

APS & APRL Joint Board Meeting

August 25, 2006

Rosemont, Illinois

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

Meeting Called to Order: 4:30 p.m. by Presidents Ken Grant and Janet Klug

In Attendance: Ken Lawrence, Dan Walker, Wade Saadi, Roger Schnell, Ken Grant, Janet Klug, Charles Peterson, Herbert Trenchard, George Fekete, Ada Prill, Jack Flannery, Nick Carter, Peter McCann, Peter Martin, David Straight, Wayne Youngblood, Virginia Eisenstein, Roger Brody, Peter Mastrangelo, Ken Martin, Gini Horn.

Visitors: Wendy Masorti, Kurt Lenz & Steve Rod.

Klug/Grant: Welcome to the second joint meeting of the APS/APRL Boards. We just had an executive session, and the first item on our agenda for the open session is the Joint Audit Report.

I. Audit/Finance Committee Report

Nick Carter: You have a copy of the audit, which has been reviewed by the Finance Committee and will be posted on our website. We had an extremely productive Finance Committee meeting in June. The finances of the organization are in good shape. According to the audit, we had a 10% increase in our property and equipment assets for the year, and a 2% increase in current assets. The auditors asked us to review the accounting of fundraising costs.

The Finance Committee approved the audit and expressed its desire to use the same auditor next year.

One of the things that has come up in the Finance Committee in the process of looking at this audit was Sarbanes Oxley and what it means for various organizations. Right now it primarily addresses profit-making organizations. We considered whether we need to go further, given the fact that eventually Congress and the IRS may extend more of the provisions to non-profits. We decided that such action would be premature.

However, we do recommend changing the name of the committee to "Finance and Audit Committee." We agreed that an audit group within the committee would be involved in the 2006 audit and in future years. This is a very significant change in the way of doing business.

***APS: Wade Saadi moved to accept Finance Committee report.

APS: David Straight seconded.

***APRL: Charlie Peterson moved to accept the Finance Committee report
APRL: Seconded by Dan Walker

***APRL Vote: unanimous
***APS Vote: unanimous

Motion passed.

Motion to change the name of the committee to “Finance and Audit Committee:”

***APS: Straight motioned
APS: Ada Prill seconded

***APRL: Peterson motioned
APRL: Walker seconded

***APS Vote: unanimous
***APRL Vote: unanimous

Motion passed.

Approving the decisions from Executive Session

***APS: Straight moved
APS: Prill seconded

***APRL: Walker moved
APRL: Peterson seconded

***APS Vote: unanimous
***APRL Vote: unanimous

II. Fundraising Report (Peter Mastrangelo)

Peter Mastrangelo: This report will be presented in three segments:

- Status APC Development (including the Headsville Project)
- Current Status of the Campaign for Philately
- Campaign Regional Representatives

Status of the APC:

Mastrangelo: “Picture if you will, driving up to the APC. As you slowly cruise down Phoenix Avenue, on your right you will see a paved parking lot for Talleyrand Park and pedestrians strolling along a public walkway, which follows the contour of the river running beside the APC. As you approach the APC, on your left is a parking lot full of

clients for a full-service restaurant and other tenants. You'll have to be on the look out that you don't hit a postal patron scurrying to mail some last-minute letters at the APC postal station. While they may be hurrying to mail their letters, those same patrons may also take a few minutes to marvel at the Headsville Post Office or take a leisurely stroll back to their cars while contemplating the babbling water of the mill run next to the St. Louis patio. This vision may not be that far off into the future.

"Over the past few months, three developments have occurred which could put the future development of the APC on a fast track. First is the relocation of the Headsville Post Office. We have submitted the required paperwork for the Smithsonian to review. If all goes as planned, the post office will be crated and ready for shipment late this Fall.

"Additionally, there are three potential clients working to locate in the new tenant area of our building. One is already leasing space from us in building 18, one is a full-service restaurant and the other is for professional office space.

"Lastly, and most encouraging, for the past few months we have been in discussion with the Borough of Bellefonte and the Pennsylvania Governor's Office, to access economic development funds to help with the completion of the American Philatelic Center. While it is very premature to discuss specifics at this time, it is important to note that both Bellefonte and the State of Pennsylvania have noted the key role of the work that this group has done so far with the development of the APC. The APC is recognized as the steam engine to the waterfront development plans in Bellefonte. We should have more definitive information to share with you over the course of the next few months."

Current Status of the Campaign for Philately

Mastrangelo: "Included in your packet is a breakdown to date as to how much funds have been utilized that are part of the Campaign for Philately. A total of \$2.6 million has been raised. Of that total \$2.173 million has been expensed for the relocation and Phases I, II, and III of the APC. An additional \$60,000 has been contributed to the Tiffany Fund and a total of \$386,000 in cash and pledges has been received."

Campaign Regional Representatives

Mastrangelo: "We have now organized another tier of volunteers associated with the Campaign for Philately. These are our regional representatives. As with any major fund-raising campaign certain components must exist for it to succeed. We have had a central campaign team, headed by Steve Rod, leading our efforts. Also included on that team are myself, Ken Martin, Janet Klug, Ken Grant and Charlie Peterson. Now we have added another tier of Regional Campaign representatives. Presently totaling about 17, this group held its first meeting this morning. They will gather monthly by phone for regular updates. They are our eyes and ears for the campaign in various sections of the country. They will be asked to help identify top tier prospects, be involved in local asks for support and otherwise help us strategize on the campaign.

"Always ongoing are the identification and solicitation of Top-Tier prospects. The so-called mass marketing campaign to members will continue with our annual dues mailing. Additionally, we are contemplating a chapter/affiliated push in the Spring. Our campaign on the Headsville Post Office Project will commence after Labor Day."

Steve Rod: The last time I addressed the Joint Boards was in November. It's been eight and half months and this morning we brought to fruition the next level of where we want to be. Over this time we have opportunities for a number of solicitations. We have had some very nice successes. We are expanding our capability by involving people as our reps. who joined us this morning at breakfast. These reps. have already provided us with some very useful ideas and feedback.

Wade Saadi: Are these 17 names available?

Mastrangelo: Yes, the list will be e-mailed.

III. Discussion of Matters of Mutual Interests

Grant: What can the presidents of the two organizations do to strength the relations between the two boards?

Prill: Have more joint meetings.

Klug & Grant: Agree that we plan to have more joint meetings.

Mastrangelo: Will the APRL Board meet in February at the California show?

Grant: We have talked about the possibility of meeting twice a year, and it may be that we do meet at the winter show.

Klug: In which case we will have a joint meeting.

Ken Lawrence: If this fast track materializes, we will need a joint meeting. We may have decisions to make.

Peter McCann: We should have a meeting in California.

Carter: Perhaps we should exchange documentation in an attempt to strength the relations between the two boards?

Klug: It is interesting that you say that, because independently -- without even discussing it -- both Ken and I have discussed cross-circulation of non-confidential board documents.

Grant: We initially recommended sharing open-session meeting minutes as soon as they are available.

Klug: I want to hit on the joint projects that we are currently working on as these projects are very significant. We have the joint campaign committee who gets together on

a weekly basis by phone. We have the joint Finance and Audit committee and at the end of the year we put together a joint combined report. The Publications Committee has members from both boards. It is good idea to continue to work together to achieve our goals.

Grant: Motion to adjourn?

Saadi: Before we adjourn, I would like to recommend a joint motion by both boards of congratulations for the speed in which Peter Mastrangelo has picked up the jargon, the culture and the understanding of the APS in the few short months he has been with us.

Motion made to adjourn:

***APS: George Fekete moved

APS: Wayne Youngblood seconded

***APRL: Dan Walker moved

APRL: Herb Trenchard seconded

*****One Vote:** Passed unanimously.