

# 2021 Policy Council Meeting

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February 24, 2021

4 - 5:30 PM New York

## CHECKIN

Share something that made you laugh  
or smile this week in the chat!

## QUESTIONS OR COMMENTS

Enter HU in chat OR enter your  
question or comment

<http://bit.ly/SDSpcnotes>

# President's Welcome

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**Paulo Gonçalves**

University of Lugano, Switzerland

- Welcome
- Conference Registration - Opens March 1
  - Call for Sponsorship
- Strategy and focus
  - Continuity of ongoing efforts
  - Focus on processes that help execution
  - Focus on participation & experiments
- Cadence 3X
  - Warm-up, Deep Discussion, Vote

# Motions in 2021

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## COMING UP

- Stewardship Committee Policy 10A (Birgit Kopainsky)
- Stewardship Committee budget and activity plan (Birgit Kopainsky)
- 2021 Slate of Candidates (Martin Schaffernicht)

## IN PROCESS

- TBD **PLEASE VOTE**

## PASSED

- (1020) *Nigerian Chapter* (Stefano Armenia, Jack Homer Y:19/N:0/A:0/NV:6)

# Agenda

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- 0:05 Welcome (Paulo Gonçalves)
- 0:05 Conflict of Interest Forums
- 0:30 Strategy Discussion (Shayne Gary and Paulo Gonçalves)
- 0:30 Stewardship Committee Discussion (Birgit Kopainsky)
- 0:15 Palmer House Hilton Decision (Len Malczynski)
- 0:05 Announcements (Paulo Gonçalves)
  - APCC Pilot with China Chapter
  - Membership Status Report
  - Upcoming Meetings
- Adjournment

# Conflict of Interest Discussion (Brad Morrison)

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- <http://bit.ly/SDSCOIform>)
- All voting and non-voting policy council members submitted the form. Will send to Investment Committee and Stewardship Committee once formed.
- Individual Head into Waiting Room/Breakout Room while Other Discuss
- Potential Conflicts of Interest to Discuss
  - **Raafat Zaini:** I am employed by WPI and I can not be involved in voting associated with any transaction with WPI. Thank you.
  - **Stefano Armenia:** I am VP Chapters and the Chapter is an entity that some could say I might favor in my duty as reference with other chapters. For this reason, the italian chapter's policy council has taken actions to undergo a mitigation strategy by having a dedicated VP in all the relationships with the SD society.
  - **Will Glass-Husain:** Sponsorship of annual conference; sells product "Beer Game" which was used in SD Society webinar; sells online simulations which might potentially compete with simulation products sold by SD Society
- Any concerns?

# Strategy Update: Goals & New Initiatives

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**Shayne Gary**

UNSW Business School



**Paulo Gonçalves**

Università della Svizzera Italiana

- Become more action-oriented by launching small-scale experiments to test & learn
- Discussion of goals over last two months in Slack
  - Good discussion among those who contributed, but danger of getting bogged down by continuing the debate
  - Summary of where we ended up
- Identifying new, small-scale pilot experiments that we can launch this year

# SDS Overarching Objective: To increase the scale & impact of the field each year

## Five Goals:

1. Improve the financial health of the Society by eliminating the structural deficit (i.e. achieve break even net ordinary income) and building up cash reserves.
  - a. **TARGET: A positive NOI within two budget years**
  - b. **TARGET: \$1M in available unrestricted reserves in three years; \$ 1.5M in five years**
2. Increase the number of Society members each year by retaining existing members and recruiting new members.
  - a. **TARGET: 10% CAG = 1,800 members by end of 2025**
3. Increase the SD knowledge and skill levels of Society members each year.
4. Increase # of high-quality, high-impact outputs from the field each year.
5. Increase awareness of corporate executives, policymakers, & the general public about high-quality SD outputs (i.e. increase visibility).

# Generating ideas for small-scale, pilot experiments to achieve goals

- We're going to divide everyone on the call into teams (randomly) to generate ideas for small-scale pilot experiments to make progress on one of the goals.
- Use the chat function within your Breakout Room to share and document the ideas your team generates.
- You have 12 minutes to generate ideas and to identify your top 3 ideas.
- You will receive a 60 second warning before your breakout room closes.
- Before your team room closes, one team member should copy and paste all of your team's ideas into this google doc (under the heading for your team #):

<http://bit.ly/SDSPilotIdeas>

[https://docs.google.com/document/d/1ufN2UL\\_3PyIMeU5a7\\_eCHhazw1Puh3v\\_pVi8VWZYPCg/edit?usp=sharing](https://docs.google.com/document/d/1ufN2UL_3PyIMeU5a7_eCHhazw1Puh3v_pVi8VWZYPCg/edit?usp=sharing)



# The GOAL your team should focus on when generating ideas:

Room # / Team	GOAL
Room 1 and Room 5	Reach 1,800 SDS members by end of 2025
Room 2 and Room 6	Increase the SD knowledge and skill levels of Society members each year.
Room 3 and Room 7	Increase # of high-quality, high-impact outputs from the field each year.
Room 4 and Room 8	Increase awareness of corporate executives, policymakers, & the general public about high-quality SD outputs (i.e. increase visibility).

- Google Doc link: <http://bit.ly/SDSPilotIdeas>  
[https://docs.google.com/document/d/1ufN2UL\\_3PyIMeU5a7\\_eCHhazw1Puh3v\\_pVi8VWZYPCg/edit?usp=sharing](https://docs.google.com/document/d/1ufN2UL_3PyIMeU5a7_eCHhazw1Puh3v_pVi8VWZYPCg/edit?usp=sharing)

# Stewardship Committee

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**Birgit Kopainsky**

University of Bergen

- Bylaw XII. Stewardship Committee
  - Jørgen Randers, David Andersen, Laura Peterson, Warren Farr, Birgit Kopainsky
  - Focus on seeking unrestricted donations that will be used to support the Society's operating budget
- Discussion February PC meeting
  - 2-year plan of the committee
  - Budget implications
  - Proposed motions

# Stewardship Committee - Part I

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## POLICY 10A. Stewardship Committee

**Section 1. Purpose and Goals.** The Stewardship Committee shall seek donors who are willing to support the long-term strength of the System Dynamics Society through their gifts. The committee shall organize the disbursement of collected funds to support the long-term growth of the Society and the field of System Dynamics.

### Stewardship Committee vs. annual sponsorship campaign

- Major donations, bequests
- Warren Farr to help with coordination

Focus on support of core SDS operations

# Stewardship Committee - Part I

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**Section 2. Membership.** The Stewardship Committee shall consist of five members serving five-year staggered terms. ... Committee members must be **members of the Society in good standing**, have **complementary personal and professional networks** to other committee members, and have a **history of making or soliciting donations** that benefit the Society. Members shall be appointed in accordance with the Bylaws.

**Section 3. Designated Funds.** The Stewardship Fund shall be a **designated Society fund** and **shall be funded initially from the existing Legacy Campaign Fund which is hereby dissolved**. The Stewardship Committee may suggest the establishment of other designated funds, or include existing designated funds such as the Chapter Development/STFF in its proposed budgeting and activities.

# Stewardship Committee - Part I

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**Section 4. Contributions.** Contributions solicited by the Stewardship Committee shall be maintained in the Stewardship Designated fund or another Designated fund.

Contributions pledged and received after January 1, 2021 shall have 10% of their value placed into the Society's current operating funds at the time of receipt. Income, after investment and bank expenses, on money in designated funds shall be apportioned to those designated funds.

# Stewardship Committee - Part I

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**Section 5. Budgeting and Activities.** The Stewardship committee shall support activities that are consistent with its mission to promote the long-term growth of the Society and the field of System Dynamics. **The committee shall submit annually a budget for, and outline of, its intended activities as part of the annual Society budgeting process with amendments as necessary.** Expenditures within budgeted spending will be directed by the Chair of the Stewardship Committee or delegated staff, under the **oversight of the Finance Committee.** Expenditures in excess of budgeted spending conforming to the restrictions in the Bylaws may be made with the approval of the Finance Committee.

# Stewardship Committee - Part I

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**Section 6. Staff Support.** The Stewardship committee shall pay all activity costs, including staff support provided by the Society, out of designated funds in accordance with its budget. The cost of such support shall be the actual cost to the Society based on its standard budgeting processes.

Upcoming motion: To adopt Policy 10A as written (Policy Change 3/5 vote).

# Stewardship Committee - Part II

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## 2021-2023 Budget and Activity Plan

The Vision. Our vision is that in the future a designated Stewardship Fund would have a large pool of funds in reserve that would be made available to the System Dynamics Society to support its core operations in a stable and predictable fashion. Our hope is this would be comprised of an asset stock of several million \$US that would provide a stable income flow of several hundred thousand \$US each year, in order to support core functions such as the salary of the Executive Director. Although a minority of these funds could be in cash, the majority of the funds would be in the form of bequests from the future estates of potential donors.



# Stewardship Committee - Part II

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We plan to get from today to that future over several years:

- 2021. We plan to spend the first half-year getting organized and making some preliminary contacts. In the second half of 2021, we plan on hiring part time staff to start soliciting funds.
- 2022. By the start of 2022, we plan to have cash reserves to continue part-time staff and work on a full year of fund-raising securing both cash donations and future bequests.
- 2023. This will be our first year of steady state operation. We begin the fiscal year 2023 by making a planned contribution based on successful fundraising in the previous two years. We will then continue with part-time staff to raise funds during the year.

## Stewardship Committee - Part II

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Our expectation is that our stock of planned bequests will grow more quickly than actual cash donations and that income from bequests will be quite uneven over time with major bequests being realized as the donor estates are settled. We expect we are likely to get more bequests than cash, and it will take a very long time before there are transfers from the Fund to SDS. Furthermore, the Fund will not transfer the whole bequest in one go when it finally materializes – in order to avoid difficult discontinuities in the SDS budget. We will seek ways to level this cash flow over time.

# Stewardship Committee - Part II

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## 2021 Stewardship Committee budget

Opening Hard Cash Balance	\$30,109
Half Time Staff for six months*	-\$24,400
Miscellaneous Expenses	-\$5,000
Closing Hard Cash Balance	\$709

### *Goals:*

- *cash reserves to continue part-time staff*
- *Fundraising expense ratio of roughly 20%*

\* needs ratification of contractor agreement stating tasks and targets

Upcoming motion: To approve the 2021 budget and Activities plan of the Stewardship Committee.

# Stewardship Committee - Questions!

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# 2021 Live Conference Venue Discussion

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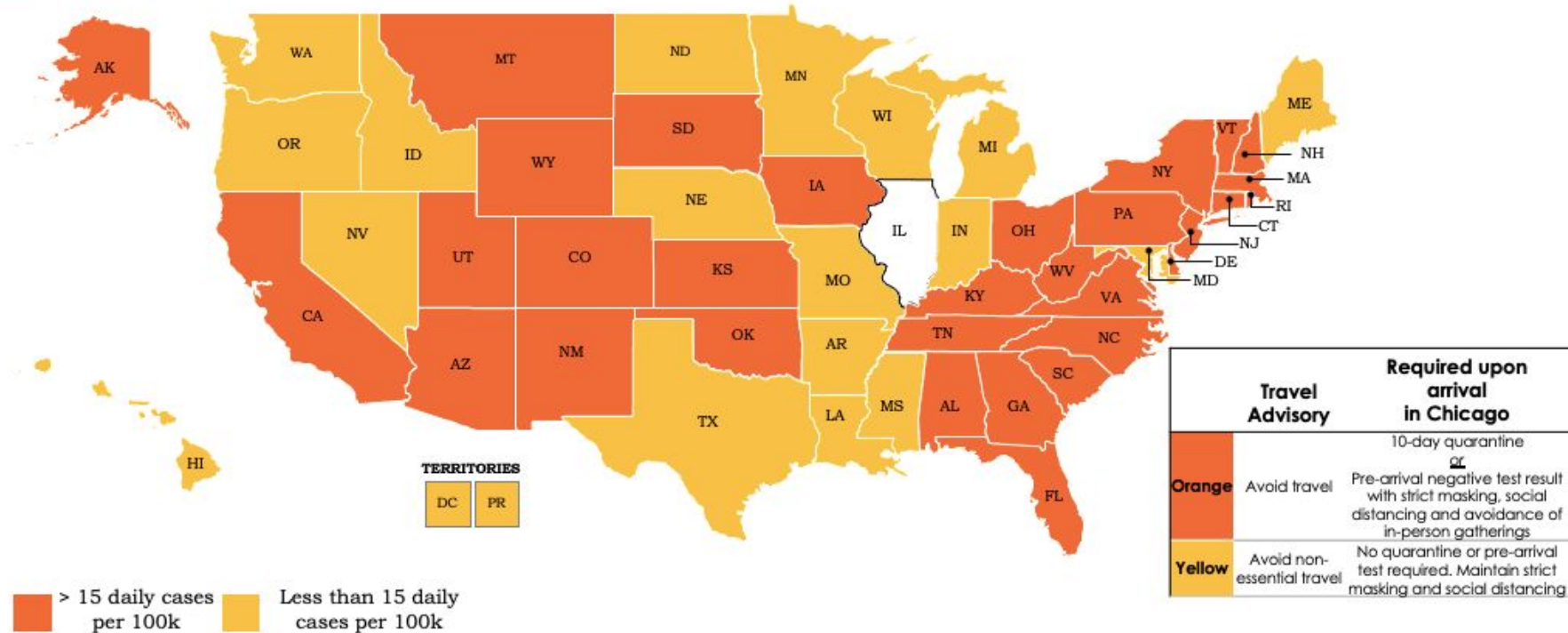
**Len Malczynski**

University of New Mexico

- Ratify the decision to backout of live conference venue
- Survey of last year's conference attendees: 6/168 respondents will attend live event
- Palmer House is insisting on a full conference - reneged on lower limits when we tried to back out
- Has been closed for one year due to foreclosure by their lender
- They are accepting reservations for July as of about a week ago
- Chicago has quarantine/test requirements for visits. You would have to quarantine for the entire conference as of today if from 31 US states

**IMPOSSIBILITY:** If events beyond the reasonable control of the parties (including but not limited to: acts of God, fire, flood or explosion; declared war in the country in which the Hotel is located; government regulation, including government regulations prohibiting travel to the city in which the Hotel is located over the Event dates and/or the issuance of a "Level 3 Travel Warning" by the Centers for Disease Control that specifically advises travelers to avoid all non-essential travel to the city in which the Hotel is located and which travel advisory is in effect over the Event dates; terrorist attacks in the city in which Hotel is located; civil disorder in the city in which Hotel is located; or curtailment of transportation either in the conference city or in the countries of origin of the attendees that prevents at least 40% of the attendees from arriving for the first peak night of the Event) make it illegal or impossible or commercially impracticable to perform under this agreement, the affected party may terminate this agreement, without liability, upon providing written notice to the other party within ten (10) days of the occurrence.

# Chicago's travel order includes 31 states



All other U.S. Territories are categorized as yellow

Option	Likelihood	Cost
Pay an attorney to try to get out of it unsuccessfully.	Low	\$4000 so far
Wait and see	?	Unknown
Stop Vero negotiation, insert ED or someone else into negotiation	?	Time
<b>Pay</b> to get out of contract	?	\$10-\$15K +
<b>Do nothing and plan to pay nothing</b>		<b>\$0 ??????????</b>
<b>Drag CHMS</b> into the fray <b>goodwill</b> and leverage their power.	They may not want to help, may lose \$12K kickback	\$0
<b>Drag CHMS</b> into the fray through <b>legal threats</b> and leverage their power.	CHMS has more leverage w/ hotel	Might incur additional legal costs.
<b>Philanthropic War:</b> Threaten to house homeless in the hotel and gofundme to pay fo.	Worked for someone else against a hotel	Time
<b>Court of Public Opinion:</b> Enlist Twitter, Attorney General's Office, and Journalists to wage war against Hilton/Palmer House.	Some evidence that one or more of these might work.	Time
<b>Delay Contract to 2022, 2023</b> for Conference of Similar Size (later year conference OR new large event)	They are game for 2022	Twice w/ same host. High risk, high cost site. Have to back out on Frankfurt. No host
Delay Contract for Alternate Event in Chicago for event of smaller size (e.g. winter camp, business day, workshops, winter school, model expo etc)	Hard for us to do. They may not reduce size to make this viable.	Time for Event, Risk
Delay Contract for Alternate Event in Alternate Hilton in warm location in Winter 2021 or 2022 (e.g. winter camp, business day, etc)	They have not taken this up. Not sure of their response.	Time for Event, Risk



# Proposed Letter

<http://bit.ly/palmerhouseletter>

# Questions?

# Motion

Move that we send a letter as drafted (after review by our attorney) to the Palmer House Hilton stating that we are invoking the impossibility clause at this time and will NOT be holding our conference at the hotel and will NOT be paying any penalties. Knowing that they may sue us for proceeds, we also stipulate that we will refuse payment.

# Announcements

# APCC Pilot

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- China Chapter is proposing a pilot to test combined local and society memberships
- Other Chapters are interested in similar options
- SIGs have expressed interest as well
- Proposal to be presented at March Meeting by Jenson Goh and China Chapter

# Membership Status Update (Rebecca Niles)

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Membership fees for 2021 were significantly changed, removing the income-based tiers.

	<b>Membership</b>	<b>Revenues</b>	<b>Average</b>
<b>2021 Goal</b>	1000	\$80,000	\$80
<b>2021 Actual</b> <i>2/24/2021</i>	687 <i>14.7% autorenewing</i>	\$60,385	\$87
<b>2020 Actual</b> <i>2/24/2021</i>	570	\$38,552	\$67
<b>2019 Actual</b> <i>2/24/2021</i>	588	\$32,779	\$56

Please note that this data is approximations from Quickbooks financial accounts.

# 2021 Policy Council Meetings

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Last Wednesday of Each Month (4 - 5:30pm New York, 9-10:30pm London, 7-8:30am Brisbane)

March 31, 2021

- 0:10 2021 Slate of Candidates (Martin Schaffernicht)
- 0:05 Approval of Minutes
- 0:30 The Future of Meetings (Len Malczynski)
- 0:15 China Chapter Pilot Program (Jenson Goh)
- 0:30 NPS Survey Followup and Push for Mandate to focus on practitioners/nonacademics (Thomas Wittig)

April 28, 2021

May 26, 2021

**Please let Paulo and Rebecca know if you would like a topic added to the agenda.**

Adjournment