

AMERICAN ASSOCIATION OF WOODTURNERS
Board of Directors Meeting
January 25-26, 2014

CALL TO ORDER

A regular meeting of the AAW Board of Directors convened at the Sheraton Downtown Hotel in Phoenix, Arizona at 8:30 a.m. on January 25, 2014, with Board President Dale Larson presiding. The following board members were present: Denis Delehanty, Philip Hauser, Kurt Hertzog, Art Liestman, Cassandra Speier, Rob Wallace and Lou Williams. Board member Binh Pho participated by telephone. Also joining the meeting were Phil McDonald, Betty Scarpino, Linda Ferber, Kim Rymer and J. Paul Fennell.

APPROVAL OF MINUTES

The minutes of the December 2013 teleconference were approved as submitted and will be posted to the AAW website.

TREASURER'S REPORT

FY 2013 Year End Preview

Phil McDonald shared preliminary, unaudited results for 2013. Preliminary total unrestricted net income of approximately \$164, 000 which Phil anticipated will be within about plus or minus \$10,000 of the final figure.

FY 2014 Financial Reporting Improvements

Philip Hauser indicated that future monthly reports will be expanded to include restricted and unrestricted income.

Banking Resolutions on Interest-Bearing Accounts

Philip Hauser made a motion to approve bank resolutions for Ever Bank, Capital One and the Bank of the Internet to allow AAW to open a money market accounts and direct the Executive Director to make transfers between Bremer Bank and the money market accounts in the foregoing banks to earn money market interest on available cash balances. The resolutions were approved unanimously.

Review of Financial Illustrations

Philip Hauser shared the following financial illustrations: Unrestricted Assets with a trend line for 2009- 2014, Revenues & Expenses Per Member for 2011 -2014, Development of Net Income for 2011-2014, and Revenue by Major Category for 2011-2014.

Phil McDonald noted that membership is a major driver of revenues and impacts all categories. He indicated that he will make strategic recommendations based long-range planning and interactions with committees.

Financial Policies Handbook

Philip Hauser suggested that the Financial Policies in the AAW handbook be broken down into three distinctive sections as follows:

1. Finance Committee Policies (A draft of these re-written policies was submitted to the meeting)
2. Endowment Trust Policies (A draft of these re-written policies was submitted to the meeting)
3. General Financial Policies of the AAW

Philip Hauser suggested that these policies need to be in tune with the actual policies and procedures in effect at the AAW office.

An effort will be undertaken between Philip Hauser and the staff in St. Paul to gather the existing policies and provide a comprehensive overview in a Policy statement. A sample set of policies from the nonprofit world will be used as a template to assure that the policy is consistent and complete. It is intended that a draft document will be submitted to the June board meeting.

A suggestion was made to place a copy of the handbook in the “members only” section of the website for transparency.

2016 SYMPOSIUM DECISION

Gail Olmsted of Complete Conference Coordinators, Inc. joined the meeting at 10:00 a.m.

Phil McDonald presented Kansas City and Atlanta as viable host cities for the 2016 Symposium and pointed out that the AmericasMart venue in Atlanta offered the best overall value. The venue, built for home shows, is located in the heart of the city. The space is stacked over four levels which are effectively served by escalators.

Kurt Hertzog made the following motion: *I move that the Atlanta be approved as our planned site for the 2016 Symposium and CCC be authorized to pursue the contracts needed for the Atlanta event exclusively.* Rob Wallace seconded the motion. The motion was approved unanimously.

Kurt Hertzog also made the following motion: *I move that Kansas City will be retained as a suitable alternative to be pursued should difficulties arise and also be considered for the 2017 site.* Rob Wallace seconded the motion. The motion was approved unanimously.

2015 PITTSBURGH SYMPOSIUM UPDATE

Kurt Hertzog reported that the Demonstrator Committee has selected 17 prospective demonstrators to be invited demonstrators with alternates if needed for the 2015 Symposium. He read the list of the proposed invited demonstrators. Discussion followed. The BOD accepted the invited demonstrator list as read. Invitations will be extended by the Demonstrator Committee to that list.

Phil McDonald indicated that AAW has contracts with the David L. Lawrence Convention Center in Pittsburgh, the Westin Convention Center Pittsburgh hotel and the Omni William Penn Hotel. He noted that a contract with a decorator is being pursued.

2014 PHOENIX SYMPOSIUM UPDATE

Phil McDonald reported that with the final contracts pending for A/V, electrical and decorator/exhibition services, total expense commitments will account for approximately 95% of the total Symposium costs. Very little flexibility remains to modify the expense budget. Unpredictability has been a concern for exhibitors who need to know the cost and specifically what services are included at the dock. The decorator/exhibition services contracted for the Phoenix Symposium addresses these concerns in an affordable and very service conscious way. This contract model is being considered as the new standard for the 2015 Symposium in Pittsburgh and beyond. For the Phoenix Symposium, Phil noted the budget assumption for attendance at approximately 1,250 attendees (1,000 paid). He noted that there will be programming changes including expanded opportunities for people to socialize, as well as a celebration reception in lieu of the traditional plated banquet/gala meal.

These changes were based on feedback from the Tampa Symposium. Additionally, there will be streamed live audio (without video) for the two live auctions.

Gail Olmsted suggested that AAW secure the instant gallery and exhibition space a day early to facilitate set up and other preparations. She also noted there will be security for the tradeshow area and that badge-only access was being considered.

Binh Pho named sixteen artists who have been invited for the jewelry show and asked for additional suggestions.

Other changes to the 2014 Symposium program include: a first rotation that begins at 8:40 a.m. so that the trade show can open at 10:00 a.m.; on Saturday, the POP Auction begins at

3:30 p.m.; the trade show closes after the final rotation begins on Sunday and all large items must be picked up between noon to 2:00 p.m.

NEW ASSOCIATION SOFTWARE/WEBSITE UPDATE

Linda Ferber presented an overview of the new website due to be launched in February. Phil McDonald indicated that board members will be given access to take a closer look, as well as provide testing and feedback.

AAW 2014 BUSINESS PLAN

Phil McDonald reported that a signature effort for 2014 will be the Chapter Relations Initiative, which will serve as an intentional effort to reach out to Chapters and gain insights from the member level about service and benefit expectations.

He projects 6% membership growth in 2014 and sees opportunities to expand AAW's reach through partnership opportunities with vendors, as well as AAW's Journals to Books initiative. AAW will also utilize Internet and SEO opportunities to enhance visibility.

AAW's new member database will offer a new set of reporting tools that will enable AAW to project trends, identify red flags and make budget decisions in advance.

COMMITTEE UPDATES

Insurance – Chapter Insurance Strategy Update

AAW's general liability insurance policy provides more coverage than one year ago, but a contingency plan should be developed in the event that a major claim causes our insurer to drop coverage. Ideally, AAW would like to offer a range of insurance options to fit Chapters of all sizes. The Insurance Advisory Committee will present recommendations by June.

Membership & Chapters

Chapter Relations Initiative Project Brief

A disconnect between AAW and Chapters exists. AAW needs to more clearly convey the value it offers to members in exchange for membership dues. Operating as a focus group, the Chapter Relations Initiative will contribute to bridging the gap between AAW and Chapters. The group will consist of seven to ten Chapter presidents who will meet regularly by phone to discuss services that are important, those that need improvement and identify other issues so that Chapters can take a more active role in recruiting AAW members. The Initiative is expected to wrap up in mid-April, however the Board may want to consider a similar ongoing effort.

Recommendation for 2014 Scholarship Program

Lou Williams made a motion that the ETF Scholarship Fund program be continued for 2015 and that 2014 endowment funds be used for scholarships toward Arrowmont School of Arts and Crafts and John C. Campbell Folk School for 2015. The motion was approved unanimously.

Lou will follow up with other schools, including Anderson Ranch and the Center for Furniture Craftsmanship, to determine whether the schools can match funds and be considered for future scholarships.

Bylaws

Denis Delehanty received a request from the Ethics Committee to revise the AAW Bylaws to include a procedure for a circumstance wherein the entire Board of Directors commits an ethics violation. He responded to the Ethics Committee by citing that under state law and the AAW Bylaws, the AAW Board of Directors cannot assign its decision-making authority to any other group and that, in such a case, a court would need to intervene. He has not yet received a response to his feedback from the Ethics Committee and anticipates a clarification in the Policies and Procedures for the Ethics Committee may be needed.

Publications – Editor Position Search

The open Editor position was announced on January 4, 2014 and applications will be accepted through February 3. The Editor will be a contract position, hired by the Board of Directors and reports to the Executive Director. As of January 25, there were approximately 40 applications. A suggestion was made that the current contract be reviewed and updated for topics including 90-day terminations, terminations for cause, etc. It was noted that the new Editor should attend Board of Directors meetings to stay up to date on AAW's strategic direction and should be kept in the loop by the Chair of the Publications Committee.

Professional Outreach Program (POP) - Vendor Marketplace on Website

A vendor marketplace on the AAW website would offer benefits to both members and vendors. Wood Central has a good marketplace model. Concerns were raised about inclusion of advertising for vendors who sell low-priced, low-quality "knock-offs" and the potential impact on the advertising of other vendors. Phil McDonald indicated that AAW's Advertising Sales Team circumvents most conflicts effectively.

Fundraising – Progress Update

The details of the fundraising program will be fleshed out by June. Fundraising will require a culture shift from donating only artwork to also donating cash. It is recommended that the fundraising calendar be set from July to June due to timing of the Symposium.

The sale of naming rights of rooms in Phoenix is already underway.

Phil McDonald will follow-up with individuals who have outstanding donations/commitments.

Binh Pho and Dave Wahl will handle major donors and collectors.

Suggestions were made to sell the naming rights of the Gallery of Wood Art in St. Paul, include a fundraising article in the December Journal which is distributed in November, and include an “ask” at the time of membership renewal.

Turners Without Borders

Turners Without Borders will support representation of AAW at the FERIN Art Festival in San Juan, Puerto Rico in May. Carmen del la Paz and Rudy Lopez will demonstrate and build woodturning capacity at a five-day workshop for local wood artists. AAW’s goal is to establish a Chapter in San Juan. \$2,000 has been budgeted for this effort and restricted donations are being received to supplement this.

Mike Hou, of the International Wood Culture Society, has financed international trips that tie together world woodworking groups.

Andy Chen and AAW will demonstrate woodturning on World Wood Day in China.

OTHER

AAW Representation at Regional Symposiums

The Board and office staff ran-through the 2014 schedule of regional symposiums and assigned responsibilities to ensure an AAW presence at most of the events.

Board Meeting Schedule for 2014

The Board of Directors agreed to meet on the following dates in 2014.

- Finance Committee meetings will be held on the second Thursday of each month.
- The Board of Directors will meet the third week of each month in 2014 as follows:
 - Wednesday, February 19: Phone meeting
 - Wednesday, March 19: Phone meeting
 - Wednesday, April 16: Phone meeting
 - Wednesday, May 21: Phone meeting
 - Monday, Tuesday & Wednesday, June 9-11, Thursday, June 12 for set-up, and Monday, June 16 (until about noon): Phoenix
 - Saturday & Sunday, November 8-9: St. Paul
 - Saturday & Sunday, January 17-18, 2015: Pittsburgh

Educational Opportunity Grants (EOG)

At total of 69 applications for EOG grants were received for a total of \$94,000 (we have about \$34,000). Kurt Hertzog, Rob Wallace and Denis Delehanty will review the applications. Rob Wallace will contact grant recipients and notify the Board of Directors with the results.

RECESS

The Board of Directors meeting recessed at 5:30 p.m. on Saturday, January, 25 and reconvened at 8:30 a.m. on Sunday, January 26, 2014.

AAW SAFETY POLICY

Rob Wallace presented a draft of 2014 AAW Symposium Safety Policies for demonstrators and vendors. The goal is to be more explicit and keep everyone safe due to the wide range of potential safety risks at the Symposium. The Board of Directors discussed policy enforcement, requirements for high-risk versus low-risk projects, definitions, tone, etc. Dale Larson requested that all Board members study the draft policy and send suggestions to Rob Wallace so that a final draft may be presented at the February meeting.

STRATEGIC PLANNING & 2014 PRIORITIES

Financial Stability

Dale Larson reported that a priority for the Board of Directors is to expand revenue sources through fundraising while also reducing insurance risk/exposure.

Membership

Currently, there are 15,187 AAW members. With 6% membership growth, it is projected that AAW will have 20,000 members in five years. A priority for the Board of Directors is to define and tighten the relationship between AAW and Chapters. Other suggestions to drive AAW membership included improving the demonstrator ability list, offering more video content, returning to an 80-page Journal, taking advantage of the Woodturning Magazine (England) one-page per issue offer, obtaining more visibility through local media, developing a press kit for Chapters with templates, and providing the Journal in e-reader format.

NEW BUSINESS

Nominating Process

AAW is in the midst of the nominating process for its 2015 Board of Directors. Binh will follow-up with previous candidates who were not elected to assess their interest. A suggestion was made to identify the best AAW people, the best AAW member volunteers, and identify turners who are also philanthropy advisors or work in the area of fundraising to round out the Board.

ADJOURNMENT

Kurt Hertzog made a motion to adjourn. Rob Wallace seconded the motion. The meeting was adjourned at 10:37 a.m. on Sunday, January 26, 2014.

Respectfully submitted,

Cassandra Speier, Secretary