

American Association of Woodturners

Board Meeting Minutes

**Tampa, Florida
June 25-27 and July 1, 2013**

Call to Order

A regular meeting of the AAW Board of Directors convened at 8:30 a.m., June 25, with Board President Dale Larson presiding. In addition, the following board members were present: Cassandra Speier, Kurt Hertzog, Binh Pho, Stan Wellborn, Tom Wirsing, Botho von Hampeln, and Rob Wallace. Lou Williams participated by telephone.

Executive Session

The meeting opened with a brief closed executive session with board members only in attendance. The regular meeting resumed at 9:05 a.m. with Board members joined by Phil McDonald, Linda Ferber, and Betty Scarpino.

Approval of Minutes

The board meeting minutes of May 13, 2013, were approved and will be posted on the AAW website.

Finance and Audit Report

Phil and Sandi reported that Tampa symposium registrations are lower than anticipated, with approximately 1250 attendees compared to 1365 in San Jose, which could affect the yearly budget outcome.

The approved business plan calls for a net budget gain of \$105,000 in 2013. Phil noted that we are on target for a surplus of \$120,000 by the end of the year, largely due to increased new and renewing memberships and some reduction in journal and symposium expenditures. The Finance Committee moved to accept the report, and Rob seconded. The motion was approved unanimously.

Auditing of the 2012 budget is nearing completion and a preliminary report has been submitted by the auditor. The auditors raised a longstanding concern about how the AAW reports its membership dues, largely as the result of deficiencies in the membership database. The question is being addressed and the office will continue to closely monitor the integrity of the monthly membership data. The audit and 990 tax forms are expected to be ready for approval at the August meeting.

The board unanimously approved a resolution to dissolve the Emergency Relief Fund (ERF) and transfer the remaining balance of \$20,497.00 from the ERF into the Educational Opportunity Grant account.

Executive Director Report

Phil outlined his key administrative concerns for the remainder of 2013, as described in detail in his written report. Among key priorities discussed by the board:

Expanding office staff by creating a new position to handle marketing activities and communications outreach. Phil intends to circulate a job description for the new hire and the board agreed that a job search should begin. Position responsibilities will encompass membership expansion; regular contacts with members and chapters; public relations; advertising of AAW activities to other craft and art organizations, news outlets, and social media; and management of AAW promotional materials, videos, publications, and books.

In discussion, Phil noted that the office staff has been increasingly stretched by a growing workload, and bringing on a professional to manage marketing strategies would provide needed relief. In discussion, Binh said it was important for the Executive Director to hire the staff he needs, and Botho agreed that a “salesman” for the AAW was an appropriate hire. Stan suggested that Phil also consider additional compensation for the office staff in the 2014 budget.

Retaining a qualified consultant to advise on fundraising activities. To provide expertise and guidance on AAW fundraising initiatives, Phil has contracted with Jim Hackney, a consultant with the Atlanta firm of Alexander Haas. Jim has worked closely on funding development with the American Crafts Council and currently serves on the ACC board. (Hackney later made a presentation to the board on funding strategies and consulted individually with several board members, and will prepare a business plan in consultation with Phil and the Fundraising Committee.)

Resolving the issue of headquarters office space and location. The AAW’s lease expires in December on approximately 3500 square feet of office and storage space and 2000 square feet of gallery and gift shop space. Phil is working with the Landmark Center to extend the lease and also has investigated other possible sites in the Minneapolis-Saint Paul area. As of now, Phil would prefer to remain in the Landmark Center. Moving to a suburban location would entail an increased cost per square foot, even if AAW contracted for less space. Any resulting savings would be small at this time. Phil also suggested that there may be the possibility of a grant from the Bigelow Foundation in Saint Paul that could be used to cover part of the rental costs.

Expanding the Journals-to-Books Initiative. The first four-volume series on safety and woodturning fundamentals will require targeted marketing efforts to ensure success. As of this date, total copies sold (including Amazon sales) is 170 books. The breakeven point to cover costs is about 1000 books. Contract editor John Kelsey is preparing a proposal for content for the next series. Future commitments will depend on outcome of actual sales to assess demand and marketing tactics. Phil also is exploring ways to fully digitize the journal for online readership through the company that currently prints the journal.

Improving membership statistics by reconciling the membership database into an updated program. Currently the annual membership renewal rate is around 80-85 percent, and new member rates remain steady. However, tracking and analysis of our membership remains difficult to impossible because of the problems associated with our legacy database. Phil proposes that we go to an open-source content management system with a modular design that would be compatible with any new website design. Although the software is free, annual licensing fees would range from

\$5,000 to \$15,000 annually, plus upfront development and installation and data migration costs. Phil will present a plan and time frame for this conversion at the August meeting.

Stan suggested that the AAW should provide a welcome package for new members, similar to what other organizations offer to new members. The mailed package would include a membership card, a car window sticker, the latest issue of the journal, and perhaps a Resource Guide. Phil and Stan will provide an estimate of costs for consideration in the 2014 budget.

Auction Update

Plans are in place to attempt an online bidding process for both the silent and live auctions. Phil has contracted with an online auction company to handle remote bidding at a cost of approximately \$5,000 for management and installation services. Those costs will be drawn from EOG auction proceeds. After considerable discussion about the logistics and practicalities of online bidding, Dale noted that this was an experiment to include more bidders in the process and the results would be evaluated for future consideration.

Editor's Report

Betty requested guidance from the board on how much space to devote to recapping the symposium in the journal, noting that the coverage takes many editorial pages from the publication for an event that has been over for several months by the time it is published.

Stan endorsed Betty's suggestion that less space could be devoted to the symposium wrap-up so long as it included a record of the annual meeting and key announcements, such as the winners of the newsletter, website, chapter collaborative challenge, and youth lathe recipients. Tom and Rob added that photos to capture the spirit of the event and other highlights and build enthusiasm for the next symposium were important.

Betty said that she thought that three to five pages could encompass the highlights for the broader woodturning community. The consensus was that the editor has the discretion to decide how much space to allot to this coverage. Betty will work with the Publications Committee and the new communications hire to promote the forthcoming symposium.

Foreign Demonstrator Visa Update

Following up on an initial request from Turners Without Borders, the board continued its consideration of legal requirements around compensation of international demonstrators at the symposium in order to comply with immigration visa regulations. The AAW plans to advise foreign demonstrators about U.S. law in this area in case they want to apply for special visas that allow them to earn income during their visits, and inform them that it is their responsibility pay any taxes due. Phil also will check with an immigration attorney to ensure that we are following proper procedures and will report back to the board. He also will prepare a compensation package for international demonstrators to bring it into line with U.S. immigration rules.

Nominating and Ethics Committees Updates

Binh said that nine board candidates had been vetted and six had been selected by the Nominating Committee. The nominees are Jim Swift, Jeff Brockett, Bryon Rosbrugh, Dennis Delehanty, Phil Hauser, and Art Liestman. Their candidate statements will appear in the August journal.

The Ethics Committee has been constituted and is operational. The committee has asked the board to consider the question of what its position should be in case the board overrode a recommendation of the committee that involved the board itself or an individual board member. Because the current policy handbook does not address this issue, the board will ask the Ethics Committee to check with other organizations on this governance issue and bring back a proposal that could be incorporated into the operational procedures of the AAW.

Honorary Lifetime Membership Nominees

Consideration is open for the person to be honored with a lifetime membership at the Phoenix symposium. The board will solicit nominations from the general membership for potential candidates, and a selection will be made later in 2013.

Endowment Trust Report

Sandi moved to reappoint Joel Rakower as a trustee of the Memorial Endowment Committee, and Rob seconded. The motion passed unanimously.

The board then reviewed the committee report from John Hill. Lou presented a proposal from the committee that recommends allocating the \$7,818 in endowment income for 28 scholarships to provide tuition at the Arrowmont and John C. Campbell woodturning programs for individuals to be selected through a lottery drawing. The procedure will allocate one application from chapters with 50 or fewer members, and two for chapters larger than 50 members. Arrowmont and Campbell have agreed to match the scholarship to cover full tuition.

After discussion, Lou made the following motion: *The AAW will allocate income from the Memorial Endowment to provide 28 matching scholarships to individual members at the Arrowmont and Campbell woodturning programs through nominations from chapters that will be selected through a random process.* Stan seconded the motion, which passed unanimously.

Lou will create an application procedure with deadlines and eligibility and disseminate to chapters.

POP Report

Binh noted that two members of the Professional Outreach Program Committee, Bonnie Klein and Jerry Kermode, will be stepping down next year, and he is soliciting suggestions for replacements.

Binh suggested that the AAW restore the policy of giving 10 percent of funds raised in the EOG auction to the POP. He noted that the fund allocation had been dropped in recent years, and that the money would help in POP's planning new activities. After discussion, Dale asked that POP submit a budget that the board could consider and have some oversight on before designating funds. Paul Fennell will get a budget proposal to Phil by September.

Binh noted that the POP exhibit theme for the Phoenix symposium will be “Rising.” He also proposed that AAW collaborate with jewelry designers in Phoenix for a combined show. POP also is planning to launch a Facebook page.

Proposal to Increase AAW Dues

In anticipation of a three percent rise in expenditures and additional staff requirements, Botho proposed a dues increase for 2014 of \$5 per member. The additional revenues would be a budget reliever in the coming year and could begin to restore the AAW reserves. Botho had previously circulated his proposal to board members in advance of the Tampa meeting.

In response, Lou noted that in his polling of chapter presidents he found strong resistance among members to the cost of AAW membership already, and that if we plan to propose a dues increase we would need to show why it was necessary and describe what additional services would be provided, and would need to be communicated well in advance of the increase.

After a lengthy discussion on the pros and cons of an increase, the sentiment of the board was that the timing was not right for a boost in the dues, particularly given plans for a strategic fundraising effort in the coming year. The board also felt that continually relying on hikes in membership fees could make us overdependent on dues revenues.

Meeting was recessed at 5:15 p.m. and resumed at 8:30 a.m. on June 26, with conference coordinator Gail Olmsted joining the session.

Symposium Siting

Phil, Kurt, and Gail led a discussion on future locations for the annual symposium. Dale stated that he would like to get to a three-year-out schedule.

Phil noted that key factors in location selection were cost, geography, convenience, facilities, and most of all local volunteer support. A growing factor influencing siting is the increasing size of regional symposia that are being held in popular regions of the United States.

Among suggestions for 2015 that came from the board and others were Dallas, Denver, Houston, Seattle, Las Vegas, Baltimore, Boston, Providence, Kansas City, Columbus, Cincinnati, Cleveland, Oklahoma City, Memphis, Nashville, Louisville, Pittsburgh, Atlanta, Indianapolis, and Madison. RFPs were solicited from a number of these cities. After reviewing responses, Gail, Phil, and Kurt will plan site visits in July to Columbus, Cleveland, and Pittsburgh for consideration in 2015. The board will review recommendations and make a selection in August and will plan to make a selection for 2016 in November.

Kurt opened discussion on the possibility of permanently rotating the location of the symposium among four or five cities selected for their convenience, facilities, cost, and local support. The board considered a number of positive and negative factors that could bring about such a policy, and plans to revisit the options in the future.

Strategic Planning

The board devoted the remainder of the day's session to wide-ranging discussions on strategic plans for the AAW, based on the existing five-year plan.

Among topics covered were membership growth and incentives, member demographics, chapter relationships, nonprofit status for chapters, insurance policies, membership dues, marketing, digital communications and formats for the journal, international growth, updated demonstrator database, AAW fundraising, relationships with counterpart art and craft organizations (Center for Art in Wood, Collectors of Wood Art, International Wood Culture Society, Furniture Society, ACC, Mint and Fuller museums, etc.), future symposium siting, interactions with regional symposia, resolution of the AAW office location and gallery, and future status of the permanent collection.

Board Meeting Schedule

The board meeting schedule for the remainder of 2013 is as follows:

August 19 by teleconference

September 23 by teleconference

November 8-10 in Saint Paul

Meeting recessed at 4:45 p.m. and resumed at 8:30 a.m. July 1

Present were Dale Larson, Sandi Speier, Kurt Hertzog, Tom Wirsing, Rob Wallace, Lou Williams, Botho von Hampeln, Binh Pho, Stan Wellborn, Phil McDonald, Betty Scarpino, Linda Ferber, Tib Shaw, and Jane Charbonneau. Joining the meeting were Gail Olmsted, Malcolm Zander, Al Hockenbery, John Ellis, Ron Browning, Rudy Lopez, Jim Hackney, and Phoenix liaisons Bob Hunter and Anna Lappegard.

Symposium Wrap-Up and Fundraising Presentation

Dale led a symposium wrap-up discussion. Kurt will compile and review notes from the session.

Jim Hackney gave a presentation to the board on strategic planning for fundraising and will give the board a formal proposal for next steps at a meeting later in 2013.

Adjournment

The meeting adjourned at 11:45 a.m.

Respectfully submitted,

Stan Wellborn, secretary