

AAW Board Meeting

San Jose, CA

June 5-7, 11, 2012

June 5

Call to Order

Dale Larson called the meeting to order at 8:20 AM. The following Board members were present: Dale Larson, Cassandra Speier, Warren Carpenter, Jean LeGwin, Tom Wirsing, Botho von Hampeln, Binh Pho, Stan Wellborn, and Kurt Hertzog. Also present were Phil McDonald, Betty Scarpino, and Linda Ferber.

Board held an Executive session from 8:25 AM until 8:45 AM.

Approval of the May Meeting Minutes

The May 8th Board meeting minutes were approved as written.

2012 Budget Review-Phil McDonald

Phil presented the year-to-date financial status for consideration. The Board reviewed and discussed the operating statements and balance sheet line-by-line. A fiscal review for the remainder of the year will be a priority in July. Specific areas of interest are:

Insurance

Liability insurance has increased substantially because rates are based on level of membership. An increase in memberships increases our insurance premium. David Morris, Insurance Committee chair, has reviewed the status of all AAW insurance policies and will furnish a report to the Board for the next meeting. There is a need to consider repackaging and rebidding all policies.

Website

The computer/website/database budget is forecast for \$63,700 with the website development project representing a significant portion of the total.

Journal

Budget forecast assumptions prepared earlier in the year will be reviewed and updated as a result of the transition of advertising representatives. Phil will report in the June ED report. He will also discuss the possibility of expanding advertising opportunities with Pierre Productions.

Symposium

The current banquet arrangement presents a structural problem, and pricing will need to be addressed for next year.

New Video Equipment

The project for updating symposium video equipment was completed on budget. Depreciation of the new equipment will be accounted for in the symposium budget. Some of the new equipment was damaged in shipment to San Jose so it will be necessary to pursue a claim.

Handout Handbook

We will be looking for opportunities to shift the Handbook to digital format in the future to save costs of printing and shipping.

Local Chapter Expense

The local chapters were given eight symposium tickets and the raffle ticket sales revenue as their share of symposium profits.

POP Budget-Warren Carpenter

POP revenue comes from (1) 10% of net income from EOG auction, and (2) POP exhibition auction sales (50% of gross sales). POP is responsible for their budget but the Board has final authority over it. Commissions from the POP merit awards exhibition(s) will be split 45% AAW/65% artist and will not appear in the POP budget.

Symposium Coverage in the Journal-Betty Scarpino and Jean LeGwin

Jean and Betty lead a general discussion about the ways to present symposium coverage in the journal for purposes of promotion and review.

Chapter Collaborative Challenge-Jean LeGwin

Jean discussed the benefits to the chapter of participation in the Chapter Collaborative Challenge (C3) and ways for increasing participation and making participation easier for the chapters. She will work with Stan Wellborn to create a C3 information sheet that can be sent to all chapters. As an incentive to participate, winning chapters in all categories will receive a certificate for a free symposium registration. The staff will also put in place a means for chapters to register their pieces before the symposium so voting ballots can list the chapters by name.

Conference Coordinator Contract-Phil McDonald

Phil will review the contract with CCC and determine if he needs to make adjustments to the 2013 agreement. He would like to consider how the various options would be handled most efficiently with minimum cost in the future. Phil will negotiate with CCC for 2013 with a long-term plan to consider bids or 2014.

Membership Drive-Kurt Hertzog, Botho von Hampeln, and Phil McDonald

Botho presented a draft proposal for giving incentives for new members. This would be linked to a vendor gift certificate that AAW would purchase. Stan suggested we encourage the creation of more Star chapters by also using incentives. Botho, Stan, and Kurt will work on a proposal for a membership acquisitions program. Botho will also review all current membership incentive plans to make sure there are no overlaps. Stan also suggested we consult with Pierre Productions for advice on membership marketing.

Canadian Journal Pricing-Phil McDonald

Phil presented his research on the cost of shipping and exchange rates as it relates to the cover price of the Canadian newsstand edition. He found that at this time it is only marginally more expensive to ship to Canada. However, it is important to maintain the newsstand pricing at levels that are in line with membership levels in both Canada and the U.S. The consensus of the Board is to leave pricing as is for the time being.

2013 Honorary Lifetime Member-Dale Larson

Dale initiated a discussion about preparing a preliminary list of potential recipients. A number of potential candidates were identified, but a decision will be made later in the year.

Website Project Update-Stan Wellborn and Phil McDonald

Phil reported that the consultant is about mid-way through his preparation of the RFP specifications. A draft RFP should be available by mid-July. The AAW website is more complex than most therefore it is more difficult to manage. There is need for more functionality than we currently have and the Board was presented with a preliminary list of content requirements that have been generated thus far. The overriding vision for the web project is to present members with access to the broadest wealth of woodturning information and resources. Due to the cost of developing and implementing the complex new site, a strategic plan for staged development and implementation will be necessary. Phil is attempting to acquire files and code from the 2011 web development conducted by Yellow Llama. Stan and Phil will jointly prepare a Board update for the next meeting.

Financial Contingency Policy-Botho von Hampeln and Phil McDonald

Phil circulated a draft best-practices framework for a new financial contingency policy for discussion. The policy goal is to ensure that adequate fund balances and reserve levels are in place to meet future needs. The policy draft introduces formal budgeting mechanisms for establishing operating contingencies and reserve balances over time. It was noted the existing Board Handbook includes a policy requiring the ED to maintain at least a four-month operating reserve. Phil also discussed obtaining an operating line of credit for AAW. Both Bremer Bank and US Bank have indicated that they will work with AAW through an application process. The Board reached consensus that during the fall budgeting process for 2013 we will initiative a contingency reserve policy. The policy presented will be modified and a formal vote taken when finalized. Specific policy threshold amounts will be decided at the time of the budget. The November meeting will have a 2013 budget presented and ready for Board vote. Warren and Phil will work on the financial policy drafting process.

Approval of 2011 Audit and Form 990-Phil McDonald

The 2011 audit is complete and the report has been finalized. No formal Board action is necessary. Warren reviewed the draft Form 990 prepared by the auditor, Harrington Langer, and sent them his comments. Phil will coordinate the finalization of Form 990 with the auditor and will have final forms available for Board approval at the next meeting.

Register of AAW as Minnesota Charitable Organization

Registration with the Minnesota Attorney General is a requirement of the new 501(c)(3) status and corporate merger. The registration establishes AAW as a recognized non-profit organization for fund-raises purposes, and the process requires documentation of a resolution by the Board approving the application. Phil will find out if this charitable organization status is applicable to other states and countries as well as Minnesota
Warren Carpenter moved to accept the following resolution for adoption by the Board of Directors.

Charitable Organization Initial Registration Resolution

Resolved, that the corporation be, and hereby is, authorized to apply for initial registration with the Office of the Minnesota Attorney General as a Charitable Organization.

Further resolved, that the AAW office be, and hereby is, authorized to execute and to take such action, as shall be deemed necessary to fulfill the foregoing resolution.

Purpose

The action is made necessary by the recent merger between the AAW, Inc and the new AAW. Minnesota law requires a charitable organization to file a registration statement if it solicits or intends to solicit contributions in excess of \$25,000 a year. The initial registration application requires documentation of Board approval.

Cassandra Speier seconded the motion. Motion passed unanimously.

AAW Museum Future-Phil McDonald

Phil presented a report with financial information for the museum/gallery operation in St. Paul. This included background information on the grant programs the AAW is presently receiving. The grants are predominantly directed toward strengthening artistic presence within the state of Minnesota and are tied directly to the gallery operations. Grant projects are improving exhibit space, enhancing exhibitions, improving access to woodturning for persons with disabilities, and creating virtual galleries. We are completing the first year of what may potentially be a total of three years of funding. We will receive confirmation of the next year funding commitment by mid-August. Phil indicated that we are in compliance with the grant terms and he presented a brief summary of our progress toward the goals outlined in the grant contracts.

The Board entered Executive session at 3:20 PM and adjourned for the day shortly afterwards.

June 6

The Board reconvened at 8:35 AM with all previous days attendees present. Gail Olmsted and Deryl Duer were also present.

Symposium Update-Gail Olmsted

Gail reported on symposium preparations, current levels of hotel pick-up rates, union issues, and AV incompatibility issues. She reviewed emergency plans and evacuation procedures, and parking arrangements for volunteers. She also reviewed plans for the opening ceremonies and banquet program. Gail left the meeting at 9:04 AM.

Endowment Trust-Dale Larson

Dale presented a report from John Hill and the Endowment Committee. The Board discussed the ways in which the funds could be used for the intended educational use.

Warren Carpenter moved to use the Endowment Trust funds of \$7126 to help pay the demonstrator fees during the 2012 symposium. Cassandra Speier seconded the motion. Motion carried unanimously.

Kurt Hertzog moved to reappoint John Hill as chair of the Endowment Trust Committee for a three-year term. Tom Wirsing seconded the motion. Motion carried

unanimously.

Fundraising Campaign-Stan Wellborn

Stan reported that the Fundraising Committee was never constituted because of the reluctance of the previous ED to engage the committee members in the process. Stan prepared a document of talking points for fundraising and feels that there are members who can help with making formal fundraising plans. Stan will activate the committee and work with Phil to present the Board a plan of action by the August meeting.

Nominating Committee-Cassandra Speier

The 2012 Nominating Committee included Cassandra Speier, Al Hockenbery and Joe Ruminski. The committee interviewed 11 candidates and selected the following: Rob Wallace, Lou Williams, Larry Miller, Kurt Hertzog, Philip Hauser, and Ron Brown. The office will be responsible for ballot distribution and the submission process. Our auditor, Harrington Langer, will tabulate and certify the results. The Nominating Committee will submit a slate of officers for the Executive Board at the November meeting. After the election new Board members will be sent a copy of the Board Handbook and minutes from the last several Board meetings so they can prepare to participate immediately. They will be invited to attend the December Board meeting as observers. The Board also discussed contingency plans should a vacancy on the Board occur.

Proposed Bylaws Changes: Section 5.13 Committees-Dale Larson

Current wording:

Section 5.13 Committees

(a)The Board, by majority vote, may designate such committees it may deem necessary and appropriate. Each committee shall serve at the pleasure of the Board. A committee will contain at least three (3) persons. **All committees shall have at least one Director as a liaison to the Board and the following committees shall have a Director as chair: Bylaws, Chapters and Membership, Conference, Educational Opportunities Grants, Finance, Nominating, and Publications.**

Proposed change:

All committees shall include at least one Director as an active member, who will serve as a liaison to the Board. A Director must chair Finance and Nominating Committees.

Explanation for change

The current bylaws restrict who can be appointed chair to the listed committees. The argument in favor of the change is that the best AAW member to act as chair of a given committee may not be a Board member. Under the proposed change the most qualified AAW member could be appointed chair of a given committee. Other sections of the Bylaws require a Board member serve as chair of Finance and Nominating so those committees are not included in the discussion.

The Board discussed the pros and cons of making the change and which committees should retain Board members as chairs.

Jean LeGwin moved to accept the change to the bylaws as presented above. Stan

Wellborn seconded the motion. Motion carried by a majority.

Membership Brochure

Jean LeGwin and Phil McDonald will work together preparing the new membership brochure to be sent to chapters, schools, and other venues. Phil suggested inserting a code on all AAW literature for tracking where new members are coming from, i.e., newsstand sales of journal, membership brochure, Constant Contact email, etc.

Office Staffing Plans-Phil McDonald

Phil reported on the current level of office staff. He will be introducing a formal performance management system in the near future. He has engaged Sharon Bierman as a temporary contract employee to work as interim webmaster. There is a need to add staffing with expertise in the areas of communications, accounting, and website support. These will be addressed as budget permits.

2013 Symposium-Dale Larson and Al Hockenbery

Dale presented Al Hockenbery's suggestions for early promotion of the Tampa symposium. Board members contributed a number of additional ideas to increase attendance, involve the Tampa art galleries, improve the attendees experience, and improve media coverage.

Demonstrator/Panelist Payment Schedule-Kurt Hertzog and Dale Larson

Kurt and Dale reviewed the demonstrator pay schedule and per diem rates. AAW's rates are comparable to the general regional standard. Panelists are invited by POP and in the past POP has set the number and rates for those invited. In the future, there will be a cap of 11 panelists paid from AAW budget. Each moderator will get \$100, free registration and one banquet ticket. Each panelist will receive \$100, but no registration or banquet ticket. This will result in a fixed amount for panel fees with a cap of \$3300. POP may invite additional panelists but those expenses will be covered under the POP budget.

June 11

Meeting resumed at 8:30 am with all Board members present except Stan Wellborn. Also present were Phil McDonald, Betty Scarpino, Gail Olmsted, Linda Ferber, Jane Charbonneau, Tib Shaw, Rudy Lopez, and Ron Browning.

Symposium Wrap-up

Gail reported on the symposium activities and made suggestions for improvements for the future. Her suggestions included: better communication on demonstrator needs, treat the spouse craft room more like a demo room, consider a separate schedule sheet in addition to the Handout Handbook, preparing a safety and enforcement policy for demo rooms and vendors, color-coded badges, better signage, vendor meeting and perks, raffles in the trade-show areas, raffle at the end of the banquet, and many more.

Kurt suggested that we set up a pre-registration for C3 so ballots would be a check off and easier to count. He also suggested that JotForm requests from the demonstrators needed improvement, and the need for better security.

Dale suggested that the time-line for Thursday symposium activities be adjusted so that demonstrators can have access to their rooms earlier in the day giving them sufficient time to prepare. He would like to see a better system set up for communicating with demonstrators, and a separate AV room so crews can assemble the new stands and equipment. The AV crews need prior training so they can work efficiently.

Cassandra mentioned that online IG registration did not work and will need to be fixed.

Binh requested better signage for the exhibition spaces so that non-attendees and attendees alike can find exhibits easily. They should be clearly marked as "Open to the Public".

After discussing the lack of participation in the Learn to Turn areas over the last several years, there was a consensus to discontinue the program.

Other Business

Botho suggested we consider another dues increase for 2013 and a small increase every year to keep up with rising costs. There was general consensus that it was too soon after the last increase to act now, but that it is always an option.

Jean has reviewed the draft Fox Chapel contract for producing the project books and expressed reservations about proceeding based on the terms of reassigning electronic right to FC. She feels strongly that AAW needs to protect and retain control of our intellectual property as represented by the journal archive material. With printing on demand and electronic delivery available to us, AAW could possibly generate as much or more revenue by developing the projects ourselves since we would not be concerned with delivery or warehousing. She suggested we not pursue the agreement with Fox Chapel. The Publications Committee will explore options for developing digital content.

Kurt moved to discontinue negotiations with Fox Chapel for production of our project books. Warren seconded. Motion passed unanimously.

Binh announced that POP decided to put a minimum bid on EOG auction items. He commented that the low prices on auction pieces gives concern for future contributions since artists are not receiving the money they feel they deserve from the work. He thinks we might want to consider the possibility of a raffle instead of the auction. He would also like to consider a live auction broadcast. Binh will report on how an EOG raffle might be run at the January meeting. POP also decided not to have an auction next year at the symposium although an online auction could be a possibility.

Cassandra expressed the need for added security in the Instant Gallery.

The Board entered Executive session from 10:55 AM until 12 noon when the meeting adjourned.

Next Board meeting will be a teleconference on August 6th at 6 PM CT.