

American Association of Woodturners
Board of Directors Meeting
Wednesday, April 22, 2015

CALL TO ORDER

A regular meeting of the AAW Board of Directors was convened via teleconference at 6:00 p.m. central daylight time on Wednesday, April 22, 2015, with president Kurt Hertzog presiding.

Board members participating in the teleconference were Jeff Brockett, Denis Delehanty, Kathleen Duncan, Greg Schramek, and Rob Wallace. Also participating were AAW staff members Linda Ferber, Phil McDonald, and Kim Rymer, and editor Josh Friend. The following board members were absent: Art Liestman, Louis Vadeboncoeur, and Lou Williams.

APPROVAL OF MINUTES

The minutes of the March 18, 2015, board meeting were unanimously accepted as published.

TREASURER'S REPORT

Greg Schramek provided a summary of the March 2015 financial reports noting the following points:

- Seasonally adjusted net income for the year was \$63k, which is \$37k favorable to budget
- Year-end net income is forecasted at \$80.5k, which is \$24k unfavorable to the revenue budget due to the low demand expressed for the resource directory because of the added fee proposed to cover shipping and handling fees.
- Cash on hand at March 31 was \$614k, and year-end cash on hand is forecasted at \$592k, with the lowest cash balance expected to be \$424k in September.
- March membership income was \$74.4k, which is \$12k unfavorable to budget, and year to date membership income is \$296k, which is right on-budget.
- The only adjustment to the year-end forecast made in the 1st quarter is for the Resource Directory. The differences between year to date actual vs. budgeted expenses in other categories such as for salaries, design fees, printing, and postage are timing issues.

EXECUTIVE DIRECTOR REPORT

Membership

Phil McDonald reported that the membership count and income are performing to plan, and that, based on the first three weeks of the month, April membership numbers are expected to meet targets.

Woodturning Design

Phil reported that All American Crafts, Inc., the parent company of Woodturning Design magazine, closed operations in August 2014 and filed Chapter 7 bankruptcy in October 2014. He was informed by the court-appointed trustee in New Jersey that the

company's intellectual property will be liquidated at auction in 30 to 60 days. Phil noted that the market cross over between our publications is close, and that acquisition of the intellectual property could have strategic value for AAW. The trustee indicated that additional details are forthcoming. Phil made a recommendation to expedite the due diligence process, working in conjunction with the finance committee to vet information and potentially generate pro forma, and that the board may want to be prepared for a special meeting, if needed to approve any expenditures not contained within the 2015 budget.

Symposium

Phil reported that the 1st quarter year-to-date symposium registration count, 670, was within 1% of the expected trend-line. However, the rate has slowed in the past three weeks and the April registration numbers will likely be lower than anticipated. He indicated that hotel counts are just the opposite. The first two hotels, the Westin and the Omni, are at capacity. The third hotel, the Marriott City Center, is at about 30%. Phil stated that he is hesitant to sign a fourth contract, proposed by the Hilton Garden, and is waiting as long as the Hilton will allow due to the financial risk of entering-into another attrition-based contract.

SYMPOSIUM COMMITTEE REPORT

Jeff Brockett reported that there are no major issues regarding symposium planning to report and that Al Hockenbery is close to being done with schedules. Jeff and Ana Lappégard recently performed an inventory and assessment of all AV equipment and as a result, several new cameras will be purchased.

UNFINISHED BUSINESS

None

NEW BUSINESS

Kurt Hertzog reminded the board of the upcoming teleconference on Wednesday, May 20th at 6:00 p.m. CDT. He also noted that there will be board meetings in Pittsburgh before and after the symposium. Kurt asked board members to contact him if they are not able to participate.

ADJOURNMENT

Jeff Brockett made a motion to adjourn. Rob Wallace provided a second, and the meeting was adjourned at 6:51 p.m. central daylight time on Wednesday, April 22, 2015.

Respectfully submitted,

Rob Wallace
Secretary