

# Treasury Report July 2020 (closing summary, includes future 802 planning ad hoc)

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7/24/2020 10:50 AM

(in-meeting update, fixed typo on slide 10 to correctly indicate March 2020 plenary is model, not 2021)

# 2020 Session Results Actuals

Session Result	March 2020 T1	July 2020 T2	TOTAL YTD
<b>ACTUAL AS OF DATE</b>	2020-04-03	2020-07-01	2020-07-01
<b>Session Income</b>	0	0	0
<b>Session Expense</b>	-\$76,275.98	-\$36,178.17	-\$112,444.15
<b>Session Surplus/Loss</b>	-\$76,275.98	-\$36,178.17	-\$112,444.15
<b>Sponsorships</b>	\$0.00	0	\$0.00
<b>Net Session Surplus/Loss</b>	<b>-\$76,275.98</b>	<b>-\$36,178.17</b>	<b>-\$112,444.15</b>

**NOTE –MARCH 2020 CANCELLATION FEE OF \$175,000 WAS CONVERTED TO A NONREFUNDABLE DEPOSIT**

March 2020 \$20,000 deposit for Aquarium/social transferred to 2023

March 2020 expense includes \$1582.90 in F2F airfares usable in the future

July 2020 Hotel rebooked – contract not yet signed

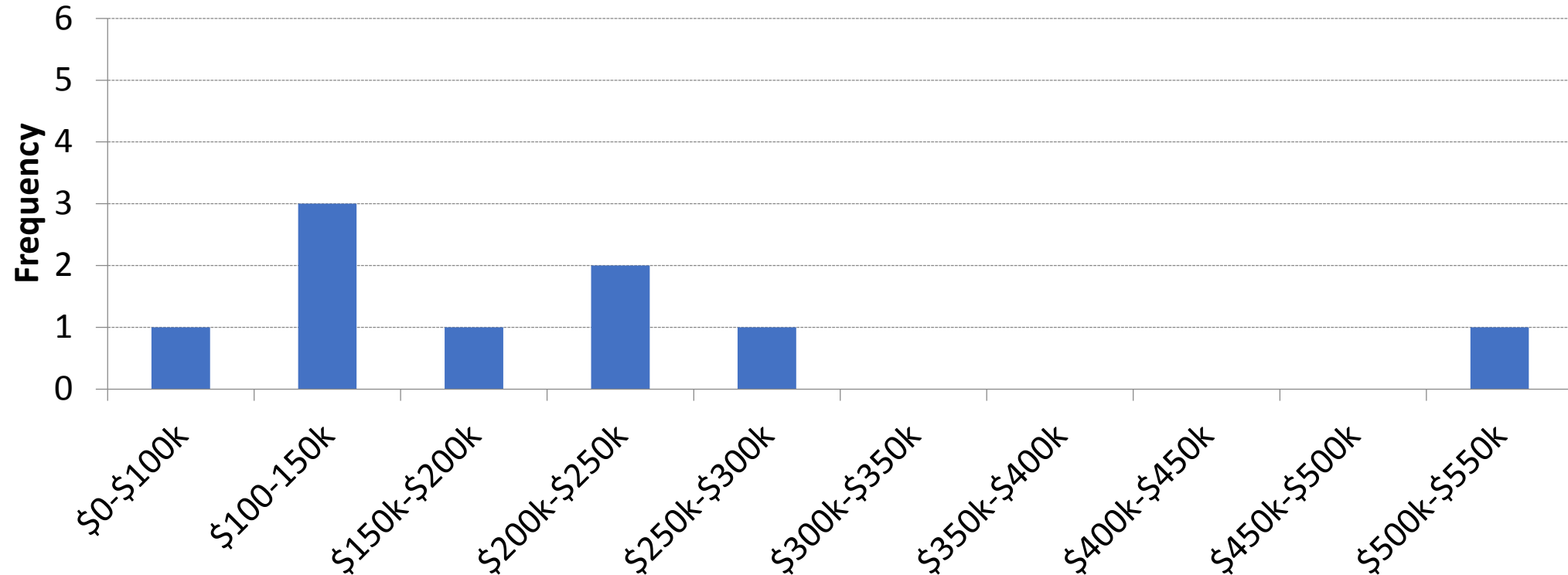
**March 2020 serves as a model for a last-minute cancellation with negotiated hotel relief**

**July 2020 serves as a model for a 3-6 month out cancellation with negotiated hotel relief**

# Cancellation Fee status as of 7/2020

If we cancelled all the contracts today... (\$1.83M)

## Hotel Cancellation fees as of 7/20



# Cancellations Impact Uncommitted Reserve

Total reserve as of end of 2019:	\$1,149,202.39	Reserve remaining	
Total loss for Atlanta	-\$76,275.98	\$1,072,926.41	Already happened
Total loss for Montreal	-\$36,178.17	\$1,036,748.24	
Misc. Expense through June 30 (outreach, 40th ann)	-\$57,813.82	\$978,934.42	
Misc. Income through June 30 (interest)	+\$5,721.97	\$984,656.39	
<b>Committed funds as of June 30</b> (Atlanta 2023/25 + Bangkok deposit)	<b>-\$228,148.86</b>	<b>\$756,507.53</b>	
Cancellation penalty for Nov 2020 if not rescheduled/negotiated	-\$114,407.98	\$642,099.55	Potential
Potential Cancellation for March 2021	-\$268,650 (by Dec 31)	\$373,449.55	
Potential Cancellation for November 2021 (currently under contract, note July is not contracted yet)	-28,042 (by Nov 10) -70,106 (by Mar 10)	\$345,407.55 \$303,343.55	



# Survey Responses from Working Groups

# Survey Results Impression: Fee-willingness

- 802.1: Consensus on \$150-\$300 among WG members
  - (nonmembers want < \$150)
- 802.3: Strong consensus on \$150-\$300
  - (25% unwilling to pay, and 7% willing to pay more)
- 802.11: About 2/3 willing to pay, discussion of \$50-\$150
- 802.18: Strong consensus \$150-\$300 (with emphasis on low end)
- 802.19: Consensus \$150-\$300 with some willingness for \$300-\$500

# Survey Impressions: In-person meetings

- 802.1: Split 50/50 between 3-4 meetings and 6 meetings/year
- 802.3: Split 60/40 between 3-4 meetings and 6 meetings/year
- 802.11: (no input on meeting numbers)
- 802.18: Split 50/50 between 3-4 meetings and 6 meetings/year
- 802.19: Split 50/50 between 3-4 meetings and 6 meetings/year



# 802 Planning Ad Hoc



# Overview of 802 Planning ad hoc

- Considered financial planning for 4 scenarios:
  - Last minute cancellations (with possibility of Force Majeure)
  - Considering a go/no-go decision 3-6 months out
  - Re-planning for 2 in-person (+1 electronic) plenary meetings per year
  - Re-planning for 1 in-person (+2 electronic) plenary meetings per year
- NOT for decision today
  - For consideration and discussion today – food for thought
  - Some decisions will need to be made prior to November to take some options
    - Nearest term is whether to conclude a contract for July 2021 (decision August 4)
    - Others can be made at the October 6 or November 3 EC calls

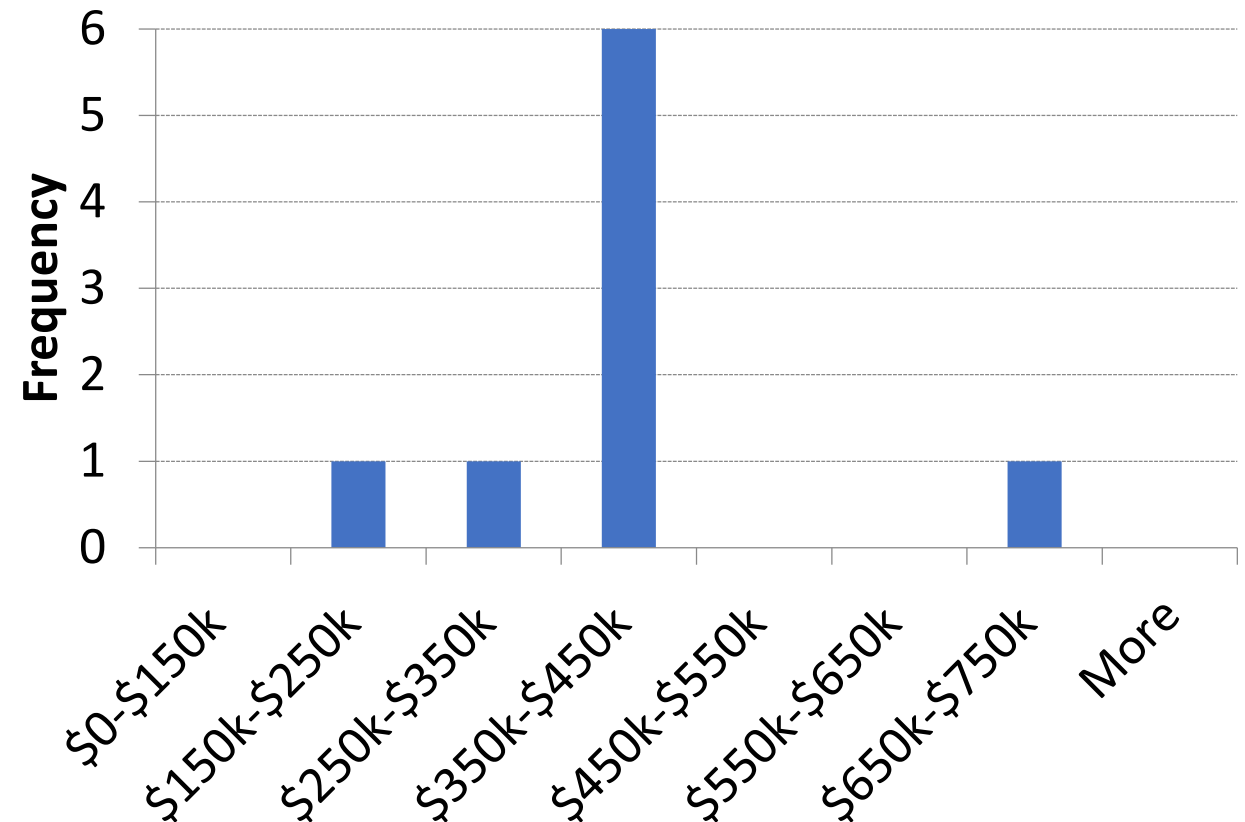
# Scenario 1: Last Minute Cancellation

- Force Majeure generally requires waiting until the last minute to cancel, requires joint agreement
  - Only really clear in case of venue closure or local governmental restriction
- Best case – only pay pre-meeting & cancellation fees to vendors (total ~75,000)
  - March 2020 is a good example of this, without the \$175,000 pre-deposit
    - Includes charges for cancelling registered attendees (\$50/attendee)
      - On top of pre-meeting vendor fees -> total: \$62-\$72,000
    - Other fees (Credit card, other expenses): (~10,000)
- Worst case – risk last-minute cancellation fee on hotel (see next page)
  - Varies, most are \$350,000 to \$450,000

# Scenario 1: Last minute / Force Majeure Risk

- In addition to planner/vendor + expenses of ~\$75k
- Total Hotel Risk:
  - \$3.90 M Cancellation fees
  - \$208K deposits
  - \$3.70 M net of deposits
- Risk per meeting:
  - Typically \$425k-\$525k
  - ~\$600 to \$1000/attendee

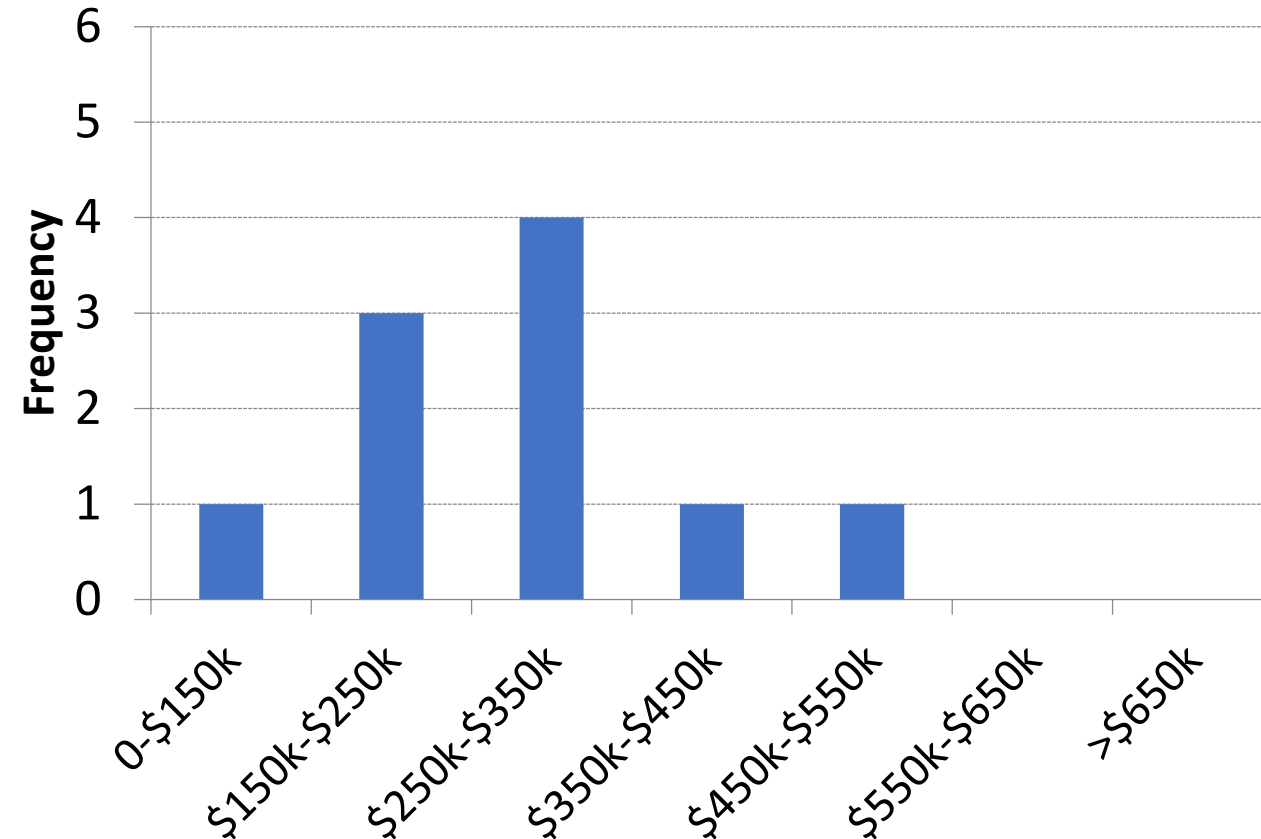
**Last Minute Hotel Cancellation Fees**



# Scenario 2: 3 to 6 month out cancellation

- Assume – fully cancelled, no rebook arrangement
- Immediate actions - NONE
- Pre-meeting expenses (~\$35,000 per meeting)
  - No registration opened, so no cancellation or CC fees
  - Meeting planner, vendor pre-meeting and site visit expenses
- Hotel cancellation fees typically \$180k-\$280k per meeting
- ~\$300 - \$630 / attendee

**3-6 month out Hotel Cancellation Fees**



# Scenario 3: Move to 2 In-person and one Electronic Plenary per Year

- Assumption: a planned transition, we can pick the meeting
  - Note – only ONE existing contract has cancellation < \$100,000 today
- Costs:
  - No new hotel cancellation fees (we have one meeting uncontracted per year)
  - Cost related to Nov 2020 cancellation (\$146,381 - \$33,149 deposit paid = \$113,232 net)
  - Negotiate meeting planner pre-meeting fees based on pre-planning work
    - Estimate < \$25,000 total (some venue selection, site visits and other planning work, no registration or venue interaction on room assignments or finalizing F&B, etc.)
  - Total ~ \$140,000 impact to uncommitted reserve
- Immediate actions required:
  - Terminate discussions for July 2021 venue contract
  - Terminate discussion for Nov 2022 Bangkok rebook
  - Decide which meeting in 2024 to be electronic, and, if necessary, terminate discussion
  - Need to consider rules revisions regarding non-North American meetings

# Scenario 4: Re-plan to 1 In-person per Year (and 2 Electronic)

- Take actions in Scenario 3 – don't contract new meetings through 2024
- Additionally choose meeting to cancel based on financial considerations
  - 2021: \$28,050 [NOTE – THIS IS NOT MARCH 2021, WHICH IS HIGH RISK]
  - 2022: \$214,697
  - 2023: \$112,050
- Impact:  $\$140,000 + \$354,797 = \sim\$495\text{k}$  to uncommitted reserve
  - If March 2021 were planned out, increase impact by \$141k



# BACKUP – Information on Current Penalties and Commitments

# Contract Flexibility is ~1 mtg/yr until 2024

- Meetings without contract:
  - 7/21 – Madrid – in process, not contracted as of today
  - 11/22 – possible Bangkok reschedule to avoid penalties
  - 7/23 – Berlin
  - 3/24 – Chicago
  - 7/24 – possible Montreal reschedule
  - 11/24 - no venue selected
  - 7/25 and later, except for 11/27
- Penalty < \$100k: 11/22 – until 3/21
- Penalty \$100k-\$200k: 3/23, 3/25, 11/27
- Penalty \$200-300k: 3/21, 7/22, 11/23
- Penalty > \$300k: 3/22 (\$521k)