

AMERICAN ASSOCIATION OF WOODTURNERS

Board of Directors Meeting
January 18 – January 20, 2020

CLOSED EXECUTIVE SESSION - 8:30 a.m.

CALL TO ORDER

A regular meeting of the AAW Board of Directors convened at the Crown Plaza Hotel, Louisville, KY, at 9:09 a.m. Eastern time on Saturday, January 19, 2020, with President Greg Schramek presiding.

The following Board members were present: Rick Baker, John Beechwood III, Jeff Brockett, Andy Cole, Janet Collins, Joe Dickey, Kathleen Duncan, and Ken Ledeen. Also in attendance 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 December 19, 2019, Board meeting. There were no corrections. Jeff Brockett made a motion to approve the minutes as presented. Rick Baker seconded the motion and the minutes of the December meeting were unanimously approved.

FINANCE COMMITTEE

Financial Reports

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

- Income Statement, unadjusted year-to-date: \$204.0k (\$95.8k favorable to budget)
- Income Statement, 2019 year-end forecast: \$210.0k (\$102.0k favorable to budget)
- November 30 "Cash-on-Hand": \$923.0k (per November 30)
- Year-end Forecast "Cash-on-Hand": \$1,117k (per November 30)

Treasurer's Report

Joe Dickey noted that the year-end forecasts presented in December remains mostly unchanged and that AAW had a successful year overall financially. He suggested that the Board consider the potential impacts of a plateau in membership growth and a less profitable symposium as it plans for the future.

Phil McDonald suggested diversification of revenues also be considered.

Reserves analysis

Joe Dickey reported that AAW has presently met its reserves requirement of \$350k (based on the recommendation of the Finance Committee).

A discussion about reserves and cash balances ensued. Phil McDonald indicated it is possible to run an organization on negative reserves, but it is not desirable. He noted that AAW's unrestricted reserves measure will be monitored closely.

Long-term Planning

Joe Dickey stated that the Finance Committee serves as one of AAW's long-term planning groups.

Phil McDonald offered background on the Vision 2020 Committee, which was formed in 2016, developed a plan that translated into about 30 initiatives. The Committee now must review and reevaluate its planning for changing environmental issues, factors influencing AAW members, as well as make long range contingency plans.

Board discussion followed and included recommendations such as offering an executive summary to accompany a more detailed plan, as well as the Vision 2020 Committee prioritizing ideas and concepts to the Board and the Board selecting 2-3 to put into action.

OPERATING BUDGET OVERVIEW

Phil McDonald stated that the Board approved the operating budget in December. The 2020 budget anticipates a \$144k net gain. AAW focuses on the bottom line, which is managed internally using an extensive chart of accounts. There are expense offsets for many revenue line-items. Furthermore, Phil noted that membership dues and the symposium remain predominant sources of income. The Educational Opportunity Grant program (EOG) no longer has a committed source of annual revenue except as individual, restricted donations are received. AAW nets about 50% on merchandise sales. Because AAW does not have an IT department or staff, \$40k has been allocated in the 2020 budget to support and maintain the new software investment.

EXECUTIVE DIRECTOR REPORT

Membership Report

Phil McDonald reported that the membership levels dropped in 2019. The official final membership count for 2019 was 15,032, a net loss of approximately 400 members over 2018. The operating assumption is that gross capture of new members was an overall increase over 2019, but offset by renewal losses in the fourth quarter, particularly in early renewals. AAW has been proud of its past retention of 80%, however there has been a three-year trend of fewer renewals than planned. AAW is in the process of defining the "why." Data is also suggesting that new members are churning at a rate faster than our historical levels.

In the meantime, the new Chapter Affiliate Membership is being rolled out. The membership involves very little effort on behalf of chapters. Additionally, AAW will engage its new technology for intelligence, and monitor behaviors. Soon, AAW will launch its new online Communities site, which is expected to introduce more incentives for members feel vested in the AAW experience, with tangible loss of benefits when they lapse. Additionally, the Vision 2020 Committee will place a priority focus on recruiting.

Linda Ferber commented on the churn factor – members with us three years or less are expiring at faster rates, while retention of members eight or more years remains higher.

Phil highlight Linda' key role in renewals and she is aggressive with targeting renewals with incentives. One possible factor contributing to the 2019 renewal decline was lack of any new digital publication renewal enticements due to the priority placed on launching the new technology.

Discussion about renewals followed. Suggested questions for follow up included:

- Why the member joined AAW?
- What are they hoping to accomplish?
- What do members continue to need or want from AAW?

<The meeting recessed at 10:30 a.m. and resumed at 10:40 a.m.>

2020 SYMPOSIUM IN LOUISVILLE

Noelle Grinley, from Conference Direct, joined the meeting.

Noelle summarized the highlights of recent service-related meetings and an Expo Center building tour as follows:

- The Expo Center is a great facility and AAW would not have the same situation downtown.
- The Expo Center has been remodeled and the halls are long and wide. You can see everything from the entry point.
- The dock layout is completely open with plenty of bays. Vendors will be able to get in and out quickly.
- AAW is bringing back the decorator, Fern, whose warehouse is right across the street.
- Parking Lot D will be for vendors. Attendee parking will be \$10 and there will be parking passes for volunteers.
- Visit Louisville, the local visitor's bureau, has great ideas and is open to new concepts. For example, AAW could offer bourbon tasting in the auction lounge areas, Spouses could make their own derby hats in the craft area, AAW could have rose displays in public spaces, AAW could offer tours of the Mohammed Ali museum, Louisville Slugger Factory, and offer tickets to a minor league baseball game.
- The catered food will be good, the concessions will not have minimums and will have a sufficient presence based on sales, including espresso stations and ice cream.

- The Ballroom has recently been renovated. It is a large, narrow space with plenty of room. AAW will have screens in middle. Two air walls will be closed. There will be an auction lounge area.
- There is an EMT station in the building, so none will need to be hired.
- Security will be hired through the Expo Center. AAW will have access to the Expo Center early and late, Noelle just needs to let them know.
- Casey and Robin, also from Conference Direct, will accompany Noelle again in Louisville.

When asked about the masses of people expected at hotel check in, Noelle indicated that the Crowne Plaza has been instructed to be over-staffed. The hotel will add stations for breakfast and grab-n-go food items to keep things moving.

Janet Collins provided the following updates:

- Youth program donations are on track and a request for project kits will go out soon.
- The schedule of demonstrations is done. Janet has shared it with each of the demonstrators and has received a few changes and requests.
- The schedule provided in the Board packet is a work in progress and will be edited.
- Molly Winton will replace Demonstrator Jennifer Shirley, whose husband has health issues.

Phil McDonald reported that Kim Rymer has prepared a marketing plan which will be distributed in the February packet. Ideas are welcome.

2021 OMAHA SYMPOSIUM

Janet Collins indicated that there are 13 invited demonstrators. To date, 11 have accepted, one declined due to health, one declined due to inability to demonstrate to large crowds.

Additionally, Janet reported that one demonstrator explained they cannot wear a face shield/visor due to health reasons.

Discussion followed which included:

- Because it has been presented as a medical condition, AAW maybe required to make accommodations.
- Demonstrators are ambassadors for AAW's safety policies. How can a demonstrator deliver a positive safety message to attendees if they do not wear a face shield?
- Send the demonstrator a rescinding offer to demonstrate. (Jeff Brockett wants to be on the record stating that he disagrees with this approach.)

A consensus was reached that would require the demonstrator to use a cage as an accommodation whenever the lathe is turned on. If that is unacceptable to the demonstrator, AAW will identify another demonstrator.

<The meeting recessed for lunch at 11:46 a.m. and resumed at 12:27 p.m.>

Janet explained she needs to identify a lead liaison and volunteer for Omaha. She has not received any response from either chapter she contacted by phone and email even though she mentioned the benefit of the raffle proceeds.

Linda Ferber noted that Minnesota Woodturners Association (MWA) can provide strong support.

Jeff Brockett stated that someone near Omaha needs to be identified for these roles and, if this goes on, Janet needs to develop contingency plan.

CHAPTER SCHOLARSHIPS

Phil McDonald reported that a total of 328 chapter craft school scholarship nominations were submitted, and the next step is to select winners at random.

Jeff Brockett explained that some chapters use the scholarships as marketing incentives for both chapter and AAW membership. For the future, Jeff encouraged awarding a scholarship directly to a chapter and giving the chapter the ability to award it.

<The meeting recessed at 1:00 p.m. for a volunteer meeting and facility tour, and resumed at 3:00 p.m.>

COMMITTEE MEMBERSHIP UPDATES

Greg Schramek read the list of Committees and Committee Members. Committee chairs reported updates to the Committee rosters as needed.

Vision 2020

Deni Delehanty

Phil McDonald

Linda Ferber

Kim Rymer

Josh Friend

Louis Vadeboncoeur

John Ellis

Greg Schramek

WIT

Kathleen Duncan, Chair

Marie Anderson

Dixie Biggs

Linda Ferber

Andi Wolfe

Lynne Yamaguchi

Jean LeGwin

Janet Collins

Contracts

John Beechwood, III, Chair
Rick Baker
Hal Sanders
Mike Hunter

Bylaws

Rick Baker, Chair

Nominating

Kathleen Duncan, Chair
David Heim
Andy Gunning

Parliamentarian

John Beechwood, III, Chair

POP

Andy Cole, Chair
David Ellsworth
Kimberly Winkle
Mike Mahoney
John Beaver
Tib Shaw
Curt Theobald

Insurance

Joe Dickey, Chair

Symposium

Janet Collins, Chair
Jeff Brockett
Rick Baker
Andy Cole
Ana Lappegard
Sharon Bierman
Larry Miller
Linda Ferber

Symposium - Demonstrator Selection

Janet Collins, Chair
Jeff Brockett
Andy Cole
Molly Winton

AAW Grants

Jeff Brockett, Chair
Kim Glover
Mike Mahoney
Al Miotke
Janet Collins

Ethics

Molly Winton, Chair
Jeff Brocket (Liaison)
Jean LeGwin
George Way
Crystal Early
Dale Larson

Turners Without Borders (TWB)

Ken Ledeen, Chair

- The Committee has been largely dormant and has no strategy.
- Ken recommended the meeting in Louisville be cancelled and removed from the schedule. Also, TWB should be removed from website and name the content something else.

Professional Services

Ken Ledeen, Chair

- A variety of individuals were suggested as potential Committee members.
- Ken noted that the Committee's mission and structure document has been updated and is in the Board packet.

Communications

David Heim, Chair
Rick Baker, Liaison

Exhibitions

Andy Cole, Chair
Joe Dickey

- Suggestions were made for Committee members.
- Andy Cole indicated that John Hill feels the Committee will go nowhere without a full-time promotion person.
- Greg Schramek suggested that Andy Cole, Joe Dickey, and Tib Shaw should convene to brainstorm.

Safety

Rick Baker, Chair

- Suggestions were made for Committee members.

Youth & Special Programs (Formerly “Youth”)

Larry Miller, Chair

Jeff Brockett, Liaison

Kip Christensen, Member

- Jeff Brockett stated that it takes a lot of effort to get youth involved and youth interest is waning. He suggested renaming the Committee to “Youth & Special Programs” which may include youth, Girl Scouts, Boy Scouts, Wounded Warriors, and Lighthouse.

<The meeting recessed at 3:52 p.m. and resumed at 4:05 p.m.>

CHANGES TO BYLAWS

Rick Baker referenced a new draft proposal for the Board to appoint a Board member in order to obtain needed skill sets. The proposal would be a change to the Bylaws and would require a member vote separate from the annual election.

Phil McDonald recommended that the vote be announced in the April Journal to reach individuals who AAW may not reach electronically.

Josh Friend indicated that to publish the vote in the Journal, he needs the vote content by mid-February and will need candidate information by mid-June.

Kathleen Duncan made a motion to adopt the second scenario referenced in the proposal and change the Bylaws as follows:

Section 5.03 Election of Directors: In each election, the two candidates receiving the most votes by those casting ballots will serve for three years. The third Board Member will be appointed by 2/3 majority vote of the Board of Directors.

Joe Dickey seconded the motion which was unanimously approved.

NOMINATING COMMITTEE

Kathleen Duncan asked to discuss what the Board is seeking in candidate skill sets for the next election.

Greg Schramek indicated the Board should look ahead to coming needs and consider which individuals will be rotating off the Board. There will be a discussion about Board candidates in August. Someone with financial expertise is currently the most needed.

BYLAWS UPDATE

Rick Baker stated that Bylaws wording needs substantial review and should be updated. There are sections that also need clarification.

Phil McDonald stated the Handbook has not been updated since August or October of 2018. He recommended using the Atlassian cloud-based software tool for the process and will invite the Board to see the tool with the Handbook.

<The meeting recessed at 4:45 p.m. for the day and resumed at 8:00 a.m. on Sunday.>

AFFINITY PARTNERSHIP WITH FINE WOODWORKING

Josh Friend reported that he had a Zoom teleconference with Linda Ferber, Phil McDonald, Kim Rymer, and Tom McKenna of Fine Woodworking. Tom sees AAW as a credible source for woodturning content and sees woodturning as an important part of woodworking. He would like to attend the AAW Symposium and will be an acknowledged presence. Fine Woodworking (FW) publishes six issues per year wherein AAW will be able to generate buzz about woodturning among FW members. Action items included scheduling a podcast for Josh and Janet to promote the Symposium, as well as various ad swaps, blog entries, etc.

NEW TECHNOLOGY

Phil McDonald explained that the AAW website is approaching its sixth week after launch of the new website. A summary of the status can be found in the Board packet. The launch of the new site required a password reset. Members not receiving the automated email with the reset link was the single most prevalent service issue encountered. This necessitated a substantial volume of phone contact time and email support. AAW has attached code at DNS filter to prevent SPAM flags and help resolve the deliverability problem. Other issues include problems with redirects, as well as significant issues with financial reports and tying them back with old reports (solutions are coming). Soon, AAW will launch a feature wherein individual members will be able to build a gallery. In the next two to three weeks, AAW will host a Chapter webinar to discuss the Chapter Symposium group discount, Chapter Affiliate Membership, and the website.

SYMPOSIUM HOST CITY SELECTION

Phil McDonald reported that Patty Kealy sent RFPs to 10 cities. The cities contacted were Albuquerque, Santa Fe, Salt Lake City, Anaheim, Billings, Bozeman, Indianapolis, Hartford, Tacoma, and Providence. Portland will also provide a proposal.

Several cities have been ruled out as unsuitable for one or more critical deficiencies. Tacoma will only work if we reengineer the Symposium to fit within a tighter space. The Hartford footprint is too small. Providence has certain less-desirable features. The only way AAW can make Portland work is to get the City to remove hotel minimums and which does not leave much negotiating room. Albuquerque lines up with most of AAW's requirements, but it is a layered facility, which is not ideal.

Jeff Brockett suggested adding Reno to the list. He said the Reno convention center is good, hotel rates are good and they want our business. The issue is that there is not local chapter, so AAW would need to rely on national support or solicit church and/or other groups to help. He also suggested looking at Tampa. He noted that some cities book way in advance. AAW could select the top three, make visits, and then plan for a decision later in the year.

Phil McDonald explained it's important to be ahead of the curve for the reasons Jeff states, but he emphasized encumbering AAW further elevates market risks. The fundamental Symposium model has not changed significantly in 15 years. He suggests using the time available to us to consider reimagining the Symposium and identifying what might be done differently. He and Janet agreed to continue planning and come to the Board by or before June with updated information.

UNFINISHED BUSINESS

Woodturning Online

Jeff Brockett noted that Woodturning Online has closed. He asked if it would be worth approaching them to pull some of their content for AAW's website, projects, videos, etc.

Discussion ensued which included preserving woodturning heritage, old videos might display unsafe practices, turning without face shields, etc.

Honorary Lifetime Award

Kathleen Duncan initiated a discussion about suitable recognition for Honorary Lifetime Members. A number of ideas were raised and Phil McDonald agreed to come to the Board with suggestions.

Auctioneer

Greg Schramek reported John Hill has indicated his retirement from the auctioneer role after many successful years. The POP Committee has previously expressed preference for increasing the auction proceeds and for consideration of this when selecting a new auctioneer.

After discussion, a two-person auctioneer team was suggested, and two prospective auctioneers were identified. The team should be reliable, willing, have positive attitude, be educated, have a good presence, and be well-intentioned. The challenge is to get through the schedule on time and be able to read the audience.

Greg Schramek asked Janet Collins to contact the prospective auctioneers.

Board Appointment

Rick Baker indicated he is writing the rationale communicated to members explaining the Board's unanimous approval to select one Board member by appointment each year.

Discussion followed which included these criteria:

- The Board wants to appoint a member in situations where the Board needs a specialized skill set;
- The Board may consider other factors in addition to skill set; and,
- The Board seeks to anticipate existing and future needs of the Board and maintain a balance.

Greg Schramek indicated there are always areas where AAW needs talents, such as: financial, project leadership, general leadership, legal, personnel, marketing, technology, and how to prioritize these talents will vary from year to year.

UPCOMING MEETINGS

All Thursday video conferences will be held at 4:00 p.m. Eastern time / 3:00 p.m. Central time.

- Feb 20
- Mar 19
- Apr 23
- May 21
- Jun 1, 2 & 8 (arrive Louisville Sun 5/31)
- 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 9:43 a.m. p.m. Eastern time, on Sunday, January 19, 2020.

Respectfully submitted,
Kathleen Duncan, Secretary