

MINUTES OF THE AWCI ANNUAL BOARD OF DIRECTORS

South Portland, Maine

August 6-8, 2004

Invocation: given by Glenn Gardner, CMW

Salute to the Flag: led by Jack Kurdzionak, CW, AWCI President

Introduction of those present:

Jack Kurdzionak, President

Jim Door, Vice President

Mark Butterworth, Treasurer

Alice Carpenter, Secretary

Henry Frystak

Ron Iverson

Robert Porter

Jim Sadilek

Dennis Warner

Manuel Yazijian

Jim Zimmerman

Glenn Gardner, Affiliate Chapter Director

Joe Juare, REC Director

Tony Riggio, IAB Director

Paul Wadsworth, Parliamentarian

Opening Remarks: Jack Kurdzionak, CW, AWCI President

President Kurdzionak noted that a theme for AWCI for the past two years is that it has been brought out of the last century into the 21st century. He named some of the projects that have been accomplished over the past two years which include: work on the new Certification examinations; our relationship with the watch and clock industry; Constitutional changes that have been made; Educational goals that have been implemented; new membership services that have been added such as insurance for merchandise and credit cards; new guidelines that have been put in place for the HT; fiscal management; and trade mark protection. These are some of the highlights that have gone into making AWCI a successful organization. President Kurdzionak expressed our thanks to Terry for the tremendous amount of work she has put in, and also to Lucy for the extraordinary job she has done. He thanked everyone for the support, the suggestions and ideas he has received, and the Board members and the office staff for working with him.

Procedures and Requirements for Voting: given by President Kurdzionak

Appointments:

Motion #1: made by President Kurdzionak to approve the appointment of Joe Juaira, Robert Porter, and Manuel Yazijian with Jack Kurdzionak as the chair to the nominating committee to nominate the four officers. No second needed. Voice vote: Unanimous approval.

Motion #2: made by President Kurdzionak to approve the appointment of Charles Cleves to replace Fred Burckhardt on the board of the ELM Trust. No second needed. Voice vote: Unanimous approval

Motion #3: made by President Kurdzionak to approve the appointment of Charles Cleves to a three year term on the board of the Dodson Perpetuation Fund. No second needed.

Voice vote: Unanimous approval.

Motion #4: made by President Kurdzionak to approve the appointment of Paul Wadsworth as Parliamentarian. No second needed.

Voice vote: Unanimous approval

State of the Association: given by Jim E. Lubic, CMW, Executive Director

Jim Lubic noted a couple of staff changes: Jim Meyer has been hired as a computer IT person to come in for 20 hours a week and Gary Richards, ELM Development Director was let go because of money issues [lack of funds to support the position]. Some of the projects we have been working on: the pricing survey, and the website, are coming along nicely . We are looking into the possibility of doing lectures and demonstrations on web cam.

The cost of technology has come down enough to make this cost effective in the near future, if members have the technology to participate.

We are looking into publishing our own book. In the past we had to have 1,000 minimum copies published, but now there is an electronic text in a file that can print a book out as needed with no need to store so many different titles. Some of the things we are continuing to work on are the things that the organization needs to have in place as brought out in the Strategic Plan several years ago, such as code of ethics, mission statement, and we need to work on enforcement, certification, and we may need to reconvene the Strategic Planning committee.

REPORTS FROM CONSTITUTIONAL COMMITTEES:

Finance Committee: given by Mark Butterworth; Chairman

Mr. Butterworth reported that the fiscal year ended with \$15,387.06 in the black, which is extraordinary because of the extra projects we had this past year. A point of information: the books were audited as it is every year by an outside auditor, for two reasons: it is good business, and it is required by our bankers. We had an increase in investments \$7.3 million to \$7.5 million over the past year. When the land and building are factored in we have net assets of \$8.460,925. Our investments are

protected in government backed securities.

Constitution and Bylaws committee: given by Jim Door, Chairman

Mr. Door reported that the re-write of the Constitution and By-Laws was passed and is in the members packet. It was noted that the committee worked hard.

Judicial Committee: given by Robert Porter, CMW, Chairman

Mr. Porter reported that there was no activity on this committee. This is the last year for this committee, it is being retired. The new Constitution does not have this committee.

Nominating Committee for Board of Directors: given by Glenn Gardner, CMW, Chairman

Mr. Gardner reported the election for the Board of Directors is finished, and lamented the fact that only a third of AWCI members voted.

Perpetuation Fund Committee: given by Jack Kurdzionak, CW

President Kurdzionak reported that this is the fund that is held in government securities. It is the bulk of the investments, approximately \$7 million. It has been doing quite well, invested mostly in GNMA funds. Right now, with mortgage rates going up, it is not paying off mortgages as quickly because the turnover is slowing down. Past President Bob Nelson, of Minnesota, expressed concern about the Constitutional changes that might make breaking into the fund easier. He was reassured that what we were doing was making sure that the Constitution could be properly amended if it became necessary due to a change in membership numbers. Past President Nelson wanted to be sure that we would not make an error and use the fund in a haphazard way. President Kurdzionak assured Mr. Nelson, and us, that Ross, Sinclair, who is managing the money is doing a superb job of managing the fund. We have paid them approximately \$10,000 a year for this and they have never gone up on their fees.

STANDING COMMITTEES:

Education Committee: given by Jerry Faier, CMC, Chairman

Mr. Faier recommends that you take a look at the 60 page document on certification that was just put out on the awimatters Yahoo! website.. His committee has been working to develop standards. It is a work in progress.

Motion # 5 made by Jerry Faier, Chairman, needs no second, to adopt the corrected rules for the Certification Appeal Process for the policy manual.

Voice vote: Unanimous approval.

Motion #6: made by Jerry Faier, to adopt the new “Standards and Practices” for watchmakers into the organization as our rules for professionalism.

Voice vote: Unanimous approval.

Motion #7: made by Jerry Faier, to amend the bylaws re-listing the old titles to the new ones listed below:

WT I

WT II

CW

CMW

CA

CC

CMC

CMI

Motion must be sent to the Constitution and Bylaws committee

Motion #8 made by Jerry Faier asks that the Board set aside monies to support the development and registration of the stated categories.

Motion must be sent to the Finance Committee.

Certification Committee: This committee was chaired by Ron De Corte, who resigned in January. We will no longer have a Certification committee. It will be replaced by the Board of Examiners, who are under the Education committee.

Horological Times Committee: given by Jim Sadilek, Chairman . The duties of this Committee are to review articles that are sent to HT. They are reviewed for interest and to be sure they are technically correct. This committee encourages writers to contribute to HT. This Committee has sent out letters offering the front page with an accompanying related article for \$500. The reported letter writing campaign was directed specifically to major watch companies and importers. There were two who took advantage of this offer.

Book Review Committee: given by Robert Porter, CMW, Chairman

Mr. Porter reported that his committee has reported on several books and he and Gene Bertram are in the process of reviewing several more.

Technology committee: given by Manuel Yazijian, Chairman

Mr. Yazijian reported that the new website being prepared by Mr. Ron Price is well in progress and the completion date is due in September/ October.

Membership Committee: given by Terry Kurdzionak, Chairman

Mrs. Kurdzionak reported that we have lost some members, which we expected, however we gained 313 new members and 77 members rejoined.

Publicity Committee: given by Jim Zimmerman, Chairman

Mr. Zimmerman noted that we have ads in a couple of magazines, one of which is the Watch and Clock Review. Our biggest asset is the website.

Honor Awards Committee: given by Dan Spath, CMW, Chairman

Mr. Spath reported that his committee has had a busy year, and look forward to the

banquet when the awards will be given out.

Strategic Action: Tony Voight, Chairman

This report was presented by Doug Thompson. The committee is working on the recommendations from last year which are: continued development of the website, the new certification program, and the promotion of the Institute using these for increased membership.

Ethics: given by Paul Wadsworth

Paul noted that his committee had finished the assignment given to them to revise the Code of Ethics. It has been accepted and is in place, Article 2, Section 3.

Spare Parts Directory: given by Manuel Yazijian, Chairman

This committee was formed to determine the spare parts policies of the various watch companies.

It has formulated a questionnaire which has been printed in the HT with another scheduled to be printed in HT in a couple of month. The results list companies and their policies concerning spare parts availability.

Price Survey Advisory: given by Tony Riggio, CMW, Chairman

The committee is working on a work in progress right now, a survey of the watchmakers and clockmaker, the geographical areas, educational information, age, training, divided by geographical location, divided and broken down as to the high, low and average for these areas. When we are done it will be a good tool for our members but we plan to give it to the Bureau of Labor Statistics, so they can put it on their website, and on CD's and in published material that students can go to when looking for a job.

AWI vs AWCI Acronym Advisory: given by Jack Kurdzionak, CW

This was the result of a request at last years meeting. The committee looked at the request, and recommended that the name be changed. The board voted unanimously to go with the change. We are now the American Watchmakers-Clockmakers Institute (AWCI).

(Note: the report of this committee did not include a motion at this meeting. The motion that covered this was Motion #10 of the fiscal year 2003-2004. The record of that vote can be found in the motions made last year.)

Internet Training: given by Jim Sadilek, Chairman

The Chronometer Club recommended that our organization work on distance learning, utilizing the internet as much as possible. The committee was given the task of looking into the possibility of one-on-one learning, with power point, slide programs, and pre-recorded videos. At some point we could put all of the library of AWCI on the web. Matt Henning suggested it would be a huge task and suggested that we look into the possibility of hiring a student from college with a librarian program to catalog and work on this.

IAB: given by Tony Riggio, CMW, Chairman

We have had one of the most productive IAB meetings we've had in some time. One major focus this year was assembling the new educational initiatives with the Certification programs. Over the past two years, communications have changed with industry. As the organization is taking a different direction, becoming more pro-active with education and the development of the trade, industry is taking notice of this and has been a more active partner in our organization working with us in our ultimate goals. Our recommendations mirror the proposals of the Education Committee. The new Chairman is Willem Van Kempen, with the Rlichemont group.

SPECIAL REPORTS

AWCI Education, Library, and Museum Charitable Trust: Chairman Mark Baker

Mark reported that Gary Richards was hired, and did a great job of increasing awareness of the ELM trust and AWCI in and around the Cincinnati and Harrison area. He also did a great job in writing a monthly column in HT. He started the Friends of the Trust, and we plan to continue that. Unfortunately, he was not successful in the fund raising efforts of getting grants. We do have a matching grant available to us but we still have to raise the funds for our half of that match, so we are continuing to try to do that. At the end of the fiscal year we had to let him go because his salary became a burden. Future plans include publishing a book, a compilation of Fred Burckhardt's column, The Rock Quarry and hope to have it ready by Christmas. We want to thank Lucy and Terry for their efforts in putting on the lobster clambake that we had Friday night. We want to thank Rolex, and the Swatch Group and Baume Mercier for their generous donations in helping with that also.

In a question and answer session afterward it was brought out that we had to match \$18,000 to receive the grant money.

Research and Education Council: given by Joe Juare, Chairman

The good news is that for the second year in a row, the number of schools has remained the same. This is a reversal of a trend seen for the past 20 years of losing schools. This is a direct result of industry sponsorship of our schools, giving supplies and funds for upgrading facilities. We are solidly behind the certification standards and the certification process. We have three schools signed up to be testing locations. A new bylaws change will permit officers to sit for two years. Newly elected officers are: Doug Thompson, Director, and Elbert Lewis from Jones Community College in Mississippi, Secretary.

OLD BUSINESS

There was none

NEW BUSINESS

Installation of Newly Elected Directors

The following new Board members were sworn in: Mark Baker, Mark Butterworth, and Jerry Jaeger

Affiliate Chapter Director Approval:

Motion #9: made by President Kurdzionak to accept Glenn Gardner as the new Affiliate Chapter Director. No second needed.

Voice vote: Unanimous approval.

Research and Education Council Director Approval:

Motion #10: made by President Kurdzionak to accept Doug Thompson as REC Director. No second needed.

Voice vote: Unanimous approval

Industry Advisory Board Director Approval:

Motion #11: made by President Kurdzionak to accept Willem Van Kempen as IAB Director. No second needed.

Voice vote: Unanimous approval.

Installation of New Directors:

The following were installed: Glenn Gardner, Affiliate Chapter Director; Doug Thompson, REC Director; Willim Van Kempen, IAB Director.

Nomination of Officers Committee Report:

The following were nominated: Jim Door, President; Dennis Warner, Vice President; Mark Butterworth, Treasurer; Alice Carpenter, Secretary.

Installation of Officers:

The following officers were installed: Jim Door, President; Dennis Warner, Vice President; Mark Butterworth, Treasurer; Alice Carpenter, Secretary.

At this point, President Kurdzionak stepped down and Jim Door, took the chair of President

Finance Committee, Proposed Budget: presented by Mark Butterworth., Treasurer.

Everyone has worked extremely hard to see that our money matches our needs, the members of the committee as well as the office staff. Right now we are on an even keel. Mr. Butterworth explained that the committee has made another revision to the budget as late as last night. \$5,000 has been moved from "Publicity" to "Salaries and Wages". This will not change the overall budget, but will give the office staff back their 3% cost of living raise, which had been scaled back to 2%. They have taken a substantial cut with their health insurance. Mr. Butterworth explained that we derive approximately 45% of our income from investments. It was pointed out that the budget being voted on has nearly a \$25,000 deficit. There is \$35,000 allocated for Certification work under the budget so that program will not suffer. The point was made that this figure does not represent the salary of Dr. Schrader, rather the ongoing

work of the program as well as the cost of materials. It does not represent the cost of an individual to administer the program. That cost has been deferred until the program is further along toward completion. The reason for the deferral is that the program will not start right now, but later. At the time of need for that individual, the intention is to amend the budget as the need comes up.

The Audio-Visual position was eliminated, and that work will be outsourced as needed. The result is that the budget is balanced, except for certification expenses that are a one time expense.

At the time an education specialist is needed, there will be advertisements in the magazine for the position, acceptance of resumes, and several of the qualifiers will be invited to take the Certification exam.

Mr Butterworth answered many questions about: health insurance; what industry will be contributing to AWCI; the fact that the ELM Trust has a 501-C3 tax exempt status (organization) and AWCI does not; and that the building has a market value of approximately \$1,700,000, from which we have obtained a line of credit, so our assets are not only the bonds, but also the building.

He explained how AWCI would handle the deficit by borrowing on a line of credit that we already have when the budget runs out. And he explained that we have 2 lines of credit situation, one of which has a zero balance, and the other has a \$560,000 balance which we are paying down on.

Motion # 12: made by Mark Butterworth to amend Policy #3.2003.01 to change the regular dues from \$74 to \$79 for regular membership. No second needed.

Roll Call vote: Unanimous Approval

Motion #13: made by Jim Sadilek and seconded by Manuel Yazijian, to amend the budget proposal by deleting Item #7 (Implemented a 20% employee share of health insurance premiums or the employee's coverage) and Item #8 (Implemented an additional 20% ((was 20% now 40%)) of the employee share of health insurance premiums for the employees dependents coverage.) [NOTE: The above items are contained in a document intitled: "Addendum to Finance Committee Report" dated Thursday, July 8, 2004]

During the discussion on the motion, it was pointed out that Item #8 affected only one AWCI employee. As a result, the motion was withdrawn.

A second motion was made by Jim Sadilek and seconded by Manuel Yazijian to amend the budget proposal by deleting only Item #7 from the above described document.

Roll Call Vote: 8 for, 3 against...Motion passed

Mark Butterworth pointed out that this would raise the deficit in our budget to \$28,974.

Motion #14: motion by Mark Butterworth, to approve the budget as amended. No second needed.

Roll call vote: Unanimous approval.

Motion #15: motion by Mark Butterworth, no second needed, to approve the following financial institutions to do business with the AWCI:

Ross-Sinclair & Associates, Cincinnati, Oh; Fifth-Third Bank, Cincinnati, Oh; Pershing Bank, NYC, NY; Key Bank, Cleveland, Oh; Merchants Bank and Trust, West Harrison, Ind.

Roll call vote: Unanimous Approval

Motion #16: made by Mark Butterworth, no second needed. The AWCI Board recognizes that the Adobe-Gillette stocks are property of the ELM Trust, and are used as collateral for the ELM Trust line of credit.

Voice vote: Unanimous approval

Meeting recessed until Sunday at 9AM

The meeting was re-convened at 9:14.

After a discussion whose purpose was to make clarifications, President Jim Door gave the Secretary a written statement to be entered into the minutes, as follows:....”Commencing with the fiscal year 2005, the finance committee voted to instruct the AWCI central office to collect, from directors, registration fees for the annual meeting as per policy directive #3.1987.01. Meals will be reimbursed upon request. as per policy manual directive #3.1987.01.”

As Treasurer, Mark Butterworth reported he had reviewed the salaries at AWCI and found them by and large at or below those for Cincinnati, Oh. The request for review came from the Committee and not just Mark himself.

Proposals of the Affiliate Chapter:

Motion #17: (motion #1 coming from the Affiliate Chapters) that AWCI would aggressively plan and pursue subscription watchmaking training to be made available by correspondence and by Internet. The curriculum should be offered in segments as well as a complete course. The course could include up to but not to exceed, four weeks of intermittent class room studies and/or testing at AWCI central in Harrison, OH. One of the objectives of this course, in full or in part, would be to prepare the student to take and pass the certification examination of the AWCI.

Discussion followed, with an amendment being made by Jim Sadilek:
Amendment as follows: “such courses would reflect the standards and practices as approved by the Board”

A voice vote by the Board found the amendment acceptable.

Now the original motion with the amendment will be voted on.

Roll call vote: 10 for, 1 absent, motion passed

Motion #18: (motion #2 coming from the Affiliate Chapters) that the Chapter/Affiliate annual report be automated so that it can be processed (distributed, filled out, returned, summarized) by digital electronic means. Discussion followed.

Roll call vote: 10 for, 1 absent, motion passed

Motion #19: (motion #3 coming from the Affiliate Chapters) that the AWCI Board of Directors direct the HT committee to develop an HT “potential authors” brochure that defines:

- 1) the process used to process/review potential HT articles
- 2) the time line for proposed article review
- 3) a set of criteria for desirable HT articles
- 4) a set of criteria for unacceptable HT articles
- 5) the process for establishing payment for the articles

Discussion followed.

Roll call vote: 10 for, 1 absent, motion passed.

Motion #20:(motion #4 from the Affiliate Chapters) that each AWCI committee listed in the AWCI Directory shall submit a summary report to the AWCI Board at six months intervals or sooner. These reports shall be routinely published in HT.

Discussion followed.

Roll call vote: 2 for, 8 against, 1 absent, motion failed (Glenn Gardner, and Doug Thompson the dissenting votes)

Motion #21: (motion #5 from the Affiliate Chapters) that the AWCI Board establish an AWCI Video Committee for the purpose of defining policies and standards for the production/distribution of high quality AWCI videos (tapes or DVD’s). This Committee shall also review and approve all AWCI tapes before they are released. Only high quality video tapes and DVD’s shall be released. Discussion followed.

Roll call vote: 6 for, 4 against, 1 absent. Motion passed (Mark Baker, Jerry Jaeger, Jim Sadilek, and Manuel Yazijian the dissenting votes)

Motion #22: (motion #6 from the Affiliate Chapters) that AWCI needs to provide more public recognition as the authority within the United States when it comes to credentials of a watch or clock repairman. Discussion followed.

Roll call vote: 10 for, 1 absent, motion passed.

Proposals of the Research and Education Council:

Motion #23: (motion #1 from the REC)

that the mission statement for AWCI be amended from the current wording which is: “the American Watchmaker Clockmaker Institute is the premier international organization dedicated to preserving and promoting the highest standards of workmanship in the horological craft. It is the role of AWCI to set the standard of

excellence to be applied to the quality of instruction for both the restoration and repair practices that are taught world wide”. We propose that it be changed to: “ the American Watchmaker Clockmaker Institute is the premier **“professional” international organization dedicated to preserving the highest standards of workmanship in the horological craft. It is the role of AWCI to set the standard of excellence to be applied to the quality of instruction for both the restoration and repair practices that are taught world wide”**”

An amendment was made by Manuel Yazijian and seconded by Jim Zimmerman to reverse the words “restoration and repair”

There was no objection to the amendment.

The vote will be for the amended motion.

Roll call vote: 10 for, 1 absent. Motion passed

Motion #24 : made by Gene Bertram of the Constitution and Bylaws Committee, needs no second.

On the back of page 103, on the second page of the bylaws, Article 4, section 2, change the categories of certification to read:

- a. watch technician I
- b. watch tech II
- c. certified watchmaker
- d, certified master watchmaker
- e. clock associate
- f. certified clockmaker
- g. certified master clockmaker
- h. certified master of the Institute

Roll call vote: 10 for, 1 absent, motion passed.

Motion #25: made by Gene Bertram, Constitution & Bylaws Committee, needs no second.

3.1991.10 in the policy manual should be changed to read: “Policy for AWCI speakers for Affiliate Chapters, each Affiliate chapter may request one AWCI speaker per calender year for which AWCI will pay 50% of the travel expenses provided 50% of the chapters members are AWCI members “

Roll call vote: 10 for, 1 absent, motion passed.

Motion #26: Made by President Door, needs no second. According to the policy manual we need to set two teleconferences for the coming year, one for 30 days from the end of the first quarter, which would be Sept 30, and 30 days from that would be Wednesday Oct 27.

Voice vote: Unanimous approval

Motion #27: made by President Door, needs no second. The teleconferences set for April will be Wednesday 27. If a teleconference is not needed it can be canceled.

Voice vote: Unanimous approval

Motion #28: made by President Door, needs no second, a website committee be set up to establish policies for that committee.

Voice vote: Unanimous approval

Motion #29 : motion made by Glenn Gardner that the mid-year meeting be a full board meeting. Seconded by Jim Sadilek.

The motion was withdrawn when Jim Lubic offered to include all board members in a conference call of the mid-year meeting.

Motion #30: made by President Door to set the date for the mid-year meeting Feb 5, 6, 2005

Voice vote: Unanimous approval

Motion #31: made by President Door, to appoint Jack Kurdzionak to the ELM Trust to finish out the term of Bob Porter, who resigned.

Voice vote: Unanimous approval

Motion #32: made by Dennis Warner, seconded by Jim Zimmerman

that each AWCI committee listed in the AWCI directory shall submit a summary report to AWCI Board at six-month intervals or sooner. These reports shall be published routinely.

Under discussion it was pointed out that this motion differs from motion #20 in that it does not say where it will be published, whether in HT or the web.

Roll Call vote: 10 for, 1 absent, (Willem Van Kempen) Motion passed.

No other business to come before the Board:

Adjournment: Meeting was adjourned at 11:57 AM

Alice Carpenter, CMW, CMEW, Secretary

Unanimously Approved - 9/18/04

