

Minutes of the American Philatelic Society  
Board of Directors Meeting

August 14, 2002  
Atlantic City, NJ

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Directors Present: Peter P. McCann, President; Janet Klug, Ann Triggler, Roger Schnell, Vice Presidents; Lloyd de Vries, Secretary; Nancy Clark, Treasurer; Ada Prill, Bob Zeigler, Ron Leshner, Steve Washburne, Directors-at-Large. Absent: John Hotchner, Immediate Past President

Staff Present: Bob Lamb, Executive Director; Frank Sente, Director of Administration; Dennis Gilson, Project Manager; Scott Frazier, Controller; Gini Horn, Librarian.

American Philatelic Research Library (APRL) Board Present: Charlie Peterson, President; Dan Walker, Trustee; Ken Lawrence; Trustee, Lois Evans DeViolini, Secretary.

Others: Irving Miller, Dealer Representative to the Board; Frank Correll, Maryland; Foster Miller, Maryland; Rob Haeseler, Linn's Stamp News, Ohio. Others arrive during the course of the meeting.

Executive Director's Report:

Lamb: The APS' finances took a hit in the markets in the past year, but there was belt tightening.

He is debating whether to keep the public window of the postal station open; it's taking up too much time.

Zeigler: Where are the audited financials?

Lamb: Don't have them yet, should have them next week. They reflect the decline in net assets.

McCann: Why aren't they ready?

Frazier: There were some questions about them.

Zeigler: Would have liked to have had them prior to the meeting, even as drafts.

Lamb: Nearing limits of growth of services.

Expertizing hit 8300 requests, a record.

Internet Sales Unit is still growing, the most successful commercial philatelic e-site on the Internet. He expects \$1 million in sales by Friday.

Sales Division's recovery continues. Automation was completed on August 1. All new circuits are processed by this computer system. It reduces expenses, moves books faster, and increases sales.

Triggler: Does APS still need more people?

Lamb: Probably not. All-Star Stamp Clubs have fallen victim to the staff cuts. Education is concentrating on youth programs, stamp camps with the USPS.

Klug: Could volunteers help with the All-Star program?

Lamb: Probably not. Working with adult leaders through volunteers, the APS would lose uniformity.

Klug: What about the sending of the birthday cards?

Lamb: The cards were a way to monitor the clubs to make sure kids actually get the free material being offered. Some leaders lied to get the free material being offered.

Clark: Cards continue to go out.

Lamb: The change in American Philatelist production has gone very well. Creativity is extremely high. Use of color is good, and Lamb has received lots of compliments for the magazine. He proposes to designate Barbara Boal as the magazine's full editor by September 1.

The APS has gotten involved with the issue of local postmasters objecting to insuring letters and flats. Involved in at least four instances. The reluctance to insure such mail may be because sorting machines are chewing up too many.

Washburne: Sales Division is pushing for signature confirmation, which is better than insurance.

Walker: Is there any confusion about delivery confirmation versus signature confirmation?

Lamb: Yes, there is.

Lamb: There's lots of press about business ethics lately and on the business ethics of stamp dealers, too. Two dealer members have been expelled today, three others have clouds over their heads. The issue is getting much attention from headquarters, the Board of Vice Presidents, Eisenstein. Have to balance the rights of individual membership versus protecting the membership. The APS has not heard the end of this, yet.

Everyone — or almost everyone — is eager to get going with the Match Factory. The staff is working hard on this. Progress has not been as fast as desired, but there has been progress. There is a short-term rental on the building, which is covering expenses, so ownership is not costing the APS money, and in fact making a few dollars on it.

There will be three phases to the Match Factory development:

Phase I: Building 18, about 5,000 square feet would be devoted for the APS/APRL. The remaining 17,000 sq. ft. would be rented. There are three prospective tenants interested in 10,000 square feet. The APS/APRL is completing funding proposals. Banks like the Pro Forma, but not the APS finances because of the past year.

Phase II: APS/APRL portions of the main building. The trigger for this would be the sale of the present building.

Phase III: Commercial Portion: Building 1 is presently being used for storage. All off-site rental has been closed. This portion of the building needs roof repairs, which are covered by the income the property is generating.

The developer will be discussing the project with the APRL board this week.

Schnell: The APRL owns the building, gets the rental income?

Lamb: Yes, but the two are close. It's not costing either anything.

Walker: Saving about \$6,000 in rental storage.

Washburne: Exhibit frames will be going to Building 1?

Gilson: Only those stored in State College, about 50-60.

Lamb: Freeman Decorating stores the APS frames, for free.

Washburne: Then don't rock the boat.

Lamb: It's hard to believe it's free, but it is.

Klug: How does the developer fit into the picture?

Lamb: In order to take advantage of the rental market, the APS/APRL needs national and local connections. The bank recommended retaining a developer. There's no contract, no commitment. He met with five developers before selecting this one. Hopes that he will supply potential tenants.

Triggle: Is the developer our agent?

Lamb: He acts much as a real estate agent would if selling a house. He can put together funding packages, but the APS/APRL can also do its own deal.

Klug: Does the developer get a service fee?

Lamb: Yes.

McCann: Urges all of the Board to attend the APRL meeting.

Zeigler: Does developer share in the revenue stream from the rentals, besides getting a finder's fee?

Lamb: Yes.

Washburne: Where is the developer from?

Lamb: Harrisburg and Johnstown.

Society Attorney's Report:  
There are two cases pending.

Russell L. Case vs. the APS. He claims stamps he expertized were lost in the mail; he was expelled. He wants reinstatement.

Case is now in discovery phase. Depositions were taken August 23. There is a pre-trial conference scheduled for September 18 at which a trial date will be set.

Zeigler: Any chance of a summary judgment?

Eisenstein: Some, but not until after September 18.

The second case involves Greg Stolow. The same attorney represents both the APS and the American Stamp Dealers Association. Stolow alleges the APS knew about the bid rigging scheme, because it was informed of those illegal activities as early as 1999 and refused to remove Apfelbaum as an officer or others as members, and did not investigate his claims. Therefore, says Stolow's suit, the APS aided and abetted the bid-riggers, conspired and violated anti-trust, plus did not abide by its own By-Laws.

Zeigler: It all seems to be frivolous. It's hard to file a frivolous suit. Are we asking for a dismissal?

Eisenstein: The APS/ASDA attorney filed for dismissal. That was scheduled to be heard August 30. The case is now in discovery. Depositions of APS staff and officers is to be completed by September 30.

APRL Trustee and former VP Ken Lawrence: Is the APS attorney going to depose Stolow?

Eisenstein believes so.

Haeseler: How much has been spent so far on this case?

Lamb: \$8,000.

Klug moves to accept the two reports, Clark seconds. Passed unanimously.

Confirming Telephone Votes:

February 2002 Board meeting minutes: Moved by Clark, seconded by Schnell, passed unanimously

Quebecor Contract: Moved by Clark, seconded by Prill, passed unanimously.

E-Mail Discussions:

Lamb: A member has asked to see e-mail conversations on a specific issue. The Board authorized their release. Telephone votes have to be unanimous, so Lamb wants guidance on the release of e-mail messages. Board has said executive session discussions are not to be released, but others could be.

Schnell: Only messages to the Board as a whole.

Leshner: Individual messages to the executive director?

McCann: Yes, but not individual messages between directors.

Zeigler: The APS should devise a policy on what belongs in executive session.

McCann: The policy is personnel, contracts and disciplinary matters are for executive sessions.

Lawrence: There is a policy on openness.

McCann: There is a difference between meetings and e-mail.

Lawrence: The referendum required all board business to be open.

Zeigler: Is that a standing resolution?

Klug: No.

Zeigler asks for standing resolution.

Washburne: What will be the cost of maintaining this openness?

McCann: Should the person requesting copies of the messages pay for it?

Klug: Yes.

Peterson: That's standard for government Freedom of Information Act requests.

APRL Trustee Lois Evans-de Violini: Are discussions about awards also included in executive sessions?

McCann: Yes.

Klug moves to accept recommendation, Triggles seconds, passed unanimously.

By-Laws:

Lamb: Review was requested by de Vries.

Triggles: It's confusing, missing part of a sentence. It can't go as it is right now.

Eisenstein: If she had been consulted, she would have pointed out it's redundant. Discusses language in the By-Laws proposal.

Triggles: This can be redrafted.

Eisenstein: What was the intent?

Lamb: The Executive Director usually signs contracts but the By-Laws appear to say that only the President can sign them.

McCann: Trying to get the language in the Bylaws to match what's already in place.

Zeigler: Original language laid everything off on the President.

McCann: The APS has a resolution, but needs correct language in the Bylaws.

Schnell: \$100,000 or more?

Lamb: Yes.

McCann: Asks that this be rewritten.

Triggles: Regarding destruction of records, it should be the Board and Executive Director, not the Board or Executive Director.

Zeigler: Should not give all authority to the Executive Director.

Lamb: No permanent records should be destroyed. It should be a joint decision.

Zeigler: What records are kept?

Lamb: May need document destruction policy. Stolow has asked for a truckload of documents, including every complaint against an APS member since 1980.

Zeigler moves the president appoint a document destruction policy committee. Washburne seconds. Passed unanimously. McCann appoints Peterson, who has worked in this area, Zeigler and Leshner to the committee.

McCann: Is there time to get this on the ballot if a decision is made in Biloxi?

Lamb: No.

McCann: Requests revised wording on these two issues, that it be sent around to the Board for approval, and eventually end up on a ballot.

Election Policy:

Lamb: Wrote up the discussion at the last meeting, but wanted to check two issues with the Board.

### Election Policy & Procedure

This policy has been adopted by the Board of Directors to ensure equitable treatment of all candidates for APS elective office, while at the same time maintaining an orderly flow of services and information to APS members.

### Nominating Procedure

1. Each candidate is required to have at least one nomination. The first form timely filed in support of a candidate which states that it is a nomination is considered as the nomination for that candidate. All forms filed in support of the same candidate filed after the nominating form, regardless of whether they state on their face that they are a nomination or a second, will be construed as seconds.
2. Each candidate is required to have 10 seconds in accordance with the bylaws. Forms which arrive timely and which state that they are seconding a candidate who has not yet been nominated will be accepted, but will not be considered filed until a form nominating that candidate has been received.
3. Nominations and seconds may be dated at any time they are executed, but can only be filed with Headquarters beginning December 1 of the year preceding the election. Nominations or seconds received in Headquarters during the month of November will be retained until December 1, at which time they will be considered for filing. Those received prior to November 1 will be returned to the [submitting club or individual]. [changed during discussion to "candidate."]

### Election Policy

This policy has been developed by the Board of Directors to ensure equitable treatment of all candidates for APS elective office, while at the same time maintaining an orderly flow of services and information to APS members.

1. Ballots are distributed in the May issue of The American Philatelist. Members may cast their ballots until 63 days prior to the opening of the annual meeting.
2. In mid-January, the Headquarters staff will coordinate a joint mailing to APS Chapters (stamp clubs) for those candidates who wish to seek seconds of their nominations in this convenient fashion.

Nominated candidates participating in this mailing must provide a single page (8½ x 11-inch, one side only) with a biographical sketch, campaign statement, and photo (optional) by December 31. The photo must be affixed to the page, which must be suitable for photocopying. The cost of materials, reproduction, and postage will be divided among the participating candidates. Individual costs are determined by the total number of candidates and are unlikely to exceed \$100.

3. Candidates wishing to make campaign mailings to members may rent APS mailing lists at standard commercial rates for use in accordance with current Society policy.
4. Candidates wishing to place advertisements for their campaigns are encouraged to do so in *The American Philatelist*, which reaches every potential voter. For its December through July issues, the AP will accept candidate ads at a special "political rate" - the equivalent of the 12-time contract rate, the lowest rate available. This rate will apply even if only one ad is placed. There is no discount on premium payments for color, placement, etc. Content and timing of campaign ads are subject to review by the editor, in consultation with the executive director, to ensure that other candidates or other parties have an opportunity to respond in their own ads, should they choose to do so.
5. Standing for APS office does not disqualify or in any way limit a member from carrying out existing commitments as a committee chairman, judge, columnist, author, expert, etc.
6. The May issue of *The American Philatelist* features statements by each candidate, along with a recent photo. Candidates for president may write up to 750 words (one full page in the magazine). Candidates for other offices may write up to 375 words (one-half page in the magazine). All statements and photos must be received by the editorial staff by March 10.
7. All candidates will have equal access to Society services and facilities; incumbency provides no advantage. For example, any candidate may use APS photocopying, fax or telephone services under the same conditions as the membership generally and will be charged standard fees.
8. Weekly board mailings and occasional special mailings will continue to be used to send items of general interest to the Board of Directors. Items of a purely campaign nature, such as candidate statements, will not be mailed at Society expense. The executive director, in consultation with the candidates concerned, will determine the appropriateness of a mailing and how it is to be charged.
9. *The American Philatelist* will not print Letters to the Editor endorsing specific candidates or which in the Editor's judgment are political in nature.
10. The APS booth at shows will not be used to display or distribute any candidate's statement or other material of a political nature.
11. The executive director is the point of contact with the Society for candidates.
12. Appeal from decisions of the executive director affecting conduct of the biennial election shall be made to the chairman of the APS Ethics Committee for prompt resolution and whose decision shall be binding and unappealable.

Lamb: There should be no candidate literature at APS tables at shows. (General agreement to this.)

Lawrence: Says there should be an exception for official APS publications, such as *The American Philatelist*, which sometimes has campaign ads.

Lamb: Agrees.

Triggle: On #3, last line: "Those received prior to November 1 will be returned to the submitting club or individual, she feels it should be sent back to the candidate, not the club, because it may get lost.

Lamb: Agrees.

Last line is changed to "...returned to the candidate."

Chair rules no vote is needed on this.

Hotchner joins the meeting via telephone at 3:14 p.m.

#### FIP Ban On Stamps

Peterson: There is much misinformation on the International Federation of Philately (FIP) banning stamps without Universal Postal Union numbering. He terms it "overblown hooey." UPU numbering is not mandatory, and the FIP has imposed no sanctions. If there were to be a ban, it would not apply on stamps issued before the 21st Century; it would not be retroactive. He doubts there will be any action against future stamps. The U.S. is not the only country not participating in the UPU system: Germany is among others not participating. Peterson doesn't think a ban will ever be proposed.

McCann: The FIP does not have the slightest interest in penalizing countries that don't belong to the UPU system.

Washburne: Thinks the rumor came from dealers.

Peterson: A ban went into effect in Korea [the international there in Summer 2002] against illegal stamps. Two dealers were kicked out.

#### Affiliate Applications:

Austria Philatelic Society and Ottoman and Near East Philatelic Society.

Lamb recommends approval. Klug moves to accept, Schnell seconds, passes unanimously.

#### Insurance:

Clark chaired a committee that included Leshner and Peterson. Simon Codrington of Hugh Wood International (HWI) provided additional information.

Events held in tents would not be covered, but philatelic materials in cars would be covered, with usual precautions.

The committee recommends renewal with HWI.

Klug: What about checked baggage?

Codrington: There is no exclusion for checked baggage.

Klug: What about if the collector and stamps are on different flights?

Codrington: There's no difference there for collectors, but there is for dealers. If the person is bumped, there is no problem. If the insured is re-ticketed, he or she should get the luggage back physically before checking it for the new flight.

Triggle: Is there liability coverage for local shows?

Codrington: It's slip and fall coverage. More and more small venues are asking promoters to provide a certificate proving that there is insurance.

Lamb: Insurance is a problem for many local shows, even World Series shows.

Zeigler moves to accept, Washburne seconds.

McCann: Asks why the 1997 agreement is in the Board's briefing packet.

Clark: The new agreement is based on that, and 1997 is provided as background.

Eisenstein: Would like to clean up the contract.

Codrington: Agrees.

Zeigler amends his motion to accept the report and recommend that the society attorney revise, including remedial language as necessary without changing substance. Passes unanimously.

Meeting recesses, goes back into session at 3:45 p.m.

By Laws:

Eisenstein presents corrections; Board discusses. Additions are noted here underlined, deletions in [brackets].

5.2 The President. (a) The President shall preside at all meetings of the Society and the Board of Directors. (b) The President shall appoint, with the approval of the Board of Directors, the various committee chairpersons. The President or the Treasurer, or the President's designate, shall sign all vouchers for payments [of \$1,000 or more] from the funds of the society over such amount as set from time to time by resolution of the Board. The President shall execute on behalf of and in the name of the Society all contracts, deeds, and other legal instruments, when so authorized by the Board of Directors, except as specified in section 5.8 below. (e) The president shall have general supervision over all officers and committees to the end that there shall be full and complete performance of their duties by each of said officers and committees.

5.8 The Executive Director. (a) The Executive Director shall be a member of the Society qualified by experience and ability to administer the general business affairs of the Society in a satisfactory manner and shall be in charge of the National Headquarters of the Society and shall be responsible to the President and the Board of Directors for its proper manage. (b) The Executive Director shall supervise the direct-hire and contract employees of the Society. (c) the Executive Director shall execute contracts and other legal instruments on behalf of and in the name of the Society up to a value and under such conditions as may be set by the Board by resolution. (d) The Executive Director shall have custody of all securities of the Society, except as otherwise herein provided. (e) The Executive Director shall send out all the annual statements for dues and shall collect all dues and fees, and keep proper books of account showing all receipts, disbursements, and balances of cash on hand. (f) The Executive Director shall have custody of the seal, keep the records of members and issue membership cards and receipts. (g) The Executive Director shall receive all applications for membership and cause the list of applicants to be published in The American Philatelist. If an objection to an application is received, copies of the application and objection shall be furnished to the Board of Vice Presidents. (h) The Executive Director shall send upon request a printed copy of the Charter, Standing Resolutions, Bylaws and approved Board of Directors' Minutes to any member.

The Board deferred action on section 5.9 Society Records.

Clark moves to accept, Klug seconds, passed unanimously.

Budget

Lamb: Expenses are the lowest since 1996. A cost of living increase of 2 percent was given to the staff, about half what Pennsylvania State University staff received.

An August 1, 2002, letter from Lamb to Clark outlining the budgets was presented. [insert here]

McCann: Is the \$175,000 profit?

Lamb and Clark: No, it is gross revenue.

Lamb: This would be the first year to make a profit.

Zeigler: Is the Society breaking even without HWI or external contributions?

Clark: Yes.

Washburne: Affinity card royalty is declining? This issue deferred until later.

Clark: Previous advertising revenue estimates were too high. Two levels of dues increases were suggested. The staff recommend \$5, Finance Committee recommended \$10.

McCann: Unanimous recommendation by the Finance Committee?

Clark: Recommended by the majority. Some wanted even more. Dues have been at the same level since 1994. The Finance Committee originally wanted a \$15-20 increase.

Dues were \$5 in 1960. If dues had kept pace with first-class postage, they would now be \$45. If dues had kept pace with the Consumer Price Index, they would now be \$30, and with the stamp price index, dues would now be over \$50 per year.

Dues have fallen behind costs. The Finance Committee recommendation of \$35 is an attempt to get ahead. The decision has nothing to do with the Match Factory purchase. The decline in membership means less revenue; it's projected there will be 6 percent less dues revenue than in 1994. The APS can expect to have to increase its personnel costs.

Regarding the loss of members caused by a dues increase, the effects last year with the elimination of the early-payment discount were less than thought: Only 400 members quit, versus the 1200 expected. Losing 1000 members equals \$25,000, but the increased revenue from the remaining members would be more than \$400,000.

The Society needs to increase its reserves. The Board sometimes has to do something unpopular to serve the Society. Three levels of projections were offered. Reserves must be rebuilt.

McCann: Asks for staff position on a dues increase.

Lamb: Staff agrees there is a need to replenish reserves, especially the Life Member fund. A \$10 increase would be new ground; staff has no idea how many members the Society would lose. It was a

mistake to go as long as the Society did without any increase. All of the staff agrees a dues increase is needed.

Washburne: The affinity [credit] card is supposed to realize \$45,000 but the budget says only \$30,000. There is no strong promotional activity for it.

Lamb: Members get too many credit card solicitations. FirstUSA is not permitted to do telephone solicitations, only by mail. FirstUSA will have a booth at Stampshow 2002.

Washburne: What about another bank?

Lamb: He is not happy with FirstUSA. It's a huge bureaucracy, keeps changing its representatives. However, he is reluctant to change, because the other affinity card-issuing banks are no better. He expects changing companies would cause a sharp loss of revenue in the short term.

Washburne: It's a five-year contract. A Delaware company was interested.

Zeigler: Questions whether any positive figure on the investments is right.

Lamb: They are valued as of December 31, but it shows up as unrealized income on next year's budget. \$33,000 reflects where the Society is now.

Lawrence: The loss Al Kugel mentioned at the Finance Committee meeting was from the previous year.

Frazier: He took the late-June PNC statements and half the projected earnings.

Triggle: Regarding dues, how many would the Society lose at each level?

Sente: It's a stab in the dark, but the loss of members would be offset by extra revenues. If the dues were increased to \$30, he projects a loss of 1,000 members. If the dues were increased to \$35, he projects a loss of 2,125 members.

Triggle: Were past increases instituted when the Society showed a deficit or a profit?

Lamb: Always declining profits.

Joseph Foley: Should consider the consequences of each possibility and should tell members what they get and what they would lose.

Irving Miller: Members think the greatest benefit of membership is The American Philatelist. How much is that?

Lamb: Half of dues, or \$12.50.

Miller: Suggests offering two levels, with an increase of \$5 or \$10. One level would be without the magazine, one with.

Klug: How can the Board overcome the perception that the dues increase is because of the Match Factory? Would also like to see more public relations money in the budget.

Lawrence: The magazine is needed because the Society has to communicate officially with members. There's no savings in distributing just basic communications. Having two publications would lose money.

Klug: Polls show members want the magazine. If there is no magazine, the APS would have to send them something else.

Prill: If the APS loses 2,000 members, the APS doesn't have to send them the AP, so could make money on it.

Lamb: There are fixed costs for the AP.

Hotchner: Can't say how his proposal for graduated levels of membership would affect revenues. He proposes an increase to \$35, \$5 off if before December 31. Clark seconds.

Prill: Are dues being collected on a year-round basis now rather than just for a calendar year?

Lamb: The changeover is not happening quickly. The computers are still not set up for it.

Prill: Would it complicate that transition to restore the discount?

Lamb: Yes, but the APS might not go to the year-round (12-month) dues system.

Zeigler: Is the budget balanced for 2002?

Lamb: Yes, it's a razor-thin surplus.

Zeigler: Not because of the current financial situation, but because [investment income] will be behind again?

Lamb: Yes, but costs are going up again, too, and it will be difficult to stay balanced.

Zeigler: What about an electronic version of the AP?

Lamb: It's been given a lot of thought, but he is opposed. The APS would lose control of its content; there would be much free distribution. The second reason is that it would require a different layout, different set-up, and it would be harder to sell ads in an electronic version.

Klug: What other expenses were there last year?

Lamb: Health insurance: The only provider in State College may increase premiums by 50%.

Peterson: Can't dump the paper format for AP.

Walker: Cites Linn's online version.

Klug: Asks if putting in the early-payment discount again would be a major selling problem to the membership.

Hotchner: That's up to the staff.

Sente: The elimination of the discount did not change the percent of on-time payments versus late ones. It didn't change when the discount was instituted, and it didn't change when the discount was eliminated. In effect, it's a penalty.

Frazier: Answers Klug — the discount does make some problems, not significant.

Sente: Can't project how many members will drop if dues are increased.

Zeigler: One to two thousand will drop.

Sente: Disagrees, but will lose new members, but Hotchner's motion exempts new members.

Klug: Is there a contingency if there is a big loss?

Lamb: He would ask for promotional memberships.

Foley: How was it determined that 400-450 dropped their memberships because there was no early-payment discount?

Lamb: The APS always drops 3,000 members, mostly because of illness, age, and death.

Sente: Answering Foley, did projections. Explains methodology.

Leshner: Wouldn't it be more honest to call it a \$5 increase, or a penalty for late payment?

McCann: Historically, it's always been called a discount.

Clark: Calls the question.

Passed unanimously, to go into effect at the end of the year.

Leshner moves to accept budget, Washburne seconds, passed unanimously.

Shows:

Ken Martin: Stampshow 2006 will be a problem because of Washington 2006. It shouldn't be in the same geographical area. He offers two possibilities, Portland, Oregon, and Chicago, and recommends Chicago. It might be a joint effort with the American Numismatic Association. ANA is only interested in Chicago.

McCann: APS has been trying to expand attendance.

De Vries: Instead of a separate show, part of Washington 2006?

Martin: Much of the same costs.

Lamb: The Washington international show won't be as damaging as not having Stampshow. The APS needs the revenue.

Leshner moves to hold 2006 in Chicago.

Washburne: Same location as in 2001?

Martin: Yes.

Zeigler calls the question. Passed unanimously.

Martin recommends Portland for 2007; it's a good location.

Triggle moves, Schnell seconds. Passed unanimously.

Martin: Would welcome hotel shows for the winter shows, agrees to allow Michael Mellone of the American First Day Cover Society's Americover shows to look.

Considering Atlanta and Norfolk for winter shows. Dealers still remember poorly Atlanta in 1981. Martin prefers Norfolk to Virginia Beach.

Don LaBerteaux: 1981 is no longer germane. There are lots of people in the area; 150 active members of the local club. The Peach State show was moved back to Atlanta, and the city has turned the corner regarding stamp shows. The city has two local clubs, one with a president in his 30s. [The location under discussion, used by Peach State, is just outside the city.]

Schnell: How far is the location from the airport?

LaBerteaux: 30 miles.

Martin: 25 miles. It also has free parking, but no shuttles from the airport.

LaBerteaux: Yes, there are shuttles. He recommends the Galleria north of Atlanta. There are hotels nearby, 3-4 within a quarter mile. Walking from the hotels to the show is possible.

Martin: The Galleria is a little high-priced.

It would take 75 dealers in Norfolk to break even. It would be hard to get more in there. Atlanta has lots of potential for both good and bad, but it would be possible to do more there. Would need 80-85 dealers to break even, more than the winter show has gotten.

McCann: How many dealers does the National Topical Stamp Show (ATA) get?

Martin: About 20.

Klug: It had 15 this year.

Lamb: The winter shows are still struggling, but improving. He proposes Norfolk for 2004, Atlanta for 2005, to allow the APS to get more experience with the winter shows.

Martin: Agrees. Also, Biloxi (2003) is relatively near Atlanta.

LaBerteaux: Expected his city to get 2005.

Clark moves, Triggle seconds, passed unanimously.

Commissioners Fees:

Regarding commissioners charging more than APS guidelines.

Martin: Has no recommendation.

Schumann: \$15 for frame carriage, \$5 administrative. Last board resolution was \$10, and no one charges that.

Triggle: Moves to set \$15 per frame. Hotchner seconds, passed unanimously.

Schnell: Frame fees have not been raised since the mid-1990s. Exhibitions are always over-subscribed. It's current \$10 per frame. He recommends raising it to \$15, with a discount for volunteers, and raising single-frame fees from \$25 to \$30.

McCann: Rules that is an administrative action, not a Board decision.

Triggle: It should be discussed with the American Association of Philatelic Exhibitors board.

Zeigler: Asks about foreign members' dues.

Lamb: That was included in the general increase. The supplement for foreign members' dues was raised last year. He will look at it again.

Washburne: Wasn't there an option for foreign members not to receive the magazine?

General consensus is no, there wasn't.

Sente: Went to a re-mailer for foreign subscriptions and now getting much better delivery overseas.

APS/APRL Relationship:

Need more time for this issue, deferred to Biloxi.

Categories of Membership:

Hotchner: With the dues increase, it would be too complicated. Suggests waiting until next year.

Klug: Recommends deferring the issue and moves to table. Triggle seconds, passed unanimously.

McCann: Praises Hotchner's work on this issue.

Limitations on Eligibility for APS Board:

Zeigler had proposed in e-mail "that a sentence reading as follows be added to Article 4.1 of the Bylaws:

"Provided further, that no person shall hold membership on the Society's Board of Directors, or any elective office of the Society, at the same time such person is serving on the Board of Directors of the American Philatelic Research Library."

"In the meantime, I would also suggest that until the membership can vote to approve the amendment, we could pass a similarly worded board resolution as an interim measure, just as we did to give [Lamb] interim authority to sign contracts under \$100,000.00."

Zeigler: In the process of acquiring the Match Factory, the APS and APRL interests are not always congruent. Can a person serve two masters? One APRL trustee last fall suggested the APRL could evict the APS, expand into the current building. The APS and APRL are separate corporations, have separate budgets. He believes that because the conflict of interest was overlooked in the past is no reason to overlook it now.

Eisenstein: Zeigler asked how to facilitate the groups working together. If there is an overlap, that facilitates a closer relationship. Directors should disclose conflicts. She thinks that to preclude membership would go the opposite direction to that most people want.

Zeigler: The APS Board is not considering a merger today. In a conflict of interest, directors must act in the best interests of the corporation - but which corporation?

Prill: Since this is to be a change in the Bylaws, the Board should not act on momentary concerns. She would like to hear from Peterson and Walker, who have served on both Boards, on whether either had a problem with a conflict of interest.

Walker: At the time he was serving on both boards, he didn't see a problem, but under the present circumstances, he would probably feel uncomfortable in situations where he had a conflict of interest. He supports Zeigler's proposal.

Peterson: Would like to bring the two organizations closer. He has been upset by some comments, and opposes this motion.

De Vries: Almost every present Director serves on another group's board or as an officer; why single out the APRL? If everyone serving as a leader of another organization, who would be left to serve on the APS? Doesn't understand why the APRL is being singled out unless this is a punitive action against the Match Factory.

Lawrence: This motion is aimed at him, to keep him off the Board of Vice Presidents in the next election. He was the target of a similar discriminatory move in 1993 as the spouse of an APS staffer. Then, the Society's counsel ruled that the only restrictions were what is in the Bylaws. While serving on the Board, he had to recuse himself from staff matters. He overcame the attempted discrimination in 1993 and subsequently.

There has only been one time in history when there was no overlap between the boards. It is assumed there would be. The two organizations are required to have a single audit statement.

McCann calls on Lois Evans-de Violini, who also served on both Boards.

Evans-de Violini: Express amazement anyone would bring this up.

Correll: Suggests there should be more unity. This discussion is not attractive to prospective stamp collectors and APS members.

Prill seconds the motion.

In favor: Zeigler.

Opposed: de Vries, Washburne, Leshner, Clark.

Abstaining: The present Board of Vice Presidents (Klug, Triggler, Schnell), because it is running against Lawrence; Prill, because she is running with Lawrence.

Motion fails 1-4 with 4 abstentions

Zeigler moves that there be monthly reports by the executive director of significant developments. Klug seconds

Lamb: Doesn't need a formal motion, tries to abide by the sense of the Board.

Triggle: Perhaps monthly is too much; bi-monthly might be better.

Klug: The Board already gets a monthly financial report; an update on other developments could be included.

Washburne: Doesn't the Board already get this? Is there a lack of information?

Zeigler: Yes, there's a lack. What the Board gets is just a compilation of statistics. He is more likely to get information from the press, including information on contracts. Directors ought to be informed about more than just finances.

Leshner: There is a need for timely info. Maybe there's a sense that the Board needs more information, but he isn't sure monthly is necessary.

Zeigler: Feels he needs more information.

McCann: Asks Lamb's opinion.

Lamb: He has no objection.

Triggle: Offers amendment for a trial basis of one-year.

Zeigler: Accepts the amendment.

Washburne: Seeks clarification; is e-mail acceptable? Is told yes.

In favor: Klug, Triggle, Schnell, Washburne, Zeigler, de Vries.

Opposed: Prill

Abstaining: Leshner and Clark

Motion passes 6-1 with 2 abstaining.

Lamb comments that he hadn't gotten any feedback on this until now.

Audit Proposal:

Klug outlines her proposal:

That the combined audited statements of the APS and APRL be published annual in The American Philatelist.

Reason:

Publishing the auditor's report will instill confidence in members that their Society's finances are in order and are being accounted for properly. Publication of this report will demonstrate that the APS Board and Staff are proud of the financial integrity of both the APS and the APRL, and support openness in all areas of Society operations.

Selected pages of the auditor's report are published on the APS website. These are inadequate because a significant number of our members still do not have access to the Internet and/or have difficulty finding the auditor's report on the website.

Publication:

Objections have previously been stated that publication of the auditor's report would take up too much editorial space in American Philatelist. Attachment #1 shows that the pages from the auditor's report that are on the APS website fit - reduced - on one page with room enough for an advertisement. The type is small, but readable.

The entire auditor's report will fit reduced and with room for advertising on four pages of American Philatelist, as shown in Attachment #2.

Recommendation:

That the equivalent of ONE PAGE of American Philatelist per year be dedicated to reproducing the auditor's Consolidated Statements of Activities and Consolidated Statement of Financial Position as soon as practicable after receiving the annual auditor's report, beginning with the auditor's report for 2001. This should be accompanied with an instruction that the entire auditor's report is available for viewing on the APS website, along with a direct link to that site. (Note: Presently the website only contains three pages of the multi-page auditor's report. The entire report should be available as a PDF (Portable Document File) download.)

Seconded by de Vries.

McCann: Supports this.

Prill: It's on the Web site, mentioned in columns, most won't read fine print.

McCann: Disagrees.

Triggle: Disagrees

Schnell: Board has financial responsibility. Cites recent problems for Red Cross and United Way.

Zeigler calls the question.

In favor: Klug, Triggle, Schnell, Clark, de Vries, Leshner, Washburne, Zeigler

Opposed: Prill

Motion passes 8-1.

Boy Scouts of America:

Executive Summary by Ethics Committee:

Under cover dated July 30, 2001 two members of the American Philatelic Society (APS) submitted to the APS Board of Directors meeting in Chicago, IL August 21-22, 2001 a proposal:

"That the Board discontinue the policy of official APS cooperation with the Boy Scouts of America through its stamp collecting merit badge program, in light of the BSA's own official policy of discrimination against the participation of gay individuals, and that APS will inform the BSA of this

change in policy and why; namely, that the aims and practices of the APS as an organization do not allow it to condone discrimination."

The APS Board took this matter under consideration at the designated meeting, and determined to refer it to the Ethics Committee for study and advice...

Ethics Committee Recommendation:

The Ethics Committee recommends the Board decline to act on the instant proposal, finding that such an action by the Board alone may be unallowed under current governing law of the Society; would be unwarranted in consideration of the central and sole purpose of the Society; and would be unwise in light of the polarization, divisiveness, and dissension that such an action would likely precipitate among the members of the Society. Furthermore, as laudable as it may appear on its face for the APS to take the proposed action against the Boy Scouts of America, with the ostensible purpose of evoking change in the discriminatory policy of that organization, such action is judged likely to be completely ineffective vis a vis the outcome desired by proponents.

Zeigler moves to accept the recommendation of the Ethics Committee and the Board decline to act on the proposal. Washburne seconds.

Klug: Questions the legality of even considering the proposal.

Eisenstein: There's no problem with considering it.

Prill: Point of Order, whether the Board might decline to act, rather than reject the proposal.

Zeigler accepts.

McCann: The policy of the Boy Scouts of America is pretty bad, but it is not appropriate for this organization to act.

Lawrence: Why not send a letter to the Boy Scouts of America?

McCann: The APS could not, per the report.

Question called, passed unanimously.

Triggle: Should thanks the Ethics Committee.

McCann: Thanks the Ethics Committee for a very well-done report.

[Note: A copy of the complete report is available upon request from the Executive Director.]

Youth Seminar:  
Clark distributes report.

Zeigler: The Board should thank Clark for sharing the report. It's an outstanding program.

De Vries moves to adjourn to executive session, second by Clark, passed unanimously.

Return to open session. Moved by Clark to adjourn, seconded by Klug, passed unanimously.