

### **What will be reviewed?**

- Membership terms (i.e. length of membership)
- Member Benefits and value
- Operations, policies, procedures, and rules
- Member experience / direct feedback from members

If improvement is needed, recommend operational and/or structural changes and updates. Membership structural changes should be very infrequently needed.

## Draft Procedures Guide– Step 1 (Is a dues increase needed?)

### Desired Outcomes for Membership Dues and Overall Membership Revenue Contribution to SAME

- Achieve a standard percentage of total organizational revenue generated by dues of 33%
  - This is the non-profit membership organization industry benchmark
- Substantially cover the cost of serving each member.
- Dues rates are equitably determined across member categories.
- Charge for the value provided and enable expansion of products and services.
- Simplify and standardize the SAME dues structure.

### Did Membership Revenue Meet the 33% Target Goal?

- SAME's average operating revenue in a typical year: \$7,400,000
- Target average revenue from membership using 1/3 standard: \$2,466,000
  - 2017 – Percent: 30% Amount: \$1,995,000
  - 2018 – Percent: 27% Amount: \$2,007,000
  - 2019 – Percent: 26% Amount: \$2,061,000
  - 2020 – Percent: 48% Amount: \$2,047,000 (Note: overhead = 50% of expenses in '17 -'19 (73% in 2020)
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## Draft Procedures Guide –Step 2 (How much is dues increase and how is it allocated?)

### 1. Determine average dues per individual needed to:

#### A. Generate 33% of **revenue from membership (benchmark A)**

1. SAME's average operating revenue in a typical year: \$7,400,000
2. Target revenue from membership: \$2,466,000
3. Using current # of paying individuals (25,000), calculate average rate per individual/year: \$98

#### B. Cover direct **expenses (benchmark B)**

1. Costs related to providing services to each member in a typical year: \$1,352,000
2. Using current # paying individuals (25,000), calculate average rate per individual/year: \$54
3. Benchmark B allows us the option to offer a limited segment of membership a more competitive rate

### 2. Compare current annualized rates to benchmark rates.

### 3. Do rates meet either or both benchmarks?

- A. YES – no adjustment needed
- B. NO – adjustment recommended.
  1. Propose new rates in order to meet one or both benchmarks and so blend of rates over entire membership more closely approaches benchmark A.
  2. Share proposal with BOD Focus Group to garner feedback and use Focus Group feedback to refine and adjust.
  3. New rate proposal goes to vote.

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# Individual Members

## Part A: Structural Review

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### Individual Membership Structure Related Review

	Current Challenges	Suggested Solution + Impact
A	Membership numbers are falsely inflated for categories in which dues are not collected annually.	<p>Renew annually for all membership types <b>/eliminate all multi-year memberships.</b></p> <p>Impact: More accurate data; better counts</p>
B	Data gets outdated quickly when members aren't required to renew on a yearly basis and member retention suffers.	<p>Renew annually for all membership types <b>/eliminate all multi-year memberships. <u>Grandfather all current Life Members.</u></b></p> <p>Impact: Individuals required to review and update their information annually; more accurate data; better counts</p>
C	Government employees pay different rates based on civilian or uniformed status	<p><b>Create one dues category for all government employees</b> (i.e. uniformed and civilian pay same rate).</p> <p>Impact: Equity within category.</p>
D	Individual memberships include up to three posts.	<p><b>Individual membership includes one post; individuals may join as many additional posts as desired.</b></p> <p>Impact: Allows individual more flexibility (not limited to only three). Active selection is better indication of likeliness for engagement. More incentive to review and update post memberships regularly. Post membership numbers more accurate.</p>

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## Individual Member Structural Change Proposals For Decision

**The following individual membership structural changes are recommended to improve the management of individual memberships.**

1. Eliminate option to purchase multi-year individual memberships. (Addresses challenges A, B)
2. Eliminate option to purchase a new life membership. (Addresses challenges A, B)  
NOTES: Grandfather existing life memberships. New Life memberships can be bestowed by an approving authority.
3. One rate category for all government employees. (Addresses challenge C)
4. Membership includes one post; individuals may join additional posts (as many as desired) for an additional fee of \$10 per post. (Addresses challenge D)

**Recommend: Approve the individual member structural changes.**

## Individual Members

### Part B: Dues Adjustments

## Analysis Current Rates vs. Draft Benchmark Rates

Member Type	Current SAME Dues	Annualized	Meets Benchmark A (\$98)?	Meets Benchmark B (\$55)?
Industry Regular	\$100	\$100	Y	Y
Industry Young Professional	\$40	\$40	N	N
Gov't Civilian	3 years for \$45	\$15	N	N
Uniformed	Career in Uniform for \$6	\$6	N	N
Academia / Nonprofit	3 years for \$45	\$15	N	N
Student	\$0	\$0	N	N
Retired	\$40	\$40	N	N
Life-Industry	\$850	\$34	N	N
Life-Civilian	\$550	\$22	N	N

**Only one category currently meets either benchmark.  
Recommend dues rate adjustment.**

## Implementation Notes on Proposal for Individual Dues

- All terms for CURRENT multi-year membership holders remains:
  - Those with a current uniformed members will not be asked to pay a renewal fee for as long as they remain in uniform. Change applies only to new uniformed members.
  - Others with current multi-year memberships will not be asked to pay a renewal fee until their scheduled renewal date; they will renew at the new rate.
  - Existing Life membership remain valid; they will not be asked to pay membership fees.
- If approved, individual dues changes become **effective for renewals starting Q3 FY2021.**

### Individual Member Dues Adjustment Proposal for Decision

The following dues rates are recommended in order to meet revenue targets and cover the costs to serve members.

Member Type	Proposed Rate	Current Annualized Rate
Private Industry Regular	\$125	\$100
Private Industry Young Professional *	\$75	\$40
Government Employee Regular	\$55	Civilian: \$15 Uniformed: \$6
Government Young Professional *	\$40	Civilian: \$15 Uniformed: \$6
Academia or Non-Profit	\$55	\$15
Academia or Non-Profit Young Professional *	\$40	\$40
Retired	\$55	\$40
Student	\$0	\$0

\*young professional is an individual aged 39 and younger

**Recommend: Approve the individual dues changes.**

### Individual Post Dues Adjustment Proposal for Decision

The following post dues adjustments are recommended in order to meet revenue targets, better indicate participation, and cover the costs to serve members.

Member Type	Rate
Additional Post Fee, Per Post	\$10
Dues paid to post for each paying professional member	\$5
Dues paid to a post for each student member	\$0

**Recommend: Approve the individual post dues changes.**



## Sustaining Member Company/Public Sector/Organization Members:

### Part A: Structural Review

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#### Current Structure for Sustaining Member Company/Public Sector Agency/Organizations

- Private Industry Company Membership (aka Sustaining Member Company Membership) Includes:
  - National dues, with ability to name up to 6 representatives
  - One post, with ability to name up to 6 representatives (not required to be the same individuals as above)
  - Companies may purchase membership in additional posts as desired
  - Each post purchase includes six representative slots (can be the same or different individuals than above)
  - Companies may purchase additional representative slots at each post to which they belong if desired
- Organizational Memberships (Public Agency, Academia, NonProfit) includes:
  - National dues, with ability to name up to 10 representatives
  - One post
  - Do not provide option to purchase posts
- “Reps” tied to above memberships are limited to joining the Post(s) purchased by their company, where there are representative slots available, and as approved by the national point of contact for that entity

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### Sustaining Member Company/Public Sector Agency/Organization Membership Structure -Related Review

	Current Challenges	Suggested Solution + Impact
A	Extreme confusion about membership types and status. Many people think because their company holds a sustaining membership, that means they are also a member.	Eliminate purchase of “representatives”– every person is considered an individual member.  <b>Impact</b> : Every individual knows their status. One data record per individual. Accurate count of unique individual members.
B	If a company wants more employees to be representatives, they purchase additional posts to obtain more “slots” or purchase additional representative “slots” in the desired posts.	Once included individual memberships have been used, if others from a company wish to be a member, individual memberships can be purchased at a corporate rate (benefit of corporate membership).  <b>Impact</b> : Allows more flexibility for the individual; individuals are all handled in the same way across SAME.
C	If a person is a “representative”, they can only be members of the posts that the company belongs AND where they are assigned a representative slot. An individual member of SAME can join multiple posts of their choice. No congruity between the way individuals are handled across the Society and it creates tremendous confusion.	Purchase of posts no longer includes “slots” for individuals decouple purchase of posts with purchase of people.  <b>Impact</b> : Allows more flexibility for the individual; individuals are all handled in the same way across SAME; more engaged members.

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### Sustaining Member Company/Public Sector Agency/Organization Membership Structure -Related Review

	Current Challenges	Suggested Solution + Impact
D	Companies regularly change representatives in and out of slots during the year, most frequently prior to a conference in order to get the member rate for individual registrations.	Changes to individuals are made on an annual basis only.  <b>Impact</b> : Operations are streamlined. Individuals who are truly members get the member registration rate.
E	Public agency memberships include 10 representative slots. Private industry membership include 6 representative slots. The smallest companies do not need 6 representatives and do not use this many; fewer included memberships allows these companies a more reasonable fee.	Organizational memberships include 6 individual memberships. For those w/10 or fewer employees, include 3.  <b>Impact</b> : Streamlines what is included to eliminate confusion; more reasonable fee for smallest companies
F	Management of sustaining memberships is extremely time consuming both for SAME and the sustaining member’s national point of contact	Eliminate purchase of “representatives”– every person is considered an individual member. Decouple purchase of posts with purchase of people.  <b>Impact</b> : ease of management for SAME and company; less time spent managing membership operations.
G	If a “Rep” wants to be a member of a post in which the company does not hold membership, the entire company must join the post in order for this to happen, or the individual must join with a separate individual membership	Eliminate purchase of “representatives”– every person is considered an individual member. Decouple purchase of posts with purchase of people.  <b>Impact</b> : Able to engage anywhere desired with ease.

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## Implementation Notes on Proposal for Changes to Sustaining Member Company/Public Sector Agency/ Organization Structure

- If approved, changes become effective with launch of new database (c. March '22); structure changes needed by Jun '21.
- Corporate billing for individuals will be available for all companies (i.e., one bill for company national membership, company posts memberships, individuals approved for corporate billing)
- Structure change necessitates change in dues because of decoupling of purchase of posts and representative slots.
- Communication regarding changes will be paramount; every company will be affected in different ways and will need time to determine how they will proceed with their company membership.

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## Sustaining Member Company/Public Sector Agency/Organization Member Structural Changes Proposals for Decision

**The following structural adjustments are recommended in order to improve, simplify, and standardize membership operations and management.**

1. Membership for Sustaining Member Companies that employ more than 10 employees includes one post and 6 individual memberships. Membership for Companies that employ less than 10 employees includes one post and 3 individual memberships. (Addresses challenges A, E)
2. Membership for Public Agencies and Organizations includes one post and 6 individual memberships. (Addresses challenges A, E)
3. Sustaining Member Companies, public agencies, and organizations may join additional Posts. Purchase of Posts does not include individual memberships. (Addresses challenges A, B, C, D, F, G)
4. All individual memberships that are included with or are paid for by a company/org remain with the individual for the entire term regardless of employment status of the company. All individual member rules, policies, and procedures apply to such individual memberships. (Addresses challenges A, B, C, D, E, F, G)

**Recommend: Approve the Sustaining Member Company/ Public Agency and Organization structure changes.**

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## Public Sector Agency/Organization Members

### Part B: Dues Review

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#### Agency/Organization Dues Adjustment Proposal for Decision

The following dues adjustments are recommended in order to meet revenue targets and cover the costs to serve members.

Type	RECOMMENDED DUES			Current Dues		
	National	Per Post	Additional rep	Nat'l	Per Post	Add'l Rep
Government Agency	\$325/3 years	\$80	\$55	\$225/3 yrs	NA	\$15
Academic Inst.	\$325/year	\$80	\$55	\$250	NA	\$40
Non-Profit Org.	\$325/year	\$80	\$55	\$250	NA	\$40

- Current rates include 10 reps.
- Non-Profit orgs. and academic institutions pay the same rates for programs and services as small businesses, yet their membership rates are vastly different.
- Public agencies have difficulty in obtaining approval for using government funds for purchasing a membership, therefore a multi-year membership eliminates burden on obtaining permission on a yearly basis.

**Recommend: Approve the Public Agency and Organization dues changes.**

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## Sustaining Member Companies

### Part B: Dues Review

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#### Current Sustaining Member Further dues-related analysis + review

- Companies and organizations join SAME to promote and market their company in the public sector A/E/C marketplace, find teaming partners, build relationships, collaborate, and be part of the SAME mission. The included individual memberships are a further value to the company.
- Offering a corporate individual member rate to all employees is a further value to the company as provides flexibility for representation; it saves the company money; the more individual memberships purchased, the more money saved by the company.
- Inequitable rates charged for post memberships when comparing the dues levels (e. employee ranges).
- When reviewing the current size ranges, some consolidation can be made based on number of companies in the range.

RECOMMENDATIONS seen in proposed dues adjustments:

- Per-post membership rates established using a percentage of national dues, so every company size pays a similar percentage rate for post memberships
- Decrease the number ranges used for dues calculations.

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## Implementation Notes on Proposal for Dues Adjustments for Sustaining Member Companies

- If approved, changes become effective with launch of new database (c. March '22).
- Corporate billing for individuals will be available for all companies (e. one bill for company national membership, company posts memberships, individuals approved for corporate billing).
- Structure change necessitates change in dues because of decoupling of purchase of posts and representative slots.
- Every company will be affected in different ways and will need time to determine how they will proceed with their company membership.

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### Sustaining Member Company Dues Adjustment Proposal Impact

#### Sustaining Member (SM) Companies:

- Eliminates need for SM POC and Posts to intensely manage “slots” and SREPS
- SMs will get reports on individual SAME members and have options for single billing if they support individual dues.
- 75% of SMs will experience a total SM membership cost decrease or no increase
- SMs will determine whether they pay for individuals, contribute to individual dues or leave dues to the individual.

**Posts:** IM dues remain \$5 per registration (Primary post); Increase in revenue as 13,000+ SREPS pay individual dues (at SM rate, but still \$5 post share)

SM post membership share for posts still 15%, hence increasing post membership rate increases post share

#### SAME

- Three extreme scenarios and several what if charrettes were examined to determine the range of financial (dues revenue) impact on SAME. The result: dues adjustments will pose no financial risk to SAME and will likely result in a moderate gain in revenue.

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## Sustaining Member Company Dues Adjustment Proposal for Decision

**The following dues adjustments are recommended in order to meet revenue targets and cover the costs to serve members.**

PROPOSED PRIVATE COMPANY DUES ESTABLISH CORPORATE FEES for INDIVIDUAL MEMBERSHIPS					Current Dues		
employees	National	Per Post	Corporate Individual	Corporate Young Prof	National	Per Post	Add'l Rep
1-10	\$325	\$80	\$95	\$60	\$275	\$120	\$60
11-50	\$650	\$150	\$95	\$60	\$550	\$275	\$60
51-100	\$800	\$180	\$95	\$60	\$660	\$285	\$60
101-500	\$950	\$225	\$95	\$60	\$770	\$300	\$60
501-1,000	\$1,200	\$300	\$95	\$60	\$880	\$310	\$60
1,001-5,000	\$1,450	\$350	\$95	\$60	\$990-1,100	\$320-\$330	\$60
5,001 +	\$1,700	\$350	\$95	\$60	\$1,100-\$1,200	\$330-340	\$60

**Recommend: Approve the Sustaining Member Company Membership dues changes.**

## Communication Plan



## Communication Plan

- **Concept: two parallel approaches:**
  - SAME publications for widespread awareness/historical record.
  - Personalized letters to SMs on rationale and how specifically they will be impacted.
- **Message:** POSITIVESAME is a membership organization. These changes, coupled with the new Enterprise Management System (EMS) (database, website, app) will improve how the Society, its members take better function.
- **Means**
  - TME:**
    - Sidebar in TME Society News on outlining New IM Structure, BOD decision, schedule of rollout.
      - Emphasize those who have life memberships, uniform, etc., will be grandfathered in. Changes only impact new membership. Highlight that several categories remain very competitively priced to ensure those groups can continue to join SAME while still meeting the business rules (cost to serve).
    - Include in both President's and XD columns in TME how is the time to do this and show unity of effort in the decision on how to do it.
  - Real TIME:**
    - Include mention in XD intro, with specifics on when the changes go into effect.
  - Web:**
    - Publish a webpage with the following table outlining changes, benefits, and FAQs.

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## Bylaws Modifications

## Bylaws – Membership Review Implementing Procedures

Current: The current bylaws are too prescriptive with potential for inconsistency among existing and board-approved procedures and operations. Bylaws are legally binding and must remain flexible while adhering to state non-profit laws.

Proposed: Delete redundant information prescribing operations and procedures– limit bylaws to governance.

Impact: Keeps governance separate from operation, eliminates confusion among members and Posts. Empowers appropriate people to keep procedures relevant and productive.

**Recommend: Approve changes to Bylaws per the draft changes.**

## Bylaws – Business Operations Authority

Current: XC is authority for business operations (Article VIII, 1., b) *inclusive* of the budget (Article IX, 1., a., ii). Definition of Business Operations is: *Everything that happens within a company to keep it running and earning money is referred to collectively as business operations.*

Proposed: Make bylaws consistent with industry practice by fully empowering the XC to have approval authority over membership dues in addition to its existing authority over all other business operations. Retain authority for major member structure with the BOD. Industry standard for dues increase is one of the following:

- XC (or Executive Board) is the authority to change dues.
- Staff has authority to change dues.
- Automatic dues increases are written into bylaws or procedures to occur regularly.

Impact: BOD can focus on the Strategic Plan and allow XC to continue to make business decisions.

**Recommend: Approve changes to Bylaws per the draft changes.**

## Membership Review Timeline

- Feb 28:** Detailed Memo from the XD (“SAME Membership Dues Review”) to the National Leadership Team (NLT).
- Mar 1:** Enterprise Management System contracts signed (prior XC approval).
- Mar 4:** NLT Discussion (approve strategy, timeline, Focus Groups, lodge questions)
- Mar 5:** 3 Focus Groups and staff support established; parallel staff analysis as feedback is received
- Mar 10:** Answers to NLT questions (consolidated response to all questions to NLT).
- Mar 24:** Advance Info for XC Meeting from XD
- Mar 26:** Focus Groups report
- Apr 8:** Focus Group Briefs to NLT; Review XC decision brief
- Apr 14:** XC Prebrief
- Apr 22:** XC Decision Brief
- Apr 27:** Spring BOD (approve XC for 2021-2022; kick off new BOD member orientation)
- May 17-21:** VJETC
- TBD:** Special BOD Decision Brief (before/after VJETC)

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## Outcomes of Affirmative BOD Decisions

1. **Enable us to better serve our members!**
2. **Improve the governance and management of SAME IAW BOD Focus Group Recommendations:**
  - a. **Membership Focus:** Establish a **Membership Review Procedures Guide** for regular reviews of our membership to support governance and management decisions.
  - b. **\*Member Management:**
    1. Simplify our overly complicated membership and dues structure to make it easier to be a member.
    2. Adopt the standard of one member record per individual to support development (structure by Jun '21) of our Enterprise Management System (EMS) ... (Date: c. March 2022).
  - c. **Financial Management:**
    1. Adopt the membership organization industry standard for membership dues to reduce the current risk of being overly dependent on non-dues revenue.
    2. Modify dues (some increases, some decreases) to manage the financial risk of structure changes and better align dues the value we provide.
  - d. **Governance:** Amend our bylaws to align them with recommended decisions and current practices.

**\*NOTE: Contract for EMS signed 1 March; member structure required by Jun '21 for system development.**

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## Enclosure 2: Backup Slides

### Mock (Trial) Dues Adjustment

**Revenue Impact (Mock Dues Adjustment):** To test the new business rules, particularly the Sustaining Member dues, several scenarios were evaluated. Resultant revenue impact of this mock dues adjustment:

Member Type	\$ Impact of Change	# of individuals	Current Dues Contribution
Individuals	+ \$126,000	12,939	15%
Agencies/Organizations	+ \$5,000	57	2%
Private Companies		13,649	83%
Scenario I	+ \$663,000		
Scenario II	- \$123,000		
Scenario III	+ \$67,000		

**Scenarios:** The three scenarios tested are based on extreme responses by Sustaining members to the business rules and dues changes :

- I. Sustaining members retain national membership and all current posts and purchase individual memberships for the same number of representatives currently on their roster (people, not slots).
- II. Sustaining members pay for national membership and all additional posts, but purchase individual memberships for all individuals currently on their roster.
- III. Sustaining members pay for national membership and all posts they currently have, but purchase individual memberships for anyone

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### Mock (Trial) Private Individual Structure Impact Summary

Individual Member Post Memberships		
# Posts	#IMs	% IMs
1 Post	5,681	44%
2 Posts	2,168	17%
3 Posts	1,685	13%
Do not belong to any Post *	3,405	26%
Total	12,939	

\*Members that do not belong to Posts include students, strategic partners and Society at Large.

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## Mock (Trial) SM Membership Structure and Dues Change Impact Summary

### SM Scenario I – purchases remain the same

Category	# SMs	% that will decrease	% that will increase	avg increase
1-10	405	5%	95%	16%
11-49	484	24%	76%	14%
50-99	209	11%	89%	22%
100-249	159	4%	96%	27%
250-499	102	13%	87%	21%
500-2,499	96	7%	93%	45%
2,500-7,499	34	0%	100%	55%
7,500	21	0%	100%	38%

### Scenario II – do not purchase any posts

Category	# SMs	% that will decrease	% that will increase	avg increase
1-10	405	17%	82%	11%
11-49	484	29%	71%	7%
50-99	209	33%	67%	8%
100-249	159	35%	65%	10%
250-499	102	56%	44%	-7%
500-2,499	96	42%	58%	7%
2,500-7,499	34	41%	59%	12%
7,500	21	52%	48%	-8%

### Scenario III – do not purchase any individuals

Category	# SMs	% that will decrease	% that will increase	avg increase
1-10	405	8%	92%	14%
11-49	484	33%	67%	9%
50-99	209	33%	67%	7%
100-249	159	25%	75%	11%
250-499	102	71%	29%	-7%
500-2,499	96	20%	80%	14%
2,500-7,499	34	3%	94%	20%
7,500	21	19%	81%	19%

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## Sample Composite Sustaining Member Company Impact

**Trial Run:** Assume all SMs purchase same number of posts and pay for all current SREPs to become individual members. Sort companies from lowest percentage impact (1) to highest (1450). A random sample of the impact on individual companies from the list is shown below.

SM (Ref #)	Empl. Size	Current # Posts	Current # REPs	Current Dues	New Dues	\$ Change	% Change
A (1)	12	3	12	\$1,100	\$675	-\$475	-76%
B (300)	304	11	16	\$3,980	\$4,150	+\$170	+4%
C (725)	25	1	8	\$670	\$765	+\$95	+12%
D (950)	9	1	1	\$275	\$325	+\$50	+15%
E (1,154)	65	12	29	\$3,795	\$4,890	+\$1,095	+22%
F (1,239)	20,000	39	75	\$14,120	\$20,605	+\$6,690	+31%
G (1,329)	1,100	31	70	\$10,590	\$17,280	+\$6,690	+39%
H (1,423)	18,000	53	246	\$18,880	\$41,400	+\$22,520	+54%

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## Mock (Trial) Dues Adjustment

**Summary:** The truth lies somewhere between the scenario extremes. The financial results of these extreme scenarios indicate:

- IM dues trend toward carrying an appropriate share of dues revenue ;
- The Sustaining Member changes proposed simplify member management (decouple people SREP and SM memberships) without major financial impact;
- Impact on SMs is reasonable, especially small companies;
- Impact on posts depends on whether and to what extent SMs drop posts; small posts experience minimal impact; most posts do not rely on dues share provided by national;
- a need to review and possibly enhance SM benefits in order to incentivize positive response to corporate business rule changes.

## Enclosure 3: Proposed Bylaws Updates

### Proposed Bylaws Changes – April, 2021

1. **Implementing Procedures.** The current bylaws are too prescriptive and there is potential for inconsistency among existing and board-approved procedures and operations. The following changes aim to eliminate “how” sections from bylaws and reference the appropriate supporting documents.
  - a. SAME Membership Business Procedures Guide. With the creation and approval of this guide, several portions of the bylaws can be transferred to this document and expanded upon to be more clear about membership procedures. See:
    - i. Article III, 1. – removed categories
    - ii. Article III, 2. – removed
    - iii. Article III, 3. – removed
    - iv. Article III, 4. – added SAME Membership Business Procedures Guide
    - v. Article III, 6. – moved AOF classification to Fellows, Article VIII, 2., a.

	<b>Current</b>	<b>Proposed</b>
i.	Individuals may be an individual member of SAME and a Sustaining, Public Agency, Academic Member, or Nonprofit Representative.	Membership Business Procedural Guide (clause removed)
ii.	<b>Annual Dues (Individuals).</b> The Board of Direction shall prescribe dues for individual membership in SAME. Dues for all members shall be reviewed periodically and adjusted by a majority vote of the Board of Direction. Dues shall be paid to the SAME National office annually or as otherwise determined by the Board of Direction. An individual member may be classified in only one of the following categories...	Membership Business Procedural Guide (clause removed)
iii.	<b>Annual Dues (Organizations).</b> The Board of Direction shall prescribe dues for the following categories of membership for companies, non-profit organizations, academic institutions and public agencies as follows...	Membership Business Procedural Guide (clause removed)
iv.	Not in current bylaws.	<b>Membership Business Procedures.</b> The National Office will maintain the SAME Membership Business Procedures Guide...

2. **Business Operations Authority.** XC is authority for business operations (Article VIII, 1., b) inclusive of the budget (Article IX, 1., a., ii). The following changes are to ensure consistency throughout the document.

- a. Article I, 2.: Decisions about the location of SAME (tied to budget) should be determined by the XC.
- b. Article III, 4.: Proposed change to allow Executive Committee to oversee business aspects of membership (tied to budget).
- c. Article V, 1.: BOD supports the Strategic Plan.
- d. Article V, 1.: XC already has authority to allow business to incur debt (budget).
- e. Article V, 1.: XC may approve dues (tied to budget).
- f. Article VIII, 1.,b.: Defines business operations and adds governance.
- g. Article VIII, 1., b.: includes approving dues.

	<b>Current</b>	<b>Proposed</b>
a.	<b>The National Office will be located in Alexandria, VA, or as determined by the Board of Direction.</b>	<b>The National Office will be located in Alexandria, VA, or as determined by the Executive Committee.</b>
b.	Not in current bylaws.	<b>Membership Business Procedures.</b> The Executive Committee has the authority to oversee business related aspects of membership. Changes to membership structure will be approved by the board of direction. Dues increases will be examined by diverse focus groups composed of members of the Board of Direction. The National Office will maintain the SAME Membership Business Procedures Guide, with Executive Committee approval authority.
c.	<b>General Powers.</b> The Board of Direction shall be members in good standing and have overall charge of all activities of SAME; and, in the discharge of its duties, shall have power, within the limitations of the Constitution and these Bylaws, to initiate and execute any measure whatsoever which, in its judgment, seems necessary or expedient to further the interests of SAME and to achieve its objectives;	<b>General Powers.</b> The Board of Direction shall be members in good standing and have overall charge of all activities of SAME; and, in the discharge of its duties, shall have power, within the limitations of the Constitution and these Bylaws, to initiate and execute any measure whatsoever which, in its judgment, seems necessary or expedient to support the SAME Mission, Vision and Strategic Plan.
d./e.	provided, that the Executive Committee may act on behalf of the Board of Direction, except in approving dues, incurring debt, amending the Bylaws, or other matters considered of major significance to SAME membership.	The Executive Committee may act on behalf of the Board of Direction, except in amending the Bylaws.
f./g.	The Executive Committee, in the discharge of its duties; shall have the power to act on behalf of the Board of Direction, to establish policy and to initiate and execute any measures whatsoever which, in its judgment, are necessary or expedient to further the interests of SAME and achieve its objectives, with the exception of those actions reserved for the full Board of Direction listed in Article V.1. The Executive Committee may appoint task forces, boards of review, and other assistants, but any action taken by these subcommittees, boards, or assistants shall be subject to the approval of the Executive Committee.	The Executive Committee, in the discharge of its duties; shall have the power to act on behalf of the Board of Direction, to establish policy and to initiate and execute any measures whatsoever which, in its judgment, are necessary or expedient to further the interests of SAME and achieve its objectives. SAME business operations include all matters concerning the National Office Operating Budget, to include approving dues, incurring debt, budget approval, and management and expenditure of financial reserves. The Executive Committee will conduct an Annual Governance and Management Review and report results and actions to the Board of Direction.

