

AMERICAN ASSOCIATION OF WOODTURNERS BOARD MEETING

Saturday, November 17, 2018 to Sunday, November 18, 2018

CALL TO ORDER

A regular meeting of the AAW Board of Directors convened at Landmark Center, in St. Paul, Minnesota, on Saturday, November 17, 2018, at 8:30 p.m. central time, with President Greg Schramek presiding.

Board members present were Rick Baker, Jeff Brockett, Joe Dickey, Kathleen Duncan, John Ellis, Wayne Furr, David Heim, and Molly Winton. Incoming Board members Andy Cole, Ken Ledeen, and Harvey Rogers, staff members Linda Ferber, Phil McDonald, Kim Rymer, and Editor Josh Friend were also in attendance.

EXECUTIVE SESSION

David Heim made a motion to call an executive session. Jeff Brockett seconded the motion and the Board went into executive session. Staff members Linda Ferber, Phil McDonald, Kim Rymer, Editor Josh Friend and incoming Board members Andy Cole, Ken Ledeen, and Harvey Rogers were excused.

The regular meeting resumed at 9:26 a.m.

Compensation Package

Joe Dickey made a motion to accept the Compensation Package, which will be provided in writing by the Board to the Executive Director. David Heim seconded the motion and the Compensation Package was unanimously accepted as presented.

Nominating Committee

On behalf of the Nominating Committee, Kathleen Duncan made a motion to accept the resignation of Board member Molly Winton. Jeff Brockett seconded the motion, which was unanimously accepted as presented.

Additionally, Kathleen Duncan made a motion to approve 2019 Board candidate Harvey Rogers to fill the Board seat vacated by Molly. Wayne Furr seconded the motion, which was unanimously accepted. Harvey Rogers assumed the role as Director. Molly Winton remained in attendance for the duration of the meeting.

APPROVAL OF MINUTES

The minutes of the October 18, 2018, Board meeting were reviewed. Greg Schramek asked the Board for corrections. There were none and the minutes were unanimously approved as written.

FINANCE COMMITTEE REPORT

October 2018 Financial Reports

Joe Dickey summarized the October 2018 financial reports and noted the following points:

- Unadjusted net income as of October 31 was \$281k, \$180k favorable to budget.
- The year-end forecast for net income is \$186k, \$125k favorable to budget.
- October 31 “Cash on Hand” was \$842k.
- The year-end forecast for “Cash on Hand” is \$974k.

Phil McDonald provided background about the importance of unrestricted reserves as a vital measure of a nonprofit’s financial health. Unrestricted reserves offer available funds for working capital and emergency spending. Phil recounted the progressive improve in our reserves since 2012.

Joe indicated that about one-third to one-half of the annual budget should be available as unrestricted reserves. He said that AAW is doing a good job rebuilding these reserves but has a way to go before adequate levels are reached.

Independent Auditor Approval For 2019

On behalf of the Finance Committee, Joe Dickey made a motion to accept Olsen-Thielen auditor services for 2019. He reported that the auditor counts Board election votes, files the IRS Form 990, and performs a thorough audit each year.

Phil McDonald stated that the current auditor is well-regarded, recognized, consistent with staff, and understands AAW’s operations. He recommends retention of the current auditor, who was selected based on a competitive bid process. The cost of auditor services is about \$13k annually.

Kathleen Duncan seconded the motion which was unanimously accepted.

Resolution Accepting Minnesota Charitable Organization Annual Report

Joe Dickey requested a resolution to authorize Executive Director Phil McDonald to submit the Minnesota Charitable Organization Annual Report Form. Minnesota charitable organizations are required to submit an annual report to the Attorney General’s Office. This report is prepared for AAW annually by the independent auditors.

David Heim made a motion for a resolution to approve the contents of the Minnesota Charitable Organization Annual Report Form. Rick Baker seconded the motion and the resolution was unanimously accepted.

RESOLVED, that the corporation be, and hereby is, authorized to approve the contents of the 2018 Minnesota Charitable Organization Initial Registration and Annual Report Form.

FURTHER RESOLVED, that the AAW office be, and hereby is, authorized to consult with the AAW independent auditing firm to execute and to take such other action, as shall be deemed necessary to fulfill the foregoing resolutions.

2019 Baseline Budget

Phil McDonald reported that the budget plan was vetted through Finance Committee in October, with follow-up discussion in November. He indicated that, when initially presented to the Board in October, the preliminary baseline proposal for 2019 anticipated a \$116.5k gain. Phil summarized major new spending proposals and stated that there are important budget decisions needed from the Board.

New spending proposals already introduced into the 2019 baseline budget proposal:

- 1) New technology investment
- 2) Attendance at the AWFS Expo Event
- 3) Funding the new contract with the AAW Managing Editor
- 4) Funding to increase author payments for Woodturning FUNdamentals content
- 5) Funding for member exhibitions

Revenues

Phil McDonald presented charts illustrating various revenue streams. The Board discussed several prospective ideas for increasing revenues, including member incentives, affinity marketing partnerships, paywalls for content, ala carte layered approach to memberships, and ways to capitalize on the social aspects of turning.

IT Architecture Software Presentation

During a working lunch, Ted Ericson of Great Circle and representing enSYNC provided an overview of the iMIS software platform and add-ons for the Board and answered questions.

SYMPOSIUM COMMITTEE

Future Site Selection

Jeff Brockett reported that Conference Direct (conference planner) is acquiring RFPs for 2022 from mid-sized/tier two cities, including Chattanooga, Grand Rapids, Columbus, Baltimore, Virginia Beach, and Salt Lake City. Baltimore and Columbus have elected not to bid on AAW's business. Jeff said that Chattanooga and Virginia Beach both have promising space footprints, a likelihood of low service costs, and pre-negotiated hotel rates are in our ballpark. Site visits have been scheduled to occur the beginning of December 2018. He explained that the AAW Symposium previously moved around the country (Midwest, East Coast, West Coast), and while that may remain our model going forward priority needs to remain on locations that are financially viable for AAW.

Raleigh 2019

Jeff indicated that AAW is changing the way the handout book is organized. Rick Baker spent time with Al Hockenbery to decide on appropriate changes and the changes will be adapted to other informational materials, including the website.

Phil McDonald stated the trade show is a significant contributor to the AAW Symposium financials and that 105 trade show booths (of 130) have already been sold, with revenue commitments totaling \$80k. The ad sales team has been highly successful year-after-year in replacing lost exhibitors.

Jeff indicated that AAW Symposium Board assignments for Raleigh are in the Board packet and that all Board members will be responsible for safety.

Jeff reported that opening remarks and the special Ellsworth/Scarpino presentation on Thursday night conflict with Special Interest Night (SIN). Instead, Special Interest Sessions will be held on other days over the lunch hour.

Phil informed the Board about various assumption built-in the 2019 budget proposal including member registration for the AAW Symposium is set at \$325 and the dinner is \$59. Member registration for those participating in the chapter group discount will be \$300.

Linda Ferber reported that there will be nine rotations and 25 lathes in the youth space. The area will also be used for Lighthouse for the Blind, a local student package (one rotation/one hands-on), and veteran's rotation and hands-on, which will be a great opportunity to form a partnership with the Wounded Warriors Project.

Louisville 2020

Jeff stated that Robin Costelle will be the lead local liaison for the Louisville Symposium and that K.C. Kendall will provide support.

MEMBER IDEAS/SUGGESTIONS

Greg Schramek presented member-submitted ideas to the Board, as follows:

1. Change the name of AAW to the "International Association of Woodturners"
2. Woodturner Certification

After allowing discussion, the Board agreed not to pursue either of these suggestions at the current time for a variety of reasons.

WIT COMMITTEE

Kathleen Duncan outlined WIT accomplishments for the year. Of note was the Arrowmont eXchange, which attracted 39 women to share techniques and community. The eXchange feedback was very positive, and WIT would like to plan another eXchange over Labor Day 2019.

Kathleen reported that only 12 women have taken advantage of AAW membership scholarship to-date in 2018.

VENDORS/AAW SANCTIONED EVENTS

Jeff Brockett reported that individuals should be cautioned against contacting vendors directly to secure items for AAW sanctioned events. He has learned of some events that are not AAW authorized but are represented as such. Jeff recommended that there be one point of contact at the main office for any vendor contact.

ANNUAL INSURANCE POLICY

Phil McDonald presented the annual review of AAW insurance policies. It was reported that it is the policy of AAW to protect its insurable risks by maintaining insurance to assure reasonable protection for its financial assets, the Board, volunteers, and staff against all foreseeable liabilities and business risks. He indicated that all AAW insurance policies for 2018 have been kept in-force and AAW is aware of no information to indicate any difficulties obtaining 2019 policy renewals. Phil stated that no claims against any of AAW insurance policies were made in 2018. A “Cyber Terrorism” rider quote has been obtained as this coverage is under consideration as a hedge to any risks associated with the transition to a new enterprise technology system. The total of all premium payments in 2018 will amount to approximately \$50k. Renewal notices are typically received within 30-60 days of the expiration dates.

BYLAWS/HANDBOOK

John Ellis reported that Wayne Furr, Harvey Rogers, and he have been reviewing, updating, and rewriting the Board Handbook. He noted there were significant wording changes. John asked for approval of the completed portion (included in the Board packet), which is part of the larger review.

Rick Baker suggested the Board wait until the new language is incorporated into the Bylaws before approval. As a result, the topic will be placed on the December agenda for review, discussion, and approval.

TURNERS WITHOUT BORDERS

Greg Schramek said he hopes to provide the TWB Committee with direction and recommended that the Board study international opportunities and take a position on several issues related to the Committee, including the following:

- Should TWB activities generate membership?
- Should their activities be self-sustaining?
- Should the Board decide whether AAW is English speaking or multilingual?
- Should AAW give preference to emerging chapters in other countries?

Board discussion followed, which included definition and purpose of TWB, potential outreach in South America/Argentina, possible outreach to the woodturning guilds in South Africa, and the

economic barriers of translating materials. It was determined that an international strategy needs to be defined and should focus on opportunities where there is scale and readiness.

David Heim stated that Ken Ledeen, Molly Winton, and he will craft a modified version of TWB's purpose that seeks to bring more members to AAW through outreach activities.

The meeting recessed for the day at 4:40 p.m. on Saturday, November 17, 2018, and resumed on Sunday, November 17, 2018, at 8:22 a.m.

NOMINATING COMMITTEE

On behalf of the Nominating Committee, Kathleen Duncan recommended the following Board members for Executive Officer roles.

- President – Greg Schramek
- Vice President – Jeff Brockett
- Treasurer – Joe Dickey
- Secretary – Kathleen Duncan

Wayne Furr made a motion to accept the roster of Executive Officer roles as presented. Rick Baker seconded the motion, which was unanimously accepted.

Greg Schramek indicated that all committee chair assignments for 2019 had been finalized and he noted the list of 2019 Committee Chairs distributed in the Board packet.

2019 HONORARY LIFETIME MEMBER SELECTION

Greg Schramek provided background on the role of the board in the selection of the 2019 AAW Honorary Lifetime Member.

Jeff Brockett read the list of current nominees and Board discussion ensued.

Joe Dickey made a motion to accept one of the nominees as the 2019 Honorary Lifetime Member. Jeff Brockett seconded the motion, which was unanimously accepted.

GOVERNANCE POLICY REVIEW

Greg Schramek provided background about the AAW Governance Policy, which cover ethics, conflicts of interest, confidentiality, non-discrimination/anti-harassment, and the ethics compliant process. He indicated that each Board member should sign the policy acknowledge each year. Additionally, Committee Chairs should distribute the policy to Committee members for their signatures.

Harvey Rogers indicated the policy is exceedingly broad and may be overly restrictive. He agreed to review the policy in detail and make a recommendation for a policy rewrite for 2020.

REGIONAL SYMPOSIUM SCHEDULE

Phil McDonald presented the 2019 Regional Symposia calendar to the Board and indicated that it is important to have AAW visibility in the field. He encouraged Board presence and asked Board members to let him know which events Board member plan to attend. Phil stated that travel expense reimbursement for board members has not been incorporated into the budget in any recent years. Board discussion followed.

UNFINISHED BUSINESS

Membership Incentive

The Board continued a discussion about a potential membership incentive of six-month full, free membership from the Saturday evening informal working session. The incentive would encourage new people to join a chapter and AAW. This would bring AAW and chapters together and help both to grow. Concerns expressed included whether the incentive would ultimately suppress membership and if it would erode the value of AAW membership. The topic will be revisited at a future Board meeting.

Grant Deadlines

All AAW grants have the same application deadline. Kathleen Duncan noted that WIT has outreach grants for small events that involve and attract women to woodturning. It is not practicable to plan a year in advance for grant funding for these small events. Kathleen asked if time sensitive grants could be reviewed more than once a year to give small events an opportunity to occur more spontaneously.

Board discussion followed.

It was determined that the Grants Committee, at its discretion, may make exceptions to the deadline for time sensitive grants applications that are justified.

IT Initiative

Kathleen Duncan made a motion to authorize the Executive Director Phil McDonald to move forward with the new spending for the technology project outlined in the 2019 Budget Proposal. David Heim seconded the motion, which was unanimously approved.

AAW Symposium: Face Shield Requirement

Jeff clarified that anytime a demonstrator/exhibitor is at the lathe and the lathe is turned on, they are required to wear a full-face shield.

NEW BUSINESS

None

CALENDAR

- Raleigh Board Meetings: January 12-13 (Fly-in January 11)
- Symposium Raleigh Board Meetings: July 8-9, 15 (Fly-in July 7)

If any Board member requires early check in, let the AAW office know.

Upcoming Board meeting conference calls will be held the third Wednesday of each month at 6:00 p.m. central time.

ADJOURNMENT

Jeff Brockett made a motion to adjourn the meeting. Kathleen Duncan seconded the motion and the meeting was adjourned at 10:55 a.m. central time, on Sunday, November 18, 2018.

Respectfully submitted,
Kathleen Duncan, Secretary