

AMERICAN ASSOCIATION OF WOODTURNERS

Board of Directors Meeting

November 16 & 17, 2019

CLOSED EXECUTIVE SESSION

CALL TO ORDER

After completion of a closed Executive Session, a regular meeting of the AAW Board of Directors convened at Landmark Center in St. Paul, Minnesota, at 8:49 a.m. CDT on Saturday, November 16, 2019, with President Greg Schramek presiding.

The following Board members were present: Rick Baker, Jeff Brockett, Andy Cole, Janet Collins, Joe Dickey, Kathleen Duncan, David Heim, and Ken Ledeen. 2020 Board member-elect John Beechwood III was also in attendance, as were Managing Editor Josh Friend and the following staff members Linda Ferber, Phil McDonald, and Kim Rymer.

APPROVAL OF MINUTES

Greg Schramek called for corrections to the minutes of the October 24, 2019, Board meeting. Kathleen Duncan made a motion to approve the minutes with one correction and Jeff Brockett seconded the motion. The minutes of the October meeting were unanimously approved with one correction.

FINANCE COMMITTEE

Financial Reports

Joe Dickey summarized the financial reports for October 2019 and noted the following points:

- Income Statement unadjusted year-to-date: \$277k (\$125k favorable to budget)
- Income Statement adjusted year-to-date: \$163k (\$73k favorable to budget)
- Income Statement, 2019 year-end forecast: \$184k (\$76k favorable to budget)
- October 31 "Cash-on-Hand": \$954k
- Year-end Forecast "Cash-on-Hand": \$1,168k

Phil McDonald added that depending on market performance, the combined Endowment portfolios could potentially contribute to a final gain higher than presently forecasted. Additionally, pre-acquisition assessments are underway for the Kaplan donation and valuation will not be formalized until 2020. A placeholder has been incorporated into the 2020 revenue budget projection for the donation.

Reserves Guidance

Joe Dickey stated the Finance Committee has formed a guidance recommendation for an unrestricted reserves target. Because AAW is a membership organization, and not necessarily directly comparable to other non-profits, the Committee's guidance to seek a recurring level of unrestricted at approximately 25% of the annual operating expense budget, or about \$450k. As of October, AAW is already at \$376K.

Following language will be incorporated into the AAW Financial Policy:

Pursuant to good practice and a conservative approach the AAW has set up a reserve of unrestricted assets to provide a financial cushion to help fend off unexpected adverse events in the future. The amount of these reserves has been set at one quarter of the annual operating expenses (three months). The annual operating expenses are defined as the total expenses projected in the Detailed Line Item Budget Proposal prepared annually at budget time.

The level of the three months of operating expenses is a guideline the board has adopted. This guideline will be reviewed by the board at least once every two years.

To provide transparency to members of the board and other interested parties, the level of reserves will be reported on a monthly basis on the Statement of Activities.

Approval of Independent Auditor For 2020

Phil McDonald recommended a motion be made to approve Olsen-Thielen as the AAW independent auditor to be engaged in the 2020 calendar year and for the 2019 tax year. Kathleen Duncan made a motion to approve Olsen-Thielen as the AAW independent auditor to be engaged in the 2020 calendar year and for the 2019 tax year. Jeff Brockett seconded the motion, which was unanimously approved.

Resolution Approving MN Charitable Org Annual Report

RESOLVED, that the corporation be, and hereby is, authorized to approve the contents of the 2019 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.

Treasurer Joe Dickey made a motion to approve to approve the contents of the 2019 Minnesota Charitable Organization Initial Registration and Annual Report Form. David Heim seconded the motion, which was unanimously approved.

2020 BUDGET DISCUSSIONS

Preliminary AAW Budget Development Packet

Phil McDonald stated there are very few changes to the Preliminary AAW Budget Development Packet for 2020 from the previous version and noted the following points:

- Preliminary Budget still shows a gain of \$146k.
- Recommends an expense increase of \$5k to retain an interactive digital desktop version of the *American Woodturner* journal. Phil noted that the mobile AAW app used for viewing full versions of the journal is being terminated.
- Lease expense for AAW office space within the Landmark Center is projected to increase 4% in 2020. This is tentative and will be confirmed before the end of this year. The Landmark Center is as a nonprofit under the jurisdiction of Ramsey County.
- The Kaplan donation is expected to be accepted and recognized in 2020 and will be reported on the income statement. Various valuation methods including selected appraisals, comparable sales, and original purchase prices.

(The meeting recessed 9:40 a.m. and resumed at 9:51 a.m.)

2020 Membership Initiatives

Phil McDonald explained that prior to developing the Chapter Affiliate membership incentive, AAW looked globally at how it has been successful obtaining new members. Chapter officers remain supportive in referring their members to AAW, but indicate they are not in the best position to act as salespeople. The design of the Chapter Affiliate membership will make it as easy as possible to refer individuals to AAW online, and thereby create a membership profile. Member data privacy consideration are being addressed. Affiliate Members will be able to “opt-out” at any time if they elect to do so. Phil noted that à la carte membership/product options are not currently under consideration, but AAW’s new technology will allow these options.

David Heim indicated that dues revenues assumptions for 2020 are flat and that the new Affiliate Membership incentive results in delayed dues revenue. He noted that he would like to be assured the assumptions are realistic and stated that AAW needs to be careful that the incentive does not undercut the value of AAW membership. Discussion ensued as Phil addressed David’s concerns.

Josh Friend reported that Fine Woodworking is essentially in his backyard and he has been exploring synergies with Editor Tom McKenna. He said a potential partnering seems promising. The collaborations would consist of in-kind exchanges, such as website ads and podcasts. Josh indicated details have not been formalized and it is too early to anticipate results. This relationship could offer additional visibility of the AAW brand to new audiences.

Phil McDonald stated that 50% of AAW revenues come from membership dues and that AAW we will be addressing the mechanics of auto-renewal for memberships in the new

software. Linda Ferber reported that the current credit card processor allows auto-renewals and even updates credit cards that expire. PayPal does not.

WOMEN IN TURNING

Kathleen Duncan reported on current WIT Committee planning topics:

- Arranging a third WIT eXchange to be held at Arrowmont. She explained the second WIT eXchange attendance was just short of the participant limit.
- Helping to facilitate smaller exchanges.
- Exploring a session to “educate the educator,” the purpose would be to teach women how to teach woodturning.

She said that WIT has an email list of 2,000 and relies on Chapter Liaisons to get the word out. Unfortunately, many of the Liaisons are inactive.

Greg Schramek stated that WIT should make certain education is the purpose of its events and suggested that other locations across the U.S. should be considered. He expressed interest in having WIT involved in membership growth and recommended WIT give consideration to establishing program goals and metrics.

SYMPOSIUM COMMITTEE

Equipment Purchases

Jeff Brockett stated that after realizing the need in Raleigh, he requested additional AV equipment. He indicated that AAW needs two new 65” HDMI flat screen monitors as spares/replacements of monitors and one speaker/microphone system to be used in the Youth Turning Program. Jeff explained that it makes good sense to own the equipment rather than renting it each year. He noted there is room in the currently owned storage crates for the requested equipment. No additional space would be needed in the St. Paul storage facility and transportation costs would be minimal.

Jeff also recommended replacing all the grinders (purchased before Tampa), including the shipping and crating, at a total cost of about \$5,600.

2020 Symposium Update

Janet Collins provided the Board with the following updates:

- Rotation 11: The Board decided not to eliminate Rotation 11 in Louisville. Instead, there will three rotations one after another with a 30-minute break in between. The usual lunch break will not happen, but food items will be available over the lunch hour.
- Proposed Thursday Evening: The Opening Ceremony will be from 5-5:20 p.m., Exhibitions Opening from 5:30-6:45 p.m., and Special Interest Night from 7-8:00 p.m. There will be food carts available for those who will need to eat on Thursday evening.

- Proposed Trade show and Instant Gallery Hours: Friday 9 a.m. to 6 p.m., Saturday 9 a.m. to 6 p.m., Sunday 9 a.m. to 2:15 p.m. After discussion, the Board reached consensus for an 8:30 a.m. Trade Show opening.
- Special Interest Night Topics: The Committee needs to review the topics and the equipment required. There is no new information to report.
- Annual Chapter Officer and Members Meeting: Will be held together in B104.
- Schedule: The schedule of demos (previously done by Al Hockenberry) is being performed by Janet and will not be finalized until the panels/panelist are known.

Phil McDonald provided the Board the following details:

- Symposium registration will open on December 9.
- The Office will support the Symposium pre-planning using the Jira software for management of critical path project scheduling. The Jira software was also used for the new technology/website project.
- Jack Parsons will likely be the local point-person for Louisville.
- The team already has a good relationship with the Louisville Visitors Bureau. Themes for promotional activities might be found in Louisville's prominence for ponies, bats, and bourbon.
- Trade Show booth sales are at \$68k so far, which is on track.
- When siting Louisville as the host city it was apparent the cost structure would be higher than other locations. The facility lease is relatively expensive and AAW did not receive any financial incentives from the city. There was confidence about the ability to draw sufficient attendance to ensure the symposium would be financially viable.

Future Symposia

Phil McDonald explained that it's still a "seller's market." Patty Kealy of Conference Direct will generate a list of targeted cities to be combined with preferences expressed by the Board and staff.

Jeff Brockett reiterated prior indications about interest in returning to the West Coast in 2023, albeit acknowledging potentially higher expenses and fewer suitable venue options.

Greg Schramek stated important factors need to be considered including financial performance and status of the Regional Symposia.

(The meeting recessed for lunch at 11:44 a.m. and resumed at 12:20 p.m.)

2021 Omaha Demonstrator Invitees

Ken Ledeen read the list Invited Demonstrators finalists for the Omaha Symposium in 2021. He indicated these individuals will be contacted as soon as he gets the go ahead.

Janet Collins advised Ken that the initial invitation should be made by the AAW Symposium chair.

Discussion about the Omaha finalists ensued.

It was agreed that people with visual imparts may be granted Symposium access for another individual who assists them.

It was agreed that demonstrators must embrace and demonstrate AAW's safety policies. AAW cannot allow demonstrators who disparage AAW's safety policies.

2020 POP Panels

Andy Cole reported that the deadline for submitting POP Panels was 10/31. The topics are Social Media, Photography (a presentation not a panel), How to Get Started in Business, Remote Demos, Juried Shows, Embellishment (Good or Bad), Evolving a Body of Work, and Why Makers Make. He is expecting a list of panelists and alternates soon.

Andy stated there will be no Artist Showcase Panel this year. Instead, it will be done in the Gallery space. Janet Collins indicated she had not received acceptance confirmation from the Showcase artist and asked to be informed as soon as possible if others are aware of the status.

2020 POP Merit Award

Andy Cole reported that the preferred finalist has declined the POP Merit Award for 2020, so there will not be a POP Merit Award in 2020. The POP Committee will reevaluate the award and process.

VISION 2020 COMMITTEE

Louis Vadeboncoeur and John Ellis joined the session via video conference. Louis Vadeboncoeur explained that his term as Chair of the Vision 2020 Committee has come to an end and that John Ellis will take over. He noted that the future of AAW is dependent on its ability to plan and to fulfill member needs. Planning starts with understanding member's needs, prioritizing the needs, and translating needs into projects – all in a dialogue with the Board. AAW's new technology will bring members together to exchange and this cannot be achieved without thoughtful planning. AAW needs good planning and oversight and the Board needs to play a key role in this process. Members will appreciate Board members who take interest, oversee forums, write newsletters, coach, and offer encouragement.

John Ellis pointed to the committee report in the Board packet an overview of the priority initiative to develop online woodturning communities in 2020. At present the scope describes up to 10 distinct communities. John reported that he has already developed a draft communities scope template for consideration by the committee. John encouraged all Board members to reach out, contact, and communicate with him on this topic as soon as possible.

On behalf of the Board and staff, Greg Schramek expressed appreciation to Louis Vadeboncoeur for his dedicated work as Chair of the Vision 2020 Committee.

(The meeting recessed at 1:50 p.m. and resumed at 2:04 p.m.)

TECHNOLOGY / SOFTWARE PROJECT

Phil McDonald summarized the status of webpage development, critical path, and functionality for the new technology. He noted that the Jira software allows AAW to keep things in forefront. Phil explained the new site has been undergoing beta testing which has provided important feedback. Upon launch, AAW expects members to struggle with new login credentials and the need to create a new password. Members will also need to refresh/edit their personal profiles. Migration of member records will be a key part of the pre-launch process.

Phil provided the following updates related to the new technology:

- Student membership will be digital only.
- Video Source will be behind the member wall.
- New 'Maker' Profile: Members may opt in to be a Maker and include 12 images of their work viewable by members and the public.
- Business Membership: (Former Business and Artist membership) may include up to 72 'Maker' images and receive premiums for the additional dues, including listing in Supplier search with logo image and discounts.
- Chapter Officers' microsite will have roster information.
- Chapters whose President is not an AAW member will not display contact information.
- The new technology will count members in addition to memberships (this relates primarily to Family Memberships and to unpaid memberships, e.g., Chapter Affiliates).
- There will be a grace period for new joins at the beginning of the period and renewals at the end of their expiration month.
- Member Gallery: New image uploads of member work remains in progress as the testing generated mixed reactions to some proposed features, such as including prices displayed with work.

SAFETY COMMITTEE

Rick Baker indicated that AAW is making a difference in the area of fractal burning.

BYLAWS

Greg Schramek indicated that formatting and keeping governing policies and other institutional documentation current in the Board Handbook has been problematic for about five years. He said some parts have been updated and other have not. Earlier in the year the Bylaws Committee began the process of rewriting the handbook but that stalled. Greg informed that that Rick Baker will be the 2020 Chair of the Bylaws & Policy Committee, and Rick has agreed to restart this project.

(The meeting recessed for the day at 3:35 p.m. and resumed at 8:03 a.m. on Sunday, November 17, 2020.)

NOMINATING COMMITTEE

Jeff Brockett presented the 2020 officers slate to the Board as follows:

- President: Greg Schramek
- Vice President: Janet Collins
- Secretary: Kathleen Duncan
- Treasurer: Joe Dickey
- Nominating Chair: Kathleen Duncan

Jeff Brockett asked the Board for additional officer nominations from the floor. There were none and so he made a motion to accept the slate as presented. Andy Cole seconded the motion, which was unanimously approved.

COMMITTEE CHAIRS

Greg Schramek presented the Board with 2020 Committee Assignments as follows:

Executive President, Greg Schramek
Vice President, Janet Collins
Secretary, Kathleen Duncan
Treasurer, Joe Dickey

- Symposium Committee, Janet Collins
- Vision 2020 Committee, John Ellis
- Women in Turning (WIT) Committee, Kathleen Duncan
- Endowment Committee, Ken Ledeen
- Contracts Committee, John Beechwood
- Bylaws & Policy Committee, Rick Baker
- Nominating Committee, Kathleen Duncan
- Parliamentarian, John Beechwood
- POP Committee, Andy Cole
- Professional Services Committee, Ken Ledeen
- Insurance Committee, Joe Dickey
- Turners Without Borders Committee, Ken Ledeen
- Demonstrator Selection Committee, Janet Collins
- AAW Grants Committee, Jeff Brockett
- Communications Committee, David Heim with Rick Baker, Liaison
- Safety Committee, Rick Baker
- Exhibitions Committee, Andy Cole
- Youth Committee, Larry Miller with Jeff Brockett, Liaison
- Ethics Committee, Molly Winton with Jeff Brockett, Liaison

Greg thanked all outgoing Committee members for their service.

GOVERNANCE POLICY

Greg Schramek indicated there is a draft of a Conflict-of-Interest Disclosure policy and form in the Board packet on page 48. He stated that each Board member should review the draft and ultimately must complete the form and return it by the December meeting.

Phil McDonald reported that there are plans to introduce an online form for completion.

2020 REGIONAL SYMPOSIUM SCHEDULE

Phil McDonald indicated that staff will attend some of the Regional Symposia and he would like to coordinate attendance to maximize efforts. AAW especially needs attendance at the larger Regional Symposia, like TAW, Totally Turning, and SWAT. Phil asked Board members to let him know which Regionals they plan to attend and he will circulate an updated schedule.

Jeff Brockett explained that the AAW office sends books, assorted swag, items to sell, and an iPad for sales and membership entries. He said Board members sit at a table, talk about the AAW, and interface with lots of people including attendees, demonstrators, and vendors. The Regional Symposium knows you're coming.

UNFINISHED BUSINESS

CERF+

David Heim stated he received an email from CERF asking for donations due to various disasters wildfires, tornadoes, hurricanes. Should AAW be supporting them with a donation? Linda Ferber and Phil McDonald explained current and prior relationships AAW has had with CERF+. CERF+ in the past and has created a brochure for AAW members.

Board Members Election / Expertise Needed

Jeff Brockett asked the Board to revisit a previous discussion about appointing a Board member to fill a specific expertise need.

Greg Schramek indicated that appointing a Board member would be a good way to get appropriate talent to cover a deficit of skills. He said that voters don't necessarily pay attention to skill sets. Greg explained that AAW could change its Bylaws, which requires a membership vote. Instead of voting on three members, members vote for two and the Board could appoint a third.

Discussion ensued about the mechanics for how an appointment process might work. There was consensus about pursuing the concept and developing one or more recommendations for the Board to evaluate.

Board consensus was to have the topic addressed by the Nominating Committee and Bylaws Committee and the respective chairs concurred. They will return in December with a progress.

NEW BUSINESS

Phil McDonald reported that there are already 53 members who have applied for the Chapter Scholarship.

UPCOMING MEETINGS

All Thursday video conferences will be held at 3 p.m. Eastern / 2 p.m. Central).

- Jan 18 & 19 (arrive Louisville Fri 1/17)
- Feb 20
- Mar 19
- Apr 23
- May 21
- Jun 1, 2 & 8 (arrive Louisville Sun 5/31)
- ~~Jul 23~~ *subsequently changed to Jul 9*
- Aug 20
- Sep 17
- Oct 22
- Nov 14 & 15 (arrive Saint Paul Fri 11/13)
- Dec 17

ADJOURNMENT

Jeff Brockett made a motion to adjourn the meeting. Kathleen Duncan seconded the motion and the meeting was unanimously adjourned at 9:22 a.m. CDT, on Sunday, November 17, 2019.

Respectfully submitted,
Kathleen Duncan, Secretary