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2020-2021 BOARD OF GOVERNORS MEETING

Tuesday, June 16, 2020 – 1:00 PM to 3:00 PM EDT

FINAL MINUTES

Attendance during the open session was as follows:

Board of Governors

President: Bryan Erler
President Nominee: Mahantesh Hiremath
Immediate Past President: Rich Laudanat
Governors: Todd Allen, Andy Bicos, Joe Fowler, Laura Hitchcock, Thomas Kurfess, Rick Marboe, Michael Molnar, Paul Stevenson and Karen Thole
Executive Director/CEO: Thomas Costabile

Other Officers

Senior Vice Presidents: Kalan Guiley, Public Affairs and Outreach
George Papadopoulos, Technical Events and Content
Tom Pastor, Standards and Certification Sector
Michael Roy, Member Development and Engagement
Callie Tourigny, Student and Early Career Development
Secretary and Treasurer: Rob Pangborn
Ass't Secretary/General Counsel: John Delli Venneri, Esq.
Chief Financial Officer: William Garofalo
Corporate Counsel: John Sare, Esq.
President Nominee: Mahantesh Hiremath
Governor Nominees: Tommy Gardner, Sam J. Korellis, Wolf Yeigh

Staff

Judith Bamberger Secretary, Nominating Committee
Mandi Bergenfeld Technical Trainer and Help Desk
RuthAnn Bigley Manager, Governance Programs
Keith Bloesch Managing Director, Project Management & Reporting
Susie Cabanas Manager, Global Alliances and Board Operations
Melissa Carl Director, Diversity & Volunteer Training
Philip DiVietro Managing Director, Publishing
Erin Dolan Program Manager, EFest

Tim Graves	Managing Director, Technology & Engineering Committee
John Hasselmann	Managing Director, Global Public Affairs
Josh Heitsenrether	Managing Director, Marketing & Digital Strategy
Heidi Hijikata	Director, International Relations
Katherine Holmes	Director, Government Relations
Deborah Holton	Managing Director, Industry Events/TABD
Michael Johnson	Chief Strategy Officer
Dennis Kilian	Managing Director, Corporate Sales
Paul Lang	Sr. Director, Accreditation & Initiatives
Kathleen Lobb	Managing Director, Philanthropy
Tom Meehan	Managing Director, Controller
Cheryl Neas	Senior Manager, Strategy, Stakeholders & Governance
Jeff Patterson	Chief Operating Officer
Leila Persaud (online 1 minute)	Manager, Honors and Fellows
Allian Pratt	Managing Director, Global Alliances & Board Operations
Claire Ramspeck	Managing Director, Standards
Nachalie Rodriguez	Administrative Assistant, Executive Office
Patti Jo Rosenthal	Manager, K-12 Programs
Karen Russo	Director, Global Outreach and Board Operations
Anand Sethupathy	Managing Director, Programs
Serosh Shahid	Director, SECD
Luwisa Smart	Coordinator, Constituent Engagement and Experience
Brandy Smith	STEM Programs
David Soukup	Managing Director, Governance
Evelyn Taylor	Director, Section Support
Kim Williams	Meetings Manager

Other Attendees

Betty Bowersox	COFI Chair
Jennifer Cooper	DISC Member
Pasquale Dell'Aquila	Project Management Consultant
Larry Dickinson	ASME Member
Vincent Dilworth	Chair, Mt. Diablo Section
Nicole Dyess	Nominating Committee Consultant
Reuben Fikreyesus	ELIPSE Intern
Amos E. Holt	Past President, 2009-2010
Said Jahanmir	Past President, 2018-2019
Jenn Jewers-Bowlin	Philanthropy Committee
Colleen Kennedy	Oregon Section Chair
Dan Killilea	North Texas Section Chair
Madiha Kotb	Past President, 2014-2014
Mohammad Mahinfala	Chair, Student Sections & Early Career
Lance Hoboy	ASME Member
John Mulvihill	Group Engagement Committee
Karen Ohland	Member, COFI
Peter Oviroh	ECLIPSE Intern
Mary Lynn Realff	Past Governor

Craig Redding	ASME Member
Keith Roe	Philanthropy Committee Chair, Past President, 2016-2017
Victoria Rockwell	Past President, 2011-2012
Wes Rowley	Committee Chair, COR
Harvey Schowe	ASME Member
Terry Shoup	Past President, 2006-2007
Susan Skemp	Past President, 2002-2003
Robert Sims	Past President, 2014-2015
Robert Simmons	Past President, 2010-2011
David Smith	ASME Member
Jacquelyne Tan	ECLIPSE Intern
Tom Vogan	Chair, Nominating Committee
William Weiblen	Past President, 2001-2002
Charla Wise	Past President, 2017-2018
Sam Zamrik	Past President, 2007-2008

1. **Opening of Meeting**

- 1.1 **Call to Order:** On June 16, 2020, a meeting of the 2020-2021 Board of Governors of the American Society of Mechanical Engineers was held. A quorum was present, and the meeting was called to order by President Erler at 1:01 PM Eastern Daylight Time.

President Erler welcomed the new ECLIPSE Intern, Jacquelyne Tan, who was on the call from Singapore.

- 1.2 **Adoption of the Agenda:** The Board voted to adopt the agenda as circulated on June 2, 2020.

- 1.3 **President's Remarks:** President Erler thanked everyone for the opportunity to serve President. He understands that the role of President of ASME comes with great responsibility and a lot of work. He has worked with and learned from the past presidents especially Rich Laudenat and Said Jahanmir. Mr. Erler promised to work hard and give his full effort to make ASME a premier resource for the engineering community, nationally and globally.

Mr. Erler further noted that he is committed to helping the Board of Governors carry out the strategies and business plans they have created. Additionally, his passion is to attract the best and brightest to the field of engineering and to do that he expressed the need for more scholarships and endowments for students.

Executive Director/CEO's Remarks: Mr. Costabile began by thanking President Erler and mentioned how he is looking forward to continuing the work with Mr. Erler in the upcoming year. He also officially welcomed Andy Bicos, Rick Marboe and Paul Stevenson to the Board as new governors and welcomed Jacquelyne Tan, the new ECLIPSE intern.

Mr. Costabile sees FY21 as a year of transition, with the establishment of a new norm and all signs leading to a development of a hybrid approach to conferences and meetings. One of the positive aspects of it will be more international attention because of this new approach.

During this fiscal year, the Board will be reviewing the results of the new membership model and will recommend a new path forward for FY22. While there are many complicated pieces to it, it will ultimately refine and strengthen the organization.

Mr. Costabile thanked Bob Sims and the Committee of Past Presidents for hosting the Salute to Leadership event being held later this evening, where the new nominees will be introduced.

- 1.4 Consent Items for Action: No requests were received to remove any items from the Consent Agenda.

The Board voted to approve the following items on the consent agenda:

- 1.4.1 Presidential Appointments: Approval of Governors to serve as committee members and in liaison roles
1.4.2 2020-2021 Membership Dues

2. Open Session Agenda Items

- 2.1 Update on International Society of Interdisciplinary Engineers: Mr. Costabile mentioned that several growth opportunities are being evaluated including doing more in the for-profit arena by forming a new corporate for-profit entity. This entity may include various sectors such as learning and development and industry events. Various funding models are being examined and evaluated.

Michael Johnson stated that the underlying intent is to expand the revenue base and diversify the revenue streams to support the mission of the Society while also creating an environment that is more appealing to the next generation of engineers. Accordingly, ASME will focus on some of the sustainable issues from a global perspective: clean energy, water, public health and public safety, to name a few. The next step is to determine the right governance structure for ISIE. There will be a deeper dive into this topic at a special information session meeting.

- 2.2 Senior Vice President Recommendations – SECD/PAO – President Erler called on Callie Tourigny, Senior Vice President of Student and Early Career Development to make her presentation on behalf of Nicole Kaufman Dyess for Senior Vice President of SECD. Callie gave a brief overview of Nicole's professional experience and her history with ASME.

Kalan Guiley, Senior Vice President of Public Affairs & Outreach was called upon to present Dr. Lester Su as the PA&O candidate for Senior Vice President. Guiley reviewed Dr. Su's professional experience, as well as his work with ASME.

[Post-meeting note: Both Ms. Dyess and Dr. Su were approved by the Board in the closed session that followed the open session.]

- 2.3 Board Planning Meeting: President Erler mentioned that annual planning meeting will be held virtually for two days. He then introduced Michael Johnson for a few remarks.

Mr. Johnson mentioned that Day 1 of the meeting will be about the state of the society from a strategic point of view. He would like a set of discussions, some collectively and some as breakout

groups, discussing the impact of digitalization on the society, emerging trends coming out of the COVID-19 pandemic and opportunities for ASME.

He suggested that Day 2 focus on how ASME can and should pivot to the execution of the ASME strategy and some of the options around that execution: the emphasis being more on the “how” and not the “what”.

3. New Business - President Erler asked for a motion to approve the members of the Foundation Board. The following members were elected to the Foundation Board:

Chair: Frank C. Adamek

Directors: Thomas Costabile, P.E., Rudolf E. Landwaard, P.E., Kathleen M. Lobb, Thomas J. Meehan, Robert T. Simmons, P.E.

4. Open Session Information Items

4.1 Dates of Future Meetings

DATE	DAY	TIME	LOCATION
July 2, 2020 – Board Information Session	Thursday	11:00-12:30 PM	Video Conference
July 27, 2020 - Planning Meeting Day 1	Monday	TBD	Video Conference
July 28, 2020 - Planning Meeting Day 2	Tuesday	TBD	Video Conference
August/September 2020	TBD	TBD	Video Conference

5. Adjournment – The meeting adjourned on Tuesday, June 16, 2020 at 1:40 pm.



Robert N. Pangborn
Secretary

List of Appendices

- 1.5.1 Presidential Appointments: Approval of Governors to serve as committee members and in liaison roles
- 1.5.2 2020-2021 Membership Dues



Board of Governors Agenda Item Cover Memo

Date Submitted:	May 29, 2020
BOG Meeting Date:	June 16, 2020
To:	Board of Governors
From:	Bryan Erler
Presented by:	Bryan Erler
Agenda Title:	FY21 Presidential Appointments

Agenda Item Executive Summary:

The Appointment of Governors to serve as committee members and in liaison roles:

- Audit Committee: **Paul Stevenson** (3 years)
- EDESC: **Andy Bicos** (3 years)
- Committee on Finance Liaison: **Tom Kurfess** (1 year)
- Committee on Honors Liaison: **Mike Molnar** (1 year)
- Committee on Organization and Rules Liaison: **Rick Marboe** (1 year)
- Diversity and Inclusion Strategy Liaison: **Laura Hitchcock** (1 year)
- Industry Advisory Board Liaison: **Andy Bicos** (1 year)
- Volunteer Leadership Training (VOLT) Academy Liaison: **Rick Marboe** (1 year)

Proposed motion for BOG Action: Approval of Governors to serve as committee members and in liaison roles for FY21.

Attachments: None

**ASME Board of Governors
Agenda Item
Cover Memo**

Date Submitted: May 28, 2020
BOG Meeting Date: June 16, 2020

To: Board of Governors (BOG)
From: COF
Presented by: Betty Bowersox
Agenda Title: 2020 – 2021 Membership Dues

Agenda Item Executive Summary:

COFI has reviewed the 2020-2021 membership dues calculation with staff who has recommended not to increase dues until the results of the new Membership Model Pilot have been evaluated.

COFI voted to recommend that the Board of Governors not increase base membership dues for 2020-2021. The base membership dues will remain at \$158.00.

Proposed motion for BOG Action:

COFI recommends no increase in base membership dues for 2020-2021.

Attachments:

ASME Membership Dues: 2020-2021 Presentation

MOTION:

To approve 2020-2021 membership dues of \$158.00.



ASME Membership Dues: 2020-2021

What to Expect from This Presentation

- ASME's by-laws entitle us to increase the membership dues for membership year 2020-2021 by \$4 based on the CPI Index.
- The motion proposed to the Board of Governors to NOT increase annual membership dues (rationale on page 3).

Proposed Membership Dues (2020-2021):

FY21 - October 2020 Dues Calculation

Calculation	CPI	ASME Dues
October 2019 Dues		\$158.00
January 2020 CPI	257.7	
January 2019 CPI	251.9	
Inflator (<i>Jan 20 CPI ÷ Jan 19 CPI</i>):	1.023	
Maximum allowable dues as per C9.1.1		\$162.03
<i>(Round down as per Society Policy 14.5)</i>		
Recommended FY21 October 2020 Dues: \$0 INCREASE		\$158.00

Recommendation Rationale

- Our plan did not intend to increase membership dues during the membership model pilot.
- Pilot is currently in progress. Increasing dues in the midst of the pilot will most likely skew results that are essential to decisions that need to be made for full roll out.
- Given the current economic instability and decline in membership, we need to reduce the risk of increased attrition attributable to higher dues pricing.
- The ~\$50K incremental revenue for each \$1 increase in dues pricing does not outweigh the skewed pilot results and increased risk of attrition.
- Multiple research studies have shown that high membership dues is a reason for lapsed membership.
- Recommendation is to maintain the status quo on pricing until the pilot and improved value proposition have been fully vetted.

Source: US Government Bureau of Labor Statistics

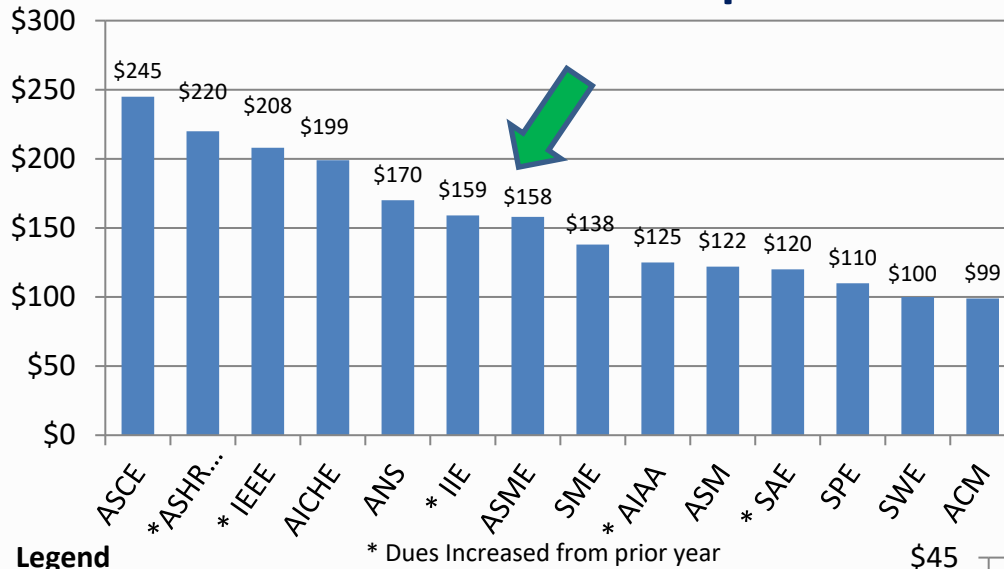
https://www.bls.gov/regions/mid-atlantic/data/consumerpriceindexhistorical_us_table.htm

CPI: All Urban Consumers NSA



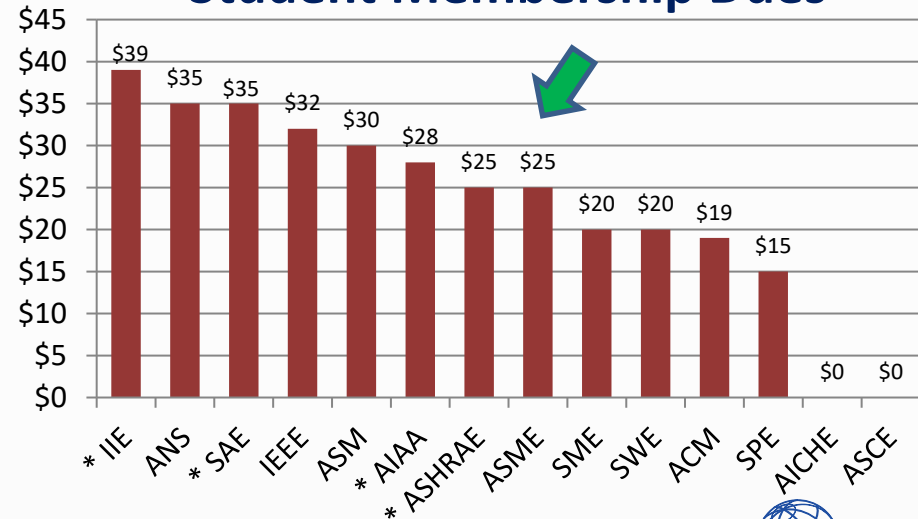
Comparison of ASME to Other Technical Societies:

Professional Membership Dues



ACM	Association for Computing Machinery
AIAA	American Institute of Aeronautics and Astronautics
AICHE	American Institute of Chemical Engineers
ANS	American Nuclear Society
ASCE	American Society of Civil Engineers
ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers
ASM	ASM International (Formerly American Society for Metals)
IEEE	Institute of Electrical and Electronics Engineers
IIE	Institute of Industrial Engineers
SAE	Society of Automotive Engineers
SME	Society of Manufacturing Engineers
SPE	Society of Petroleum Engineers
SWE	Society of Women Engineers

Student Membership Dues



Selected Association Industry Benchmarks:

Source: Marketing General 2019 Membership Marketing Benchmarking Report – 2019 survey had 824 respondents from unique societies and trade associations. Data shown is for individual membership societies only.

Median Basic Annual Membership Dues	
Individual Member Societies	\$222

Membership Change	Past Year	Past 5 Years
Increased	46%	51%
Decreased or Remained the Same	53%	45%
Not Sure	1%	4%

How often does your Association raise dues?	
Annually	24%
Every other year	5%
As needed	52%
Other	11%
Never	8%

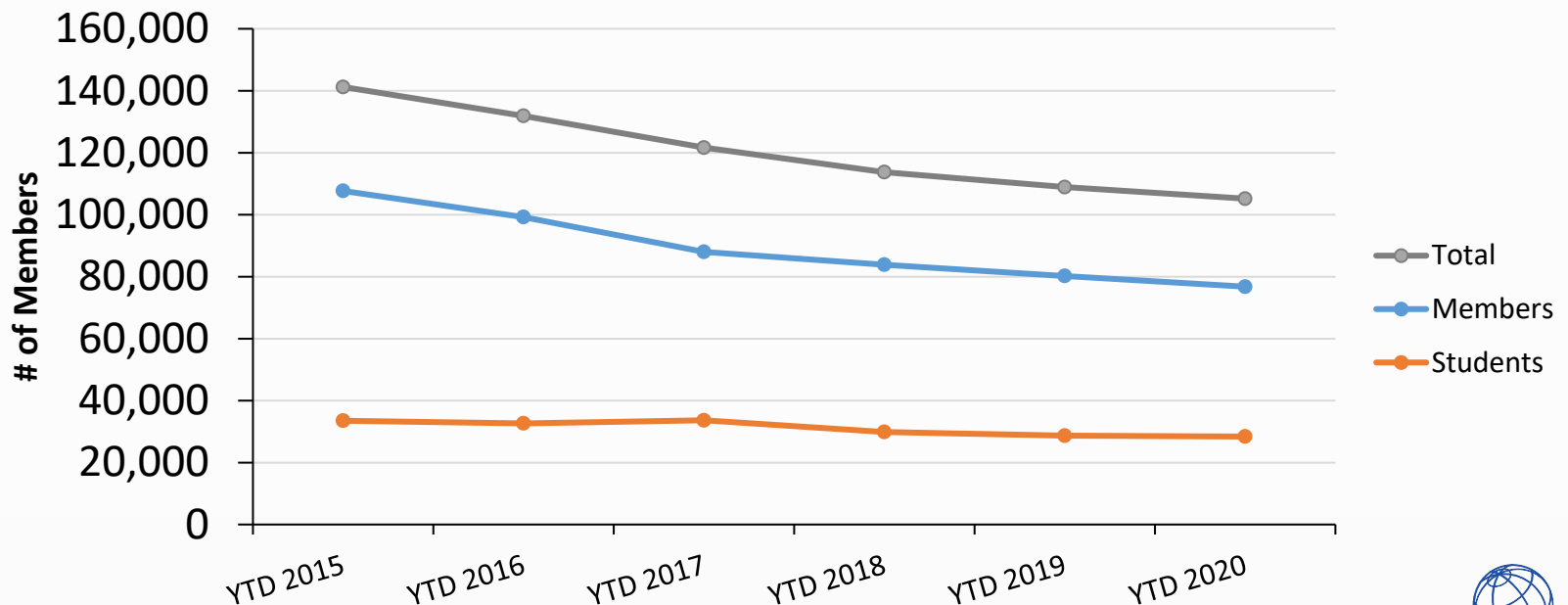
Biggest Two External Challenges to Grow Membership	
Economy/cost of membership	46%
Perception of the association and/or its culture (i.e., old boy's network, not specialized enough, etc.)	42%
Competitive association(s) or sources of information	39%
Lack of brand awareness	38%
Declining member/employer budgets	35%
Changing demographics of industry/fewer young people in industry	33%
Industry consolidation/industry shrinkage	17%
Market saturation	12%
Other	11%

Membership Counts:

Membership Counts at 1/31 each year

	YTD 2015	YTD 2016	YTD 2017	YTD 2018	YTD 2019	YTD 2020
Members	107,699	99,236	88,012	83,866	80,232	76,763
Students	33,539	32,675	33,653	29,884	28,697	28,424
Total	141,238	131,911	121,665	113,750	108,929	105,187

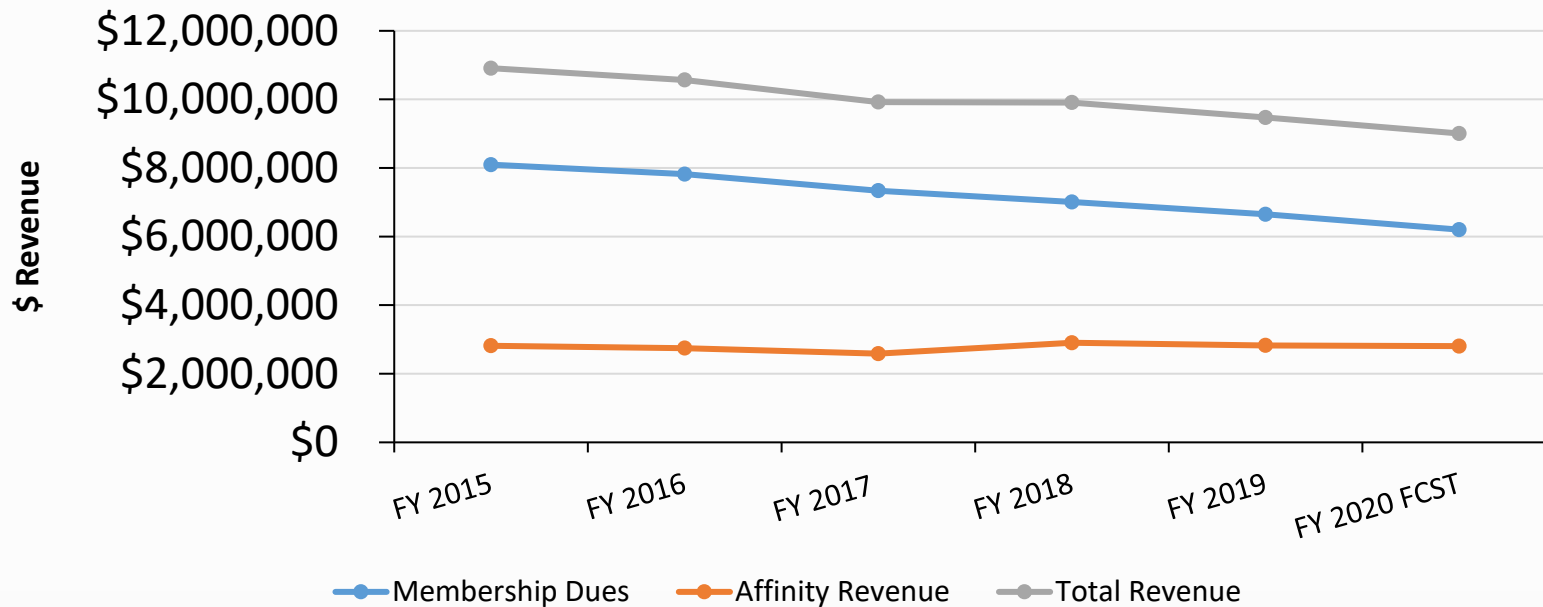
Membership Counts



Membership Revenue:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 FCST
Membership Dues	\$8,093,259	\$7,819,504	\$7,336,157	\$7,007,645	\$6,646,815	\$6,200,000
Affinity Revenue	\$2,814,029	\$2,745,314	\$2,583,797	\$2,900,093*	\$2,823,383	\$2,804,340
Total Revenue	\$10,908,288	\$10,564,818	\$9,919,954	\$9,907,738	\$9,470,198	\$9,004,340

Membership Dues and Affinity Revenue

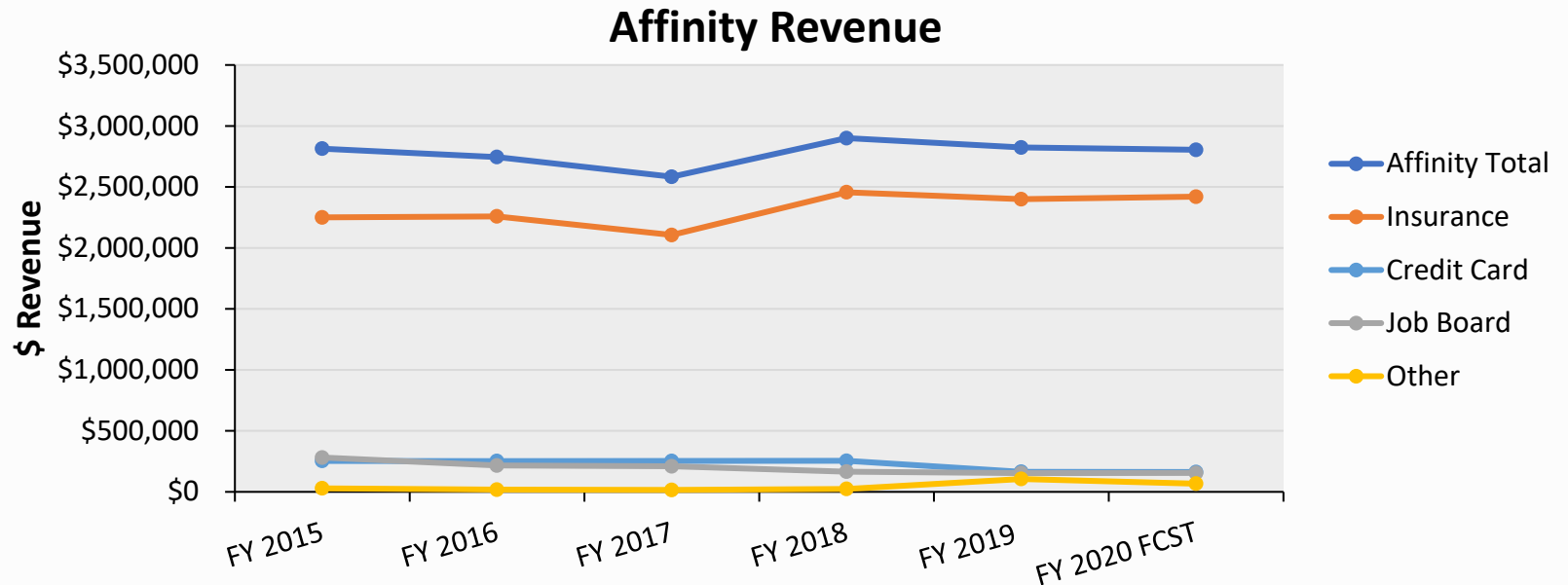


* FY 18 – Affinity Increased annual fixed Insurance Royalties by \$300K



Affinity Revenue:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 FCST
Credit Card	\$253,800	\$252,600	\$252,900	\$254,000	\$164,464	\$162,242
Insurance	\$2,250,249	\$2,258,298	\$2,105,756	\$2,456,324	\$2,399,445	\$2,420,000
Job Board	\$281,037	\$216,032	\$209,392	\$165,685	\$153,895	\$155,000
Other	\$28,943	\$18,384	\$15,749	\$24,084	\$105,579	\$67,098
Affinity Total	\$2,814,029	\$2,745,314	\$2,583,797	\$2,900,093	\$2,823,383	\$2,804,340



Notes: 1) FY19 BofA Credit Card contract now in 2-year auto-renew; we receive earned royalties of \$160K per year (FY19 & FY20)
 2) FY17, 18, 19 & 20 DOD withdrawal not included in total
 3) Other includes Membership Certificates, Car Rental, Dell, Salary Services, and Misc revenue



Distribution of Membership Dues Post Drop:

Membership Segments	FY'20 Base Dues	Member Count (at 2/1/20)	% of Total
Member, Fellow, Affiliate	\$158	31,496	40%
Member out of School 4 years	\$134	521	1%
Member out of School 3 years	\$110	560	1%
Member out of School 2 years	\$86	762	1%
Member out of School 1 years	\$63	1,328	2%
Retired Member	\$79	2,346	3%
Life Member (Paying Service Charge)	\$39	4,749	6%
Life Member (No Service Charge)	\$0	18,599	24%
Student Member	\$25	8,453	11%
Free Members (Freshman Free, Complimentary Course/Conference, Honorary, and Unemployed)	\$0	9,798	12%
Total		78,635	100%

Due to rounding, % of Total may not total 100%

Base Dues represent full rates and does not account for discounting for International Pricing, Proration, or general discounting



Distribution of Non-Dues Paying Members:

As of January 31 each year

Segments	YTD 2015	YTD 2016	YTD 2017	YTD 2018	YTD 2019	YTD 2020
Members:						
Life (including Service Charge*)	20,093	20,923	21,801	22,406	22,695	23,373
Complimentary (Course & Conference)	9,109	1,294	831	1,386	631	1,200
Other (Unemployed, Honorary, etc.)	1,522	1,552	1,799	1,522	1,469	1,327
Total Non-Dues Paying Members	30,724	23,769	24,431	25,314	24,795	25,900
Students:						
Freshman Free	5,335	7,768	7,208	5,274	7,209	5,548
Complimentary (Course & Conference)	792	832	111	147	1,201	1,723
Total Non-Dues Paying Students	6,127	8,600	7,319	5,421	8,410	7,271
Grand Total	36,851	32,369	31,750	30,735	33,205	33,146
* Life (Service Charge)	4,579	5,213	5,224	5,326	5,460	4,749

Metrics:

Key Metrics/KPI's*	FY'19
Member Renewal Rate **	90%
Member Average Tenure	10 yrs
Member Lifetime Value (LTV)	\$2,223

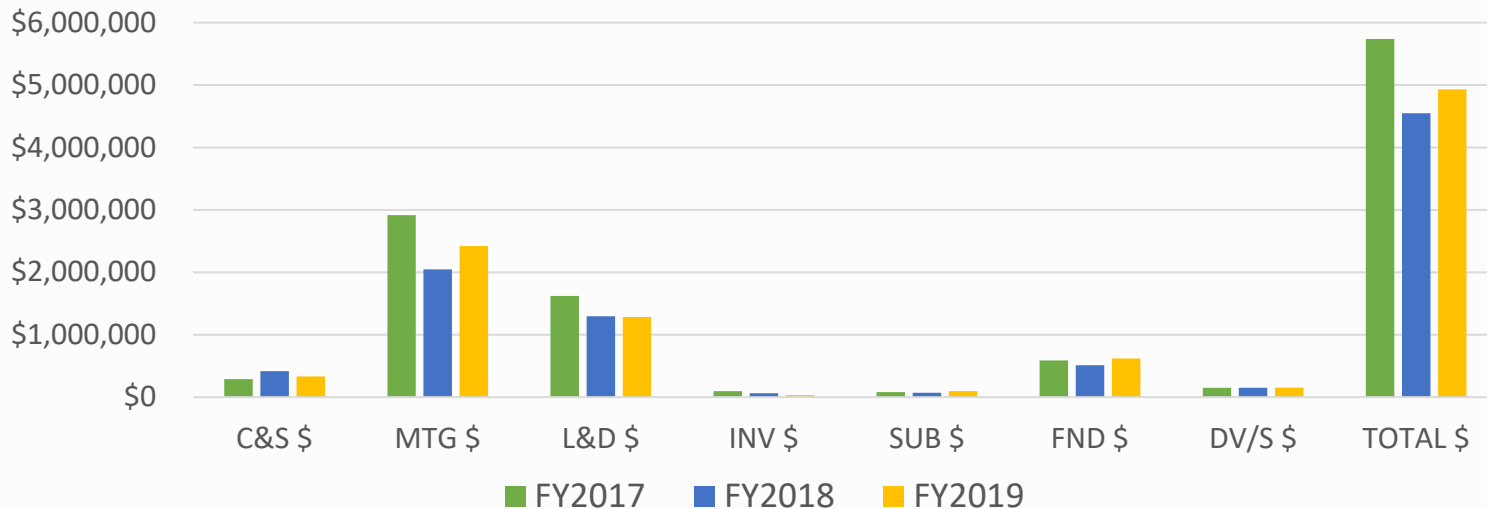
* Renewal Rates, Average Tenure and LTV are Key Metrics/KPI's for measuring association membership

** Industry benchmark average (mean) renewal rate is 78%.
Source: 2019 Membership Marketing Benchmarking Report

Member Purchases (Non-Dues):

	C&S \$	MTG \$	L&D \$	INV \$	SUB \$	FND \$	DV/S \$	TOTAL \$
FY2017	\$288,090	\$2,916,077	\$1,620,336	\$96,333	\$79,566	\$587,690	\$149,800	\$5,737,892
FY2018	\$416,252	\$2,047,580	\$1,294,826	\$62,471	\$68,521	\$510,272	\$149,610	\$4,549,532
FY2019	\$331,445	\$2,421,309	\$1,282,886	\$30,048	\$94,949	\$618,649	\$150,723	\$4,930,009

Member Purchases (Non-Dues)



Key: **C&S:** Standards & Certifications, **MTG:** Conferences, **L&D:** Learning & Development, **INV:** Inventory (ASME Press, Conf Pubs, Digital Content), **SUB:** Journal Subscriptions **FND:** Foundation Contributions, **DV/S:** Member Division/Section Contributions

COFI Motion:

**Recommend to the Board of
Governors NOT to increase the
base membership dues for the
2020 – 2021 Membership year.**

Questions?

Appendix

The ASME Constitution states:

C9.1.1 Any changes to the dues must be approved by at least two-thirds of the voting members of the Board of Governors.

A dues increase shall be limited to the change in the Consumer Price Index since the previous dues increase. A dues decrease shall not be limited.

C9.1.2 Any proposed dues increase beyond the limit contained in C9.1.1 must be submitted to the corporate membership for approval by letter ballot.

Regarding Student Membership Dues:

ASME By-Law B3.2.10 states: The Board of Governors shall, from time to time, as seems necessary, establish the dues for a Student Member and the corresponding services rendered.