

# **APS General Membership Meeting**

## **9:00 a.m ., Saturday, February 10, 2007**

### **Riverside, California**

\*\*\* Denotes motion and board action (for searches)

**Call to order:** President, Janet Klug, 9:00 a.m.

APS President Janet Klug introduces the APS Board: Chair of the Board of Vice Presidents Ada Prill, Vice President, George Fekete; Vice President Al Parsons; Secretary, Wayne Youngblood; Treasurer, Dr. Nick Carter; Directors at Large, Dr. John Flannery; Peter Martin, Wade Saadi, David Straight; Past President, Peter McCann; General Counsel, Virginia Eisenstein.

APRL President Ken Grant introduces the APRL Board of Trustees: Herb Trenchard, Roger Schnell, Roger Brody, Peter Martin, Dan Walker, David Straight, Ken Lawrence, Charlie Peterson.

Executive Director, Peter Mastrangelo introduces the APS staff present: Deputy Executive Director, Ken Martin; Director of Library Services, Gini Horn; Director of Shows & Exhibitions, Dana Guyer; Assistant to Shows & Exhibitions, Barb Johnson; Director of Membership Administration, Wendy Masorti; Education Assistant & Youth Coordinator, Janet Houser; Webmaster, Doris Wilson.

#### **Thanks to Show Organizers**

**Janet Klug:** Thanks to the Riverside Stamp Club, the Federated Philatelic Clubs of Southern California, and all the area clubs and volunteers who assisted with the show.

#### **Presentation of 25 & 50 Year Awards**

Sixteen 25-year members were in attendance to accept their certificates and pins. Two 50-year members were in attendance.

#### **President's Report (Janet Klug)**

**Klug:** "The APS Board of Directors met on Thursday for eight and a half hours to conduct the business of the Society and discussed the following:

- Received reports from the Executive Director, Society Attorney, and Treasurer who will be reporting today.

- Wade Saadi, Chairman of the APS Membership Committee, updated the board on the progress of the board members contacting by phone our 500+ chapters. The Board of Directors wants to strengthen our relationship with our chapters by improving the communications we have with them and offering them better services. If you go to the APS website, [www.stamps.org](http://www.stamps.org), you will find a number of publications for our chapters that will help local stamp clubs to use in their press releases, create posters, and other promotional pieces that will help recruit new members for their local club.
- David Straight has been working with the National Postal Museum on the new joint venture that brings together scholars and philatelists for a symposium of postal history. The first symposium was held at the National Postal Museum this past November and I have heard lots of favorable reports at how successful it was. Twenty-two papers were presented and seven panels. Those who attended were very pleased and found the symposium to be interesting and informative. The next Postal History Symposium will be at the American Philatelic Center in Bellefonte, Pennsylvania, on October 21-22, 2007, just after the Airmail Show that is going to be held there. And if everything goes as planned we may be dedicating the Gordon and Mary Morrison pavilion, which will be the new home of the Headsville Post Office. The theme for the symposium is “Further, farther, faster, transporting the mails.”
- Peter Martin, Chairman of our new Publications Committee, updated the board on books that are under consideration by the committee for possible publication by the APS.
- Board approved a “Whistle Blower” policy that protects employees and volunteers and tabled a new document retention plan for further review by our attorney.
- Report on the APS Insurance plan given by Simon Codrington of Hugh Wood Insurance.
- Approved using money set aside for an award in memory of Ingeborg Herst to encourage women exhibitors. It has not been used in about 15 years. The board approved using this award to make small grants for educational and youth programs.
- Approved a request from Pipex, World Series of Philately Show, to skip their show this year because the APS StampShow will be held within their area in Portland, Oregon August 9 – 12.
- Peter McCann and I proposed that the Board of Directors endorse a proposal to the FIP to create a commission for entry level collectors to be responsible for the central coordination of the development of programs that would assist new collectors and discover the joys of philately. The board approved this proposal

and will be signing a letter to the FIP President, Joseph Wolff, asking that FIP consider adopting this proposal.

- Approved a proposal originally put forward by Nick Carter to create APS Volunteer Recognition awards for those unsung heroes that serve the hobby at the local and regional level, as well as awards for outstanding young adult philatelists and young philatelists ages 15 to 24 who have served philately. The goal is to motivate potential hobby leaders and reinvigorate their interest. Those who serve the hobby should not be unsung and we believe these awards will recognize their dedication.
- Considered a new “Openness Policy” that would add open records to our present Open Meetings Policy. This proposal was put forward by Ken Lawrence. It was reviewed by our attorney, Virginia Eisenstein, and our staff created an amended proposal that took into consideration her recommendations. After lengthy discussion, we determined that the proposals, although different, were not all that far apart. Later today Peter Mastrangelo, Ken Lawrence, Virginia Eisenstein and I will meet to find common ground with a new Openness Policy that will address the Society’s desire for transparency and accountability, while protecting our members’ privacy and meeting the legal requirements for non-profit corporations in Pennsylvania. When completed, the board will be asked to consider this new open policy, probably in a teleconference, and we will keep you apprised of our progress.

### **Vice President’s Report (Ada Prill)**

**Prill:** The Board of Vice Presidents is the disciplinary body of the American Philatelic Society that hears complaints regarding violations of the APS Code of Ethics by members.

In the last six months we have met three times and heard 15 cases. The 15 cases resulted in three complaint dismissals, one reprimanded, three on probation, expelled four, three applications rejected, and 1 application admission. Five of our cases were appealed. The Appeals Tribunal upheld the Board of Vice Presidents on four of those cases, and on the fifth case they decided we had not been hard enough on the individual and amended the punishment.

### **Secretary’s Report (Wayne Youngblood)**

**Youngblood:** My duties as secretary are to report and maintain accurate records of the Society. Complete records of board meetings are posted on the APS website at [www.stamps.org](http://www.stamps.org).

### **Treasurer’s Report (Nick Carter)**

**Carter:** The day-to-day financial business of the APS is done by the APS staff run by Controller Rick Banks. The job of the treasurer is to oversee the operations of financial operations. The Finance Committee gives advice to the staff to oversee the investments of the Society. I have preliminary data for 2006; you will have full numbers in Portland. In 2006 we had a modest deficit. Last year we had a small deficit -- around \$45,000. Last year was a transition year. We changed the senior management structure of the organization, and we expected to have a deficit. The Finance Committee and the Board approved a larger deficit than we ended up having. The staff actually did better than we expected in 2006. We expect a modest deficit this year, and we expect that we will have a balanced budget in 2008 if not before.

Revenue from sales commissions, *The American Philatelist* publication, books and specialty sales, expertizing service fees and Stampshow all experienced increases in 2006 over the prior year. The Sales Division commission income from the year was 2% under budget but 2% over the prior year, while total department expenses were virtually equal to the budget for the year but 3% greater than the prior year.

Internet Sales Division commission income for the year was 3% ahead of budget and 17% over the prior year, while total department expenses were 1% over budget for the year and 4% greater than the prior year.

Expertizing net fee revenue for the year was 7% under budget, but 18% greater than the prior year. Expertizing experienced a net department gain in 2006 of \$5K as compared to last year, when it virtually broke even.

The reason I mention those three areas is because these are the three moneymaking departments in the organizations.

Insurance Fund – Year-to-date loss claims / write-offs were \$106K in 2006, slightly higher than the \$94K incurred in 2005. The fund balance at the end of 2006 was \$1.03M virtually the same as it was at the end of 2005.

Investments – The balance of our various invested funds are \$140K higher than they were at the beginning of 2006, which is reflective of unrealized gains of \$68K experienced by our investment in addition to the investment income recorded. No withdrawals were made during 2006 from invested balances under the control of our external investment manager.

Our total investments at the end of 2006 were \$2.7M and total assets at the end of 2006 were \$4.6M.

### **Society Attorney's Report (Virginia Eisenstein)**

**Eisenstein:** There is currently no litigation in which the Society is involved. My time has been spent responding to inquiries, assisting and giving advice to your Executive

Director, President, and your Board of Vice Presidents. I have also reviewed legal documents, in particular the proposed leases with tenants which may be coming to the American Philatelic Center. As far as contracts are concerned, I have spent a lot of time negotiating the contract between the APS and New York 2016. Under that contract New York 2016 will be holding a World Philatelic Exhibition in New York City. The APS will be applying to FIP for patronage.

## **Executive Director's Report (Peter Mastrangelo)**

### **Mastrangelo:**

Election - As you know we are in an election period. For those of you who want to vote, the ballots will be out in the May *American Philatelist* and they will be due back in Bellefonte by June 9. A full slate of candidates is available on our website and we held a candidates forum yesterday.

New Website - We are in test mode of our new website. It will contain areas such as a Members'-Only section, a very dynamic stamp store where you will be able to buy/sell stamps from ISU and eBay. Watch your magazine for upcoming details.

Campaign for Philately – the campaign has just completed its third year, with \$3.2M raised to date in cash and pledges. Last year, \$750,000 was raised, which is the second highest. The purpose of the Campaign is to complete the American Philatelic Center and to support programs and services.

American Philatelic Center – We have reviewed a construction schedule on the Gordon and Mary Morison Pavilion and we have submitted that to the Smithsonian for their review. Once that is done we will set up the Headsville Post Office in the pavilion. We are hoping to open this facility in October. We are also moving forward on Phase 4 of the tenant space at the American Philatelic Center with occupancy slated at this stage at the beginning of next year.

### **Division Reports:**

Shows & Exhibitions – they have been very busy preparing for this show. All the booths are sold out, and we had a small waiting list for the show. They have already started planning for StampShow next summer.

Editorial – We were fortunate in December to receive some publicity in the mainstream media that we don't normally get for the so-called Inverted Jenny on a Florida absentee ballot. We have written extensively about that in *The American Philatelist*. But at this stage I think it is good to note that when we went down there, Mercer Bristow who reviewed the stamp confirmed that it was a fake.

Library – has been very busy with volunteer work. Richard Nakles who lives in the Bellefonte area has helped us re-catalog the library book collection. This is still on-

going, but we have made significant progress with his help. Another added benefit that we will have on the new web page will be installing an upgrade for library catalog software.

Education – Summer Seminar is coming up in June. We have a preliminary schedule that we are putting final touches on. We have a vacancy for Director of Education which we have posted and are taking applications to fill the position.

Sales Division – Circuit sales had a slight increase last year of 2% sales commissions over the year before. Last year they accepted more than 25,000 circuit books with a value of \$5.3M. Both of those figures are up from the year before. There are now 12,500 active circuits, which is also up from the year before from 10,700. Right now the value of the circuits in circulation is approximately \$8.5M.

Internet Sales – had a 12% increase in sales and a 17% increase in commissions. They have had a 10% increase in orders. An interesting note, our top five sellers on ISU are posting sales of over \$5,000 a month.

Expertizing – experienced its third best year in its history reviewing over 7,000 items in 2006.

Membership Administration – as of December 31<sup>st</sup> we closed the year with 44,317 members which is down 960 from the previous year. Total losses reported were 4,399 of which 494 were resignations, 495 were deceased, 17 expelled, and 3,354. We had a total gain of 2,444 new members with an additional 995 reinstatements. Our website remains the biggest tool for recruiting new members with about 1,200 members application received through the web last year. Our business reply card program comes in second with about 700 members recruited. And one new promotion we ran last year was the Chapter Membership promotion which brought in about 175 new members.

Membership Survey – is on the agenda for 2007. We have not done a membership survey so we could ascertain your wishes, thoughts since 1996. This is a valid sample survey so that we can make accurate conclusions. We have received proposals from six firms and will be making a selection by the end of this month.

### **Questions from the Floor.**

Question was asked about FIP Patronage.

**Peter McCann:** FIP Patronage simply means that the FIP gives sanction to that show to be a full-fledged international show. They sanction the show as an official international show under the FIP.

Question and suggestions that might bring in younger collectors.

**APS member:** First, a company like White Ace that makes the beautiful and well-arranged album pages could work with the postal system to have new pages for new issues of stamps to be sold at the post office at this same time stamps are issued. If enough are produced, they could be done cheaply. Second, somewhere along the line there is a set of album pages for U.S. stamps which seems to have background information. This might be a useful tool for both incoming youngsters and us older folks.

**Klug:** These are very good suggestions. I will forward this to the U.S. Postal Service.

Question – Expertizing fees.

**APS member:** I paid registered mail and expertization fees to send an item in and then received it back with no decision.

**Ken Lawrence** – If you do not get an opinion, you get the application fee is refunded fully. But we still have a cost, even if we cannot tell you about your stamp. It costs money to make its rounds to all the experts, and that is not an inexpensive process. It goes registered to each of the members of the committee. We do our best to keep costs down by keeping them grouped as much as we can. Sometimes we do not have a choice if there is only one stamp that needs to go to an expert, it could be costly.

Motion to adjourn is traditionally presented by the member present with lowest APS number. **Harold Egy, APS No. 34675** adjourned the meeting.