

American Philatelic Society

Board of Director's Meeting

September 22, 2008

**** Denotes board action**

Board members present: Michael Dixon, Janet Klug, Joann Lenz, Robert Odenweller, Steve Rod, Wade Saadi, Denise Stotts, David Straight, Dan Walker, Wayne Youngblood.

Invited Guests: APRL President Ken Grant; Dealer Representative Jim Dempsey, Legal Counsel Virginia Eisenstein.

Staff Present: Executive Director Peter Mastrangelo, Deputy Executive Director Ken Martin, Controller/Director of Internal Operations Rick Banks, *American Philatelist* Editor Barb Boal, Director of Expertizing Mercer Bristow, Librarian Gini Horn, Director of Sales Tom Horn, Public Relations Manager Fred Baumann.

Others Present: Michael Baadke, John Cropper, Lloyd de Vries, Dennis Gilson, Kurt Lenz, Andrew McFarlane, Foster Miller, Rick Miller, Charlie Peterson, Steve Schumann, Dave Warfel

Call to Order - Wade Saadi called the meeting to order at 2:01 p.m.

Adoption of Procedure - Saadi indicated that the first order of business is to adopt the procedures to be followed for the nominations and voting. Legal Counsel Virginia Eisenstein recommended the following:

1. Nominations will be called for.
2. Nominations will be in order by any member of the Board.
3. Only members of the Board can be nominated.
4. No person can nominate more than one nominee (per *Robert's Rules of Order*)
5. When no one wants to make another nomination, the nominations are closed.
6. Voting will be by a roll-call election. The secretary is directed to call the roll. The roll is called in alphabetical order, with the caller calling himself last.
7. If a nominee receives a majority, he or she is declared elected as the APS President. He or she then takes office immediately.

****Moved by:** Dan Walker that the procedure recommended by Eisenstein be approved.

****Seconded by:** Janet Klug.

Hearing no discussion Saadi asked Youngblood to do a roll call. All 10 board members voted to approve the procedure.

Words about Nick Carter - Saadi asked that a moment be taken to remember Mr. Carter. Mr. Carter joined the APS 43 years ago. He was a Patron of the Library and helped APEX expertize British Africa. He grew up in a family where you were not normal if you did not collect stamps. He graduated with degrees from Harvard and MIT and served two terms as APS Treasurer before being elected APS President. In his first column as president Mr. Carter asked for the membership's help in spreading the joy of philately. His joy for life and the hobby was obvious. We extend condolences to his beloved wife, Betsey, their children, grandchildren, family and

friends. Saadi asked for a moment of silence for Mr. Carter.

Nominations - Saadi opened the nominations.

****Dan Walker nominated** Wade Saadi. Saadi asked Virginia Eisenstein if a second is required. Eisenstein indicated that a second is not required but may be made to show additional support.

****Janet Klug seconded** Saadi's nomination.

****Joann Lenz nominated** Wayne Youngblood. No additional nominations were offered.

Vote - Saadi asked that Secretary Youngblood call the roll. Saadi received votes from all directors except Lenz, who voted for Youngblood. Saadi was elected 9-1.

Saadi said that he is very fortunate to inherit a fine board. He wants to unite the board and his goals are very similar to those Mr. Carter had. Saadi hopes to lead the board in

1. Spreading the joy of philately
2. Improving the finances of the Society
3. Broadening and increasing services to the membership.
4. Take advantage of technology to make philatelic information more accessible
5. Complete the American Philatelic Center as economically as possible

Vice President Vacancy - Saadi proposed 2 p.m. Monday Sept. 29 for a board meeting to fill the vacancy on the board. Denise Stotts indicated she had a potential conflict but would be able to attend if the meeting could be moved back one hour. All board members agreed to a 3 p.m. Eastern time phone meeting on Monday, Sept. 29.

Questions and Notes - Klug asked her status as Immediate Past President. Eisenstein indicates that she remains in that position on the board.

Steve Rod asked if there has been any consideration of permanent recognition of Nick Carter. Peter Mastrangelo indicated that consideration is being given to naming the new Volunteer Recognition awards in Mr. Carter's honor. The board unanimously supported the idea and asked that this be added to the agenda for next week's meeting.

Peter Mastrangelo noted that Betsey Carter provided an obituary which is now posted on the APS website and asked that donations in Nick's memory be designated for the Tiffany Endowment Fund.

With no further business the meeting adjourned at 2:21 p.m.

American Philatelic Society Board of Director's Meeting September 29, 2008

Board members present - Michael Dixon, Janet Klug, Joann Lenz, Nick Lombardi, Robert Odenweller, Steve Rod, Wade Saadi, Denise Stotts, David Straight, Dan Walker, Wayne Youngblood.

Invited Guests - Dealer Representative Jim Dempsey, Legal Counsel Virginia Eisenstein.

Staff Present: Executive Director Peter Mastrangelo, Deputy Executive Director Ken Martin, Controller/Director of Internal Operations Rick Banks, *American Philatelist* Editor Barb Boal, Director of Expertizing Mercer Bristow, Director of Sales Tom Horn

Others Present: John Cropper, Dennis Gilson, Kurt Lenz, Foster Miller, Rick Miller, Steve Schumann, Herb Trenchard

Call to Order - Wade Saadi called the meeting to order at 3:02 p.m.

Appointment to Fill Vice President Vacancy - Saadi noted that the vice president must work as a team with the other two vice presidents and is not an independent position in the sense of a director-at-large or even the secretary. Thus, he solicited input from vice presidents Steve Rod and David Straight. Based on their feedback Saadi asked Nicholas A. Lombardi to fill the vacant position as one of the three vice presidents of the APS. Before a motion or discussion was made Saadi asked Steve Rod to provide background info on Lombardi.

Rod indicated that although he hopes we never have to go through this process again, it was very encouraging to see all the interest in the position as many people suggested others and expressed interest themselves. Rod said that he and David Straight literally reviewed hundreds of names. Lombardi has been a member of the APS since 1992 and has been actively involved in organized philately at the local, regional and national levels for quite some time. He has been the President of the Westfield (NJ) Stamp Club – an APS chapter – for the past eight years and, prior to that, had served as its treasurer. At the regional level, he has been a member of the board of directors of Nojex, a WSP show, since 2001. At the national level, Lombardi has been the president of the United States Stamp Society – an APS affiliate – for five years, having served on the board of governors prior to that. He is also the chairman of the Second Bureau Issue Committee within the USSS. For the past two years, Nick has also been a board member of the Collectors Club (NY).

Lombardi collects and exhibits United States stamps, with an emphasis on the Second Bureau Issue (Series 1902) and registered mail. He has written numerous articles on various topics within these areas and received the USSS Hopkinson Literature Award in 2005. His articles have appeared in *The United States Specialist*, *The Philatelic Exhibitor*, and *The Collectors Club Philatelist*. Lombardi is a retired special agent for the Internal Revenue Service and currently works for the Postal Inspection Service.

****Moved by:** Steve Rod to approve President Saadi's appointment of Nicholas Lombardi to fill the vacancy as one of the three members of the APS board of vice presidents.

****Seconded by:** Wayne Youngblood

There being no discussion Saadi asked Youngblood to conduct a roll call

****The vote was unanimous, 9-0.**

Eisenstein indicated that since the three vice presidents do not all reside within 200 miles of each other that per the bylaws Lombardi needs to send a written letter to the APS president indicating that he agrees to meet in person with the other two vice presidents at least once every 60 days. Lombardi was aware of the requirement and intends to quickly provide the written letter. Saadi asked if Lombardi had to be sworn in. Eisenstein indicated that this is not a requirement.

Nicholas G. Carter Volunteer Recognition Awards - At the Sept. 22 board meeting it was suggested that the Volunteer Recognition Awards, which Mr. Carter pushed so hard to have implemented, be named in his honor.

****Moved by:** David Straight that the awards be named the Dr. Nicholas G. Carter Volunteer Recognition Awards.

****Seconded by:** Klug.

Peter Mastrangelo said he spoke with Betsey Carter earlier today and she felt it more appropriate if the naming did not include “Dr.” In light of this information David and Janet amended their motion to omit “Dr” from the name.

Steve Rod said that when awards are given out, far too often no background information is provided about the individual for whom awards have been named and hopes we will pay careful attention to share with future collectors about Mr. Carter. Bob Odenweller cited the Luff Awards as a perfect example.

Hearing no discussion Saadi asked Youngblood to do a roll call vote.

****The motion was approved unanimously 10-0.** (On this motion Nick Lombardi was eligible to vote and the President only votes in the case of a tie.)

Saadi asked the staff to provide a link to the nomination forms along with the announcement of the naming of the awards on the APS website. Peter Mastrangelo indicated that this would be done and that news of the naming and the upcoming deadline for nominations would be included in the October e-newsletter.

Steve Rod expressed concern that in recent years the pool of Kehr Future of Philately nominees has shrunk considerably and asked if Joann Lenz would be available for a conference call with he and MaryAnn Bowman. Lenz said she would be happy to participate in such a call and asked that Ken Martin be kept advised.

There being no additional business the meeting was adjourned on a ****motion by** Bob Odenweller, ****seconded by** Denise Stotts and **unanimously approved** by a voice vote at 3:21 p.m.

American Philatelic Society Board of Director's Meeting November 17, 2008

Public Session

APS Board members present - Michael Dixon, Janet Klug, Joann Lenz, Nick Lombardi, Robert Odenweller, Steve Rod, Wade Saadi, Denise Stotts, David Straight, Dan Walker., Wayne Youngblood,

APRL Board members present - Roger Brody, John Flannery, Ken Grant, Rob Haeseler, Peter Martin, Charles Peterson, Roger Schnell, Herb Trechard, Dan Walker.

Invited Guests - Legal Counsel Virginia Eisenstein, Dealer Representative, Jim Dempsey.

Staff Present: Executive Director Peter Mastrangelo, Deputy Executive Director Ken Martin, Controller/Director of Internal Operations Rick Banks, Ilene Barner, Fred Baumann, Kelley Binkley, Barb Boal, Mercer Bristow, Lisa Clemson, Megan Crater, Bill Dixon,

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Stephanie Frankhouser, Renee Gardner, Dana Guyer, Deb Hanslovan, Krystal Harter,
Gini Horn, Tom Horn, Judy Johnson, Brian Krasinski, Wendy Masorti, Gretchen Moody,
Kay Peters, Doris Wilson.

Others Present - John Barwis, John Cropper, Tom Fortunato, Dennis Gilson, Kurt Lenz, Foster
Miller, Richard Nakles, Steve Reinhard, Al Starkweather

Call to Order - Wade Saadi called the meeting to order at 3:02 p.m.

Revised Rules for WSP Shows - Saadi asked Steve Reinhard to provide an overview of the
proposal changes to the WSP Show Rules. Reinhard explained that the proposed revision
reflects the incorporation of changes approved by the board at Hartford. The proposal also
formalizes the unwritten rule that two of the five members of a jury must be accredited as chief
judges, ensuring that a qualified backup is prepared and available if a chief judge is unable to
complete an assignment. David Straight asked the rationale for decreasing the minimum
distance between WSP shows on the same weekend from 1,000 to 800 miles. CANEJ feels the
reduction provides more flexibility with little or no impact to WSP shows.

****Moved by:** Janet Klug to approve.

****Seconded by:** Dan Walker

****Passed unanimously.**

Request for Bye by Southeastern Stamp Expo - Steve Reinhard indicated that the next two
items are interconnected. The Southeastern Stamp Expo is requesting a bye because New York
400 was scheduled for the same weekend. The Southeastern Show found out about the New
York 400 show when they were told by dealers that they would be attending the New York show
rather than the Atlanta show. After significant discussion at a previous meeting we allowed
Milcopex to reschedule on the same weekend as the Southeastern Show despite being less than
1,000 miles away. CANEJ recommends that we grant a bye to the Southeastern Show.

****Moved by:** Walker to approve the bye

****Seconded by:** Denise Stotts

****Passed unanimously.**

Request for One-Time WSP Status for New York 400 - Steve Reinhard said that the APS
should have been brought in on the initial planning for this show. We need to champion our
regular WSP shows, and to give WSP status to NY 400 would send the wrong message.
Reinhard is sure Tom Fortunato will do a great job as Exhibits Chair, but WSP shows must go
through four trial runs before gaining WSP status. CANEJ recommends against granting one-
time WSP status for NY 400.

Janet Klug said that there is a precedent for one-time shows. Aerophilately 2007 was granted
WSP status. Reinhard said that Aerophilately 2007 was different as it was run by APS staff.
Klug said that with 117 dealers, 300 frames, and literature exhibits, NY 400 will be some
regional show. How does not approving help dealers, collectors or shows? Reinhard said not
approving would help Milcopex, which is on the same weekend.

Al Starkweather indicated the date was mandated by the state of New York. Tom Fortunato said
that they did not involve APS sooner because of the conflicting WSP shows. When they learned
that there would be only one other WSP show that weekend they applied for the WSP status.

Steve Reinhard indicated that the only reason the Southeastern show had to be canceled was because of this show. Steve Rod said he agrees that we need to protect WSP shows but this show is unique. This reflects a tremendous opportunity to promote the hobby. Nick Lombardi said that while the New York 400 show had no choice of dates we would still be sending the wrong message by giving it WSP status. Steve Rod asked what was meant by “sending the wrong message.” Nick Lombardi said that if a bigger show comes along we will sanction the larger show. Klug said that NY 400 is part of a bigger event. Opportunities like this don’t come along very often. Shouldn’t we be saying hooray? By saying no we are giving a wrong message.

Michael Dixon suggested the show be granted auspices but the grand award winner would not be invited to compete in the Champion of Champions. Steve Reinhard asked that we never compare ourselves to the FIP. Dan Walker suggested that the show be given national but not WSP status. A vermeil or gold medal would qualify an exhibit to be shown at an international. The show would have to go by all WSP rules and the accreditation committee chair would have to sign off on the jury.

Saadi said he liked the compromise suggestion, is still not sure why we are not making it a WSP show, but will go with the flow. David Straight said that he will go with the compromise but has no trouble granting full WSP status. Michael Dixon, responding to Saadi, said because it has not gone through the four-year accreditation apprenticeship. Wade Saadi asked how can a one-time show have a trial run? Michael Dixon said that only by requiring trials can shows demonstrate the ability to maintain standards. Aerophilately 2007 was different because it was being run by individuals who have already demonstrated the ability to maintain standards. Tom Fortunato is only one member of the organizing group. We don’t even know who is part of the organizing team. Saadi said he agrees with Dixon but does not wish to be perceived as a tribunal, handing out justice.

****Moved by:** Michael Dixon that we grant NY 400 national-level recognition.

****Seconded by:** Walker

Steve Reinhard said he would be willing to support that. Joann Lenz agreed with the understanding that CANEJ would have to approve the jury.

****The motion passed unanimously.**

Al Starkweather offered his thanks to the board for its consideration.

Request by the Philadelphia National Stamp Exhibition for a one-year bye - Steve Reinhard reported that PNSE chair Chip Blumberg resigned. There was a question whether anyone would agree to take over. A new committee has been formed and they need some time to look for a new venue. CANEJ recommends approval.

****Moved by:** Walker to grant a one-year bye.

****Seconded by:** Lenz

Steve Rod said that the committee had dwindled to one or two people with one boasting that he was doing nearly everything. Rod asked what more should APS be doing to prevent a situation from getting to this point. Steve Rod hopes it does not sound too

drastic but he believes we have an obligation to work long and hard for WSP shows.

****Motion passed unanimously.**

Personnel Committee - Saadi would like to change this from an ad-hoc to a standing committee. Further, Saadi has been told by “gray hairs” (by everyone) that the president should chair the committee, so he is also asking for approval of himself as chair.

****Moved by:** Walker to change the status of the committee and the selection of Saadi as the chair.

****Seconded by:** Straight

****The motion passed unanimously.**

Approval of Nick Lombardi as Co-Chair of Stamp Theft Committee - Saadi asked for approval of Nick Lombardi as co-chair for the Stamp Theft Committee.

****Moved by:** Walker

****Seconded by:** Lenz

Nick Lombardi indicated that he spoke with Duke last week and they are both on the same page.

****Motion passed unanimously.**

Adoption of APS/APRL Budgets - At this point the meeting became a joint meeting of both the APS and APRL boards. Dan Walker asked Peter Mastrangelo to make brief comments to be followed by Rick Banks. Mastrangelo said that a great deal of work went into the budget and thanked Banks and Martin. The bottom line is that the proposed budget will require a greater use of donated funds.

Rick Banks said the budget proposes drastic changes. It is difficult to separate the APS and APRL because they are so intertwined. We are at a crossroads as an organization. We are proposing the use of unrestricted donations to cover deficits. The APS has been reducing its deficits but the library deficit is anticipated to be in excess of \$200,000. To put our \$5 million budget on solid footing we need to use \$442,000 in donations.

To arrive at this budget we have already cut \$191,000 from the original recommendations of the department heads. With this and the earlier personnel eliminations we have also eliminated 10% of the staff. Our original recommendations included covering depreciation of furniture and equipment, but that required more than we expect we will raise in unrestricted donations.

We have seen an increase in our cost to raise funds and the renovations to building 10 without having a tenant have resulted in our tenant operations going from the positive to the negative. Banks strongly believes that to continue to exist the APS will need to plan on approximately 10% of our budget coming from unrestricted funds.

David Straight expressed concern about the increase in fundraising costs and that any travel expenses should be carefully balanced against solid prospects of raising money significantly in excess of the travel costs. Charlie Peterson indicated that his recent trip to Sescal was approved in advance and included a number of solid asks, but in some

cases it takes multiple requests to get funds.

Dan Walker said he saw no choice but to accept Banks' recommendation for this year but on a longer-term basis we have to do something different. Jack Flannery said in recent discussions some things have become clear. The staff is correct in suggesting that depreciation be covered, but we have insufficient income to do this. The proposed budget has a dependency on philanthropy. Jack has great concern on accepting dependencies. At best they are dangerous and we have no long-term plan to end the dependency. Flannery recommends approval subject to review at AmeriStamp Expo 2009 and at mid year.

Jack Flannery also recommends creating two long-range planning committees. One would review operations and programs and the second property development/management. These committees should be required to perform cost/benefit analyses.

David Straight is concerned about how we will get \$442,000 in unrestricted donations. There is no wiggle room. Also, our fundraising expenses are on the high end. Dan Walker said that historically our fundraising costs have been lower. Straight suggested we perform a cost/benefit analysis of the different types of fundraising. Charlie Peterson wondered if when we ask volunteers to go out on asks do we cover their expenses. Dan Walker said we should make volunteers whole. Ken Grant agreed but said we have to watch expenses carefully. David Straight said we need to be certain there are a sufficient number of legitimate asks before scheduling travel. Mastrangelo indicated that in the case of Sescal he approved Peterson's costs in advance.

John Barwis said he has only been on the Finance Committee for two days, but in addition to covering depreciation we should have a reserve provision in case of flood damage, not for two inches of rain, but for a 50- or 100-year flood. Jack Flannery said that our problem is that we have no long-range plan. We have a significant deficiency in process and preparation.

APS

****Moved by:** Klug to approve the 2009 budget and the establishment of a long-range plan committee and revisiting the budget at the Arlington February 2009 show.

****Seconded by:** Stotts

APRL

****Moved by:** Walker

****Seconded by:** Charlie Peterson

****Both boards approved the motions unanimously.**

Peter Mastrangelo said he would like to see a delineation of the responsibilities of the Long-Range committees and the Finance/Audit committees. Jack Flannery said he would do this.

****Moved by:** Klug calling for a vote of thanks to Rick Banks for his effort in the

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process.

****Seconded by: Walker**

****The motion passed unanimously** and Banks said that he hoped that it is not like a vote of confidence in a college football coach.

At 4:23 p.m. motion made to adjourn APS and APRL boards.

APS

****Moved by: Walker**

****Seconded by: Klug**

APRL

****Moved by: Walker**

****Seconded by: Herb Trenchard**

Unanimous vote by both boards.