

Minutes of the American Philatelic Society
General Membership Meeting

August 16, 2002
Atlantic City, NJ

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President's Report
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Questions and Answers

Called to order at 9:03 a.m. by President Peter McCann.

McCann: Plugs "Major Ted's Stamp Talk." Bahry deserves much credit.

Introduces Board of Directors; all present except Hotchner; APRL trustees present; and APS/APRL staff.

Amos Press editorial director Michael Laurence presents a check for the first installment of \$5,000 that Amos Press is contributing to the Match Factory.

Twenty-five and 50-year member awards are presented.

President's Report:

Looking at how to continue the Match Factory project. It has been broken into three phases, with the block warehouse first. It will be finished next year. The APS/APRL hopes and plans to start the first phase within the next year. Working with a developer to set up construction, find tenants and financing.

There was a proposal to stop any contact and assistance with the BoyScouts of America, over their policy against gay troop leaders. The proposal was studied carefully, and the Ethics Committee submitted a comprehensive 25-page report. Its conclusion was that it is inappropriate for the APS to take any stand on this issue. The recommendation was approved unanimously by the Board of Directors.

Future shows: Stampshow 2006 will be in Chicago. It was such a wonderful town, and McCann reassures the volunteers there that the APS will look for other forms of assistance. Stampshow 2007 will be held in Portland. The winter show there was fantastic, so the APS decided to go back. AmeriStamp Expo 2004 will be held in Norfolk, 2005 in Atlanta.

Budget highlights: The APS' problems with operating deficits are in line with general economic problems in the U.S., but are under control. There will be no operating loss this fiscal year, and a \$200,000 profit the follow year, which will be recycled into the investment funds.

Dues are still relatively low, but will be increasing \$5 at the end of this year. Postage costs are increasing. The APS needs to build up its reserves. Owning the Match Factory is not costing the APS any money. The current short-term tenant pays enough in rent to generate a positive cash flow.

Dues and the Match Factory are absolutely two separate issues.

Insurance: Only one firm bid on it, and it was re-awarded to Hugh Wood Inc. by a unanimous vote of the Board.

APS/APRL: The operating agreement is years out of date, but the issue was too complicated at this time for the Board's meeting.

The Audit Statement will be published once a year on one page in The American Philatelist.

Vice Presidents' Report:

Board of Vice Presidents chair Janet Klug explains the role of the BVP. Since the last Stampshow, the BVP has met six times and considered 34 cases, including one where it acted as arbitrators.

The cases included the auction bid-rigging. Klug wishes the BVP could take action more quickly, but it must follow the Bylaws and the advice of the Society Attorney. Two ring participants were expelled, and action was taken on a few more. Nothing is being ignored.

Treasurer's Report:

Treasurer Nancy Clark has reviewed and signed vouchers and kept a tight rein on expenses, which are at their lowest since 1996. The Cost of Living increase for the staff was 2 percent, or about half what Penn State University in the same town gave its staff. There is a freeze on promotions and raises.

There was a \$33,000 gain on investments, which is much better than last year's \$96,000 loss. Clark expects the rest of the year to be much better.

There was improvement in the Internet Sales Unit. The commission was increased, but sales remained high. Clark expects \$175,000 in commissions. She predicts flat growth in 2003, but the ISU is really too new to make a good prediction.

The Riverside AmeriStamp Expo broke even. American Philatelist ad revenue was revised downward, but more than offset by a \$60,000 reduction in expenses. Sales Division income was up. The insurance firm Hugh Wood Inc. has become an important source of income.

Dues: Currently \$25 per year. The staff recommended \$30, the Finance Committee recommended \$35. 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. A similar increase was voted by the APRL Trustees for its dues. APS dues have fallen behind costs. The elimination of the early payment discount addressed some of it. \$30 would bring the dues back in line, and \$35 would provide a margin. This is not connected in any way with the Match Factory. That is being funded by donations.

In the late 1990s, as much as 5 percent of the Society's income came from investments. Between 1994 and 2000, membership has declined by 15%. AP production costs are now at the same level as in 1994. Stampshow costs are down. There was less emphasis on employee costs, because there are now fewer employees. The decline in membership is not tied to the dues increase. The elimination of the \$3 early-payment discount only lost the APS 400 members, not the 1,000 predicted. A loss of 1,000 members from this increase would cost the APS \$25,000, but increase dues income by \$400,000. Dues were increased to \$35 with a \$5 rebate for payment before the end of the year.

Society Attorney:

General Counsel Virginia Eisenstein gives her background: Yale Law School, then practiced in New York City, Michigan and came to State College in 1972. Took time off for her children, returned to

practice in 1975. She has a general practice in business and corporate law, and represents other non-profit groups.

McCann notes that she is an active figure in State College and a member of the American Philatelic Society.

Executive Director's Report:

Lamb: It's been a tough two years, as the Society's net worth declined.

The Match Factory progress seems slow, and there is some disappointment there. The construction plans are mostly complete. The cost for the plans was about \$200,000, for which donations were used. The APS/APRL has received \$68,000 in contributions this year, probably the highest ever for the first seven months of the year; the first seven months are generally the slowest for giving.

The APS is in good shape and strong. It has a loyal membership. If the list of 50-year members were published in The American Philatelist, it would take up two pages.

The Sales Division is used by 8,000 members. It is now automated; no more 19th Century ledgers. More computer features are coming, including a preprinted label for the next person on the circuit. It was amazing how many 3"x5" cards there were!

Lamb expects the Internet Sales Unit to hit \$1 million in net sales by Thanksgiving.

Expertizing: The rate structure has been changed. It is growing very fast, but the staffing has not been increased for 20 years. Can't afford to increase the staff with the previous rates, so the rates were raised much higher for non-members, but kept the same for members.

American Philatelist: Lamb has received much praise for Barb Boal and her staff of 3. She will be promoted to full editor on September 1.

The APS is getting complaints that postmasters are not accepting envelopes and flats for Insured Mail. The APS has challenged that interpretation, corresponding with postmasters in four states. A suburban Atlanta postmaster has appealed to the Postal Rate Commission.

Lamb believes what's behind it is that the new sorting equipment is tearing up so many parcels.

Under the new insurance contract, Lamb hopes to get liability coverage for the regional shows, which are having trouble obtaining it on their own. This would not be just for World Series of Philately shows. This has not been worked out yet.

Dues: Lamb had reservations about a \$10 increase, but a \$5 increase is necessary. The \$10 increase, with a \$5 rebate for early payment, is all right, because 80 percent of the members pay early anyway. Ten percent are life members, so it's really a \$5 increase.

Q&A:

Member: recommends that the information about show information be written up "boldly" in The American Philatelist.

McCann: It will not only be announced, but a letter will be sent to chapters.

Member: asks if donations include "in-kind" donations (collections).

Lamb: Yes, contributions are not only in cash. In-kind donations are running about \$450,000, and he expects \$500,000.

Member: Will the Match Factory plans be available for members to see?

McCann: Yes, at a 3 p.m. seminar.

Move to adjourn by Barbara Mueller, member #18937. Seconded and carried.