

American Philatelic Society
Board of Directors Meeting
Thursday, January 18, 2001
Presidio Plaza Hotel
2:25 p.m. Forum Room
Tucson, Arizona

Minutes of the American Philatelic Society Board of Directors Meeting

Attendees:

Board of Directors: President Peter P. McCann, Vice Presidents: Charles Peterson, Diane Boehret, (Gordon Morison arrived during the meeting), Secretary Janet Klug, Treasurer Nancy B.Z. Clark, Directors-at-Large Jeanette Knoll Adams, Lloyd de Vries, Ann M. Triggie, Wayne Youngblood. Not present: Immediate Past President John M. Hotchner.

Staff:

Executive Director Robert Lamb, Society Attorney David Flood, Director of Shows Ken Martin, Director of Library Services Gini Horn, Building Project Manager Dennis Gilson.

Dealer Liaison:

Irving Miller

APRL Board:

Peter Martin, Robert de Violini (representing Lois de Violini), William Bauer.

Guests:

Wallace Craig, Marc Isaacs, Ken Lawrence, Ada Prill, F. Burton Sellers, Rob Haeseler, Paul Albright, Foster Miller, Darryl Canady, Steve Kaplan, Ed Ozmun.

Call to Order:

President Peter P. McCann called the meeting of the American Philatelic Society's Board of Directors to order at 2:25 p.m. in the Forum Room of the Presidio Plaza Hotel in Tucson, Arizona on Thursday, January 18, 2001. President McCann welcomed the Board, Staff, and Guests. He had each guest in attendance introduce him or herself.

Society Attorney's Report:

David Flood produced a written report to the Board that indicated the Attorney had been instrumental in the following areas:

1. Coordination of the defense of the Society in the lawsuit brought by Russell L. Case against the Society for injunctive relief.
2. Negotiations with the Borough of Bellefonte for the purchase of the Match Factory premises.
3. Advice to Executive Director relating to building expansion and the Bellefonte Match Factory.
4. Preparation of sales agreement for purchase of Match Factory premises.
5. Advice to Executive Director and Board of Vice Presidents relating to the Darrell Brown matter.
6. The Society Attorney has rendered opinions to the Board of Vice Presidents, Board of Directors and others relating to general Society business, agreements, complaints of members, expulsions, appeals, and matters of a similar nature.

Motion: To accept the Society Attorney's Report. Moved by Morison. Seconded by Clark. Passed unanimously.

Executive Director's Report:

Lamb: The Society is sound financially despite our investments having done poorly. We rely on the income from investments to cover Society expenses. We would like to be making more rather than less. Our membership continues to decline. We lost about 1,000 members last year. It seems to reflect what is happening to organized aspects of our hobby.

One of the most important new programs we have started is our Internet Sales program. We have been extremely pleased with the success of that program. The members are using it extensively. We are listing 900 to 1,000 items a day on the site. It is much more than we thought we would be doing. We are selling about \$1700 a day, seven days a week, on the site, which makes us one of the leading purely philatelic sales sites on the web. It grew so fast that we had to move it from the rare book

room to the basement its second week in operation. We are really crowded for space. We took some space upstairs in the library area and put extra shelves in. It is a high-density operation. (Lamb passed around photos of the office spaces.)

We would like to get Hugh Wood's philatelic insurance operation into our facility. We would get some rent from it and we would hope it would improve the relationship between the insurance program and our members.

We have 22 members running for office in the next election. By far it is the biggest election we have had in the history of the Society. Fourteen people are running for Director-at-Large. There are two slates contesting the Board of Vice Presidents positions. Three candidates are running for APRL board of trustees.

Darryl Canady: Hugh Wood is not soliciting renewals on their policies.

Lamb: One of the problems we have had with Hugh Wood is their location in New York City. We hope this will be corrected with their move to State College. Wood has trouble hiring the quality of staff we like to have to deal with our membership.

Canady: Where does that leave us? With no renewals, we are left to take our business to the other provider who is soliciting.

Lamb: Promised to check on where Canady's renewal stands. The program continues to grow, although not as fast as Lamb would like. The income from the program is quite good, projected to be \$55,000 this year.

McCann: Inquired if Canady has tried to renew and was declined.

Canady: Just recently discovered his old policy had expired without notification from Wood. Canady continues to be solicited by another carrier and he hasn't had a policy with that carrier in two years.

Irv Miller: Will the insurance contract be put up for bid?

Lamb: We have a contract with Wood that lasts for five years. That five years is up next year, in 2002.

A condition of whoever gets the next contract should be that they locate in State College in our premises and be registered under Pennsylvania law. We need a more businesslike relationship with our carrier.

Motion: To accept the report of the Executive Director. Moved by Clark. Seconded by Adams. Passed unanimously.

Committee Reports:

McCann: Introduced Ann Triggles, Board Liaison to all the APS Committees. He thanked Triggles for the outstanding job she has done facilitating the smooth functioning between the committee chairs and the Board.

Triggles: Thanked the Board members who have given suggestions to pass along to various Committees. Triggles distributed a written synopsis of the Committee reports and said it was thin this time because several committee chairmen did not have anything new to report since their report in August.

McCann: Stated that when he first appointed committee chairs and international appointments, McCann indicated that under the APS Bylaws the committee chairs are renewable every two years with the term of election with the APS president. Within the next couple of months McCann will be writing each committee chairman for a final overview report and will ask them for their opinions and accomplishments. At that time McCann will ask the chairmen if they wish to continue in the position in the future.

Triggles: Invited the Board to read the full reports of the Committees in detail.

Motion: To accept the Committee Liaison report. Moved by Peterson. Seconded by Boehret. Passed unanimously.

Phone Votes:

Motion: To confirm the phone votes/ e-mail votes approving the Board Meeting minutes from the August Board Meeting in Providence, Rhode Island. Moved by Clark. Seconded by Peterson. Passed unanimously.

Appointments:

Motion: To confirm the phone votes/ e-mail votes that approved the appointment of Douglas Clark as Chairman of the Preservation Committee. Moved by Klug. Seconded by Peterson. In favor: Triggler, Morison, Boehret, Peterson, Klug, Adams, Youngblood, de Vries. Abstain: Clark. Motion passed.

Motion: To approve Ken Lawrence as APS delegate to FIP Literature Commission. Moved by Klug. Seconded by Peterson. Passed unanimously.

Future Shows:

Ken Martin: STAMPSHOW will be in Chicago August 23 – 26. The next Winter Show will be Riverside, California February 8 – 10, 2002. We will be in Atlantic City earlier in August in 2002. We have not made any selection for February 2003. The recommendation is that we withhold that decision. The Match Factory may be available for a show as part of a grand opening. There are no guarantees by any means. We are continuing to look at other possibilities. We have signed a contract and put a deposit down for Columbus for August 2003. Our August 2004 show, based on rotation around the country, should be on the West coast. We wanted to go back to Santa Clara. We were there in August 1998, but the costs have increased dramatically since then.

The alternative is Sacramento, which is available for August 2004. It is the second weekend in August, so it is an earlier date. It is expensive, but no more expensive than Providence. They will guarantee the price if we put a deposit down. The cost is \$50,000 for the facility rental. They have a nice facility. There are a few possibilities for headquarter hotels adjacent to the convention center. There are a number of lower priced hotels in the area within a reasonable distance. That appears to be the best alternative if we want an August show on the West coast.

McCann: Has been to the convention center in Sacramento. It is very attractive. Sacramento is a lovely city. It is somewhat less expensive than San Francisco or Los Angeles. Is Sacramento close enough to the Bay Area that we would draw from there? It is not a huge city. It is the same analogy that we had with Providence being close to Boston. It's an hour and a half drive to San Francisco.

Irv Miller: As a dealer, Riverside is a better location than Santa Clara.

McCann: Has heard some dealers say that Riverside will not be a good location for a show.

Ken Martin: There are seven APS registered dealers in Sacramento. That is more than many of the major cities around the U.S.

McCann: There are a number of active APS members in Sacramento as well.

Lamb: Will there be enough volunteers?

Martin: There would be a number of people who would help from the Northern California Federation. Martin would want to visit the site before signing any contract, and would want clarification that the local club and federation would provide support. There are people who want us to come back to California. They may want us to come back to Santa Clara, but most of them would help out in either Sacramento or Santa Clara. Santa Clara's hotels said they have no incentive to bring conventions in because they can get far more from the corporations in their area.

Klug: What is the cost difference between Santa Clara and Sacramento?

Martin: It would cost over \$60,000 for the convention space. Sacramento would be in the low \$50,000.

Lamb: The big problem is the hotel costs.

Martin: In Santa Clara the hotels want \$225 a night.

Klug: What are the hotel costs in Sacramento?

Martin: For 2004 they appear willing to guarantee just under \$150 for headquarters hotel. There are a number of hotels that it appears we could get for \$75 - \$100 range not too far away within walking distance. There are a number of choices, unlike Santa Clara where there are only one or two hotels, all of which are expensive.

Motion: Sacramento be approved as the location for STAMPSHOW 2004 subject to an on-site visit and declaration of club support. Moved by Clark. Seconded by Peterson. Passed unanimously.

McCann: We won't act at this time on Winter Show 2003. We will leave that open.

De Vries: Is there a recommendation for Winter Show 2004?

Martin: Would rather wait on that until Winter Show 2003 had been decided. There are a number of locations. Greenville, South Carolina has a local chapter that is excited and would like us to come. It would be difficult for us to break even there. Martin has talked with Atlanta. The Federation of Georgia Stamp Clubs would like us to come and have a show in Atlanta. They said they would search out a site for us. The places Martin has found there would not break even, but if they can find a place it might be workable. The local club in Biloxi, Mississippi is very interested. Martin did not think any of those places would break even unless we had 100 dealers. We have not had 100 dealers at any of our previous February shows.

McCann: We may be doing something completely different with the Winter Show by then. We can't continue having these shows if they are going to lose money.

William Bauer: With respect to Atlanta, the show held there in 1980 was a disaster.

Martin: When we surveyed the dealers two years ago they said Atlanta was the worst STAMPSHOW ever. That was 20 years ago. We have talked about the South for the February shows and there have been a lot of changes in Atlanta in the last 20 years. Martin would not recommend it for an August show but if we could find a venue where we could break even with 75 dealers, we shouldn't discard Atlanta out of hand.

Match Factory Status Report:

Dennis Gilson: It has been five months since the last Board meeting. In that period of time we have been working on two significant activities with respect to the Match Factory. Both are coming to fruition. One was to negotiate a purchase agreement with the Borough of Bellefonte. That has been accomplished. Bellefonte Borough Council considered the agreement at their January meeting and signed the agreement. We now have that agreement, the terms of which were discussed in Executive Session. Once we place our signature on the document we will have executed the agreement with them. The agreement has all of the provisions in it that were placed by the Board as contingencies at the last Board Meeting. We are satisfied that we are not taking a significant risk at this time by signing the agreement. Signing the agreement now does guarantee us a track to move forward.

The second activity was to secure architectural and engineering services for the design and construction of the property. The first draft for request for proposals was done the week after Providence. As it turns out the RFP (Request For Proposals) did not go out until October 16. On November 15, we had a viewing day and open house and 21 firms turned up for that viewing day. The deadline for submission of proposals was January 12, last Friday. As of the end of the day last Friday we had received 17 proposals from architectural firms. That represents more than 17 firms because many of them are multi-firm proposals. The average thickness of the proposals is a half-inch. When Dr. McCann returns from this meeting he will have a big box waiting for him.

We have a six-member architectural selection panel, chaired by Dr. McCann. The vice chairman is Phil Bansner. Members include Ken Lawrence; George Kramer; library expert Dr. Lawrence Sall who is the director of libraries at the University of Texas at Dallas; and Dona Goldman who is President of Historic Bellefonte, Inc. The six of them will have a significant challenge to read through the proposals and try to narrow the field to three or four we wish to invite back for interviews. We are going to schedule the interview sessions for March 17 at State College. Hopefully at the end of that day we will have selected a firm we feel is the best to proceed with the design of the Match Factory. We would like to award the contract to them as soon as we can.

We are always asked what the timeline is and how soon we can move in. We have to admit that this is not going to be a simple process. The design will take about a year and the construction will take about a year. That puts us in the spring of 2003 and it will be touch and go as to whether it would be ready to host a Winter Show. We may have initial occupancy by that time.

Triggle: Was under the impression the special committee would sift through the proposals, cut the numbers down to three or four, and then those would be ranked and brought to the Board. Is that not the policy?

Gilson: No, that was not our intent. The architectural panel will perform both functions. We have been making plans for that.

Triggle: So there would be no input from the Board on the selection of the architect?

Gilson: Did not wish to say there would be no input from the Board. Dr. McCann is the chair of the panel.

McCann: Yes, but not the entire Board.

Gilson: It is undefined what the involvement of the Board will be.

Peterson: The buyer of the Match Factory will be the Library, not the APS. We may be giving a mistaken impression in the meeting if we say the Board will do something.

Triggle: Agreed and amended her statements to include the APRL and APS Boards.

McCann: The Board does have to be involved in the final process of looking at the architect. We have to figure out how that will be done.

Ken Lawrence: You people really have to fish or cut bait on this whole process. If we are going to have the whole Board in the interview instead of the committee, we are doing something different than we set out in Providence.

McCann: That is not what is being suggested. After the interview the Board should be involved in the process.

Triggle: The committee will have a recommendation of a firm they wish to do business with. That recommendation should be brought to the Board's attention. It's not a question of rubber stamping, but we would then be a part of the process.

Flood: It should go to both Boards.

Lamb: This means the architectural panel will go through the proposals and then go through the interviews to make a selection. Would that selection then go to the Boards for ratification or would all three go to the Boards?

Triggle: Believed the committee should select three or four and rank them. Then, as a Board member, Triggle would like to look at the selections.

McCann: We would give the Board a sufficient amount of information to distinguish between the architects' proposals without sending 500 pages for each. The Board would receive a summary. This is a workable idea and won't slow anything down. As a Board Member, if McCann did not happen to be on that panel, he would appreciate having that information.

Lamb: The architectural panel will meet and interview these firms on March 17. We will then package up those four proposals and the ratings from the committee and send it out to the members of the two Boards to review those documents. We will have a vote from the Boards as to whether they will accept the proposal from the leading architectural firm.

Triggle: The vote would be to accept the recommendation of the committee.

Flood: This could cause trouble. This is a project of the library because of taxes. The decision ultimately rests with the library. They can listen to recommendations from the APS Board without problems, but the decision belongs to the Library Board. You can't change the direction that the Library Board passed in Providence so that it is no longer the ultimate decision of the Library Board. It has to be that way for taxes.

McCann: The recommendations will go out to the Boards so that they will have a chance to review and look at them. If there is a major objection or problem at that point we might have to look at it again, but McCann did not believe that would happen.

Lawrence: The proposals we have received were very professional and satisfactory. The quality of work is astonishing. Lawrence can't envision any problems that would arise.

Peterson: The Library Board has the ownership of the current library and puts its signature on the document. The committee should not be empowered to make that decision without feedback.

McCann: This is not meant to slow anything down. It is simply meant to include advice and consent as part of the process.

Lamb: Requested just the top two be sent to the Boards. Reproducing these reports is going to be an amazing amount of paper.

Clark: The top two is sufficient, but we do need to know about them. We are involved financially.

Peterson: Would like to see not only a ranking of one and two, but also the rationale behind the decision to favor one over the other.

Klug: It seems as though there is some concern that the Boards are trying to micromanage this project. The Boards do not wish to do that. We are, however, accountable to the members who elected us to these positions and they ask us about the status of the Match Factory project all the time. The last time we discussed this project we talked about having a timeline so that everyone could be on the same page and know what was going to happen and when. What is the status of that?

Lamb: The timelines have been well developed as far as we can go. Timelines beyond March 17 will depend on the architect that is selected. The architect will have to do the timelines. We have some rough timelines in our mind about when things are going to be done, but they aren't going to be worth much until the architect is selected. There are some major issues that have to be decided. We don't know yet if the architect is going to be the project manager or whether we will have a separate project manager that supervises the architect. This will be a decision that will have to be made based on reviewing the proposals we receive.

De Vries: When this was first brought up it was stated we would get a summary of the proposals of those firms. Then it sounded like we would get the actual proposals. De Vries prefers the Boards receive summaries rather than the actual proposals from the top firms. These are probably rather elaborate.

McCann: Would feel comfortable with a good summary. The Board does not have to have photocopies of every single page of the proposals.

Lamb: The committee ought to summarize the discussions and reports of each of the firms they talk with and why they favored one over the other. That is easy.

McCann: We should also distribute a sampling of the firms' proposals, perhaps 4 or 5 pages.

Peterson: The firms should be tasked to provide an executive summary as a part of the interview process.

Gilson: Once we have narrowed the field down to the firms we wish to invite back to interview we can put additional requirements on them at that point. We can task them to prepare for the interview.

Triggle: We have an agreement that has been signed by Bellefonte. It has not been signed by us. Presumably it is going to be signed by the President of the Library Board. When will that happen?

Lamb: As soon as we can get him to sign it.

Lawrence: Our desire to get a tenant and a cash flow moving is what has changed some of the priorities from the timeline that we had developed when we were working with a consultant.

Lamb: Right now time is not particularly important. Bellefonte is out of its money and they are the ones having to absorb the loss of time. We have not put much money into the project, but once we start putting large amounts of money into the project we have to move as quickly as possible to get it done. That money costs us every day. For the first million dollars we are paying \$10,000 per month just to owe the money. The shorter we can make the time that we are spending money without earning it, the better off we are. At some point we are going to have to start moving out very quickly. The last major decision point that we have on this is when we give the architect the authority to proceed. Once we select the architect we are going to commit to paying him certain fees. We will be out a certain amount of money at that point. The major expenditure is when we start going with the construction. Once that starts, we have to move it quickly. The faster we can get income from any part of this, the better off we are. The only place that seems to be able to be developed separately is the back building, building 18. All of the other buildings will have to be done at the same time because of the shared infrastructure. There is no way you can efficiently do a part of the main historic building. This is the cinder block building that at one point the Post Office was expressing interest. Lamb proposed that as soon as we get the architect on board we begin talking with him about proceeding quickly with the back building. If we get that done, we can make that a rental property. We should be able to get that finished at least a year before the big building is finished. We are talking about two years to get the historic buildings finished, but that will be a very tight timeline.

Triggle: Would this be a basic renovation on the cinder block building, one that could be developed further once the necessary tenant has been found?

Lamb: Right now there is no plumbing. There is minimal lighting. The main entrance is two enormous sliding doors. Lamb suggests it be done as a spec building with an attractive brick façade. Maybe the cinder block on the side could be painted to look like brick. It needs a new roof. We would do the basic renovation and the tenant would do the build out.

Triggle: We would present the basic structure.

Lamb: That is correct. Lamb estimates a \$1 million to get it ready, but that is the high end of the estimates.

De Vries: Do we need an architect to do the basic renovation on this block building?

Lamb: Yes.

Adams: Has anyone had a chance to look at the architectural proposals to see if the costs are in line with the figures we were working with in Providence?

Gilson: Has reviewed 12 of the 17 proposals in detail. By design we are not providing the fee proposals to the initial selection panel. The initial selection will be based on qualifications and experience. The fees are all in line. Typically the architectural fees will run between 8 and 10% of the estimated project costs.

Adams: Are the estimated project costs in line with the estimated costs we were discussing in Providence?

Gilson: The project cost presented in Providence was based upon a feasibility study. That was an inflated cost of about \$5 million. That is what we have been saying all along in terms of our construction budget and estimates. There were some things that were not included in the feasibility study. For instance, developing the block warehouse ourselves as opposed to having that developed by the Post Office was not included initially. You can figure that right now we are talking about \$6 million if we are going to develop that space ourselves.

Lamb: The architectural firms are basically spitting our numbers back at us because none of these people have had any chance to do any detailed work. Until they are selected they won't do that. They have made some preliminary conclusions. One structural engineer said he was very pleased with the condition of the building. He thought all of the buildings were usable. At this point they are all in the same ballpark, but we don't get meaningful numbers yet. If we can make this selection fairly early, we can put together a proposal to give you the kind of answers you want at the next Board Meeting. If that slips and we miss the Board Meeting cycle, there will be more delays.

Flood: Remember the architect fees will be up front before there is a revenue stream from this project.

Lamb: That will occur about the same time we pay the \$370,000 purchase price. When we do that we start swimming.

Peterson: What is needed at this time, a vote on developing the block building, or a sense of the Board?

Lamb: This is for informational purposes only. We have to discuss all of this first with the architect before we can determine if it is the right thing to do. These estimates are based on discussions with an architect and a real estate person.

Peterson: We have been talking about the interview process and the turnaround Board approval that will come well before our next meeting, but Lamb is saying he would like to be able to send the architect out to start working on the development of the block warehouse. Did Lamb want that before our next formal meeting?

Lamb: Wanted to get the Board's thoughts on the idea if it looks like this is what we want to do. If the architect says it is feasible and the numbers look right, then Lamb would like to have the sense that he has this negotiating flexibility.

Gilson: This would be well in advance of the next Board meeting.

Peterson: Then Lamb wants a sense of the Board on the development of the block warehouse.

McCann: Felt comfortable with a sense of the Board, but before we actually committed to developing the block warehouse the Board would again be consulted even if we didn't have a meeting.

Triggle: Having made the selection of the architect who is going to give us his study, that building would be included in the study. At that point, surely it is a decision of the selection committee as such.

Lamb: That is the kind of decision that should come to the Board. The selection of the architect is a much more technical decision. The decision to develop the block warehouse is a management decision.

Triggle: The sense of the Board is probably what is needed rather than a vote at this time.

De Vries: At our last Board meeting we were still talking about the Post Office as the occupant of that cinder block warehouse. What is the status of the Bellefonte Post Office in that building?

Lamb: The Post Office has not made a decision. The postmaster has been transferred. There is an acting postmaster. The probability is that the Post Office supervisors will not make a decision until the postmaster is replaced. This is putting it off well into the future. They still say they are very interested in occupying the building, but we can't wait for them. We have dragged out the process. We have made the architectural selection very slow to give the Post Office time to make the decision, but it hasn't been enough time for them. We will delay our own project if we continue to wait for the Post Office. If the Post Office decides later they would like to come in, there are ways we could accommodate them. We'd like to have the Post Office as a tenant. It might not be in the cinder block building. There are options if they want to come in later.

De Vries: Has there been interest in that cinder block building from other tenants?

Lamb: Yes, there have been three inquiries. Penn State has an incubator project for developing firms. Once they get out of the incubator they need office space. We have had three firms that have said they would like to rent the entire building, but they need space now.

De Vries: In the present facility we have a contract post office that is very convenient for the APS' mailing needs. If there is not a Post Office on the Match Factory property, how does that impact APS and its mailings? Would there be another contract post office?

Lamb: Would like to get out of the contract post office business if we can. It is a drain on our resources. We generate a lot of mail. The Post Office finds some convenience; too, in having us do all our cancellation of our own mail. One of the options Lamb would like to pursue is to see if we can get postal canceling authority without having to do the public services.

Youngblood: We have a couple of different options if the spec building is approved. It would be almost immediately inhabitable for light manufacturing and with minor modifications for office space.

Lamb: We are looking only at office space. We don't want light manufacturing on the site and the people who have been coming to us are not light manufacturing firms. They are mostly computer related firms. There is a big company that is doing extremely well with educational programs on computers with Penn State support. They need 25,000 square feet, and they are the first company that came to us. We would have to finish the inside of the building, do the plumbing, and install restrooms, wiring, front door, new roof, and ceilings. If they wanted to come in with an office, they could install cubicles if they wanted to. We would have it suitable for that type of operation. If they wanted offices, then they would have to build the offices themselves.

Gilson: Has spoken with several architects that have come onsite even after the open house. We have talked about various options of the property with them. None of them thought this would be a problem. The buildings are separated now. There wouldn't be any difficulty in separating the two pieces of the project and doing them on two different schedules. The only problem would be for the occupant of that building who would have to put up with construction activity next door. As far as what could go in there, there are no restrictions. It is zoned commercial for the central business district. If we wanted to have light manufacturing, it could go in there. There is no restriction from a zoning standpoint.

Lamb: It is a big site – 6 acres. Several of the architects have come in with proposals that we build additional structures on the site for rental purposes. At this point it would increase our financial risk. We have to keep this as something we can manage.

Gilson: We have made it clear in our proposal, at the open house, and subsequent discussion with the architects and it is reflected in a number of their proposals that we have a fixed budget. There is only so much we can afford. We cannot engage in an open-ended restoration. They are sensitive to that. Many of them have commented on it and have come forward in their proposals with mechanisms for controlling costs. There are a number of ways to do that. One of the ways is the way

construction is managed. There are various opportunities and options for doing that. We will determine a priority for what we want and can do, and not necessarily doing everything at once. This was the substance of the feasibility study. There were certain pieces of the property that were not to be developed early but would be mothballed for later expansion. That option still exists. The counter to that is that the more that is developed now, the more income we would have. There are going to be many opportunities for us to establish the baseline costs that are acceptable to us, and for them to tell us what can be done for that. The architects are used to this process. We have a number of firms that have dealt with nonprofits and have done historic renovations. They are sensitive to the issues and our needs.

Youngblood: If our goal is to help offset the cost of the project this would not be anywhere near as exacting as the rest of the renovation because this is not part of the historic renovation.

Triggle: Will Bellefonte be helpful if we go with a tenant other than the Post Office as far as any extra services that may be required?

Lamb: Bellefonte has been very supportive. We have been working together on the Post Office and they know exactly how the Post Office stands. They know we are beginning to lose our patience with that avenue.

Triggle: If we go with other tenants, we may need special services. If Bellefonte is on our side that is great.

Motion: To express the sense of the Board to undertake the basic spec development of the cinder block building on a priority basis following the selection of the architect. Moved by Peterson. Seconded by Triggle. Passed unanimously.

Lamb: Gilson's next project is to go through our requirements again. We did this about two years ago. The goal in that is to reduce the additional space people get to the minimum and create as much rental space out of the project as possible. As long as we have the big mortgage on our heads, the more rental income we can get the better off we are. When we have paid for the mortgage, then we can start to expand.

Sellers: Is the committee looking into the selection of the architect the committee that will be involved in disposing of our existing property. Will that be a new committee? What is the time schedule for that?

Lamb: This is a purely economic issue. We shouldn't need a committee for that. We want to get as much money as we possibly can. We don't want to lose our present property until we have a place to go. As soon as we have a place to go then we want to get our present property on the market and get as much money as we possibly can for it to help defray our costs on the new building.

Sellers: The 2003 period in which it is anticipated the possibility of moving if all goes well, where in that procedure is it expected to find some income to help pay for it?

Flood: We can borrow against the present property. We would go with a construction loan with the principal payment being the time of occupancy. There are also some grants we can investigate, such as library construction grants. The architect will have to pursue this. We could have rental income coming in if we renovate the block building first.

Sellers: There is no necessity then to have the sale consummated at about the time we would move into the new property. That could come later.

Flood: We have several very large corporations interested in our present site. One of these parties is willing to sign a sales agreement with a deferred settlement date and a deferred moving date. We can lock our price in and then move in accordance with our construction schedule.

Lawrence: Before the committee ever recommended we go forward with this, we secured an appraisal of the existing property. We made our own independent market analysis of the existing real estate situation in Patton Township and how good the property is. We are one block away from the interchange on the bypass that will, in 2002, be the interchange for Interstate 99. It is the most desirable piece of property in the area that isn't already taken. That is why everyone is interested in it. Lawrence had a copy of *Town and Gown* (a magazine for State College) that has the description of how the real estate boom is affecting the whole area. Everyone who sees it will understand our current property is in the middle of the best possible location for these values to be soaring. We have always used conservative numbers in the recommendations we have given to the Board, but there is no question that between now and the time we dispose of our property, the value is a great deal more than it would have been two or three years ago.

De Vries: How many square feet are we using in our present facility?

Lamb: 25,000 square feet.

De Vries: Could we do that quick fix to the cinder block building and move into it ourselves? It would allow us to sell our present building.

Lamb: This is an option we considered in house. Our vulnerability for the next three years is financial. If the real estate situation would turn sour, that would be the recommendation to the Board. We could use that to pay off our debt. Lamb did not want to do that unless absolutely necessary. Moving the library twice is an enormous amount of work. Relocating our facilities, and then relocating them again would be very expensive.

Gilson: Those are costs we could not pass on to a tenant.

Guaranteeing APEX Certificates:

Lamb: This is a more modest proposal than we first presented to the Board a few years ago. It would be an income generator. We would give people a guarantee if they want it. If we determine a stamp is genuine the owner can pay 1% of the value of the stamp, and the minimum cost is \$5, and we will give a certificate good for five years. The issue we had the most trouble with on the old proposal was how to value the stamp. There was a lot of room for abuse. We base everything on catalog value. Some stamps are worth more than catalog value. The great majority of stamps are not worth full catalog. This proposal guarantees the stamp for the full value of the certificate. We can make money for the Society by doing this. The additional money would go into the insurance fund. Our profit would be investment income generated by the insurance fund.

Triggle: If we determined the stamp was not genuine and later the stamp was found to be genuine, would we be liable for any loss that first owner might have?

Lamb: That kind of situation is not affected. Any liabilities we would have we have today. All we are guaranteeing is a genuine stamp. If it is found to be a faked stamp or altered, then there is no guarantee.

Clark: Questioned the language of the proposal that deals with settling the disputes and quoted “an arbitration panel, consisting of one member selected by APEX, one member selected by the owner of the item in question, and a third member selected by the other two.” Does this mean it would be someone who is agreed upon by both APEX and the owner? What mechanism do we have to achieve this?

Lamb: The number of cases that would go into arbitration would be very small. It gets to be so expensive that it is hard to conceive that we wouldn't just settle.

Flood: Indicated he would draw the language.

Adams: Under dispute settlements it says the panel would function under the laws of Centre County, Pennsylvania. Instead it should read state of Pennsylvania. The state of Pennsylvania does have laws governing arbitration matters between private parties.

Youngblood: As a Board member it is commendable we are looking at ways to raise some revenue. As an expertizer, we have some major philosophical problems with the entire concept. By its very nature, expertizing stamps is nothing more than opinions. Guaranteeing it becomes a major philosophical change for the hobby. Even though we have very few disputes currently, by somebody saying we are guaranteeing them, that is inviting disputes. Most of the expertizers are very opposed to this. Aside from that, just looking into the future, the technical tools available to the forger are getting better almost by the month. It is becoming more and more difficult to say with absolute certainty that something is an altered item. We are dropping off the deep end without really seriously considering what we are getting into. It is not a good idea. We routinely examine items that have been expertized by PSE or PF and have different findings. That is not unusual.

Lawrence: We at least have enough experience with the concept when PESA was done by APS and ASDA in the 1980s to raise a lot of doubt that any of the really dire concerns are worrisome. We guaranteed it, but it didn't get a lot of use because it was so much more expensive than our standard expertizing. It wasn't economically feasible for most of the submitted stamps. Guarantees have been a part of European expertizing for generations. Yes, there will be mistakes made from time to time, but that is what insurance is for. You buy fire insurance not because you think there are not going to be any fires, but because there will be fires. This is an idea whose time has come. It is ironic that Youngblood invokes science as a reason not to do this. One of the reasons Lawrence is in favor of this proposal is because he believes that we are so far out ahead of

everyone else in scientific expertizing that it has made it possible for us to make objective judgments in ways that in the past we have had to rely on opinions.

Klug: Does this proposal have any ramifications for the experts? Will this increase their liability?

Lamb: No, it doesn't. That is very easy to deal with the way it is worded. We would have a separate certificate with the guarantee on it. If you buy the guarantee, you get the same certificate and on the back would be the contract of what the guarantee covers. The one time this idea was presented to the experts it was presented in a very negative fashion and inaccurately. That is why the experts were against it. Everyone Lamb has discussed this with since has thought it was not a bad idea once they understood it.

Youngblood: Virtually any person who expertizes is comfortable with saying it is their best opinion on the item and will stand by their opinion. At the point Youngblood has to guarantee it, it will become a "no opinion." We will see a drastic rise in the number of items that will receive no opinion rather than the experts guaranteeing it is genuine.

Lamb: The experts are not guaranteeing anything. The APS is issuing a separate insurance policy.

Irv Miller: This is just guaranteeing the stamp is genuine. This would not include information about it being reperfed, regummed, or any faults?

Lamb: Correct.

Miller: Agrees with Youngblood there will be a lot more no opinions issued. That is one of the biggest turn offs for people submitting stamps. If no one uses this guarantee, 1% of nothing is still nothing. Instead, the APS should issue a new kind of certificate that has a photo of the back of the stamp as well as the front of the stamp, describing the faults in much more accuracy detailing where they are located. This certificate would mean a lot more to dealers. This information should be available online. If someone can go online and punch in the certificate number from the APS website and a photograph of that stamp comes up front and back describing its faults, a person could make their own opinion based on seeing that information. More people would use the APS than the other two. Increase the number of people who use the service.

Lamb: The last time we had this proposal everyone seemed in favor of going to a guarantee. This is a more modest proposal than we had last time. We need to change our standards on expertizing. Lamb once got a certificate back that APS had said was genuine. Someone bought the stamp because of the APS certificate. It turned out the stamp was not genuine. We sent a letter back saying we were sorry. We owe that person more than just an apology. This is a certificate that goes back to the early days of the service. We have an obligation to stand behind those decisions. Our decisions are really good decisions. The APEX decisions are based on scientific expertizing and are less judgmental. We have tried with this proposal to put some integrity into the process. It helps us make some money. It would be a boon to our Expertizing Service.

Youngblood: Youngblood's memory was not that everyone was in favor of this proposal the last time it was brought up. It was a free for all. The idea of someone guaranteeing some certificates with an added fee also places us in the position of having to defend that we are not standing behind our other opinions. We have done so all along. This begins to raise the question why we are only guaranteeing some of the certificates.

McCann: As it has been described, the guarantee would be an optional service that offers extra protection that indemnifies the owner. It is not that one certificate is better than the other.

Youngblood: This is not the perception that many collectors will have.

Peterson: It sounds like an extended warranty. The first thing a person thinks is that whatever you are buying isn't going to last or that the salesman is under dire warnings to sell extended warranties. Either way, if the customer gets the idea that the difference in our APS certificates is either one of those reasons, we lose. They will think that the original guarantee isn't any good, or that the APS is trying to make money by selling something they don't really need.

Lamb: Hoped this was a way that could make money for the Society, but it came up not because of the moneymaking potential. We have a moral obligation. We talk about experts quitting – Lamb does not believe that will happen. We talk about more "no opinion" decisions – Lamb does not believe that will happen either. We didn't recommend guaranteeing all certificates because that would mean raising the price on all of the certificates. Right now we are concerned about the little guy, one who sends in a \$100 stamp. Charging \$20 - \$25 on a \$100 stamp is a lot of money and we would be guaranteeing

the stamp for more than it is really worth. There have been some objections raised because this is a partial plan that only guarantees some certificates. If we did a full plan, would that satisfy those objections?

Youngblood: No. Irv Miller mentioned a much more workable solution. Rather than trying to guaranteeing certificates, if, for an additional fee we could offer a detailed examination of the condition of the stamp, that is something that would provide a useful and needed service to the hobby that is not being done by anyone else. It could be a revenue generator.

Klug: Stamp condition can change the minute a stamp leaves APEX.

De Vries: If we raised the fees on all certificates perhaps \$1 and then guaranteed all of them, would that put enough in the insurance fund?

Lamb: It would have to be a sliding scale, \$1 at the bottom and more at the top end.

Peterson: We should make it clear to our members that we stand behind our opinions, that we are proud of them, that we don't suddenly think we have a tremendous need to guarantee our certificates. This is a matter of perception. It needs to be packaged so that the emphasis is placed on the fact that the APS expertizing certificate is a solid one. If somebody wants further service we are trying to provide that in terms of a guarantee, condition evaluations, or front and back photographs. Perception is the most important thing we have to deal with in this.

Lawrence: We need to separate these discussions. The part about condition has been raised, but it doesn't have anything to do with guarantees. In the first place, condition is something that changes all the time on stamps, which is why we don't certify them. The condition can change the minute the owner gets it back. We can't and shouldn't be responsible for that. Not only that, the dealers are absolutely poles apart on this. Half of them say what Irv has told us. The other half say the reason they don't accept APS certificates is because APS is too picky. They want just what the Philatelic Foundation says, which is "it is genuine." They don't want it to say anything else. With regard to the guarantee, this would not be seen as the world is ending, but as a natural consequence of us having reached the point in our decisions where the level of confidence we have in our scientific methods is such that we are able to express this confidence with guarantees. It would be desirable to guarantee them all. Historically, the APS offered two levels of counterfeit detection in those days. One was a simple procedure where members could send in 25 stamps and have the APS tell whether they were genuine or fake. The second way was with a photo certificate, which is what we do as expertizers. It is not unprecedented to have a two-stage program. It gives less service but is a lot cheaper to the little guys. As a practical matter, we do this free. If someone has a Kansas - Nebraska overprint they can send it with a self-addressed envelope and they get a response that it is good or not.

Triggle: The two-tiered system is disturbing. How much confidence will people have if at the lower levels we say something is genuine, however, if you want a guarantee we will give all these extra tests. Either the stamp is genuine or it isn't. It is just going to muddy the waters.

Klug: The problem with the proposal is the word "guarantee." It is a good idea, but as an expert, the word guarantee means that Klug would personally feel responsible to stand behind the opinion. Perhaps months from now the expert will learn something about an item not known before and the guarantee would no longer be valid. If it were to be called "insurance" against any loss if the opinion is later proved incorrect, that would be a big difference. Call it something besides a "guarantee." We could still charge an extra fee for all the certificates and include the insurance against loss. Everyone is covered by the same insurance and there is not a two-tiered system.

Lamb: That would be OK. The reason we went for a limited guarantee was that it would give us a chance to try it out. It is better than going whole hog and saying we are guaranteeing everything and then finding somehow we shouldn't have done that. There is no problem with calling it opinion insurance. If you saw on the website a stamp that had opinion insurance and one that did not at the same price, you know which one you'd buy.

McCann: The wording is better that way.

Youngblood: The word "guarantee" makes Youngblood nervous for numerous reasons. If we simply said "this stamp is genuine" we would have little problem with that type of thing. If we say, "this stamp is a genuine lake color error," then we start getting into a lot of problems. There are stamps from all over the world that have significant value over other stamps that, once a little research has been done, those stamps are debunked and are not worth anymore than the others. If that fell within our five-year period and these stamps that were worth thousands are suddenly worth 20c minimum catalog value, then we have problems. It is not our fault that those perceptions change, but we indeed said it was that stamp and it is no longer a variety.

McCann: Asked Lamb to rewrite the proposal incorporating Klug's wording.

Flood: Be careful using the word "insurance."

Motion: That the APS should offer a revised proposal offering a warranty on APEX certificates. Moved by Triggie. Seconded by Klug. In favor: Triggie, Boehret, Peterson, Klug, and de Vries. Opposed: Clark, Adams, Youngblood. Motion passed.

Lamb: We will have to reword the entire proposal and get back to the Board with this.

Internet Review:

Klug: Two years ago the Board approved an Internet Implementation Plan designed in phases. After two years and a lot of hard work, the APS staff has implemented the plan. The staff did an outstanding job and should be congratulated. The last part of the implementation plan calls for a biennial review. The reason why this was brought to the Board was because it was part of the Implementation Plan. The next thing to do is conduct that review.

This can be accomplished in three ways. Since the website is now in-house, the review could be done informally, entirely in-house, concentrating on new technologies and those services that were considered but not adopted two years ago. The review could be done by a joint committee of staff and members to review new technologies and how they could be adopted as member services and revenue engines. Or, the review could be done by a committee entirely of APS members who would make recommendations based upon what members would like to see on the APS website. Whatever committee would do this would be an appointment by the President.

The review should recommend a budget and timeline and focus on creative ways to generate revenue from the website, such as pay-per-use chats with famous philatelists, member want lists, a swap list bulleting board, a fund-raising program for the Match Factory that shows progress and breaks down needs in dollar figures. The review should recommend ways to keep the current content fresh. How often should the website be redesigned from top to bottom? This seems ridiculous to discuss this right now since it was just redesigned, but if it is not done every few years the website will get stale. The review should also recommend ideas for an on-line membership drive to increase APS membership. This review should be accomplished by August 2001 so it can be discussed at the next Board meeting.

Clark: Asked which type of committee Klug preferred to do the review.

Klug: Preferred a joint committee of staff and members, but it was up to the President who will appoint this ad hoc committee.

McCann: It makes more sense to do it that way.

Klug: We have received some good suggestions from members at Town Meetings. The members have to be part of the process.

Youngblood: With this joint committee, would most of the activity be done administratively?

Klug: Yes.

Motion: That an ad hoc committee composed of members and staff be appointed to review the APS Internet presence. Moved by Klug. Seconded by Peterson. Passed unanimously.

McCann: Will appoint the committee in consultation with Klug and Lamb.

Motion: Acceptance of the basic report. Moved by Peterson. Seconded by Clark. Passed unanimously.

McCann: Introduced Roger Quinby, president of the Scandinavian Collectors Club.

Quinby: Thanked the APS Board for the assistance the APS has given to the success of Nordia 2001. It is the first time a Nordia show has been held outside of the Nordic countries.

Promotional Program:

De Vries: This is bringing back something Klug proposed about two years ago. She had proposed two coupon promotions. The first was for four \$5 off coupons that could be redeemed at participating dealers. This was to be given to new members.

That was adopted and tried out. The other promotion was tabled until we saw how the first one went. The second one was to produce a coupon book where dealers could make specific offers of discounts and specials they offered new members. That was put aside for later consideration, but we never got to the later consideration.

Lamb: We tried the Race to 200k as a way to get new members. It was a very good idea, but it didn't work. There were a couple of problems with it. It was a little too complicated for potential members. The coupons were seen as a gimmick. The second was that the coupons themselves generated far more ill will than we thought they would among the dealers. Dealers were constantly coming to us wanting us to buy them back from them. It wasn't getting them the new customers. It was their same old customers who were using the coupons. One of the things we have to do is try new things, but after that experience we don't believe this would do enough for us to cover the cost of producing the coupon books.

De Vries: The earlier program was adopted with the idea that it would be tried only with show dealers. De Vries opposed it and felt it should be offered to all dealers. Subsequently de Vries was told it was offered to all dealers, but he is a registered dealer member and he did not receive that offer. If it was offered to him, it was buried along with something else and he did not see it. The promotion of this to dealers could have been better. For those dealers who did sign up for it and didn't understand that they weren't going to get cash back, that is their problem with reading comprehension. The coupons said they were good only at participating dealers, in which case the dealer accepting them had the opportunity to refuse them. This promotion was not the same as the Race to 200k. Klug's proposal was originally for "free membership." The Race for 200k was only trying to hit a certain membership number by the end of the year 2000. The newer proposal that hasn't been tried yet would be much more voluntary on the part of the dealer. No dealers would be in this coupon book unless they specifically said they wanted to be in it and gave copy for what they wanted their coupon to say. There would be no excuse about not understanding the program. Whatever they put in the coupon would be up to them. This is something the American First Day Cover Society has used. Klug's proposal was to charge for being in the book. De Vries did not believe that was necessary. The APS might consider absorbing the printing costs. Dealers could specify if they wanted that this was only for new customers. They could set the parameters for who would get the discounts. De Vries believed a number of them would want people to try a different dealer.

Youngblood: If we did this for new members only and not renewing members, that would help solve the potential problems of tracking existing customers. Charging to participate in the coupon promotion would not be a good thing. From a dealer's standpoint, that liability is already built in by offering something.

De Vries: The coupons could be printed on newsprint. It could be a very inexpensive thing to produce.

Miller: There is good and bad with this. If you could get \$50 worth of free merchandise from various dealers or \$50 in value, this could be advertised and promoted and may entice someone to join.

McCann: How does Miller, as a dealer, feel about participating?

Miller: Would participate. He participated in the 200k Race. The coupons did say Race to 200k on them. These were \$5 coupons and Miller took in three or four. Miller was aware he couldn't redeem them for cash. Miller did not know how people who used them found out about him.

Lamb: Everyone who received the coupons was given a list of all the dealers who were participating.

De Vries: The American First Day Cover Society, with a membership of around 3000, gets about \$800 worth of discounts. If someone used every coupon in the book they would save around \$800. If a small group like that can do \$800 in a coupon book, APS should do as well. A coupon book worth \$800 sounds really impressive when you are standing in a recruiting booth trying to entice someone to join. APS could make it work.

Lamb: Is not enthusiastic about the idea, but would be willing to try it. We are really cutting back on our costs this year. Whatever we do should be self-supporting. It doesn't sound like much, but producing this coupon book would cost a couple of thousand dollars.

Youngblood: The one slippery slope about doing this is that if it is offered to new members only, then we are suddenly offering premiums for membership that existing members are not getting.

McCann: That is a good point. We couldn't offer it to all members.

De Vries: It could be offered first to just new members with the possibility that if it took off and there was a lot of dealer support it could be expanded to a larger base. We offer other things to new members as incentives that we don't offer other members.

Peterson: If this is going to be given to new members and then also offered to renewing members, how much would the actualization on life membership be worth?

De Vries: The proposal is for new members. It might be expanded further, but it is essentially a new member proposal.

McCann: Suggested Lamb take this proposal back to State College and ask for a budget for what this would cost. This can be brought back to the Board when we have some data to go along with the proposal. We are talking in generalities at this time and we need to know how much this would cost. We are trying to cut expenses, and if this is something that will cost us money without a chance of a return it would not be worth doing.

Ada Prill: When Klug originally brought this up, Prill suggested that the coupon books might be marketable. If dealers provided \$1000 in coupons, it might be possible to sell the coupon books to members for \$10.

Steve Kaplan: The best way to sign up and keep members is proper motivation and utilization of the dealers. APS should explore more ideas that will encourage and reward dealers for bringing in members instead of finding things that cost the dealers in the short run.

De Vries: This proposal wouldn't necessarily cost dealers.

Foster Miller: There were a few of American First Day Cover Society members who complained they weren't receiving the coupon book, so we made the book available to anyone who would make a contribution of \$15 to the AFDCS. We received six or seven contributions, so some people did take advantage of that.

McCann: We have several ideas now. Lamb will come back before the next meeting. We can discuss this further then.

Miller: If participating dealers are sent some of the coupon booklets, they could sell them on behalf of the APS.

Lamb: Last year we offered a free APS membership in the booklet from the public television station to anyone who donated \$75. We got about a dozen members that way. These were given for free, so we will have to look at what the retention will be.

De Vries: Would accept the modification of making it available to everyone and charging for the coupon book, particularly if the cost was less than \$10. Psychologically \$5 would be better.

McCann: Charged Lamb and de Vries to work on the proposal, get a budget, and put together a proposal taking into consideration all of these details within the next month.

Programs for Youth and Beginners at the Mega Event:

De Vries: APS is at two Mega events. They are big New York shows with a lot of traffic. On one hand, APS is not doing much. We have some influence but we are definitely the junior partner in those two shows. On the other hand, people who come to these shows who are not on a mission with something specific to do feel intimidated. There isn't that much going on at the show for casual collectors. This is not about kids. That is a separate problem. Unless people coming into the show are intermediate or higher level collectors, they feel intimidated. For those who aren't familiar with it, at least half of the Mega events each year are in the Javits Center where all the activities except for selling are downstairs four levels. Meetings, the youth area, and ceremonies are all down four flights of stairs. They just moved exhibits back upstairs because they couldn't sell all the dealer tables and they had more room. Traditionally the exhibits have been down four flights of stairs, escalators, or elevators. If we could do a little more for people as the APS and exercise our role a little better, it would be good for us and for those who might be enticed to becoming intermediate collectors.

Triggle: Several years ago Harlan Stone put together a comprehensive seminar program with that very point in mind. He did not get the walk-in traffic. People were giving seminars to one or two people.

De Vries: And he is not doing the seminars at all anymore.

Lawrence: Harlan knocked himself out. A lot of us spent a lot of our personal money to participate and nobody came. It was very sad. A small show in the Midwest draws ten times more people than we are able to get at the biggest show in New York. The collectors go for the bourse and that is it.

Adams: All stamp shows are intimidating to people who are not sophisticated collectors. The APS may or may not be the proper avenue to address this problem, but it is something we should all be mindful about.

Clark: There is a long history with these shows. At one point the dealers opened early on one day. They had groups of kids coming through. The dealers initiated this. Certain dealers volunteered to teach certain aspects of collecting. It was extremely successful. There used to be some active youth areas there. This was a time that they opened early and it was specifically aimed at beginners and the dealers themselves spearheaded it. This is primarily their show and it was a good way for it to happen.

McCann: We have an agreement with the USPS and ASDA on these shows, but the Mega events are not our shows.

De Vries: We are a junior partner.

Lamb: They could say the same thing about STAMPSHOW. We have more say in the New York shows than we let them have in STAMPSHOW. That is a matter of policy.

McCann: We can't just decide what we want to do. We need to talk with Joe Savarese and suggest things, but we can't just do things on our own.

Clark: Strongly agrees there is a need for it.

De Vries: Just because there are problems with the show, it doesn't seem that we should just roll over and say the show is flawed and doesn't draw what a show in the Midwest draws. We have to decide if we are going to stay a part of the agreement or are we going to sit there and ride along on the handlebars? Publicity for that show has always been a problem. Publicity is not our bailiwick, but if we implemented programs of any sort we could publicize those programs separately in our own manner. There are things we could add on. We could have a tour of the show – not a tour of the exhibits. We could schedule tours several times a day and take people around to show them where the dealers are, what types of material each dealer offers. Something like that would need to coordinate with the other two partners of the show, but it isn't something that would take up facilities. It would take a volunteer or staff person to take care of. In STAMPSHOW programs we tell people which dealers are kid and beginner friendly. There is nothing like that at the New York shows. We could give people at our booth, which is near the front entrance, a list of dealers who would be happy to talk with kids. Dealers can sign up for that or not, as they wish. This doesn't need great involvement with the ASDA or Postal Service. We could do little things like that and tell people in advance. The seminars are another problem. Having them four floors away is another problem. There are no signs and no way to get to them. It is stupid. The Postal Service took over the youth area and took it away from APS. This is something we should look into. We could make it a friendlier show, and we should get APS more involved in it.

Irv Miller: The September Mega Show will be in a new hall – Hall A. The Postal Service is backing out and taking much less space. The exhibits, Post Office, and everything will be on the same level. There is nothing to say that the APS can't do whatever they want at their booth within reason and have a seminar on how to soak stamps or other beginner activities. One person could volunteer to sit there and offer advice to beginners. If you aren't getting the crowds, you don't need a large area.

Boehret: Asked if they were still having computer programs like they did last April.

De Vries: There are still booths of computer-oriented dealers.

Boehret: It's a whole section in the youth area.

Miller: That is sponsored by the Postal Service and they are backing out.

Lamb: The Postal Service will be back in it.

McCann: What would De Vries like the Board to do?

De Vries: To appoint a committee to look into these two shows and greater and more effective participation by the APS.

McCann: If the committee comes back with suggestions that are reasonable we can just implement them. We don't necessarily have to have a Board proposal. McCann appointed de Vries to chair the committee that would include Lamb and Ken Martin. Others to be determined by de Vries.

Triggle: Suggested if anyone had any ideas they should contact de Vries with them.

McCann: Asked de Vries to let the Board know of the suggestions and recommendations he comes up with and report on it for the next meeting, but anything the committee thinks is feasible can be implemented without Board approval.

De Vries: People are coming to the shows just for the bourse. That is something that built up over time and it isn't going to be reversed immediately. It will take time to let people know other things are going on at the show.

Travel Proposal:

Lamb: Gordon Bradwell is an APS member in Athens, Georgia. We have looked for while of ways to offer land travel that would be philatelically related. Bradwell, until recently, was a regional manager for Alumni Holidays. He came to us with this proposal. He is suggesting we do trips built around some sort of philatelic event with a philatelic theme that could be offered to the membership. He is looking for something in the UK for his first proposal. The one downfall is that this would compete with our Stamp Cruise that gets 30 or 40 people every year. We make about \$2000 - \$3000 a year off of Stamp Cruise. If we lost a lot of members from Stamp Cruise, that would go under and that is a program that is working right now. If we could do this at a different time of year, such as the spring, we should see what sort of proposal he could come up with.

Peterson: Has concerns about putting a lot of time and energy into this. It seems very amateurish point of view as far a stamp collector is concerned. The idea of traveling a long distance to go to a stamp club and meet other stamp collectors does not seem appealing. Those arrangements have to be made on the other side very carefully. This proposal does not know what area it is getting into. We are headed for disaster.

Lamb: We put very little effort into Stamp Cruise. We contract with somebody and get a commission off the top. We set up one event with the Stamp Cruise. This last time we called on the Postmaster General of the Cayman Islands. The Virgin Islands Stamp Club invited us to a reception. We had a lunch with a stamp club in Hawaii. There is a philatelic theme through what is essentially a cruise.

Peterson: The difference with the cruise is that you have a moving venue in which everyone stays in place and you have stamp related events. These are not neophytes. They are generally people who know each other and get along with each other anyway. They are sort of on a floating exhibition. The idea of paying the expenses of a trans-Atlantic flight to end up in London to go to a stamp club meeting is ludicrous. You go to London to make the theatre tour. Unless you are fairly sophisticated you don't get anything out of it. It would be difficult to get cooperation. The Royal Philatelic Society probably doesn't want tour buses parked outside the premises while a group looks at the library and has tea.

De Vries: Has seen the advertisements for his university's affinity travel. There is no Syracuse content in the trip. The trip is just offered to alumni to give a pleasure trip. A lot of people like packages rather than putting together their own trip someplace. It doesn't mention in the letter what is in it for APS.

Lamb: We wouldn't go into it unless there were something in it for us.

Boehret: The Baltimore Philatelic Society has been running trips for the past three or four years. They fill up very quickly. They plan two or three trips a year and they have been very successful.

Peterson: In those types of tours, either they give a discount for the total package or they will give a free load to someone called the "tour director." One way or the other there is a discount potential.

Clark: There are two elements here. One of them is that a lot of people like to go on group tours. Some people don't want to travel alone and are uncomfortable in another country. Whereas many of the Board would have no problem going to any of these philatelic places, the average collector doesn't do this comfortably. If it were offered as part of a tour that had a philatelic element, it would give collectors a comfort level.

Youngblood: It looks as though there would be no effort on our part. All he is doing is asking to use the APS logo. If we get into this with some possibility of financial gain and let Bradwell worry about the merits of the trip, the enterprise will either sink or float on its own. If it floats, we have some extra money.

Triggle: We have FIP shows that a commissioner will sometimes arrange some type of travel program. This sort of thing would fit in with that quite nicely.

Lamb: Bradwell asked for a list of internationals that were coming up that he could build a proposal around, and there aren't any. There was Indonesia, which may or may not happen. Hafnia is this year. He is talking about 2002 as the earliest date he could do. Korea is coming up, but that is not a particularly good market.

Peterson: There are the continental federation shows, too. Unless there is a specific venue that is ongoing that has a collective set of activities, you can't take people from place to place on a tour. What we risk is putting our name on something that turns out to be a disappointment.

Adams: What we do have to offer is our seal of approval that will say we think this is a good trip you might like to go on. For that reason we need more detailed proposals and competitive bids or offers from other vendors.

Peterson: Would rather see someone who has good international experience who could work this rather than someone with a travel agent mind going about it as outlined in this letter. This is not a philatelic proposal.

Lamb: If we do this we are only talking a couple of thousand dollars a year income to the Society. What he is trying to do is build something like de Vries mentioned. Alumni Holidays does college trips, and that is what this would be like. It would be a standard college trip with a little philatelic content.

Peterson: It would be fine if it was an affiliate trip with bonding, but to just throw little bits of philately in along the way it won't work.

De Vries: Said he was not the only person with a spouse that is not interested in stamp collecting. If these trips are largely philatelic trips, they will die. Spouses who are not interested in stamps will not sign up to visit the Royal Philatelic Society in London.

Triggle: Has a non-philatelic spouse. He did go to Istanbul for the show there and had a wonderful time. If you go to a large city that has an international show, there is enough to offer for the non-philatelic spouse.

McCann: We should get something more detailed from Alumni Holidays to see what they propose. McCann asked Peterson to contact Bradwell and have further discussions about the proposal.

Lamb: We should tell him we are willing to consider a more detailed proposal.

Request from Philanippon for APS to provide a special prize:

Motion: To provide one of the APS special prizes to Philanippon. Moved by McCann. Seconded by Clark. Passed unanimously.

McCann: Reminded the Board there would be a closed session Saturday morning at 8:30 to discuss the Luff Award.

Triggle: Encouraged Board members to continue conducting Town Meetings at shows and clubs. We have gained a lot of information from members that way. It is great that we can get staff from State College to join us.

Motion: To adjourn the APS Board Meeting. Moved by Triggle. Seconded by Klug. Passed unanimously.

Respectfully submitted by:

Attest:

Janet Klug, Secretary

Peter P. McCann, President

