

July 2004 meeting of NAWCC Council

Dear Members;

The Minutes of the NAWCC Regular Annual Meeting, July 2, 2004, Oklahoma City, Oklahoma, are as follows:

NAWCC REGULAR ANNUAL MEETING

July 2, 2004

Cox Convention Center
Oklahoma City, Oklahoma

The Regular Annual Meeting of the National Association of Watch and Clock Collectors, Inc. was called to order by President Judy Draucker at 7:30 A.M.

President Draucker gave a short welcome to members present and introduced members of Council, Museum Trustees, Executive Director Connie Stuckert and NAWCC Past Presidents. Members of the 2004 National Convention Host Committee were recognized and thanked for their efforts.

President Draucker announced that a quorum was present

MOTION: Tom McIntyre; Seconded by Rochelle Gaenger: To suspend reading of both the minutes of the 2003 NAWCC Regular Annual Meeting and the minutes of the February 21, 2004 NAWCC Special Members Meeting and to approve the minutes as printed and mailed to the members. Motion passed unanimously.

REPORTS:

PRESIDENT'S REPORT - Judy Draucker

It is indeed a privilege and an honor to serve as President of NAWCC. I look forward to continuing my service to this association over the next year.

Thank you for your advice, your support, and most of all, your friendship over the past year. The reception I've received as I've traveled to different Regional Meetings has been heartwarming. It has truly been a pleasure to meet so many different people and get to know the membership better. Thank you.

Certainly, among the highlights of my Presidency, two actions stand out:

(1) the payoff of the \$4.3 million mortgage covering the Headquarters / Museum Expansion and Renovation; (2) the overwhelming 96% approval of the Merger vote.

The following actions were passed at the Joint Meeting of the NAWCC Council and the NWCM Trustees on Tuesday, June 29, and Wednesday, June 30:

- (1) Approved the Museum Education Program to be extended for a period of three (3) years, with an analysis being done after three (3) years to determine the program's value and future.
- (2) Approved the 2005 NAWCC National Convention / Ft. Lauderdale, FL budget.
- (3) Approved the preliminary budget for the 2006 NAWCC National Convention / Cleveland, OH.
- (4) Adopted a directive for the Ethics and Code of Conduct Task Force, to be ratified by the Interim Board at a

subsequent meeting.

(5) Approved the appointment of Jim Coulson, Chair, Bill Bryan and Counsel Myron Mintz to the Ethics and Code of Conduct Task Force.

(6) Approved the appointment of Bruce Gilmore for the term ending June 2005 and Steven Burgamy for the term ending June 2007 to the Nominating and Elections Committee, to be ratified by the Interim Board at a subsequent meeting.

(7) Approved an amendment to the Standing Rules to include conditions for appointment of Legal Counsel and term of Service.

(8) Approved the continuation of Trout, Ebersole & Groff, LLP as NAWCC Financial auditor for FY 2005.

(9) Approved the immediate initiation of the process to develop longer-term priorities for the ongoing success of the NAWCC, to include

the use of outside facilitators as needed.

(10) Received the report of the Executive Director with regard to management and reporting of Restricted Funds.

(11) Granted the Executive Director authority to develop comprehensive membership program options for the NAWCC, to be implemented as appropriate on Board approval.

(12) Approved the change of the name of the Alarm Clock Chapter No. 178 to The Howard Banta Alarm Clock Chapter No. 178.

(13) Approved the chartering of a new chapter, Coulee Region Chapter.

(14) Approved the recall of Wolverine Chapter No. 152.

Some items on the original agenda were withdrawn. Other motions cannot be considered until after the Effective Date of Merger.

Perhaps the most important of these actions was the one regarding development of long-term priorities for the NAWCC. The process approved will identify the mission, goals and objectives of the Association for the future success and ongoing longevity of the NAWCC.

We have a good Council, comprised of qualified, intelligent and dedicated individuals who have a genuine interest in making NAWCC, Inc. a better organization. They come from different backgrounds and represent many interests. They, along with me, pledge to serve as elected and appointed representatives in the best interests of the Association.

We need to make a concentrated effort in the future in the following areas: (1) membership attraction and membership retention; (2) taking the best advantage of the volunteer corps within the Association's membership; (3) improving our successes in fundraising effort, both within the Association and from outside sources; (4) expanding our internet presence; (5) improving our communications and strengthening our relationships with chapters; (6) continuing to establish Board and committee procedures.

I accept the challenge of President with enthusiasm, with a great desire to see that our Association not only survives but also sustains itself for the future. I need your help I cannot do this alone. I urge you to volunteer on the national, regional, chapter levels, or as an individual to work together to build our organization.

TREASURER'S REPORT - BILL CURTIN

Internally, each month we measure the degree to which operations bring in sufficient cash to pay their own expenses. By this standard, the financial picture for NAWCC at the end of Fiscal 2004 produced a better result than had been anticipated initially, although we did run a cash operating deficit. The initial operating budget projected a cash deficit of \$152 thousand. The actual cash deficit was \$83 thousand.

Dues revealed an ongoing decline in membership, with receipts 6% below prior year. Reflecting a continuing trend, this shortfall in membership was offset by donations. Headquarters expenses show only an inflationary increase over prior year expenses, while

being held well below budget. Museum admissions increased significantly in last 6 months of the fiscal year, but were not sufficient to overcome a weak start early in the year. However, overall Museum results were improved as budgeted, on the strength of grants and donations plus effective expense control. A full-time educator was added last fall.

According to our audited financials developed for external reporting purposes, we ended the year with a positive net income figure of \$173 thousand. The difference from our internal figure is accounted for by other receivables (primarily the Charlotte National), pledge receivables in excess of \$75 thousand, and grant income (primarily the School DCED Grant).

Net liquidity reserves are calculated on the basis of investments, less loans, less accounts payable, plus cash and cash equivalents, minus chapter deposits held in trust. On this basis, net liquidity reserves ended the year at \$755 thousand, a slight decrease from last year's \$773 thousand. In September 2003, the LIDA loans for construction of the new museum/headquarters building were paid off, thus strengthening our long-term financial position. The NAWCC withdrew a total of \$140 thousand from reserves, which included approximately \$40 thousand for council approved capital expenditures on the roof and HVAC systems. Our investment income has declined, reflecting market conditions.

NAWCC enters fiscal 2005 with a continuing need to stabilize member dues and to develop additional sources of operational support through earned income, grants and fundraising. However, the first two months of the fiscal year have shown a higher positive result than initial budget projections.

EXECUTIVE DIRECTOR'S REPORT - Connie Stuckert

The fiscal year end membership was 27,502, and the net loss for the year was 1,451. While still declining, the rate of membership loss has slowed somewhat. In the prior year (FY2003) we lost 1,644 members, and in FY2002 we lost 1,827 members. We received \$1,299,000 in membership dues, which represents roughly 50% of our total operating income, and was \$31,000 under budget.

Our unaudited operating deficit for the year was \$83,000, versus a projected budget deficit of \$152,000, which did not materialize. After adjustments by the auditors, the final operating deficit was \$17,183.

Numerous administrative changes were made to streamline and improve our operations, and realign the organization into a new configuration at merger. These changes included redefining some staff positions and reporting lines, standardizing the format and schedule for performance reviews, restructuring the budget into operating departments and specific projects; standardizing methods of time reporting for payroll purposes, and implementing standardized purchase order procedures. The gift shop has also significantly upgraded and improved its procedures and performance. We have also changed banks, and changed health insurance and liability insurance providers, all at significant savings.

This year we purchased seven new PC's, upgraded our servers to Server 2003 and workstation software to Microsoft Windows XP Pro and Office 2003, and resolved numerous technical glitches. Our packages in areas such as accounting, membership, and gift shop point of sale are incompatible and seriously deficient and will need to be replaced as soon as possible. We continue to maintain the website.

We received the following grants this year: PA Historical and Museum Commission, General Operating Support, \$22,500; Lubrizol Foundation, \$1,500; Community Foundation of Greater Atlanta, School of Horology,\$5,000; Institute of Museum and Library Services, archival preservation of Hamilton Watch Company papers, \$4,400. The Annual Fund Drive produced \$32,804, a more than 10-fold increase over the prior year. The total amount of all donations and grants received, both restricted and

unrestricted, as referenced in the audit, was \$219,926.

The Marketing Department has supported NAWCC through working more closely with chapters to help them develop local media attention for their events and members. The Partners Program, which promotes memberships through businesses, has gained an additional 57 participants who help recruit new members. We have also been working to improve retention through educating new members regarding their benefits via electronic newsletter. Through the Marketing Department, we have also licensed York Wall Coverings to produce wallpaper and borders based on three of the clocks in our collections. This wallpaper is beginning international distribution now, and we receive royalties on all products sold. It is also available through our Gift Shop and website.

The Editorial Department has published 6 issues of the Bulletin and MART, as well as seeing An Empire in Time: Clocks and Clockmakers of Upstate New York through to publication. They continue to work on three more forthcoming Special Order publications. In addition, they have supported both the Marketing Department and Museum exhibits through a variety of services including proofreading and production of label text and graphics.

Special museum exhibits mounted during the year included "Home Front to Battlefield: Keeping Time in the Civil War," and "Top Shelf: Eight-Day Shelf Clock Makers of Upstate New York 1816-1842." We began the process of creating a 5-year Exhibit Plan, which will be finished during the current fiscal year. The Museum completed an intensive written collections management self-assessment for the MAP II (Museum Assessment Program of the American Association of Museums) prior to the forthcoming visit of the assessor sometime this summer.

One hundred eleven individual objects or groups of objects were donated to the museum this year. Three loans out were made or renewed, and 17 loans in were made or extended.

Visitation at the museum in FY2004 was 13,501 tickets issued (visitation was actually higher, as family members come in on a single ticket), 2% less than last year. However, we have seen a significant increase in visitation over the last seven months, and the constant slide since the highs of almost 20,000 in FY2001 has clearly been reversed. Revenues in the shop have increased accordingly, although we look for more improvement in the future.

Much of this improvement can be attributed to the strong performance of our Marketing Department, which has produced extensive national and local media coverage for both the Museum and NAWCC in spite of having a very few resources to work with. The highlight was the filming by PBS of an episode of the "New Yankee Workshop" at the Museum.

Furthermore, in October we were able to add a Museum Educator, Suzanne Kopko, to the staff, charged with the responsibility for developing both public programming and school programs. In the first six months, she developed a comprehensive Calendar of Events, the first seven programs of which fell in FY2004, attracting almost 300 visitors. In addition, she has formed an Education Advisory Committee of local teachers and educators, and developed curricula for six different school programs in Grades 1 - 8. She is also working with Scout groups to develop badges in horology.

The Library and Research Center processed 1,849 research requests during FY2004. A total of 4,373 items were checked out, approximately half of which were VCR tapes. Actual patron visits to the library totaled 2,239, of which 703 were members. There were 171 items purchased for the collections and another 1,379 items, were donated. As a result of grant funding, a major reorganization of the Hamilton Watch Company Archives is well under way.

The School of Horology had an active year. While its income fell short of budget, the School did show a profit of \$17,000 for the year. Since many students come from the military reserves or abroad, the Iraq war has had a significant impact.

Major renovations and expansion of the School, funded by a \$200,000 grant from the PA Department of Community and Economic Development, began last fall, and will be completed in the first week of June. A ribbon cutting ceremony is tentatively being planned for July 9. The architects, Studio 5 Architects of Lancaster, and

the general

contractor, Sigman Construction of Columbia, have done an outstanding job. The project is being completed on time and on budget. Many thanks for initial advice and guidance are extended to LeRoy Wilkerson and his brother. Their plans have come to life. We also appreciate the support of State Senator John Stauffer (ret.), and Senator Noah Wenger, without whose assistance the funds could not have been found.

We have continued to have problems with our roof and our HVAC system in the main building, and prior to the end of the fiscal year brought in three different roofing contractors to evaluate the situation and provide written bids for long-term solutions. Shea Roofing was selected to do the job, and the work is being handled in this fiscal year.

Finally, I want to acknowledge the fine work of volunteers, who do so much for us. Here in Columbia, volunteers in the Museum, Gift Shop, Library, School and administrative offices provided almost 4,000 hours of work. Other volunteers in many parts of the country are unsung heroes (and heroines) who contributed countless hours to managing parts of the website, working on committees, helping with meetings and marts, writing for the Bulletin, and so much more. We extend our deepest appreciation to all of them for a job well done.

NAWCC/NWCM MERGER REPORT - John Hubby

Firstly, I wish to thank everyone for the tremendous support we received with your vote in favor of the Merger Proposal back in February. This was the culmination of more than two years' work to find solutions to take the NAWCC into the future, and in a way that would make all of us proud to be counted as members of this fine organization.

The NAWCC being membership based was substantively different from the Museum, and to bring together the two with their sometimes divergent interests was a real challenge. However, it was essential for a number of reasons including the need to maintain the NAWCC's tax-exempt status as well as to provide a sound foundation for long-term financial support of the Museum.

As President Draucker has mentioned, the actual merger has not yet occurred. The legal process is progressing, and once the New York State authorities authorize our request for dissolution and merger we expect the final Effective Date of the Merger to be set within a few weeks of receiving that permission. It is anticipated that will occur in August or September.

While the legal proceedings have been underway, it has been necessary to continue NAWCC business prior to the Interim Board of Directors taking office. Starting in April and continuing now, we set up special joint electronic meetings of Council and the Museum Board of Trustees to handle routine and ongoing matters. A joint meeting was just held here in Oklahoma City to review matters that could not be handled electronically and to prepare for the actual merger when it becomes effective.

Among the motions placed on the agenda for this meeting was one that will determine the future direction of the NAWCC. We have discussed long term plans in the past. However, there has never been a plan developed with the assistance of outside professional assistance nor one that has applied to both the mutual interests of the NAWCC and Museum. With the merger we are completing one of the most important steps ever taken in our history to return to the roots of the organization and all it has stood for over the years. The next step, to develop a formal strategic plan, is equally important because it will determine what kind of organization we intend to become as well as when and how we will do it.

One thing I have found in working with the NAWCC and the Museum over the three years I have been an officer, is that as a volunteer organization we seem to be able to handle only one major task at a time. In the business world it is a maxim to never undertake more than three priorities simultaneously, but there you have full time paid help to do the work. In the NAWCC we have our capable staff in Columbia to keep things running, but when counting on volunteer help to do the job it is

best to have a single focus such as the Merger Proposal.

Now we need to refocus our efforts on making the NAWCC the best it can be in the horological world, a kind of National Geographic Society of Horology. With a large membership base in which resides the best horological expertise and knowledge in the world, it is logical to believe we can excel in research activities, member and public educational activities and all of the things we need to set the course for the NAWCC to be here for generations to come.

I look forward in continuing to work with you to meet this challenge.

Following Mr. Hubby's presentation, President Draucker presented Certificates of Appreciation to: Message Board Administrator Thomas Chaudoir; Message Board Assistant Administrator and Moderator Philip A.Schilke; Message Board Moderators David S. Goodman, Howard Gunderson, Jeffrey P. Hess, Doug Sinclair, Andrew Dervan, Wynter B. Sturtevant, Michael B. Kearney, Jon Hanson, Lindsay Bramall, Henry R. Weiland; NAWCC News Moderator Eugene M. Klodzen; and eMart Administrator Ray Fanchamps.

The Regular Annual Meeting was opened to the membership for questions and comments. Questions were received and answered.

President Draucker announced the upcoming Ward Francillon Time Symposium to be held October 28-30, 2004 at the Portland Hilton Hotel, Portland, Oregon. The subject is to be Horology and Science. She encouraged everyone to attend.

President Draucker also encouraged everyone to attend the NAWCC National Convention next year to be held in Ft. Lauderdale, Florida, June 8-11,2005.

MOTION: Tom McIntyre; Seconded by Rochelle Gaenger: To adjourn the meeting. Motion passed unanimously.

Meeting was adjourned at 8:30 A.M., July 2, 2004.

Respectfully submitted,

Hugh Overton
NAWCC Secretary
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