

MID-YEAR BOARD OF DIRECTORS

Executive Committee Meeting

February 23-23,2003

Meeting called to order: 9:50 AM

Invocation: by President Jack Kurdzionak

Salute to the Flag: given by Jim Door

Opening remarks: given by President Jack Kurdzionak

Introductions of those present:

Jack Kurdzionak, President

Mark Butterworth, Treasurer

Jim Door, First Vice President

Frank Poye, Second Vice President

Alice Carpenter, Secretary

Welcome: by President jack Kurdzionak. Statement of assets, facilities, organization, magazine. We will be looking at dues, certification, and continuing education programs.

Procedure and requirements given for voting. Minutes of the annual Board of Directors meeting have already been approved and accepted by the full Board.

Minutes of last February mid-year meeting have already been approved and accepted by the full Board.

State of the Association: given by Jim Lubic. Melanie Frye will be leaving July1 to be a stay at home mom. Gary Richards was hired as Development Director. Hope to hire a part time computer systems person in the near future. A tour of the building will be given for Board members at close of meeting.

COMMITTEE REPORTS:

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Constitution and By-Laws Committee: report given by Jim Door, Chairman. No written report. The committee is working with proposals referred that require a constitutional change. The committee is also working on a complete re-write of the Constitution and By-Laws. No recommendations to present at this time.

Perpetuation Fund report: given by Rob Clark of Ross Sinclair.

Mr. Clark reviewed AWI's investment portfolio, and review the restructuring of the debt on the building. We borrowed \$600,000 and the current rate we are paying is 1.6%. We've gone from \$7,600 a month to an interest payment of \$865 each month and pay into an interest bearing account for the principle which is used to pay down the principal of the debt. We make one payment a year from this fund.

It was pointed out that none of the loans from GNMA are assumable, so even if the market goes up, we are in a good position.

Finance Committee report: given by Mark Butterworth, Chairman.

Recommendation #1, (coming from the committee constitutes a motion)

MOTION #1: We will no longer offer paid up life memberships but will honor those which exist at this time. Discussion covered the following: we feel we need to offer lifetime memberships. Lifetime memberships are deposited in a separate account that pays interest to AWi once a year. Roll call vote: motion failed.

Recommendation #2: (coming from the committee constitutes a motion)

MOTION #2: To modify the current senior discount rate of 50% at the age of 62 to the following:

1. Require 5 years membership
2. 10% discount at age 70
3. 20% discount at age 80

Discussion covered the following: we have 367 members taking senior membership discounts now. How do we verify they are retired? Use of the word "Emeritus". Rates need to be in the Policy Manual. We must eliminate the 5 – year requirement, as that would require a constitutional change.

Roll call vote: motion failed

MOTION #3: motion made by Mark Butterworth, seconded by Jim Door; to modify the current Emeritus discount rate of 50% to the following:

1. 10% discount at age 70
2. 20% discount at age 80

Roll call vote: motion passed.

Recommendation #3: To discontinue the free lifetime memberships for all future Presidents.

Parliamentarian rules that we cannot vote on this because it is a constitutional issue and the constitution must be changed before a vote.

Recommendation #4: (coming from a committee constitutes a motion)

MOTION #4: to hire a part time individual for the sole purpose of generating additional advertising. This could be on a percentage basis or fee or hourly charge.

Roll call vote: motion passed

Judicial Committee report: no written report

Jim Lubic reported: AWI has a new contract with Archie Perkins. AWI as an Illinois corporation is officially dissolved. The Trust had the understanding that they were getting the royalties from the Coleman book. Going back and looking at the contract, we confirmed that the royalties come to AWI, not the Trust. Mileage reimbursement has dropped to 36 cents a mile. Scott Gilligan, lawyer, recommended that we institute a cell phone policy: that we do not reimburse for cell phone calls, or provide cell phones.

Health insurance: a company has been found that offers full health insurance benefits as well as supplemental insurance for people over 65, and they have several policies to choose from. This will be a group policy. AWI will receive 3% residuals.

Ethics enforcement: the office has received a few complaints. We need to look at what the constitution and by-laws have to say about this. The Code of Ethics is now printed on the membership card.

We need to put together a Board Orientation because of the higher turnover on the board. The Judicial Committee could be used to conduct the orientation once organized. We could also ask for volunteers on this committee to help with this project.

Nominating Committee for Board of Directors has nominated the following as candidates for the Board of Directors: Jim Zimmerman, Charles Atchison, Jim Sadelik, Jim Door, Glenn Gardner, Wesley Grau, Roland Iverson, Alice Carpenter.

A voice vote was taken: motion passed

Education Committee report: the report was discussed, but no recommendations were made at this time.

Certification Committee report: the report was discussed, but no recommendations were made at this time.

Meeting was recessed for lunch at 12:45 PM

Meeting was reconvened at 1:40 PM

Horological Times Committee report: Donna Baas gave a verbal report but no recommendations were made. The committee has produced guidelines for Horological Times

contributors. It has been requested that these guidelines be put on the website periodically. Advertising rates were discussed.

There has been a request from Australia to provide Horological Times magazines to their guild members in an effort to increase both their membership and membership in AWI.

Book Review Committee report: no recommendations were made.

Technology Committee report: no recommendations were made.

Discussion included looking for a company to help establish a **new** website costing in the neighborhood of \$50,000 a year. Jim Lubic is investigating this, and also what the yearly maintenance fees would be.

Membership Committee Report:

Recommendation #1: to eliminate the lifetime membership category.

This has already been taken care of by the Finance committee with their report, so no vote is necessary.

Recommendation #2: to change the Emeritus membership status to any member over age 70. This has already been taken care of by the Finance Committee, so no vote is necessary.

Recommendation #3: student membership will remain the same. This requires no vote.

Recommendation #4: discuss family memberships. This was left as is because we only have approximately 13 persons with this type of membership.

Recommendation #5: discuss that the Affiliate Chapters, the REC, and the IAB do not have equal representation on the board. Since any change to these would require a constitutional change, these may not be voted on.

Publicity Committee report: no recommendations.

Discussion: would like to see a testing program developed with watch companies sending AWI watches, receiving certificates that they could use as a seal of approval, and then they could advertise this.

Honor Awards Committee: they have no one to suggest for an award at this time.

Research & Education Council: no written report.

Strategic Action Committee: Joe Schrader was present and gave the report.

The certification testing procedure needs to be refined.

Want to hold certification exams around the country to be available to members so they won't have to come to Cincinnati. Need to develop a website for information.

There has been some interest in changing the name/logo to: American Watchmakers Clockmakers Institute. Jim Lubic will check to see the legal and financial problems and to present these to the board in August.

Recommendation #1: to develop a detailed website.

This has already been discussed under the State of the Association, and the Technology Committee report. No further action is needed at this time.

Recommendation #2: certification has already been voted on today, so it needs no vote.

Recommendation #3: hiring a professional for fund raising to attend industry related functions, to handle public relations, etc. This has already been taken care of with the hiring of Gary Richards, so no vote is needed.

ELM Trust report: Gary Richards was hired January 6, and gave the report. He has developed a new fund raising program for the Trust that is called "Friends of the AWI-ELM Charitable Trust". For a membership of \$25, you can become a "Friend"; for \$50, a "Supportive Friend"; for \$100, a "Sustaining Friend"; for \$1,000, a "Patron". Gary will be reproducing a historic book, donated to the Trust called "Elements of Clock and Watch Work". This will sell for \$500, or will be given to individuals who become Patrons. Gary will be sending out a quarterly newsletter to the Friends of the Trust.

NEW BUSINESS:

President Jack Kurdzionak appointed Ray Cherry to the Technical Committee.

MOTION #5: made by; Frank Poye, seconded by Mark Butterworth to accept the appointment of Ray Cherry.

A voice vote was taken, motion passed

MOTION #6: made by Frank Poye, seconded by Mark Butterworth, that life dues will be 30 times the regular yearly dues, effective immediately.

Roll call vote, motion passed

MOTION #7: made by Mark Butterworth, seconded by Frank Poye, motion to revoke Policy #84/85-4/B, this requires the use of roll call votes, during formal meetings.

Roll call vote, motion passed

MOTION #8: made by Jim Door, seconded by Frank Poye: motion to revoke Policy #84/84-4B.

Roll call vote, motion passed.

MOTION #9: motion made by Mark Butterworth, seconded by Frank Poye, that the following be added to the Policy Manual: Policy #02/03, PROCEDURE FOR UNANIMOUS WRITTEN VOTES BY DIRECTORS.

If a written resolution is submitted to the board by mail, fax, e-mail, or by some other method, such resolution shall be deemed approved if all of the directors indicate their assent to the resolution in writing. To indicate assent, a director must sign his or her name to a written instrument-indicating assent and return it within five (5) working days of receiving the resolution with the director's name typed at the end of the e-mail. The President may extend the five (5) working day deadline in his or her discretion. Any resolution approved by unanimous written vote shall be filed in the official minutes of the board.

Voice vote, motion passed unanimously.

MOTION #10: made by Jim Door, seconded by Frank Poye that the following be added to the Policy Manual. Policy #02/03 E-MAIL REQUIREMENTS FOR BOARD CANDIDATES.

Because e-mail is extensively used in communications among members of the Board of Directors and AWI headquarters, it is a requirement that all candidates for election to the Board certify to AWI that the candidate has e-mail capability. All Directors must maintain e-mail capability during their terms on the Board of Directors.

Voice vote, motion passed unanimously.

MOTION #11: made by Jim Door, seconded by Frank Poye,

1. That the following be added to the Policy Manual. Quarterly teleconference meetings. At the Annual Meeting each year, the Board of Directors shall schedule two Board meetings to be conducted by teleconference. Those meetings are to be scheduled approximately thirty (30) days after the end of the first fiscal quarter and the third fiscal quarter. Board members receiving notice at the Annual meeting may waive the formal notice requirement set forth in Section 5 of Article VIII of the Constitution.
2. Introduction of Resolutions: all substantive resolutions to be considered during a Board teleconference meeting shall be submitted to AWI for posting to each Director via e-mail at least thirty (30) days prior to the scheduled teleconference meeting. Board members may exchange preliminary views and information on each posted resolution including request for information from AWI staff pertaining to the resolution.
3. Order of Business: Prior to the Board teleconference meeting, AWI staff shall transmit a written report to each Director. Only those resolutions previously posted on e-mail by the thirty (30) day deadline shall be considered at the meeting. Each resolution shall be introduced by the Director sponsoring it, or if that Director is not present, by any other Director who wishes to introduce the resolution. To minimize the length and cost of the teleconference, the President may use voice votes, simultaneous voting by e-mail, or roll call votes when considering the resolutions.
4. Written report of resolutions: promptly after each Board teleconference meeting, AWI staff shall transmit a written report to each Director via e-mail showing the results of the voting on each resolution. Any Director who believes the written report is not accurate should file a written objection with AWI and the remainder of the Board within seven (7) days after receiving the written report. The Board via e-mail shall promptly resolve any objections filed by Directors.

5. Minutes of the Board teleconference meeting shall be taken by the Secretary and submitted to the Board for approval at the next scheduled Board meeting.

Voice vote, motion passed unanimously.

President Kurdzionak appointed Dave Christanson, Bob Porter, and Jim Door to the ELM Trust, for a 2-year term, effective July 1, 2003. The Executive Board approved the appointment.

MOTION #12, made by Mark Butterworth, seconded by; Jim Door, that we have the Strategic Action Committee report dated February 22-23 added to our current Strategic Action plan.

Voice vote, motion passed unanimously

MOTION #13, made by Mark Butterworth, seconded by Frank Poye, that we authorize our financial and investment bankers to invest up to a million dollars additional from our line of credit into GNMA funds.

Discussion: For instance we could earn the difference between 1.6% with the money borrowed from our line of credit, and invested in GNMA's that we are receiving 6% interest on.

Roll call vote, passed unanimously.

After a call for other business, and there was none, President Kurdzionak adjourned the meeting at 12:45 PM.

Respectfully submitted: Alice Carpenter, Secretary