

**Report of the Administration and Finance Committee
The American Radio Relay League
2012 Annual Meeting of the Board of Directors – January 2012**

Committee Members: Director Cliff Ahrens KØCA, Chairman; Director Dennis Bodson W4PWF; Director Greg Sarratt W4OZK; Director Jim Weaver K8JE; Director Greg Widin KØGW; Vice Director Marty Woll N6VI; and Treasurer Jim McCobb K1LU.

Committee Activities

The Administration and Finance Committee met on November 19, 2011 at ARRL HQ in Newington and the minutes of that meeting have been distributed to the ARRL Board on December 22, 2011 at [arrl-odv:20379]. All committee members were present, except Jim Weaver K8JE, who participated by conference call. The following ARRL Officers also attended the November 19, 2011 A&F meeting: Kay Craigie, N3KN, President; Dave Sumner K1ZZ, CEO; Barry Shelley N1VXY, CFO; Mary Hobart K1MMH, CDO; and Harold Kramer, WJ1B, COO. The A&F Committee will also meet on Thursday, January 12, 2012 at ARRL HQ.

For the eleven months ending November, 2011, the ARRL's financial situation is sound. Income from operations is slightly less than this period last year, but is substantially ahead of projections, primarily due to under-budget spending. Net available income is ahead of the same period last year, and is ahead of projections. Year-to-date contributions for the eleven-month period are slightly less than planned, but are ahead of the same period in 2010. The ARRL portfolio has experienced usual market fluctuations this year, but is at its highest value and had the highest annual income in history. ARRL membership topped the 157,000 mark in November.

Mr. Kramer, COO, and Ms. Glass reported on the rollout plan for Digital QST. The January 2012 issue will be tested in-house. Staff and ODV will beta test the February issue. In March, the beta testing will be expanded to include selected Section Managers. The first public live edition will be the June, 2012 issue.

Ms. Hobart, CDO, discussed the plan for the upcoming Second Century Campaign. Substantial commitments have already been obtained from a number of major donors.

Mr. Shelley, CFO, reported that work is proceeding on schedule for the termination of the ARRL Defined Benefit Pension Plan. The Internal Revenue Service was notified of the official termination date of November 1, 2011, and ARRL requested a Letter of Determination on the qualification of the Plan. Notices have been sent to the plan participants and staff is collecting the information for the first round of estimated distributions from the Plan. Budgeted annual pension costs for the defined benefit plan have been reduced to zero as a result of the plan termination, but there will be a significant one-time charge to earnings at the termination of the plan.

Mr. Shelley gave a brief overview of the ARRL's health insurance benefit plan for the 2012 plan year. A change in carriers allowed the organization to hold the cost increase to 3.8% with no significant changes in the level of benefits.

Mr. Sumner presented the 2012-2013 Plan. Projected revenues for 2012 are approximately the same as projected in 2011. Total spending for 2012 is projected to increase about 0.8% from the budgeted levels for 2011. Major capital improvements include an air conditioning unit for ARRL Headquarters, and replacing the roof on a portion of the HQ building. Continuing resource commitments for major initiatives and a few new initiatives include: Second Century Campaign, Digital QST, WRC-12, ARRL National Convention at Pacificon in Santa Clara, California, New VEC Exam Maker software, New Instructor Training Course, DXCC Anniversary Award, and Information Technology Department initiatives, as more fully set out in the Plan. On staffing, the Plan proposes: (1) an additional position for the DXCC/Awards branch (in addition to the mid-year position approved in 2011), to add processing capability, cross training, and additional technical customer service support; (2) adding a part-time programming resource person in the IT Department for Web site maintenance and programming; and (3) upgrading a position in the Education Department to full-time to provide direct support to Instructors. On staff compensation, the plan recommends an average increase of 2%, effective April 1, 2012, which is a reduction of one-third from previous years. Increases will vary and be based on individual performance and the relative position of the current compensation within the individual's salary range. The A&F Committee voted unanimously to recommend the 2012-2013 Plan to the full Board of Directors for approval at the January Board meeting. The proposed Plan was distributed to the Board at [arrrl-odv:20331] on November 23, 2011.

President Craigie appointed a search committee to recommend a new Treasurer to the Board, to replace retiring Treasurer Jim McCobb K1LU. The search committee is composed of President Craigie, Directors Frenaye and Ahrens, CEO Sumner, and CFO Shelley. Nine resumes and statements of interest were received and reviewed by the search committee in a meeting on November 18 in Connecticut, prior to the A&F meeting. There were a number of well-qualified candidates. All committee members had individually ranked the same three individuals as the top three candidates, all of whom have broad financial leadership experience. Resumes of the top three candidates were distributed at the November A&F meeting and committee members were invited to suggest questions to be asked of the applicants during interviews. The search committee received and utilized some excellent suggested questions. The search committee personally interviewed the three top applicants in Charlotte, North Carolina, on December 2, 2011. After the interviews, the committee agreed on the top candidate, Frederick (Rick) Niswander K7GM from Greenville, NC. His references were checked, and his eligibility has been determined by the E&E Committee. Mr. Niswander will meet with the A&F on January 12th, and assuming it is acceptable to the A&F, he will be presented to the Board with a recommendation that he be elected as the volunteer ARRL Treasurer.

The chair will supplement this report with oral remarks at the Board meeting concerning important highlights from the upcoming January 12, 2012 Committee meeting. Please let me know if you have any questions or need any additional information. Thanks.

Respectfully submitted,

Cliff Ahrens KØCA

Cliff Ahrens, KØCA
Chairman

January 4, 2012