



**Committee on Finance Meeting  
September 28, 2013  
McLean, VA**

**Committee Members in attendance:** Chairperson, Richard B. Noto, MD; Mike Middleton, MD, FACNM; Don Yoo, MD; Akash Sharma, MD; David Brandon, MD; David Campbell, CNMT; April Mann, BA, CNMT, NCT, RT(N), FSNMMITS; Scott Holbrook, BS, CNMT, FSNMMITS; Peter Herscovitch, MD; Kathleen Krisak, CNMT; James Woolfenden, MD, FACNM; Gary L. Dillehay, MD, FACNM, FACR

**SNMMI staff in attendance:** Virginia Pappas, CAE, CEO; Vincent A. Pistilli, CPA, CFO; Judy Brazel; Joanna Spahr; Allen Lockett; Susan Bunning; Ann Latham; Rebecca Maxey; Bonnie Clarke; Nikki Wenzel-Lamb, MBA; Robert Milanichus; Matthew Dickens

**Guests in attendance:** Tony Sicignano, BS, CNMT, ARRT(N); Cindy Lockett-Gilbert, MHA, CNMT, PET, FSNMMITS; Jeff Norenberg, PharmD; Jon Baldwin, DO; Helen Nadel, MD; Munir Ghesani, MD, FACNM; Harvey Ziessman, MD; Alan Packard, PhD

**1. Welcome, introductions and quorum call**

The Chairperson, Dr. Richard B. Noto, welcomed members and staff to the meeting. It was noted that a quorum was present. Brief introductions of the attendees took place.

**2. Review and approval of draft minutes of the meeting held on June 7, 2013**

Dr. Noto asked for a motion to approve the draft minutes of the meeting held on June 7, 2013.

**It was moved, seconded, and a vote taken to approve the minutes of the SNMMI Committee on Finance meeting held on June 7, 2013. The vote was unanimous in favor.**

**3. Presentation of FY13 projections and FY14 budget**

Dr. Noto asked Virginia Pappas to present the FY13 projections and FY14 budget. Ms. Pappas stated that the operating bottom line for FY13 is projected to finish ahead of budget. The FY14 budget being presented shows consolidated revenue of \$11,038,483 and expense of \$10,801,238, for a surplus of \$237,245. The capital budget for FY14 is \$206,700.

Ms. Pappas proceeded to present a department-by-department review of significant budget assumptions. It was also noted that during the year, the Management Fee Task Force recommended the use of the same methodology in FY14 as was used in FY13. The FY14 management fee is budgeted at \$785,533, \$1,886 over the FY13 amount.

#### 4. Budget discussion

Dr. Noto stated that before further budget discussion takes place, four resolutions with budgetary impact would be presented and discussed.

a. The Scientific Program Committee presented a resolution to provide wireless internet access throughout the exhibit floor and education rooms at the Annual Meeting. The cost of the internet access is expected of \$40,620. During discussion of the resolution, it was noted that benefits would include a better experience at the meeting for both exhibitors and members with improved opportunities for social networking and instant updates. Other discussion involved trying to obtain sponsorship support for the cost. At the end of the discussion, Dr. Noto asked for a motion to approve the resolution.

**It was moved, seconded, and a vote taken to approve the resolution to provide wireless internet access throughout the exhibit floor and education rooms at the Annual Meeting. The vote was unanimous in favor.**

b. A resolution was presented by the Committee on Councils and Centers requesting complimentary access to the Mid-Winter and Annual Meeting be given to council and center interns for their participation but not for CE credits. Financial impact is expected to be a \$1,140 revenue reduction. The resolution was discussed. At the end of the discussion, Dr. Noto asked for a motion to approve the resolution.

**It was moved, seconded, and a vote taken to approve the resolution to provide complimentary access to the Mid-Winter Meeting and Annual Meeting to council and center interns. The vote was unanimous in favor.**

c. The Publications Committee requested that 10 pages be added to each issue of the JNM at an expected additional expense for FY14 of \$30,203. During discussion, it was noted that the purpose of the request would be to reduce a backlog of submissions and to allow more timely publication of high-impact articles. At the end of the discussion, Dr. Noto asked for a motion to approve the resolution.

**It was moved, seconded, and a vote taken to approve the resolution that 10 pages be added to each issue of the JNM. The vote was unanimous in favor.**

d. The Publications Committee requested that three additional associate editors be budgeted to attend the JNM Strategic Planning Meeting at an additional FY14 expense of \$3,450. Discussion took place. At the end of the discussion, Dr. Noto asked for a motion to approve the resolution.

**It was moved, seconded, and a vote taken to approve the resolution that three additional associate editors be budgeted to attend the JNM Strategic Planning Meeting. The vote was unanimous in favor.**

Dr. Noto indicated that the budget impact of the resolutions, including the impact of resolutions on the management fee results in an SNMMI FY14 net surplus of \$153,573, or 1.8% of budgeted revenue, and the SNMMI-TS FY14 net surplus would be \$8,258, or .5% of budgeted revenue.

Discussion regarding the FY14 budget took place. At the conclusion of the discussion, Dr. Noto asked for a motion to approve the FY14 budget.

**It was moved, seconded, and a vote taken to approve the FY14 budget. The vote was unanimous in favor.**

### **5. Capital Fund status and investment report**

Dr. Noto asked Dr. James Woolfenden, chairperson of the SNMMI Subcommittee on Investments, to present a report on the status of the Capital Fund. Dr. Woolfenden stated that strong performance was noted over recent years, with the balance of the fund at \$4,783,318 at June 30, 2013, \$4,862,896 at August 31, 2013, and just over \$5,000,000 late in September 2013. Dr. Woolfenden stated that the subcommittee would meet with the investment advisors at the upcoming Mid-Winter Meeting.

### **6. Use of operating reserves**

Dr. Noto introduced the next matter for discussion by noting that as a result of two successive fiscal years of strong financial performance and that the financial results for FY13 were projected to exceed budget, SNMMI has grown its operating reserves. Dr. Noto stated that the time had come to consider using a portion of the operating reserves for programs, investing in the headquarters building and to make a contribution to the Capital Fund.

A detailed presentation describing a “three-pronged” approach to using operating reserves was discussed with the committee. The three matters discussed were as follows:

1. Up to \$500,000 over two years would be provided as seed funding to initiate the creation of a Department of Evidence and Quality. The funding would be used to support staffing costs of a director and another staff person, and other expenses anticipated to start the department.
2. Up to \$325,000 capital repairs and improvements for the SNMMI headquarters building. The cost of the repairs and improvements would be capitalized as long-lived assets and amortized over the remaining life of the building.
3. \$200,000 would be contributed to the Capital Fund. The contribution would be split between the SNMMI and the SNMMI-TS per the current investment allocation percentage.

Discussion of the use of operating reserves took place. At the end of the discussion, Dr. Noto asked for a motion to accept the approach to using operating reserves.

**A motion was made, seconded and vote taken to approve the use of up to \$500,000 of operating reserves over two years to start a Department of Evidence and Quality, up to \$325,000 for capital improvements to the building and to make a \$200,000 contribution to the Capital Fund. The vote was unanimous in favor.**

**7. Unfinished business**

Dr. Noto asked if there was any unfinished business. None was identified.

**8. New business**

Dr. Noto asked if there was any new business. None was identified.

**9. Adjournment**

The meeting was adjourned.