

## Minutes of the APS Board of Directors Meeting

Wednesday, August 3, 2005

Grand Rapids, Michigan

**Call to order:** 9:08 a.m.

**Present** at start of meeting:

Current Board of Directors: Janet Klug, President; George Fekete, Ken Lawrence, Ada Prill, Vice Presidents; Lloyd de Vries, Secretary; Nicholas Carter, Treasurer; John Flannery, Ron Leshner, David Straight, Stephen Washburne, Directors-at-Large; Peter McCann, Immediate Past President.

Incoming Directors: Alan Parsons, Wade Saadi, Wayne Youngblood. Peter Martin arrived later.

APS Staff: Executive Director Robert Lamb, Comptroller Rick Banks, Editor of *The American Philatelist* Barb Boal, Director of Administration Rob Haeseler, Librarian Virginia Horn, Director of Shows & Exhibitions Ken Martin, Complaints/Tenant Relations Manager Wendy Masorti.

Society Attorney Virginia Eisenstein, APS Dealer Liaison Jim Dempsey

Other members: Kurt Kimmel, Foster Miller, Steve Schumann,

### I. President's Welcome (Klug)

Klug introduced the new Directors, APS staff, and guests in attendance. She further welcomed them all to raise their hands and speak freely on the topics at hand.

### II. Executive Director's Report (Lamb)

**Audit Statement:** This is a final statement of how the Society and the Library performed in 2004. On page 2, the **Total Net Assets** represent the value of the Society and the Library after their obligations have been satisfied. Last year, the total net assets of the Library and the Society combined grew to \$6.5 million, up by \$554,000 or 9.4% from last year. If you look at that growth holistically, that represents a very positive number. If you look at the two organizations separately it has not been an even growth. The numbers for the two organizations are discussed on page 16 of the audit statement. There you will see that the Library gained \$712,000 while the Society lost \$158,000. The Library growth was due to real estate development.

**June Financial Statements:** Lamb first called attention to the decline in the total investments shown on page 1. He further discussed Equipment figures which show \$1.8 million worth of equipment including \$1.2 million in computer equipment. This is a misleading number. The APS carries equipment on inventory as long as it is being used, no matter how old it is and tries to assign a reasonable depreciation schedule based on the expected life of an object. Almost 80% of computer systems have exceeded their life expectancy. It shows Society is using old equipment.

Page 3 shows that dues and admission are running \$61,507 ahead of the budget, but this is not good. With the elimination of the early payment discount, the APS budgeted an increase of

\$150,000. It is currently halfway through the year, and this indicates the APS will get about \$120,000, \$30,000 less than expected.

The poorest performer is the investment earnings. For the first half of the year the APS has earned only \$7,866 against a very modest projection of \$30,000 for the year. Lamb points out that this is only the income from the General Fund. On June 30, the General Fund contained \$1.1 million. This is an earnings of less than 1%, a very unsatisfactory return of the Society's money. Carter will present some proposals later.

Bright spot: The total expenses year-to-date variance is minus \$84,817. Staff has reduced expenses, and expects to maintain that through second half of year. Expenses are running about \$120,000 for the year better than budget, which means there's a good shot at a balanced budget, although he can't promise it.

Saadi: But the APS still shows a loss? It's not making money?

Lamb: No, but some other factors, such as poor investment returns, hurt.

Fekete: The last column shouldn't say "annualized."

Lamb: Provided handout of profitability by Departments, and pointed out that the numbers don't tell all. An example is the Sales Division, which shows \$461,000 in income and \$581,000 in expenses. Therefore the budget shows minus \$120,000 for the Sales Division. This doesn't tell the whole story. The Sales Division continues to contribute positively by paying rent of \$22,000 a year, \$68,000 in overhead (which subsidizes the Executive Director's office, Accounting and mailroom operations) and pays \$5,000 for ads in *The AP*. In addition the Sales Division contributes \$167,000 a year directly into Insurance Fund. That comes from 2 sources: each purchaser pays \$1.50 per circuit, and every seller pays 2% of value when the book is retired. Sales Division is now probably more profitable than ever in its history, since downsizing of the staff and introducing other economics.

Income from the Internet Sales Unit is not as dramatic but it is still a nice number: \$77,000. Expertizing income is \$29,000 and shows are \$16,000. Probably should add \$31,000 to negative side of the AP as subsidies from other departments should count against it.

Klug: Rent doesn't go to APS. It goes to APRL. That doesn't really affect these numbers for the APS side.

Lamb: Doesn't affect APS numbers but there's a need to look at the total picture.

Washburne: Insurance fund – is this referred to as the float?

Lamb: No, this has nothing to do with investment income. This is new money coming into the insurance fund every year. Expenses come out of it. So, it is not growing by that amount of money but it is contributing to the wealth of the Society.

Straight: AP income comes from advertising?

Lamb: Yes.

Carter: The APS tells members 50% of their dues go to AP.

Saadi: Thought Sales Division was going through a hard time; is that just hearsay?

Lamb: Sales Division has never made a profit on operations. It has had a very big float. The APS earns money off that. The APS was therefore saying Sales is making big bucks because of the earnings off investments, so it didn't have to worry about making the operations efficient. When that investment income disappeared, the APS had to make the operations efficient and from that point of view it is more profitable then ever. The Sales Division peaked in 1998 at \$2.57 million gross sales. Gross sales have declined to \$1.7 million this year, a decline of \$750,000. Throw in Internet Sales at \$1.2 million, and total sales are higher than ever in APS history. But if you look at the traditional Sales Division alone, there is a continuing decline.

Lawrence: Numbers don't tell the whole story. The Sales Division is considered to be the second most important membership benefit, after the magazine. And it is very important to clubs who consider it to be one of their biggest attractions. One problem is that every time postal rates increase significantly, they increase more for insurance rates than for the first-class letter rate. Therefore every time that happens it becomes more expensive to look at a sales circuit, and the long-term trend is not good. Next board needs to think about how to keep Sales Division performing its member service function despite postal increases.

De Vries: Aren't we shorting *The AP* income by not including that 50% of dues?

Disagreement from Carter, Flannery.

Lamb: It is, actually, in the budget, which he thinks is a mistake as it is a policy decision and makes it difficult to determine exactly how *The AP* is performing. But if you turn back to *The AP* section in the budget you will see the calculation on dues.

De Vries: But from the profitability thumbnail printout it seems we are shorting *The AP*.

Carter: The figure is really 30% of the dues not 50%.

Lamb: You also mask what *The AP* is really costing by throwing that number in. It will be discussed later in the budget.

Flannery: Tells de Vries this page is to show profitability from departments and he agrees this is the profit generated in the operations, not money used by departments. This is correct as presented. It's a limited view but a real view.

Lawrence: The Bylaws used to mandate 50%. The Board changed bylaws to relax that so there was more flexibility.

Lamb: Refers back to Lawrence's statements about postal rate problem with the Sales Division. He agrees that this is a challenge that the APS is going to have to deal with. Sales Division director Tom Horn has been very creative in finding cheaper ways to ship circuits. They are currently using signature confirmation and this has worked well. Horn is giving some thoughts to a proposal (very early thinking) of ways to not actually send the stamps, but send images to potential buyers to make selections. There could be a lot of problems with this. The sale of individual stamps is not practical because it is very labor intensive. Lamb just wanted the Board to know that the Staff continues to give thought to alternatives to the present sales approach, but doesn't have a solution yet.

Washburne: If a department were closed, the only savings would be salaries. Overhead and rent have to be distributed somewhere else.

Lamb: Theoretically, the APS could rent those offices commercially. On overhead, something like Internet Sales (which pays \$58,000 a year toward the salaries of Lamb, Masorti, Banks) doesn't represent a significant proportion of any single person's job (other than those in the specific departments). Therefore, he doesn't think it is unfair at all.

Washburne: Doesn't think there has to be a justification for whether a department is earning money.

McCann: Asks for clarification from Lamb. Did he say if the APS abolishes the ISU tomorrow that in fact because of the way the infrastructure of the Society is, that it would not show a savings by letting those people go?

Lamb: No, the APS could let the four in ISU go and save there, but that is not shown here. That is an expense. ISU is subsidizing more broadly the Society's core overhead.

Saadi: Employees are in the expenses – Lamb's salary, Masorti's salary, etc. are in the overhead.

Lamb: That is correct.

Klug: If there is no further comment on this, Lamb will continue with his report.

Lamb: On membership – Since the Board's last meeting, the Staff has concentrated a great deal of effort into increasing the membership. He would like to thank Rob Haeseler for taking on this area. He has helped move a portion of efforts outside the mainstream of the hobby. Earlier in the year the APS purchased a mailing list from the National Geographic Society. The staff designed a special mailing to send to them, which Lamb thinks was very professionally done. The results were so disappointing that the APS discontinued the mailings.

The staff then went to Don Sundman (Mystic Stamp Company), one of the most successful dealers in pushing the frontiers of the hobby. He has been very supportive of APS' efforts, and in fact gave the APS free of charge one of his mailing lists. The staff used the same mailing to that group. The results were slightly better, but again not good enough to continue the mailings. The staff plans to redesign the mailing and pick up with those lists later.

Youngblood: What was response rate?

Lamb: Less than 1% on both.

Straight: Asks Youngblood what's usual.

Youngblood: 6% would be great, realistic is 2%, but under 1% to a cold mailing isn't really that bad.

Saadi: How does the staff plan to restructure the mailing?

Lamb: There's so much junk mail, most people throw it away. The staff plans to write personalized letters on letterhead in regular envelope in the hopes of a better response.

Saadi: Will you send with a real stamp? It's important.

Lamb: Not sure. Haven't thought it through that far.

One of the APS' most successful programs is the Business Reply Cards. Haeseler has been contacting several dealers, asking them to get involved with this program. He currently has commitments for 96,000 cards which are being printed. The staff hopes to have them distributed by Labor Day. The most successful program is the \$5 bounty. The APS recently did a mailing to all clubs pointing out they could get bounty.

Flannery: How do you set expectations of mailing response rates?

Lamb: Cost of mailing versus what APS gets out of it and compared to other recruitment efforts we have.

Flannery: Market experience?

Lamb: Talked to Sundman, who does have market experience and who has been advising the APS. The staff plans to retool before it goes ahead.

Klug: It's unfortunate that the mailing did not work out – it was a very attractive piece and Haeseler should be commended on it.

Carter: Every day the APS brings in 9 new members but every day loses 12 members. What is APS doing? Yes, some die but ....

Lamb: The Staff goes back to them at regular intervals with increasingly attractive offers to return to the Society and gets some back. But most of the individuals that leave, leave very quickly because they saw APS was not for them, or the APS loses them because of age and demographics.

Haeseler: Every year APS mails to "drops" about 7,000, in the last 3 years. Usually goes out before first dues mailing of the year (being put together now).

Carter: Does anyone pick up a telephone and call them to see why the dropped?

Haeseler: No, no time for formal structure survey. He has talked to people randomly. Usually response is the dropout decided to stop collecting. He agrees it needs more study.

Klug: It is hard to say no when on the phone. It may be worth trying calls to dropped members.

### **American Philatelic Center**

Lamb: The American Philatelic Center has been very successful. He thinks this Board can take great pride in its vision in supporting this project.

In developing the center, we sought to accomplish three things:

1. More Space: In October we will have developed about 55,000 square feet of the building. That's more than twice the space available on Oakwood Avenue.
2. We wanted a place that would be a destination, drawing collectors and non-collectors alike to promote the hobby. The Bellefonte Chamber of Commerce reported last month that since the American Philatelic Center opened, the Chamber has had 25% more tourist inquiries. Last week there were collectors in the building from five states. One doctor from Massachusetts took a five-hour detour from visiting family in eastern Pennsylvania just to see the APS.
3. Third, we wanted a money-earner to help subsidize operations. George Kramer, a developer and someone who has given good advice on this project from the beginning, reviewed the finances and estimated that the APRL is making \$47,000 per year off the rentals after covering all direct costs. That's a good accomplishment.

The Educational Complex and the Exhibition Halls will be completed on October 1 offering additional opportunities to draw people to the center and to promote the hobby more broadly.

Carter: Are there statistics on visitors?

Lamb: Yes, there are about 1,500 a year, which is really remarkable.

McCann: The figure of \$47,000 is external tenants?

Lamb: Yes, approximately 16,000 square feet is rented out.

Prill: What was the rate of visitation at the Oakwood location?

Lamb: Minimal. The Center gets more in a good month now than in a whole year in State College.

De Vries: Of the 1,500, how many are non-members, not just guests of members?

Lamb: There is a percentage of non-members. In one week the APS had a camp of pre-teens, the next week there were visitors from an adult center. The range and diversity is really impressive.

Lawrence: There is also a ripple effect that is important. Everyone who is a member should know that the APRL exists, but when they come and actually see it they are so impressed that when they go back to their clubs, they pass that on. So it's just the beginning of the "culture change." Being local he sees it and feels the APS is way ahead of the schedule of the notion of being a destination and a monument to stamp collecting. He is very gratified by this aspect.

## **Fund-Raising**

Lamb: So far, as of July 31, the APRL/ APS combined has raised about \$187,000. He believes that we are looking at about \$450,000 mostly for the Building Fund for the year. That's a good return, especially considering there have been no major estates or gifts; this is just from individuals. There are a few \$25,000 gifts in there. The APRL has done one big mailing in the Spring and raised about \$70,000. Last year's spring fund raising brought in about \$90,000. The difference is not surprising, because of last year's enthusiasm for moving into building, and it was the first direct mail to members.

The APRL is doing a mailing this weekend from STAMPSHOW with a first day cover of the eagle stamp, a legitimate usage, which will go to every member who has donated \$10 or more in the last 2 years (over 4,200 pieces). It just thanks them for their donations.

Later this month, the APRL will have a mailing to everyone who has given \$50 or more, saying their names are going to be on a lobby plaque and we want to make sure the name is correct. There are different levels to the plaque and the letter informs individuals that they can step up to the next level if money is received by September 30.

The biggest fund-raising for the year is usually the dues mailing, which goes out in October.

Carter: Are the fund raising mailings mainly for the APRL and the building?

Lamb: Mainly, but not exclusively. Anyone who has given money for any purpose will get these letters.

Carter: Is a pledge credited to finances when the pledge made, or when it comes in?

Martin: No, it's when the money actually comes in.

Lamb: Pledges show up in the balance sheet, but they are discounted.

Dempsey: Should the APS put names on movable slides on these lobby plaques so people can be moved up?

Lamb: No, these will be very nice plaques showing \$1,000+ donors in etched glass, flanked by \$100+ donors on polished aluminum and a computer-generated book of \$10 or more. But the APS will start another plaque next year, another opportunity.

Straight: How much of \$1.7 million in fund-raising was this year, how much last year?

Martin: \$1.39 million last year.

Lamb: He expects to get \$450,000 this year. So far we have received \$187,000.

Straight: The campaign was \$1 million per year for ten years, so at end of second year the APS will be short of the goal of \$2 million.

Klug: It will be close.

Lamb: Might make it.

Klug: The APS/APRL is at \$1.7 million at the end of May. It will be increasingly difficult to continue momentum, particularly as the APS/APRL comes to the end of the building projects.

Lawrence: It has been a very difficult year for all fund-raisers everywhere. An average of \$1 million per year for ten years is still within reach. He agrees with the specific program, but it's more a function of the economy.

Saadi: Who is in charge of Development?

Klug: Ken Martin

Fekete: What's status of the bricks? Going to use them going forward?

Lamb: They are currently in storage. APRL will use them in a new garden, but due to future construction, the area for garden will have heavy equipment going through it. We already has preliminary designs for the garden. Have backed off of the bricks, although they are still selling. What we were charging was not very profitable. Initial charge was \$75. Now, \$1000 buys your name on a very nice plaque. But there will be a brick program; it's a wonderful way for chapters to recognize deceased members.

Saadi: Could sell different levels of bricks, gold, silver, platinum...

Lamb: Suggests looking behind the hotel here for its brick program. It's a very nice system that not only uses names but a 12 x 12 with company logos and designs.

Flannery: Has gotten two inquiries from different parties in recent months regarding the garden and if it will be reestablished.

Lamb: Yes, it will be reestablished when the time is right.

Lamb: The Center is seeing some very generous donations from societies. The United States Stamp Society is pledging \$25,000 at this show for a room, and the Classics Society is pledging \$25,000 for a room. Ted Bahry has been working very hard for the last eight months to raise \$25,000 for a Gung Ho Veterans Room, and he is \$2,000 short and a member has just offered to match anything Bahry can raise at this show, up to \$4,000, so the APRL could leave this show with \$30,000 for the Veterans Room. People in the hobby are really stepping forward.

Washburne: If he makes his annual contribution through Bahry, would that help?

Lamb: Yes.

Youngblood: Bricks, plaques, there is a limited amount of space over a period of time. Are there other opportunities? For example, French collectors could sponsor pages of the reference collection?

Lamb: Yes. There are a lot of things and the APS has several sponsors in the reference collection. If someone gives a nice collection, the APS will name a section after them. APS gets some very nice in-kind donations, just received a collection of Dogs on Stamps, 144 volumes, one of best researched topical collections ever.

Leshner: ARA donated a research carrel in honor of Dick Riley who did a lot of work in terms of bibliography.

### **Website Redesign**

Lamb: Website redesign is moving along, after a slow start. The APS has a very creative company, but may have given them a bigger job than they can handle. Have had a few talks and performance has improved. We still plan to come close to the January 1 deadline. The new

site will include a bookstore (marketplace), a revised ISU, and Lawrence's reverse-eBay proposal.

## **Grand Rapids**

Lamb: There was a lot of trepidation in some quarters about this show. It is of course too early to judge the success of the show. He will tell the Board that in five days. But the preliminary numbers look good. The banquet will probably sell out all 250 places. The Tiffany dinner has sold 90 places. There are 153 dealers signed up.

Certainly no convention center nor post office could be more supportive than what the APS has found in this city. There were articles in the local newspaper on Sunday and today. The local post office has distributed 480,000 cards publicizing the show free of charge, had 1,000 leftover and they were sent to Lansing for distribution.

Klug: In the strategic plan, there were plans for an electronic newsletter. Is there any status report on that?

Lamb: No, that is tied up in website redesign.

Klug: The status of Transatlantic Mail book?

Lamb: Enormous tome, being edited now. Haeseler contracted out layout work, but it is very time-consuming. The APS will be advertising the book with the dues notices for advance sale and should be shipping it out in January.

Parsons: Does the APS have the rights to this book?

Lamb: There are some restrictions on the rights, but yes.

Klug: Any status on the Headsville Post Office to be moved from Natural History Museum to Bellefonte?

Lamb: No. Contacted Smithsonian twice, haven't gotten responses. APS is completing a formal request now. May have to involve the local congressman to inquire on the status. If APS gets it, it will have to do a building to put it in, probably a glass and steel structure so you can see it from inside and out. It is tall 14 feet high, 16 feet wide, 30 feet long, and APS does not have a place in the American Philatelic Center that is tall enough and wide enough to accommodate it. The cheapest thing is to put a building on the site. APS has architectural drawing of it. It will require raising money. The APS does have place to store the post office if it comes before the site is ready.

Straight: What is mechanism by which the Board will know by the end of the year what the progress is on the Strategic Plan Goals and also will the Board be informed of the goals for 2006?

Klug: Will be having another planning session in November in Bellefonte. Will get answers then.

Fekete moves to accept the Executive Directors Report; Leshner seconds.

Passes unanimously.

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

Eisenstein: Change of registered office address has been accepted by Department of State. The APS is now officially at 100 Match Factory Place. Also, the names "Young Stamp Collectors of America" and "Junior Philatelists of America" are registered to APS. No litigation pending against the Society. Doesn't know of any potential claims.

Parsons: Who prepares reports to IRS?

Eisenstein: Not her.

Lamb: The auditors prepare the reports to IRS.

Eisenstein: Does submit a letter to the auditors.

Straight moves to accept the Society Attorney's Report; Prill seconds the motion.

Passes unanimously.

### **Future Stamp Shows**

#### **Winter Show 2009**

Martin provided a handout with the three best cities out of 20 for the Winter 2009 show. The three listed were Baton Rouge; Nashville, and Mobile. He reported that Baton Rouge has the greatest risk and greatest potential reward. If APS gets 1,000 room nights, Baton Rouge will waive the fee for the center. One thousand room nights would be very optimistic. APS had 500-600 rooms in Atlanta, has 1500-1600 at Grand Rapids. Baton Rouge said it would consider further negotiations.

His concern with Mobile is hotel and parking costs – on high end.

Nashville is nothing to get excited about, probably safest proposal but certainly not the warmest location – snow is possible. Baton Rouge is not that warm either in February.

Klug: When does the Board have to decide? Does it have to decide at this show? Will some of the venues release their guarantees?

Martin: Could wait, some may change, improve or worsen proposals. The APS doesn't have a huge number of room nights; Savannah, e.g., won't consider without a history of 1,000 room nights. If none of the three cities proposed look reasonable, he will continue working for something better.

Sarasota club, worked on by McCann, didn't seem interested.

Carter: Is APS currently bundling room nights with dealer booths?

Martin: No not currently, but have been giving discounts to the dealers who stay in the show hotel. For this show, \$75 if they stay 4 or more nights for any of the show hotels. If the Board decides on Baton Rouge, APS would definitely bundle rooms.

Saadi: Can APS negotiate \$10,000 off the convention center cost if it gets 750 room nights?

Martin: Can try anything.

Klug: It would still be priced out of APS' range.

Prill: Considered going back to Biloxi?

Martin: Biloxi is interested in having the APS back. It has approved a new convention center. The last hotel was condemned. But it can't promise rates or whether there will be a hotel there in 2009. Biloxi was not a profitable show. Judged good by those attending, but financially not strong.

Klug: Asks Martin, as far as profitability, which of the three he would recommend.

Martin: Nashville would be the safest and strongest in profitability. It is a bigger city, good air access, good attractions, and would generate good attendance.

Straight: Are there dates for Nashville later than February?

Martin: Those dates are tentative; Nashville won't guarantee them. Believes Nashville will charge more if it is later than February or March.

Lawrence: When can people expect a show in Bellefonte?

Ken Martin: The space that will be available at the Match Factory by October 1 is only 5,000-6,000 square feet; the shows need 40,000 or more. A show in Bellefonte would be a much, much smaller show.

Klug: Agrees APS would have to scale back show but also points out Bellefonte weather in January and February is an issue.

Martin: Weather in Bellefonte would be more dangerous than Nashville! As for the space, even SCOPEX, which has recently requested space for next year will be pushed with the space available at the Match Factory. They want 15 -16 dealers and 80 frames.

Washburne: Favors Nashville for attractions. Has been to Baton Rouge for two conventions, and it has been some of the worst weather. Humidity is awful even in the winter.

Washburne moves for Nashville; Lawrence seconds.

Lamb: If APS waits, is there any chance of a better option?

Martin: There is a 50/50 chance.

McCann: Should the Board put the decision off until November?

Martin: Doesn't think anything better will come up before then.

Dempsey: From a dealer's standpoint, he likes the population figures for Nashville. Everyone knows the name, too.

Lawrence: Doesn't want to give up the idea of holding winter meetings at Bellefonte. Have had two previous winter meetings in State College before AmeriStamp Expo, the last one was in 1995. There are plausible ways to make it work. If show not feasible, would like thinking about meetings to be more tied in with general plans for the center. Maybe the way to go in the interim is not to think about Bellefonte to hold this exhibition, but should be something close enough that APS could also organize a tour to the American Philatelic Center and package it with the show. The APS should start unifying its programs to build its vision. APS needs to rethink, restructure its ideas in order to make it possible. Further, he doesn't think the time difference between now and November in closing a deal is so urgent that the Board cannot do it and proposes tabling the motion.

Carter: Is APS wedded to a winter show?

Klug: The board voted to continue it.

Carter: It's AAPE's show. The Board needs to meet, but it doesn't have to be at this show.

McCann: Challenges statement that it is AAPE's show.

De Vries: Regarding Lawrence's comments, there are already shows/packages for summer seminar; extra meetings are already being held at the center, such as November. Every time the Board talks about skipping the winter show, it hurts it. Every time the APS skips it, as in 2006, it is hurt.

Lamb: Would like to think about doing something in Bellefonte in 2011, which is the 125th Birthday for the APS. Should be far enough along with renovations to use some space and nearby facilities.

Parsons: You mean something with a dealers bourse?

Lamb: Try to do a show.

Lesher: Should add a day of seminars to both Stampshow and AmeriStamp, the day before show opens, and that may help get more room nights. Thinks this is an idea to explore.

Klug: Asks Lesher to write a proposal on that.

Lawrence: Lamb's proposal sounds fine, so he won't propose tabling. Yes, SCOPEX piggybacks, but it's not promoted as a national show, not advertised nationally.

De Vries: Doesn't see Bellefonte ever as Winter Show location. Lousy transportation.

Klug: Calls for vote on motion for Nashville 2009.

For Nashville: de Vries, Flannery, Lawrence, Lesher, McCann, Straight, Washburne.

Opposed: Carter

Abstaining: Fekete and Prill

Motion passes 7-1 with 2 abstentions.

## Stampshow 2010

Martin: Current options are Richmond, Virginia, and Milwaukee. Richmond came in with a proposal of \$60,000 for space rental but said it would match San Jose at \$29,000. Milwaukee said its normal charge is \$79,000; they will offer \$17,000. Strong local support in Milwaukee, but the hotel rates scare him. Essentially Milwaukee is doing this by taking \$10 for every hotel room that APS uses, which inflates rates. Does APS want a regular presence on the West Coast, which has less affordable venues, fewer dealers, less profitability, or does APS want to do Winter Shows on the East Coast. If profitability is the overriding factor, then he recommends Richmond.

Prill: Asks about weather in Richmond.

Martin: "Oh, it's going to be nasty!"

Straight: Didn't Sacramento want APS back?

Martin: Yes, they asked APS back in 2014. Phoenix has asked for 2012. Recommends every two years on the West Coast, alternating winter-summer.

Klug: Richmond would be \$50,000 more profitable than San Jose; Is that based on decorator costs primarily?

Marin: Decorator costs are about half, and about half dealer is participation.

Klug: Asked for a motion. There is no motion.

Straight: Asks for Dempsey's input as a dealer.

Dempsey: Would like to see more West Coast shows (Klug: He's from California.) but needs to look at profitability.

Martin: Doesn't think San Jose would lose money, but APS has depended on Stampshow to cover all office overhead.

McCann: There are serious concerns about finances. \$50,000 is a big chunk.

Lawrence moves to choose Richmond; McCann seconds.

Carter: Asked about local support. Washington and Virginia Beach are 100 miles away.

Martin: Local support would be a problem, but many StampShow volunteers are from outside the area. Have been getting more and more national volunteers. Don't rely nearly as much on local people as 10 years ago.

Dempsey: From a western dealer standpoint, he always feels like a poor stepchild. Thinks it's important to make a point of getting to the West Coast more often. But he would rather see

more travel to the East if it makes Stampshow profitable enough to keep winter shows going, because they're important.

Saadi: What about Arizona?

Martin: Phoenix has asked for the 2012 Winter Show.

Klug calls for a vote on Richmond.

**The motion passes unanimously.**

Schumann: On room nights, bundling improved his show's room-nights from 400-450 to 700 and he recommends it. Local dealers either use them for convenience, sublet the rooms or give them to their best customers.

Dempsey: Agrees, it's the wave of the future. May have occasional local dealer who grumbles, but by and large they are realistic and that is the way to go.

Martin: Major concern is for dime-dollar booths, where bundling cost may be more than booth cost.

Washburne moves to approve decisions made in executive session; Carter seconds.

**Passes unanimously.**

### **Selection of APS Auctioneers**

Straight: Provided a printout for his committee's report.

Lawrence: Requests that this topic be moved to executive session.

Klug: Asked if there are any objections to this. No objections, and the subject is moved to executive session.

### **Revised CANEJ Rules**

Klug: There are lots of cosmetic changes. CANEJ created a subcommittee headed by Jim Graue that worked on changes.

The Board discussed the various changes recommended by the subcommittee.

Straight: Can the Board remand this back to committee?

Klug: Yes.

Prill: Would like to remand to committee with request that there be consistency with international rules on joint ownership. ROPEX had thought that a husband-and-wife could show 4 exhibits, but CANEJ said there was a limit of 2 per owner.

Carter: B15 says it shouldn't have to be a "booth of at least normal dealer booth size."

Straight: Not covered here, but two judges in Minneapolis expressed concern that some current judges aren't continuing to exhibit.

Klug: It's not in rules for shows, and is being considered separately.

Sense of Board is to remand this document back to the committee: too many changes.

### **FIAF Agreement (McCann)**

McCann: APS set up reciprocity with Inter-American Federation of Philately (Western Hemisphere) to accept that FIAF-country judges could judge as international judges in this country and vice versa. (APS is a member of FIAF.) It took FIAF 4 years to ratify the agreement. There is a slight difference in what APS signed and what FIAF approved. The Board needs to look at what APS signed and what was passed and regularize the minor differences. Jim Mazepa is APS' representative to FIAF and he originally crafted what was presented. (Handouts from McCann.) The 1999 version says APS would accept any FIAF-accredited judge; FIAF said in 2003 any nationally-accredited judge. But no FIAF member countries other than U.S. and Canada separately accredit national judges; all others use FIAF.

Klug: Stated that no Latin American country right now has national accreditation like this country. Is there any likelihood that this will change with any of the countries?

McCann: No. Isn't worth it, they use FIAF as the mechanism.

Leshner moves to accept FIAF agreement; Carter seconds.  
**Passes unanimously.**

### **Dominican Republic - FIP Sponsor (McCann)**

McCann: Dominican Republic this year is sponsoring big exhibition of 2,000 frames as a FIAF exhibition, but the Dominican Republic has not been an active FIAF member. However there is a very active club in Santo Domingo that has members from all over the country. The Dominican Republic is a member of FIAF but is not a member of FIP. To be a member of FIP a federation must prove a fairly sophisticated philatelic infrastructure. The Dominican Republic has decided they would like to become a member of FIP. With this show they believe they would meet the requirements. To join you need two sponsor countries that are members of FIP. They have asked the U.S. (APS) and Spain. The Santo Domingo club is an APS chapter, and many members are also APS members. McCann asked for official Board approval to sponsor the Dominican Republic for FIP membership.

Prill moves to sponsor the Dominican Republic as an FIP member; Fekete second.  
**Passes unanimously.**

### **Dedication for New Building at the American Philatelic Center**

Lamb: The new building should be complete by October 1. The APS needs to pick a date for the dedication. October is a difficult month because of all the stamp shows. He is looking at the

weekend of November 11-12. There are problems with this date as two room sponsors will not be able to attend, the American Air Mail Society and Sundman. These folks are generous donors and their presence is important. Other dates conflict with Penn State home football games, Thanksgiving, and then it's December.

De Vries: Thinks the APS must go with November 12 even though two donors can't make it, as there are no alternatives.

Lamb: Agrees. Perhaps APS could plan a special event later in the Spring to honor AAMS and Sundman.

McCann: Also a Board meeting planned in November?

Klug: Also planning a Shaping A Future meeting for some time there. There are no alternative dates.

Carter moves for the dedication to be held on November 12<sup>th</sup>; McCann seconds.

In favor: Carter, de Vries, Fekete, Flannery, Lawrence, McCann, Prill, Straight, Washburne.  
Leshler abstains.

Passes 9-0-1

## **Member Reunions**

Lamb: John Hotchner sent in a proposal for a "Member Reunions Program." Overview of the proposal: Pick a weekend in the Fall and invite members celebrating five-year anniversaries (5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, etc. years of membership) for a weekend of events at the Match Factory, during which they are honored for their years of membership. This is APS' chance to invite those members to headquarters who have always wanted to visit but didn't have a specific reason. Central Pennsylvania is beautiful in the Fall and there are lots of things to see and do for spouses as well. This could be a family event. Activities would include: access to the Library, Sales Division, and also some programs and tours to meet and talk with the "names" they have only read about. A roundtable on the future of the hobby, and at least one social event. There will be costs involved but there will also be long-term benefits to the Society. This idea will take some experimentation and may take a few times for it to catch on, but overall the concept could work.

McCann: This would be a good opportunity for fund-raising as well.

Lamb: Perhaps the APS could invite 25-year members for a weekend for seminars, dinner, etc. and present their certificates.

Klug: When would this program start?

Lamb: Can't be this year. This will probably turn out to be a November weekend like the dedication planned for this year.

Youngblood: Maybe during Summer Seminar?

McCann: Suggests it be put off until the November meeting, and get an idea of cost, dates, etc.

Fekete: Why not 10s, 15s, others?

Haeseler: This year the APS had 1,063 people become 25-year members, about 1,300 ten-year members, and 1,150 five-year members.

Saadi: Yes, but you have to look at what your percentage of attendance will be. 2% would be astounding. Maybe first invite your 25-year members with a deadline date to respond. Then if you can accommodate, more invite your 10-year members and down the ladder. The more people to show up to your capacity the better the event will be.

The sense of the Board is that Lamb will look further into this and report in November.

## **Presentations for 2016 International**

### **Columbus 2016:**

Presented by Chuck Wooster, chairman, 2016 Exploratory Committee

Overview of Presentation:

- Similar in scope to past United States International Shows.
- May 23–June 7, 2016
- 8 days
- 4,000 frames of competitive exhibits
- Court of Honor
- Literature Exhibit
- 100-150 dealer bourse
- Venue – Columbus Convention Center 336,000 square feet (4 exhibit halls); 46 meeting rooms available, most located on the 1<sup>st</sup> floor; several ballrooms available for the APS general meeting and other large functions (Ballrooms 1-5 with 40,000 square feet); easy access for loading and unloading; ample nearby parking; a firm commitment has been extended until 2016.
- Hotel Rooms – 3,200 rooms within walking distance; room commitment is 4,000 room nights and 1,400 peak room nights. Average room rate \$106/night, average citywide hotel room rate \$89/night.

Michael Dixon, president, Washington 2006: Observed that 2006 has received nothing and been promised no contributions by USPS. His show is using all 3 halls, and has 10 booths remaining.

Klug: Questioned the Columbus proposal only having one weekend.

Wooster: Could be flexible and shift it to cover two weekends.

Dixon: Is the convention center available?

Wooster: Yes, not a problem

Klug: Is convention center space contingent on room commitment?

Wooster: It's negotiable.

Klug: How many room nights for Washington 2006?

Dixon: 60,000 rooms.

Wooster: Admits there are not many international flights into Columbus; most visitors will come through another airport.

Dixon: Asks if any thought on customs and immigration.

Wooster: Yes, but just thought at this point.

Dempsey: Questioned parking costs and nearness.

Wooster: Parking is approximately \$9/day within two-block walking distance. There is a parking garage at the convention center, but it is a long walk.

McCann: Considered shorter show, 6 days?

Wooster: Columbus is willing to consider, but it would not be that much of a savings, with the expense of setup and tear down.

Carter: Any plans to upgrade technology in Convention Center?

Wooster: Didn't make any inquiries about it.

Dempsey: What about booth fees?

Wooster: Maybe more lower-end booths, fewer in midrange. Plan to have more information on this after the 2006 show. We will see how that does and talk with Martin.

Klug: How many are on the committee? How many are committed to 2016?

Wooster: All 11, and all have volunteered to go to Washington 2006 to help behind the scenes.

## **New York 2016:**

Presented by Saadi

Overview:

- To be held at the Javits Center
- New York hosts three international airports
- Tens of thousands of hotel rooms and restaurants, and many attractions.
- New York is accessible by rail, auto, and air, touching more U.S. population than any other city.
- Saadi further spoke of manpower and the support of many clubs and organizations.

Youngblood: Questioned the commitment of New York people to help out. Asked if Saadi has a dedicated work base?

Saadi: Yes, commitment is not an issue.

Lawrence: Shared some reservations on the location, commenting it echoed Pacific 97.

De Vries: Commented that the Javits area has no hotels. Any thoughts on that?

Saadi: One benefit is there would be no room commitment. It is a large city, hotels should not be an issue.

There was a discussion about the availability of frames.

Dixon: Offered CAPEX frames that are being used by Washington 2006 to whoever wanted them.

Dixon: Questioned insurance for terrorist attacks.

Saadi: Unfair to ask this question 11 years in advance when 2006 still hasn't taken that insurance.

The Board goes into executive session.

## **The Budget**

Carter hands out flyers illustrating deficit.

Hands out Finance Committee recommendations. The committee looked at every possibility, "every nook and cranny."

The Strategic Plan mandates that the APS work toward a balance budget. The alternatives: add 13,000 members, donate stamps and money, find additional revenue sources, cut spending. The APS needs to do something or its cash resources will run out.

Reminds that APS has 3 member-a-day deficit, or 1000 members a year, \$350,000 a year. This has been going on since 1997. The APS needs to do something in order to address this.

The Finance Committee has considered the revised 2005 budget and the proposed 2006 budget. It was noted that between 2004 and 2006 the operating income is estimated to move from a modest surplus to a \$267,000 loss. Expenses will have increased 9% over the two years while revenues will only increase by 2%. Looking at the big items of costs over the two years:

- Personnel costs up 11%
- AP production and distribution up 19%
- Credit card costs up 26%
- Rent up 29%
- Travel up 30%

The Finance Committee examined many different possibilities for closing the gap. It has proposed a number of recommendations, which could potentially reduce the gap by half.

1. Travel: Cease to reimburse Board members for travel, maintenance, and accommodations at AmeriStamp. Reduce staff attendance at WSP shows to once every

two years, with a view to phasing out, training and turning over that business to local volunteers. Savings \$25,000.

2. Ask members (by adding the wording to the various forms as they are reprinted) to help us by using credit cards only when the transaction is over \$20. Also recommended that the staff obtain a definitive legal reading of what we can and cannot do in the way of restricting credit card use for our goods and services. Savings \$5,000
3. Sales Division Fees: Increase the fee by \$1 in the traditional sales, and \$1 in the ISU. Additional revenue estimated at \$60,000. (\$10,000 in the ISU, \$50,000 in Traditional). There is a technical point here: if the increased fees are for the Insurance Fund, then they do not help the Operating budget; they finance it below the line. So, we probably need to have these fees go directly to the Sales Divisions "above the line."
4. Raise expertization fees to a \$25 minimum. Revenue \$15,000
5. Raise Frame Fees at our shows. Revenue \$5,000
6. Increase literature entry fees. Revenue \$1,000
7. Increase fees and cut costs in Summer Seminar. About \$10,000

Total savings: \$121,000

Lamb: It's useful to review these things from time to time. He expects balanced budget by end of the year. It's been a tough 5 years, losing investments as a principal source of income. But APS has turned the corner, no longer in a crisis mode.

Klug: Some of last year's small surplus came by diverting from Fundraising.

Lamb: Some but not all. The APS went from a \$250,000 deficit to a \$8,000 profit. It did use \$60,000 in donations, but the bulk of it was made up by better performance by departments, reduced expenses and raised income.

Prill: Changing investment management will help?

Carter: In handout, about \$10,000 more.

Washburne: Questioned credit card fees in comparison to people sending small check which requires staff time to open, etc.

Carter: Cost per check is 15 cents, whereas credit charge is 55 cents plus a percentage.

Lamb: Staff has reduced credit card transaction costs. The average credit card transaction in 2000 was \$57 whereas last year it was \$88.50. The cost per transaction has been reduced.

Carter: It's still a larger cost than check processing.

De Vries questions recommendation #1. He is concerned that if the APS starts requiring directors to pay for travel expenses to attend Board meetings, it will eliminate potential candidates.

Carter: Then vote against it.

Lawrence: The fact is that technology has reached a point that many corporate board meetings are now held by teleconference and this is a perfectly legitimate way to cut expenses. May or may not be advisable. You can attend or attend by phone.

De Vries: Purpose here is not only for the meetings but the APS used to expect directors to be out on the show floor and visible to talk with the members, which is very important.

Lawrence: There used to be a requirement that the Board work at the APS table, but the APS stopped doing that. The APS now has to pay more for staff to attend the show to work.

Youngblood: Not reimbursing costs of Board member to travel to these meetings would limit who can run for the Board.

Prill: Directors are elected to do more than just come to meetings, Directors are here to help. Attendance by phone just is not a good idea. Perhaps APS could encourage the wealthier Board members to give back their travel expenses. They don't have to submit expenses.

Klug: Some Board members already don't turn in expenses.

Eisenstein: Strongly feels if the Board is not all together there is a different dynamic. It would be better if all Directors are here for interaction.

Lawrence: Agrees that it is the most desirable circumstance, but doesn't agree with Carter that APS cannot afford to continue to pay travel expenses. The APS needs to take action but raising the dues is the way to go.

The APS needs to get closer to a balanced budget, which was expected to work out fine with the budget that the staff presented before the Board started making changes but finance committee didn't agree. It would not be fair to say that if you cannot attend the meetings you are forbidden to run for office. But it is scandalous that board members stopped participating in shows and now APS has to bring staff members to cover, which costs money.

De Vries: The APS does need to cut staffing at some of the WSP shows; some shows would like the space back. There is trouble getting staff to go to some shows. Costs are up. APS could save a lot of money by cutting it or save by getting volunteers.

Fekete: Heard complaints about participation, but never that the show wants their space back. Usually it is the opposite. They are always asking who from APS will be attending.

De Vries: APS shouldn't be mandated to always send a representative.

Klug: Stops discussion and turns the floor back to Carter to continue.

Carter: Continues reading the recommendations. Said the remaining gap would be \$136,000.

Two other possibilities which were raised by the Committee following their meeting: possibly moving to a dues notice that allows members to deduct amounts above the cost of *The AP*. The APS tells people the *AP* is 50% of dues, but the reality is that \$15 would more than cover the

costs, leaving a \$20 deduction for the lowest level of membership and allowing for classes of membership (with appropriate benefits) above that. In excess of "X" of dues is tax deductible. Could have different levels of membership.

The second item is to approach Life members, particularly those who earned it through 2.5b, and asking for a "dues donation"

Carter then asked the Board for comments, revisions, or approval on the Committee's recommendations.

De Vries: Questions travel figures for sending staff to WSP shows.

Lamb: APS spends \$25,000 a year to send staff to shows. It is obliged by agreements with ATA and Americover to send people to those shows. At remaining shows he would oppose reducing to a formula, such as to attend every other year. These shows need APS' support and APS gets about 100 member a year from these shows. This would be an important membership loss. APS sells approximately the value in specialty items of the cost to go to the show. APS sells about \$19,000 in goodies. This is a false economy. The staff needs to get out and see what members think. The staff does a lot of work at these shows besides sell and sign up members. The current financial situation should not point to eliminate going to shows. The APS certainly has an issue of different performance levels of APS Staff Directors that attend shows. Perhaps the APS needs to assign Staff Directors to shows based on performance, selling etc. There are shows the staff will not attend regularly – PIPEX is expensive and is attended irregularly. Also, NOJEX is a tough show and staff will attend less frequently. It's a mistake to come up with an arbitrary rule to go every other year.

Prill: ROPEX people look forward to HQ staffers' visits.

McCann: Lamb isn't concerned about \$260,000 deficit?

Lamb: Yes, he is concerned about it. But APS has been very successful at addressing this and turning deficits around. The Society really has to do a better job of managing its money to make more off its investments.

McCann: Would rather that the Board tell Lamb he needs to say there is a deficit and ask the staff how we are going to deal with it. Uncomfortable chopping at little pieces as the Board is doing here today.

Lamb: Going to deal with it the same way the staff has for the past two years. There are three main sources of income: program activities, membership, and investments. Investments have disappeared off the screen. Developed a new one, the real estate, but it will take a while to show up. The way APS has handled it in the past two years is by very adept management. The staff has been very careful and cut expenses. Example is two years working on the affinity credit card, going to get double what the old company paid. We looked at a 52% proposed increase in health insurance for employees, but Banks worked with an insurance broker to maintain the program with no increase. The staff will continue to work this way.

Lawrence: The Board needs to get figures to show what percentage of dues pays for services members receive, and show these figures to the members. If the Board showed them these figures then they would not be as upset when someone suggests raising the dues. Let the

members know that the free lunch has run out and show them how much these services cost. Got to wean members of notion that they pay \$30 and get \$50 in services.

Flannery: Also attended June 25<sup>th</sup> finance committee and left very frustrated and was in horror of the prospect of coming here and going through this same discussion. Let's not do this here. Budgets should be submitted to the Board in balance. Management prerogatives for operating choices and decision must be preserved; should not fall with the Board, but with the senior manager of the operations, which is the Executive Director. Board efforts to do such work, however well intended, must not be permitted to devolve into meddling in operational details – micromanaging. The Executive Director should be challenged to plan for financial balance and report to the Board with a finished package. Asks Lamb to prepare for November meeting.

Flannery moves to refer the Budget back to the Executive Director allowing him time to prepare a balanced budget for presentation to the Board (November meeting) along these guidelines:

The APS will plan to operate in 2006 with income and expenses in balance, i.e., ~ \$260K better than proposed by staff on June 25, 2005.

Balance will be achieved overall by the exercise of management prerogatives and direction given by the Executive Director, in accord with the following principles:

1. Expense reductions totaling about \$130K as proposed by the Finance Committee in its meeting on June 25 will be captured to the maximum extent possible;
2. Income (interest and dividends only) from invested funds may be used toward achieving the objective of balance. The principal value of investments, including realized capital gains, will not be so used.
3. Additional operating expense reduction and efficiencies will be identified and captured at the discretion of the Executive Director.

Straight seconds

Lamb: Can see a way to resolving the \$109,000 deficit this year. When APS went into financial tailspin during McCann's presidency, some Directors wanted to cut services, while others wanted to find new ways to make money and restructure ourselves. The APS needs to continue that approach and find new ways to make money for the Society and look to what collectors want from it. But the APS does need help from the investment side, which is the next item for discussion.

Straight: Does not think APS can continue to balance the budget with gift money. Cannot use it for operating expenses and rebuild endowment at same time. The Board promised members we would rebuild endowment.

Lawrence: Anyone who makes that speech (Straight's) has to agree to bear the cost of membership. Need to show them what they're getting more than they're paying for.

Carter: Have raised dues 3 times in past 4 years, and lost several thousand members. Doesn't agree that members aren't paying for services.

Youngblood: Agrees with Lawrence. Members need to pull their weight in terms of the extra costs for services.

De Vries calls the question.

Eisenstein: Asks that "captured" in Flannery's #1 above be changed to considered.

**Flannery motion passes unanimously.**

### **Investment Policy (Carter):**

Present:

- Equities 15-25%
- Bonds 50-80%
- Cash 5-25%

Proposed:

- Equities 20-40%
- Bonds 40-60%
- Cash 5-20%

Proposing widening ranges, moving more toward equity side. None of the investments would be in real estate, since APS already has huge investment in real estate.

Lawrence: Executive Director should have authority to move investments.

Carter: In the Bylaws it's the Treasurer, not Executive Director, who does that.

Lamb: Not sure he wants that responsibility. Would like wider bands, more discretion given to financial manager.

Lawrence: Problem with the policy is that only part of investment gains that can be spent are dividends or interest.

Lamb: Sat down with investment manager. He thought ratio of equities to bonds should be reversed, giving him up to 60% in both categories, giving him a great deal of opportunity.

Lawrence: Should be able to get an income estimate from manager.

Agreement.

Prill: Points out it should be 20-60% on both.

Washburne: Why in #5 no construction or building supplies?

Lawrence: Doubles exposure on real estate.

Lamb: Investment manager said he had no problem with that.

Klug: Why doesn't it say "real estate?"

Lawrence: Not equities or fixed income.

Carter: It's covered in #3.

Leshner moves to accept the Investment Policy; Prill seconds  
**Passes unanimously.**

### **Expertizing Guarantee (Lamb)**

Lamb: Grew out of the Finance Committee meeting. Wanted to raise fees, but give members value for it. Expertizing Manager Mercer Bristow helped draft it. It's not as risky as it sounds. Most such losses would be \$25-\$200, versus \$25,000 in additional revenue. Helps with competition. Professional Stamp Experts is getting aggressive; Philatelic Foundation is strengthening with NYC dealer base. APEX has to be competitive. Also thinks there is an obligation if someone buys something based on a certificate, it would be wrong to just walk away.

One concern he had was how to value. In cases that have come up, it's been very easy, usually based on actual transaction. Would like Eisenstein to help with drafting the guarantee.

Eisenstein: Hadn't seen it until it appeared in packet. It needs a lot of fine-tuning. Suggests Board pass it in principle, but not the document itself.

Klug: Wants to limit liability for the expertizers. Can a hold-harmless be written into it for the expertizers?

Eisenstein: Not sure, but thinks it could be done.

Lamb: APS does want to protect its experts. Doesn't reveal names.

Washburne: Would this be for any certificate the APS issues or only certain areas?

Lamb: APEX would reserve the right not to offer a guarantee, although he doesn't know of any areas that APEX would not guarantee.

Lawrence: PSE now is offering a guarantee, although it's essentially worthless. They'll only pay if they agree they were wrong. APEX is not saying that. The APS (APEX) is saying if you show us evidence we are wrong, we will consider it. And if we don't agree you have a right to go to arbitration and get an independent opinion on it. This is a real guarantee. He favors this because the other side of competitive expertizing in this country is grading: PSE does, PF is about to do it. He doesn't think APS should do it. The difference in APS' place in the stamp culture is that what APS is doing is offering stamp collectors the opportunity to get the best possible opinion about whether their material is what they think it is. The other guys are serving a market desire to increase the value of top-level material. That is not APS' role. It would greatly enhance APS' stature with this, and intelligent people will recognize this guarantee is better.

Washburne: PSE doesn't do foreign stamps. He would support this if it is only for U.S. stamps.

Lawrence moves to adopt the Expertizing Guarantee in principle; Fekete seconds

Carter: Agrees it should focus on U.S.

Lamb: There will be mistakes. He thinks it will still make money. Expects to make \$25,000 income from this and even if APS pays out \$2,000 a year that is quadruple what he expects in expenses. And there is a ceiling built in of \$5,000, it is good for five years. He thinks APS is protected if the material is foreign.

Saadi: Where would the \$5 increase put APEX in relation to competitors?

Lamb: Brings APEX equal to PF, not sure with PSE.

Lawrence: Hard to say with PSE; it seems to be more than APEX.

Saadi: Wonders if APEX would lose its price advantage.

Lawrence: PF going head-to-head with PSE on grading. He thinks that will increase the spread between APS and PF.

In favor: Lawrence, Prill, Fekete, de Vries, Carter, Leshner, Straight, McCann

Opposed: Washburne

Absent: Flannery

Motioned passes 8-1

### **Contributors to Philately (Klug in Historian Herb Trenchard's absence)**

Klug: Had a lot of questions for Trenchard on this. In a recent e-mail to him she received some answers.

What would the award be called - "Contributor to Philately?" Yes.

What constitutes singular noteworthy contributions and what parameter are used to determine this. Trenchard answered that singular noteworthy achievements would very obvious, for example, creation of a very special collection done by Ferrari, King George VI, etc. Another example would be Capt. Tim Healy whose radio programs created many collectors. Think of A. Fenton, a woman who contributed much to our knowledge of early philately through her articles she wrote under a pseudonym. The list goes on. Klug says she is still confused.

What makes a great collector. Trenchard replied that a great collector is one considered so by his contemporaries and still considered one today.

How would the award be determined? Trenchard said the recipient would be named by a committee named by president/board.

Would it trivialize the Hall of Fame? How would it be different? Trenchard said the Hall of Fame is limited to those who have made a diverse contribution. Contributors of philately would be honored for their single and signal contributions. They would be listed on a wall plaque at headquarters.

De Vries: Sounds like Hall of Fame Lite.

Lawrence: Why not just broaden Hall of Fame?

Leshner: There are some names that are really well known, but they didn't make contributions in terms of writing, research, etc.

Straight: It trivializes the rest of the awards APS gives.

Saadi: It's confusing.

**No motion, no action.**

### **Membership Survey**

De Vries: Moves to conduct a membership survey sooner than next year. Can't spend money if APS doesn't know who its members are. APS needs to see where it got its members over the past 5-10 years. Need to address these people to get more members.

Lawrence: Seconds the motion.

Lamb: APS can get a lot of information from its computer files. Encourages the Directors to each send him a list of things they would like to know about the members.

De Vries: Does it tell why so many joined?

Lamb: No.

De Vries: That needs a survey. The last survey came before the importance of the Internet to the hobby.

Lawrence: Need this to avoid kind of information Finance Committee had in June. Need to be able to tailor offerings to what members want.

Prill: Nominates Lawrence and de Vries to suggest questions.

Leshner: Maybe a telephone survey instead of mailed survey, where you can hear them ramble about some of these issues. Far more productive. APS needs to focus in the areas of what it really wants to learn about these members who joined in last five years. Need to be focused.

Lamb: Hard to get members who want to be telephoned for a survey.

Prill: Can APS use e-mail for meaningful survey?

Consensus: No.

Vote:

In favor: Lawrence, Prill, Fekete, de Vries, Carter, Flannery, Straight, Washburne, McCann

Abstained: Leshner

**Passes 9-0-1**

## **Recruiting Committee (Saadi)**

Saadi provided a handout on APS Membership Recruiting.

Some ideas:

Create a schedule with the Board of which shows they plan to attend over the course of the next year. Include non-WSP shows as well. Have each Board member set a recruiting goal for himself or herself at these shows and track this from board meeting to board meeting. Discuss \$5 discount for new members signing up through the Board members.

Develop a “downloadable” press kit on the APS website, geared for Chapters to use as recruiting tools. Have Board members contact chapters to convince them to use these recruiting kits.

Reaching buyers and sellers through eBay. The eBay resource is a trove of new members if APS can learn how to utilize it. The APS has to think out of the box on this one.

Also, develop a small (8½" x 5½") table display card for show dealers to place on their tables. The card would include information on what the APS offers to its members – beginners, intermediate, and advanced.

Carter: These are great ideas. Yes, let’s encourage the Board members to go to shows, but feels the Directors need a recruiters' kit as well. Would also like a supply of the stick-on APS emblems. Table cards should be on each dealer's table, backed up with applications to join APS.

Klug: Suggests Saadi talk to Haeseler about a kit for each Director.

Saadi: Business reply cards vs. applications?

Klug: Business reply cards are great for mail order, but applications are best for in-person.

Carter moves to implement, Prill seconds.

**Passes unanimously.**

## **“Free-Membership” New Member Promotion (Janet Klug)**

Klug: Proposal is to entice new members by giving them \$35 worth of coupons to use for APS service and to promote APS services. Where would APS use this type of promotion? She suggests on APS' own website home page.

Washburne: Expiration date?

Klug: Sure.

McCann: Put expiration date, but don't enforce it that much.

Washburne: Non-transferable?

Klug: Yes.

De Vries: Use coupon online?

Klug: Yes. These are things that the staff needs to decide.

Youngblood: Likes this version greatly, but worries about existing members. Maybe APS could offer coupons to existing members, limiting them to services they have not used before. But at the same time he thinks the existing members would also understand that it's a membership recruitment tool.

Prill: Wouldn't that be logistically difficult?

Klug: Yes. Lamb also nods head.

Consensus to just offer it to new members.

Straight moves to refer this in principle to the APS staff; Leshner seconds.

Prill: Put a timeline on this?

Lamb: Can't do it immediately. Will need some time. Needs until end of the year.

**Passes unanimously.**

6:20 p.m. Into executive session.

6:41p.m. Into open session.

Lawrence moves to ratify the decisions of the Executive Sessions; Straight seconds.  
Passes unanimously.

Janet Klug thanks outgoing directors.

Prill moves to adjourn; Fekete seconds

**Passes unanimously.**

Meeting ends 7 p.m.