

ITEA Board of Directors

Meeting Minutes – 11 December 2013

Scientific Research Corporation (SRC) ♦ Arlington, VA

The quarterly meeting of the 2013-2014 Board of Directors was called to order by President Chas McKee at 6:36 p.m. ET on Wednesday, 11 December 2013.

The following individuals participated in the meeting:

Board Officers	
McKee, Chas – President	Hudgins, Gene – Vice President (via Phone)
Surch, Randy – Secretary (via Phone)	Christensen, Pete – Treasurer
Board Directors	
Bjorkman, Eileen (via Phone)	McFalls, Mike – Region Vice President (via Phone)
Brown, Mark (via Phone) – Senior Advisory Board Chair	Schab, John (via Phone)
Garcia, Charlie	Wilson, Terry (via Phone)
Board Committee Chairs	
Scully, Tim – Corporate Development Committee Chair	Wetzel, Mike – Chapter & Individual Membership Committee Chair
Swagerty, Kathi – Corporate Development Committee Chair	
Board Advisors	
Chalfant, Tim (via Phone)	Olinger, Jeff (via Phone)
ITEA Staff	
Gaidry, James – ITEA Executive Director	

The following individuals were not able to participate in the meeting:

Cannon, Pat – Director	Markowich, Amy – Advisor
Chalfant, Tim – Advisor	McDonnell Zubowsky, Jeanine – Region Vice President
Clewer, Stephanie – Award Committee Chair	Moraca, Steve – Director
Felder, Wilson – Director	Nikoloff, Peter – Director, Region Vice President
Foulkes, John – Events Committee Chair (via Phone)	McKearney, Terry – Region Vice President
Frederick, John – Region Vice President	Riemer, Jeffrey – Director
Greco, Michael – Advisor	Shelley, Rick – Elections Committee Chair
Gordon, Steve – Publications Committee Chair	Welshans, James – Historian
Lamberth, Greg – Region Vice President	

1.0 OPENING REMARKS

- 1.1 President McKee established that a quorum was present and thanked all of the Board members for participating in the meeting.
- 1.2 Review of the Agenda – President McKee then asked the Board if there were any comments regarding the agenda. Ms. Kathi Swagerty, Corporate Development Committee Chair, requested that her Committee's report be moved up in the agenda. Without objection the request was honored.

2.0 APPROVAL OF THE PREVIOUS BOARD MEETING MINUTES

President McKee asked the Board members to review the minutes from the 18 September 2013 Board meeting, and asked if there were any corrections. With no corrections noted a motion was made by Treasurer Pete Christensen and seconded by Director Charlie Garcia to approve the minutes as submitted. With no further discussion the motion passed unanimously.

President McKee asked the Board members to review the minutes from the 14 November 2013 Board meeting, and asked if there were any corrections. With no corrections noted a motion was made by Director Charlie Garcia and seconded by Treasurer Pete Christensen to approve the minutes as submitted. With no further discussion the motion passed unanimously.

3.0 REVIEW OF CURRENT ACTION ITEMS

Secretary Gene Hudgins noted that all the current action items, with three exceptions, would be presented within the various Officer and Committee reports. Without objection discussion on the other action items was tabled until the appropriate report.

After discussion the following Action items were continued, modified, and/or reassigned without objections:

ACTION 112812-05: Vice President McKee to work with Committee Chairs to develop actions and metrics for the 2016 Strategic Plan.
STATUS: Actions and metrics being developed.
SUSPENSE: Update to be provided at the March 2014 BOD meeting.

ACTION 032013-05: Board of Directors to engage DoD leadership to help identify a “problem” that the Events Committee can structure an event around to solve.
STATUS: Modified and re-assigned to the Professional Development Committee to cross-walk DAU Level III T&E Certification with the CTEP Credential to determine equivalency.
SUSPENSE: CLOSED.

ACTION 121113-05: *Professional Development Committee to cross-walk CTEP program to determine equivalency to DAU Level III.*
SUSPENSE: *Update to be provided at the March 2014 meeting.*

ACTION 032013-07: Board to conduct a brainstorming session to discuss growth ideas, including identify non-DoD organizations that can be approached for participation in ITEA.
Status: Brainstorming session scheduled for 6:30 p.m. on Tuesday, March 11, in conjunction with the System-of-Systems Workshop in El Paso.
SUSPENSE: Update to be provided at the March 2014 BOD meeting.

ACTION 091813-02: Board members to provide recommendations for 2014 Annual Symposium and 2014 Technology Review Program and Technical Chairs to ITEA President and Events Committee Chair by October 15th and 2014 Cyber Workshop Chairs by December 11th.
SUSPENSE: Update to be provided at the March 2014 BOD meeting.

4.0 ANNUAL SYMPOSIUM COMMITTEE REPORT

- 4.1 Vice President Chas McKee, 2013 Symposium Chair, presented the preliminary financials for the 2013 Symposium:

\$79,645 – Registrations (365 total, 166 paid)
\$74,175 – Exhibits (27 exhibitors)
\$115,250 – Sponsorships (19 sponsors)
\$269,070 – Total Revenue
\$152,729 – Total Expenses
\$116,341 – Net Income

- 4.2 Director Mark Brown moved and Director Charlie Garcia seconded that the Board relocate the 2014 Symposium from Denver to the DC Metro Area. ED Gaidry reported that the ITEA Staff has solicited proposals from several hotels in the DC Metro area and have found several that would be able to host the Symposium in the October timeframe. After discussion the Board unanimously approved moving the 2014 Symposium to October 6-9 at the Marriott Crystal City in Arlington, VA. The Board also agreed, without objection, to hold the 2015 Symposium at the Denver Marriott Tech Center.

5.0 TREASURER'S REPORT

Treasurer Pete Christensen reported that there has been no significant change in the cash reserves since April.

- 5.1 2013 EOY Projections and Variance from the 2013 Budget.
- a. Annual Symposium Revenues \$15K shortfall
 - Registration revenue fell \$10K short of revised budget.
 - Exhibit revenue fell \$38K short of revised budget.
 - On the plus side, Sponsorship revenue came in \$33K over the revised budget.
 - b. 2013 Workshop Expenses (e.g. SOS/LVC, Test Inst. Cyber Security) exceeded budget.
 - SOS/LVC includes expenses for the design, layout, printing, and mailing of the 2014 Call for Papers.
 - TIW includes expenses for the design, layout, printing, and mailing of the 2014 Call for Papers, as well as expenses that were already incurred prior to the cancellation of the 2013 event.
 - Cyber Security expenses were for invoices from the 2012 event that were received and paid in 2013.
 - Underwater Acoustics includes expenses for the design, layout, printing, and mailing of the 2012 Call for Papers that were incurred prior to the event being cancelled.
 - c. Actions to maintain our expenditures within budget.
 - There are some “sunk costs” related to all of the major events (e.g. Workshops, Symposium), such as Call for Papers, hotel deposits, program committee conference calls, staff site visits (if necessary), etc. that will be incurred even if the event is cancelled. On the flip side, we also receive a significant amount of revenue from exhibits and sponsorships up to a year prior to the event being held. The key is holding the event and managing the “onsite” expenses.

- Expenses for the events, as well as concessions/waivers of registration fees, are under the discretion of the event’s Program Chair. For example, at this year’s Symposium we had more attendees than what we had based the revised budget on—good. That caused us to increase the food and beverage orders to cover the additional attendees—bad. Also, we waived registration fees for almost 200 attendees (with only 166 paid)—bad because we missed that revenue, good because many of them were speakers that would not have attended otherwise.
- Also related to this year’s Symposium, we painted ourselves into a corner regarding our hotel choices due to the changing the location from Denver at the eleventh hour, and having only one hotel—the Hyatt Crystal City—with the availability within our required timeframe to host the Symposium. Moving from Denver, a relatively inexpensive conference location where we had budgeted \$150K in expenses, to DC, a very expensive conference location and trimming the budget to \$110K, we needed a perfect scenario to play out to make both the revised revenue and expense budget number. We also incurred \$10K in hotel room block attrition due to not meeting our commitment—which had already been reduced based on the revised expectations. NOTE: This item is still in negotiation with the Hyatt and could be either reduced or waived.
- If the Board decides to move the 2014 Symposium back to DC, we already have visited 2 Marriott hotels that are the “right” size for the number of attendees and exhibitors we had at last month’s Symposium. Based on this years’ experience we will be able to ensure that we do not overcommit to the hotel on the meeting space, F&B, and room block.

5.2 Current ITEA cash reserves

ITEA Reserves as of November 30, 2013		Reserve Policy Guidelines	
<u>"Quick" Reserves</u>	<u>Balance</u>	<u>Minimum</u>	<u>Max/Target</u>
Checking	\$57,091	n/a	\$125,000
Operating Reserves - 04078	\$26,786	\$200,000	\$182,315
Capital Reserves - 04177	\$42,780	\$75,000	\$121,543
"Quick" Reserves	\$126,657		
Months of "Quick" Reserves	3		
<u>Emergency Reserves</u>	<u>Balance</u>	<u>Minimum</u>	<u>Max/Target</u>
Education Reserve - 04076	\$108,797	\$82,023	\$102,529
"Q" & "E" Reserves	\$235,454		
Months of "Q" & "E" Reserves	5		
<u>Chapter Accounts</u>	<u>Balance</u>	<u>Minimum</u>	<u>Max/Target</u>
Cash at Chapters	\$113,554	n/a	\$30,246
Total Reserves	\$349,008		
Months of Total Reserves	7		

- The general guideline is to have about 6 months of reserves for the Association's fixed recurring expenses (e.g. rent, salaries, etc.). Events have variable revenues and expenses where the revenues are collected in advance of the expenses being incurred. Since we just completed the Symposium, which is our most expensive event each year, and the revenues were for the most part collected many months ago, the current reserves are at their lowest point of the year—as they are every year after the Symposium. The reserves will build back up as we collect revenues for the 2014 events—SOS, TIW, Symposium—and continue to collect revenues for our recurring sources—membership and Journal advertising.
- We should look at the Association Management option following the same process developed by the Board earlier this year—i.e. if SOS and/or TIW are not held.

ACTION 121113-01: Executive Director to evaluate lower cost marketing methods in lieu of direct mail.
SUSPENSE: Update to be provided at the March 2014 BOD meeting.

ACTION 121113-02: Event Program Chairs to provide the ITEA Treasurer with monthly updates on their event revenue and expenses in accordance with the ITEA Fiscal Policy, as well as status of program elements (speakers, exhibitors, sponsors, etc.).
SUSPENSE: Update to be provided at the March 2014 BOD meeting.

ACTION 121113-03: Executive Director to work with Antelope Valley Chapter to reconcile the Chapter's Education Fund.
SUSPENSE: Update to be provided at the March 2014 BOD meeting.

ACTION 121113-04: Executive Committee and Ways and Means Committee Chair to review the 2013 Financial Report by the end of January.
SUSPENSE: Update to be provided at the March 2014 BOD meeting.

6.0 CORPORATE DEVELOPMENT COMMITTEE REPORT

Ms. Kathi Swagerty, Corporate Development Committee Chair, presented the Committee's Report.

6.1 Current Action Items

ACTION 032013-01: Corporate Development Committee to work with Ways and Means Committee to estimate the potential budget impact (incremental revenue and expenses) associated with: 1) Increasing the number of individual memberships associated with each level of corporate membership (Corporate Development Committee recommends doubling the individual memberships per level); and 2) Allowing employees of a Corporate Member to attend ITEA events at the ITEA Member rate.

STATUS: In the Committee's attempt to quantify the cost of increasing individual memberships associated with a paid corporate membership we are in unanimous agreement that the existing tangible value to a member must be increased before we can solicit or hope to entice new corporate members to join. With the current budget situation, we believe that in 2013- 2014 it will be difficult to renew existing Corporate Memberships and even more difficult to enlist new Corporate Members. We believe increasing the incentive will change corporate mindsets from one of risk avoidance to a perceived value added network opportunity. Our discussion identified a two key potential actions designed to incentivize potential corporate members to view corporate membership more favorably.

- Increase the number of individual memberships associated with each level of corporate membership. We recommend doubling the individual memberships per level. Clearly identify the value of a Corporate Membership vs. Individual Memberships. Don Parkhurst will visit James Gaidry in May to discuss the idea of treating memberships for corporate members similar to a raffle.
- Allow corporate membership to be transferred to someone within the company to attend ITEA events at the corporate membership discount rate. This would allow the corporation to utilize their full benefits of their membership.

The committee does not feel that implementing these actions will have a major influence on who does and does not attend a conference and quite likely will increase attendance at conferences since corporate members will be more willing to send individuals that do not have to pay individual memberships and fees.

The Committee needs to work with the Ways and Means Committee to determine the budgetary impact of these items.

SUSPENSE: Update to be provided at the March 2014 BOD meeting.

6.2 Discussion Items

Add value to existing memberships without increasing costs. On the table:

1. Add a greater number of individuals associated with each corporate membership (earlier notes suggest doubling) and have the ability to transfer memberships for events to increase attendance.
2. Revisit video directory. Kathi waiting for information follow up from Network Video Company. Suggest trial with SRC, AAA, TASC and EWA.

New Concepts:

- A. Offer reserved tables for lunch and possibly symposium general session. Suggest the use of tabletop signs with company name and logo for further branding.
- B. Send CMs attendee lists ahead of each event
- C. Add recognition to the "Corporate News Section" in the journal- designed to identify new T & E innovation and exceptional corporate member involvement
- D. Consider an annual luncheon. Feature, recognize, and profile leaders and new comers. Gain support/attendance from Dave Brown.
- E. Increase CM awareness on website. Details to be discussed further.
- F. Create a presentation to be delivered to corporate leaders helping them understand the value of ITEA. Brief discussion with Dave Brown on this topic.

Request Board approval for above items: 1, A, B, C, D. Items 2 and E need more information before we can move forward. Our committee recommends sending only 2 hard copies of the journal to each corporate membership-one for the leader and one for the office. The rest of the members should receive e-versions only.

BOARD ACTION – After discussion the Board recommended the following:

1. The Executive Office should integrate New Concepts A, B, and C into upcoming events and measure their effect.
2. New Concept D needs additional thought—could this be held during the Annual Symposium as an evening event?
3. New Concept E should be integrated with the Action Item regarding the CM video directory.
4. New Concept F – an ITEA overview presentation is available on the ITEA Web site under “Chapter Resources.” The CM Committee should review the existing presentation and forward suggestions to the Executive Office.

8.0 EVENTS COMMITTEE REPORT

Dr. John Foulkes, Events Committee Chair, requested the Board’s assistance in picking the theme for the 2014 Annual Symposium.

The following themes have been suggested:

“Stimulating Commercial and Government Cross-Pollination of T&E Best Practices Globally”
This was mentioned at last week’s Symposium; tracks could be titled based on the various areas of the T&E process.

"Modeling and Simulation Use in T&E"

The September 2014 issue of the ITEA Journal with the theme “Modeling and Simulation Use in T&E” will have just been published. Questions to be addressed could include: M&S technology has gotten orders of magnitude better, but are we really doing things better? Are we actually benefiting from the effort we put into M&S? Are we using its products better? Are we more confident in it? Are our VV&A techniques improving? How much do we spend on it, and how much do we "save" by "reducing" the amount of live testing? What about M&S as part of a distributed architecture?

“The T&E of Unattended Vehicles”

The December 2014 issue with theme “Unattended Vehicle Testing” will be in the works and mostly being typeset by the time of the Symposium.

After discussion it was agreed that the theme would be “T&E to Achieve Better Buying Power 2.0.”

9.0 EXECUTIVE DIRECTOR REPORT

Executive Director James Gaidry presented the Executive Office report and noted that all open actions items have been completed. Without objection those action items were closed.

10.0 NEW BUSINESS

- 10.1** President McKee reminded the Board that the next meeting of the Board will be held during the System-of-Systems Workshop on Monday, March 10th, at 6:30 MT.
- 10.2** Treasurer Pete Christensen suggested that the Board meet at the MITRE offices in McLean, VA, on Wednesday, June 18th, at 6:30 pm. There were no objections.
- 10.3** There being no more business to be brought before the Board, a motion was made by Treasurer Pete Christensen and seconded by Director Mark Brown to adjourn the meeting. The motion was approved unanimously. The meeting was adjourned by President McKee at 8:26 p.m.

Date Approved

Mr. Gene Hudgins
ITEA Board Secretary