

April 26, 2013

Wade,

In regards to inquiries from OSLs about the management of NSPS' financial resources, we are providing information on decisions made by NSPS leadership, and the impact of those decisions on its financial resources.

First, be assured that the NSPS Treasurer works very closely with the NSPS Board of Directors and NSPS staff in an effort to make the most appropriate and financially responsible decisions possible. The Executive Director and office staff collaborate with the Treasurer and the Board on numerous matters affecting the use of our financial resources. Following are several examples of those collaborative efforts:

- In 2012, ACSM's office lease was up for renewal. Curt Sumner obtained lease quotes from the current landlord and from another property management company, located 20 miles northwest of the Gaithersburg office. The lease payments at ACSM's office, including utilities, were \$6,462 per month. The competing bid received from St. John Properties in Frederick, MD resulted in a savings of \$2,200 per month, which calculates to 34%. The \$4,262 per month paid at the new office location includes utilities. What's more, by signing a 10-year lease with St. John Properties, we were able to operate out of our new location rent free for the first 8 months of occupancy.
- In order to reduce overall travel expenses, the NSPS Board of Directors and the Executive Director have worked to reduce duplicate NSPS representation at State Society Conferences. In the past, NSPS might be represented by the Executive Director, and as many as 2 or 3 Board members. We now coordinate these trips so that only 1 or 2 representatives attend the State Conference. In addition, we have been able to collaborate with the State Societies to cover some of the travel expenses associated with NSPS representatives at these conferences. This year to date, of the \$3,402 expenses incurred for Executive Director's travel, NSPS has been reimbursed a total of \$2,046.
- At the Spring Meeting, the Board decided to discontinue the bookstore, with the exception of a few selected titles. Efforts are underway to liquidate all book stock ASAP. The basis for this decision is that NSPS makes only a small profit on book sales, and staff time invested in book sales can be re-allocated to more significant and valuable tasks for NSPS.
- NSPS is ramping up its efforts to become more visible to the surveying community. We currently host an online weekly radio show, have established a blog, and have setup NSPS accounts with Twitter and Facebook. And the good news is that all of these social media venues are free of charge! In addition, we have redoubled our efforts for our online weekly newsletter, *News and Views*. Interest in our newsletter is growing, and we are receiving a greater level of advertising royalties as a result of this growing interest. To date in 2013, we have generated \$3,368 in advertising royalties, compared with \$3,856 for all of 2012.

As you know, NSPS has designed a new joint membership program with the State Societies, which will provide benefits to all. Those benefits include the following:

1. Lower membership dues for surveyors. Compare the \$40 NSPS membership dues, under the joint membership program, to the \$225 membership rate paid by Full/Licensed members the previous two years.
2. More surveyors will be able to take advantage of the highly competitive NSPS business and personal insurance programs.
3. Conservatively, we estimate that a total of 20,000 surveyors will hold membership in NSPS, once the 100% Program is adopted in all states. This compares to the average count of 2,700 dues paying members of NSPS over the last two years.
4. Larger membership rolls will permit the NSPS Government Affairs Committee and Lobbyist to speak with a stronger voice on Capitol Hill on issues affecting surveyors and their clientele.

In August 2012, the NSPS Board of Directors decided to eliminate the Publications Manager position. This decision was driven by several factors. We determined that it would be appropriate to discontinue publication of the *ACSM Bulletin* subsequent to the completion of the merger of ACSM and NSPS. Also affecting this decision is the fact that most of the work associated with producing the *SalIS Journal* is performed by the volunteer Editor and his peer review team. At this same time we began negotiations with Flatdog Media (which you may recognize as the publisher of *Professional Surveyor* magazine) to provide media services to NSPS. At the beginning of 2013, we signed a 6-month agreement at \$3,000 per month for media services. Assuming both NSPS and Flatdog Media believe that our working relationship is beneficial, we will consider signing a renewal to the original agreement. Flatdog Media is currently assisting NSPS staff with getting our organization's message across, using all of the social media venues referenced above. The savings from eliminating the Publication Manager position is \$72,300, which includes employee benefits, and employer payroll taxes. A portion of this savings is being utilized to fund our agreement with Flatdog Media, and any other social media efforts the Board of Directors deems appropriate.

In the Fall of 2012, the Board utilized the Qualifications Based Selection process for the purpose of choosing a Lobbyist to represent NSPS and its membership on Capitol Hill. The decision was made to employ John M. Palatiello and Associates to provide those services to NSPS beginning in 2013. John Palatiello has 40+ years of experience as a lobbyist on Capitol Hill. We believe that John will represent NSPS and its membership well. John has met with Curt Sumner, Trish Milburn, and Neil Sandler of Flatdog Media to coordinate communication of our Government Affairs effort. The contract signed with John M. Palatiello and Associates is for \$40,000, compared with the \$38,400 proposal for services submitted by the previous lobbyist. Although John Palatiello's fee is a little higher, we have already experienced a significant improvement in our ability to have our voice heard.

As noted above, recent decisions and actions have resulted in more efficient use of NSPS' financial resources. Below are some highlights of Board/Staff actions affecting the management of our financial resources during the last several years, along with the resulting savings.

- The last two years that ACSM sponsored an annual conference, a net loss of \$108,000 was incurred. These losses were due to significantly lower attendance than in previous years -- insufficient to cover the fixed costs of the hotel rooms and convention center reserved for the conference. To save the expense and staff costs involved in sponsoring

the Annual Surveyors' Conference, this conference has been suspended, at least for the time being.

- Elimination of the NSPS Administrator staff position in July 2010, resulting in annual savings of \$68,350.
- Converted the NSPS educational programs staff position from full-time to part-time, beginning February 2009. Monthly savings have been approximately \$3,800, with annual savings of approximately \$45,600.
- Transitioned the *ACSM Bulletin* publication from paper to electronic distribution, with savings of approximately \$9,500 per issue (annual savings of \$57,000). This conversion occurred in mid-2011. Of course, the *ACSM Bulletin* is now being eliminated in favor of more effective outreach outlets.
- Beginning with the 2010 filing year, the Accounting Manager has prepared ACSM and NSPS filings to the IRS, saving CPA fees of \$8,500 per year. There will be no more filings for ACSM as a result of the 2012 merger with NSPS.
- Executive Director travel to State Society Conferences was reduced, beginning in 2010. Budgeted travel expenses for the period 2007 through 2009 averaged \$23,000. Between 2010 and 2012, budgeted travel expenses have steadily declined → 2010 = \$11,300 2011 = \$4,000 2012 = \$2,400. The current numbers for 2013 are listed previously in this report.
- Through an incentive program offered by UPS, NSPS has realized more than \$3,300 in savings on shipping packages through UPS over the last two years.
- Archives storage expense has been reduced since moving to the NSPS Frederick office. Book inventory and documents were stored at Public Storage in Gaithersburg at a charge of \$330 / month. The contents that were stored at Public Storage are now contained within a dedicated storage area at the Frederick office, resulting in an annual savings of approximately \$4,000..
- Changed insurance carrier for employee life insurance coverage, at monthly savings of \$150, resulting in annual savings of \$1,800. Insurance carrier change occurred in August 2010.
- NSPS' decision to assume from ACSM the role of employer on January 1, 2012 resulted in savings on Maryland Unemployment Insurance premiums. Due to staff terminations in 2009 and 2010, ACSM's insurance rate was at 13.5% on the first \$8,500 of salary per employee, or \$1,147.50 per employee. The Maryland Unemployment Insurance Office provided NSPS with the new employer rate of 2.6% on the first \$8,500 of salary per employee, or \$221 per employee. Based on NSPS' current staff size, the annual savings are \$3,706.
- Telecommunication expenses have sharply declined with the move to the Frederick office. At the ACSM office in Gaithersburg, telecomm services were provided by three different service companies. ACSM's monthly expense in 2011 averaged \$675; in 2012 the monthly expense averaged \$505. NSPS has one service company for all telecomm services at the Frederick office, averaging \$254 per month, which is 50% less than ACSM's 2012 monthly average, and 62% less than ACSM's 2011 monthly average.
- Office Manager has established NSPS accounts with new office supply companies, resulting in savings on everyday office supplies of between 25% and 45% compared to the office supply companies used by ACSM in Gaithersburg.
- NSPS has realized savings on business insurance premiums as a result of the merger. For 2013, our estimated insurance expense is \$7,500. Compare this amount to the total

ACSM/NSPS insurance premiums of \$12,900 for 2012, and \$11,900 for 2011. These premium savings come from eliminating the ACSM coverage for Officers & Directors, and reduced premiums for the Business Owners' Policy.

In closing, we believe it is clear that NSPS leadership and staff are committed to making NSPS the best organization possible for all U.S. surveyors. We are dedicated to the idea of making fiscally responsible decisions and providing excellent member-focused service. We are working diligently to promote NSPS' mission and values to all surveyors, and striving to be a stronger presence on Capitol Hill. Should you have any further questions, please feel free to contact me.

On behalf of the NSPS leadership,  
Curt Sumner  
NSPS Executive Director