

AMERICAN ASSOCIATION OF WOODTURNERS

Meeting of the Board of Directors

Thursday, December 17, 2020

CALL TO ORDER

A regular meeting of the AAW Board of Directors convened via Zoom teleconference, at 3:00 p.m. Central Time on Thursday, December 17, 2020, with President Greg Schramek presiding.

The following Board members were present: Rick Baker, John Beechwood, Jeff Brockett, Andy Cole, Joe Dickey, Kathleen Duncan, Mike Summerer, and Molly Winton. Also, in attendance were Managing Editor Josh Friend and staff members Phil McDonald, Jennifer Newberg, and Kim Rymer, as well as newly elected Board members for 2021, Jay Brown and Linda Britt.

APPROVAL OF MINUTES

Greg Schramek called for corrections to the minutes of the regular Board meeting held on November 19, 2020. One change was noted.

Molly Winton made a motion to approve the minutes of the meeting. Kathleen Duncan seconded the motion, and the minutes were unanimously approved with one change.

FINANCE COMMITTEE

Financial Reports

Joe Dickey summarized the financial reports for November 2020 and noted the following points:

- Income Statement, unadjusted year-to-date: \$485.3k (\$420.0k favorable to budget)
- Income Statement, 2020 year-end forecast: \$560.0k (\$416.0k favorable to budget)
- November 30 "Cash-on-Hand": \$1,312.0k
- Year-end Forecast "Cash-on-Hand": \$1,328.0k

Joe noted the following points:

- The 2020 year-end financials appear strong, however 2021 is expected to be a challenging year.
- The Endowment Fund portfolio earnings remain a source of positive revenue variance.
- AAW has received formal confirmation from the Small Business Administration

that the CARES Paycheck Protection Loan has been forgiven, with any outstanding debt fully discharged.

- Unrestricted reserves on November 30 were above the benchmark target.

Investment Strategy Recommendation

Joe Dickey reported that there is significant cash-on-hand that should be put to work. The Finance Committee has developed the following investment policy recommendations for this money.

1) For Cash Investment Policy

***“The Finance Committee recommends that cash balances in excess of a benchmark target that ensures foreseeable working capital requirements be invested in securities which offer a favorable return on investment.*”**

The Executive Director and Treasurer, with oversight of the Finance Committee, shall define the benchmark target and review and determine the general investment strategy for all funds.”

2) For Unrestricted Reserves

“The Finance Committee recommends that Unrestricted Reserve amounts above half the Unrestricted Reserve recommended minimum (currently set at \$450K) may be invested in securities that offer a more favorable return on investment.”

On behalf of the Finance Committee, Joe made the following motion:

“The Board hereby authorizes the Executive Director to establish a balanced fund market equity account for cash in excess of the benchmarks defining foreseeable working capital requirements and Unrestricted Reserves. Examples of such securities include balanced funds of a respected investment company. Such investments may be proposed by the Executive Director or the Finance Committee and must be reviewed by the Finance Committee, sanctioned by the Board and implemented by the Executive Director.”

Mike Summerer seconded the motion. Discussion followed and the motion was unanimously passed.

2021 Operating Budget Approval

On behalf of the Finance Committee, Joe Dickey made a motion to approve the 2021 Operating Budget as presented. Kathleen Duncan seconded the motion. Discussion followed and the motion was unanimously passed.

EXECUTIVE DIRECTOR REPORT

Membership

Phil McDonald reported that the largest number of AAW memberships expire in December. Jen Newberg has helped AAW get back on track and up to speed with its renewal campaigns. AAW is on a trend line to exceed the goal of 1,914 for December.

Staff to Support Committee Activities

Phil indicated that Tib Shaw is now working with the Demonstrator Selection and Program Planning committee. He is strategically making certain staff are assigned to committees as appropriate.

COMMITTEE ASSIGNMENTS

Greg Schramek reported he would like all members of committees listed on the website by December 31. He said "committee" is defined as a group of at least three people.

BYLAWS COMMITTEE UPDATE

Rick Baker reported that he received feedback and made a few minor changes to the Board Handbook. He requested Board approval of the Handbook.

Discussion ensued including: 1) removal of information about Board members demonstrating at a regional symposium, 2) committee names/titles must be consistent with current names/titles, 3) symposium demonstrator selection prescriptive needs to be updated, and 4) a list of past Board members in the handbook and on the website.

It was noted that more due diligence was needed before approving updates. No action was recommended at the meeting.

Greg Schramek indicated the Board Handbook was not a binding document and does not need a vote. He complimented Rick's outstanding work to edit, clarify, and update the contents. The Handbook flows better and is better organized. The Board will reference the information as a guideline and use it as a working document. Greg suggested minimizing changes for the next nine months, then focusing on a total restructure of the document.

Rick asked that any additional changes be sent to him by December 31.

DEMONSTRATION SELECTION

Mike Summerer reported that for upcoming AAW online events, the Committee is working with Ashley Harwood for February and Liam O'Neil is scheduled for March.

SYMPOSIUM COMMITTEE

Jay Brown indicated that he, Phil McDonald, and Jen Newberg met with Conference Direct conference planners and a calendar change is not possible. Identifying a local lead for Omaha has been a challenge. An email asking for local volunteers was sent to all members in the Omaha area with disappointing results. Jay noted that there is more space available and AAW can probably use the entire facility, if needed. The financial impacts of COVID-19, reduced attendance, potential cancellation, etc. are being discussed. AAW will be in a better position to make decisions in the future.

Phil McDonald noted the hotel addenda will be coming soon according to Patty Kealy of Conference Direct.

Jen Newberg reported that the Symposium Planning committee will be strategically looking at indicators such as COVID-19 vaccine roll out. If the vaccine roll out is successful, that is a positive indicator. The Committee is also discussing social distancing guidelines/rules with Conference Direct. What we know today about protocol will not necessarily be what is required in July. Jen indicated that Patty is reviewing contract matters in a holistic way. She understands we cannot raise our costs but will need extra space for social distancing.

RECOGNITION OF OUTGOING BOARD MEMBERS

Greg thanked outgoing Board members Kathleen Duncan and Jeff Brockett for their service. He noted they took on their duties with dedication, commitment, and enthusiasm, and their contributions were immeasurable to say the least. They will be missed.

He also expressed appreciation for the contributions of former Board member Janet Collins who departed before her term was over.

UNFINISHED BUSINESS

January Board Meetings

Greg Schramek indicated he has not set up the final schedule for January Board meetings, but expects there will be two, four-hour sessions.

Staff

Phil McDonald gave special thanks to staff Tib Shaw, Jane Charbonneau, and Kim Rymer. He said they performed their jobs with the greatest respect and interest in members in 2020.

Greg Schramek expressed appreciation for two former AAW staff members who departed in 2020: Hannah Hass and Linda Ferber. He said Linda was a stalwart member and represented AAW at the Symposium, chapter meetings, etc. They are missed.

NEW BUSINESS

None

UPCOMING BOARD MEETINGS

All remote sessions will be held at 4:00 p.m. Eastern Time except where noted.

2021

- January 21, remote
- February 18, remote
- March 18, remote
- April 22, remote
- May 20, remote
- June 24, remote
- July 12, 13, 19 (Omaha face-to-face, July 11 arrival date)
- August 19, remote
- September 16, remote
- October 21, remote
- November 13, 14 (St. Paul face-to-face, November 12 arrival date)
- December 16, remote

ADJOURNMENT

Jeff Brockett made a motion to adjourn the meeting. Molly Winton seconded the motion, and the meeting was unanimously adjourned at 5:01 p.m. Central Time, on Thursday, December 17, 2020.

Respectfully submitted,
Kathleen Duncan,
Secretary