

NANOG Members Meeting
February 15, 2022/NANOG 84
Austin, TX + Zoom Meeting
9:00 a.m. CST

Tina Morris, Chair	Edward McNair, Executive Director
David Siegel, Vice Chair	Darrieux Harvey, NANOG Staff
Vincent Celindro, Treasurer	Claudia Bristol, NANOG Staff - Remote
Steven Feldman, Secretary - Remote	Valerie Wittkop, NANOG Staff
Patrick Gilmore, PC Liaison	
Catherine Gurinsky, PC Chair	
Benson Schliesser, Board Member - Remote	

Start time: 9:16 a.m. CST

Welcome (Edward McNair)

Edward welcomed all members to the NANOG84 member meeting. He introduced the Board members and staff via slides and reviewed the agenda. He turned to Vincent Celindro, our new treasurer, to talk about the financial health of NANOG.

NANOG Financials (Vincent Celindro)

Vincent began with a snapshot of the 2021 Income statement indicating an operating loss for the year of over \$306K. The team has done well at minimizing it, but we need to be cognizant of the loss for 2021 and we are trending the same in 2022.

Income:

- The total income was \$1.4M
- Thanks to sponsorships, the meeting income represents 54.7% of the income.
- The other main income contributors were 20.1% from investment activities and 18.6% in other income.
- The other income includes over \$250K from two PPP loans which helped to mitigate the loss which we will not have this year. The loans were forgiven and there is no remaining obligation.

Expense:

- With just one hybrid meeting in 2021, salaries are the largest expense accounting for 52.2% of the expense total of \$1.7M.
- Meeting expenses were 27.5% with overhead making up 16.7%

Balance Sheet:

- Overall, NANOG has \$4.3M in cash and investments.
- We had to dip into our strategic reserves and moved \$1M to cash on hand from Fidelity.

- Fidelity remains the bulk of the assets at 72.7%.

Pandemic Impact on NANOG Meetings:

- At N77, pre-pandemic, there were 1100 in attendance.
- There is a direct trend down in attendance and sponsorship dollars.
- We are sitting at 40% of the previous capacity at a conference.
- NANOG85 and NANOG86 will be hybrid meetings.
- Montreal (N85) has been affected by an omicron surge. Our events team is working with the hotel to minimize our financial exposure.

Event Trends: (Edward McNair)

Graphs were shown of various data from N66 to N83.

- Sponsorships were relatively flat while expenses were trending upward.
- This created a downward trend in net income.
- The Board is looking at how to keep our organization solvent and stay relevant for years to come. We are trying to be proactive.
- Sponsors are now more marketing oriented, looking at ROI and justifying dollars spent.
- Looking at expanding our range of sponsorships and other income sources.

Actual Cost of Registration

- The average fully weighted cost per registrant is \$538.11
- Without sponsorship, we would actually have to charge \$945.87 per registrant.
- Sponsorship has always offset the true cost of registration.

Not Just One Simple Fix

- Revamp our current sponsorship guidelines
- Add unconventional sponsorship opportunities
- Explore other revenue streams
- Review current services and offerings to our attendees
- Reevaluate registration rates

Comment/Suggestion was brought up that why not raise the cost of registration and keep it constant rather than raising it as the event gets closer. During the pandemic, people need to wait to get approval and it makes it harder when it is more expensive. Board response: Though that had been considered, hotel commitments for F&B, hotel rooms and space have to be made. Those prices rise sharply at the last minute and therefore are reflected in the higher registration fees. At the moment, it just didn't seem like the right thing to do.

Suggestion: Why not increase membership? It seems like a quick and easy fix. Response: Membership does not provide much revenue. Even if it was doubled, it would add \$60K which doesn't make a dent.

Suggestion: Major costs for hosting an event is finding a venue. Incurred costs aren't just rooms but hosting meeting spaces. There might be other venues willing to donate space for the

conference if we look at nontraditional venues. Response: We have gotten too large for most places. Even in hotels, we're bumping up against what we can do. De' added that our space is free. It comes with the guest room minimums and F&B fees.

Suggestion: Another idea is to have a patronage scheme for corporations, not sponsorship with restrictions. This allows a wide range of companies to contribute without being tied to membership issues.

2022 Board Offsite Thematic Goals: (Edward McNair)

- Explore ways to increase revenue
- Develop a meeting appointment tool
- Education and sharing knowledge
- Improve our environment to encourage diversity + inclusion

NANOG Ombuds: (Edward McNair)

- The NANOG Ombuds is our designated impartial conflict resolution practitioner.
- They provide confidential and informal assistance to our community on a variety of issues and concerns.
- The Ombuds does not advocate for any position in a dispute: instead, they strive for fairness of process.
- They can also help identify systemic issues that hinder the rights of others.
- Tony Farmer, Vince Brantley and Chris Armstrong are the ombuds team for NANOG. They are all part of Veritas Culture.

Development Plans: (Edward McNair)

- Meeting Appointment Tool
 - It was in the development process but got delayed by pandemic. With no face to face meetings, focus was on revamping the registration system and the virtual meeting platform.
 - Features, functionality and scope of work shared with community beta testers for feedback
 - After feedback, front end development will take place, to be shared with beta testers for more feedback.
 - Once approved, backend development will begin.
 - The goal is to have a working beta by NANOG 85.
 - Final product for N86 in Hollywood.
- Considering converting our developer to full time
 - We have one dedicated developer under contract
 - Our cost in 2021: $\$150 \times 1256.5 \text{ hrs} = \$188,480$
 - Projected full time cost: $\$83.97 \times 2080 \text{ hrs} = \$174,657$
 - Upside: we gain 823.5 additional hours a year + save \$13,873
 - Our website is now an application that runs our organization and is critical to how we do business. It makes sense to do it in-house.

Q&A

- Question: An informal request for a show of hands from those in the room willing to pay \$100, \$200 or \$1000 more for registration.
- Result: There were a few scattered hands raised.

- Questions/Comments: It seems \$188K is a lot of cost for the appointment tool that nobody wants.
- Response: Edward McNair clarified that amount was for all of our development costs in 2021. He also noted that paying the person directly ensures loyalty and focus is on NANOG first and foremost. Dave Siegel added that part of the development cost was for the new registration system which allowed us to part with Cvent which people did not like. We also built the virtual meeting tool and virtual expo space to enable hybrid meetings. The meeting tool is a big next piece of the investment because that is what the sponsors want.

- Comment: Tina Morris mentioned that we have a sense of community, but we're so large, it's hard to get the same sense of family. To get to know each other with similar interests, themed interest groups have been developed at community.nanog.org. The Board came up with 15 but more can be added. Edward will send out instructions. Please look them over and help to grow our community.

- Question: Is there any monetization from the NANOG videos and NANOG tv? Others mentioned other monetizing opportunities and possibly partnering with third party companies.
- Response: Ideas to explore further.

Closing Comments

Edward McNair thanked everyone for their time, and to enjoy the rest of the meeting.

End time: 9:57 a.m. CST