

American Numismatic Association

Board of Governors

Meeting Minutes Draft for Review/Approval (RI)

Regular Meeting Teleconference

Open Session

December 9, 2019

(Note: Agenda item text is highlighted in gray)

Call to Order – President COL Steven Ellsworth, ret

Meeting was called to order at 4:22 PM MST.

Roll Call – Secretary Sanford Pearl

A quorum of 9 governors were present

Board Present: President COL Steven Ellsworth, ret; Vice President Dr. Ralph Ross; Governors: Michael Ellis, Mary Lynn Garrett, Muriel Eymery, Greg Lyon, Clifford Mishler, Paul Montgomery, Shanna Schmidt

Non-Voting Attendees: Executive Director Kim Kiick (left at 5:00 PM), General Counsel Hollie Wieland, Controller Carol Hull, Executive Assistant Donna Nunez, Secretary Sanford Pearl, Parliamentarian Mark Lighterman, Treasurer Larry Baber, Past President Gary Adkins

Agenda Item #1. Approval of Open Session Minutes – President COL Steven Ellsworth, ret.

(191209 OS#1) MOTION by Governor Eymery, second by Governor Lyon to approve the minutes of the Board of Governors' Open Session Special Meeting held October 30, 2019 and the minutes of the Board of Governors' Open Session Teleconference held November 12, 2019. Discussion: None Further

Vote: Passed 9-0-0

Agenda Item #2 Fiscal Year 2019-2020 Budget Proposal – President COL Steven Ellsworth, ret.

The Finance committee has recommended use of \$1.7M from Ben E. Keith funds to support the FY2019-2020 budget. This is a reduction from the \$2.1M needed to balance the budget at current levels of operation; therefore, the proposed budget contains cuts for the board to evaluate.

In order to pass a FY2019-2020 budget using Keith funds, the Board must first rescind the motion passed August 17, 2019 that prohibits their use in this budget year. Parliamentarian

Lighterman advised the Board regarding the procedure to rescind during the onboarding meetings on November 22-23, 2019.

Agenda Item 3A (190817 OS#2A.) Motion to Balance the 2020 ANA Operational Budget MOTION by Governor Paul Montgomery, second by Governor Mishler to create an operational budget for the coming fiscal year based on reasonable estimates of income and expense that do NOT depend on the Ben E. Keith Investments for balance.

August 2019 Vote Passed: 7-2-0 (Vice Chair Ross and Governor Lyon against)

Discussion: Governor Lyon advised that the board would need to cut the current budget 30% to balance expenditures and operating budget income. He also commented that the board would need to direct staff where to cut the budget. (R1 President Ellsworth added to more completely paraphrase Governor Lyon's comments) Governor Lyon publically criticized the previous board's expenditures as being wasteful and irresponsible for;

Having funded "Abe Lincoln" for the convention.

Having funded live music for the banquet.

Having funded a July Strategic Meeting where no strategy was accomplished.

Governor Montgomery indicated that the board would decide if and where the budget would be cut, and that the board could fund budget elements cut from the operating budget using endowment funds as appropriate.

Governor Schmidt commented that she needed to see where the budget spends money by element to decide what if anything to cut, and that using the endowment is acceptable when appropriate.

Board Chair Ellsworth commented that Bylaws Article 9 is the criteria for creating the budget.

Governor Mishler recommended benchmarking programs to determine what programs are appropriate or not.

Treasurer Baber clarified that OakMark funds come from Ben E Keith and other sources.

Executive Director Kiick mentioned that the motion as written may not represent the intent of the people making the motion as expressed during this discussion.

(191209 #2A). Motion by Governor Schmidt, second by Governor Eymery to rescind Agenda Item 3A (190817 OS#2A) MOTION by Governor Paul Montgomery, second by Governor Mishler to create an operational budget for the coming fiscal year based on reasonable estimates of income and expense that do NOT depend on the Ben E. Keith Investments for balance.

August 2019 Vote Passed: 7-2-0 (Vice Chair Ross and Governor Lyon against)

Discussion: The board reviewed the background and current situation related to the budget.

Governor Ellis recommended working on the budget earlier in the fiscal year.

Governors Eymery and Schmidt reiterated the need to report on and update the budget as necessary and at least each month.

Governor Mishler and others emphasized the need to achieve the 4/14/15 OS #2B motion type criteria in the operational budget by FY 2024.

Governor Montgomery advised that he was against this motion.

Treasurer Baber advised that he, staff, and the Finance Committee would work to optimize the budget, and requested the board committees provide recommendations for budget reductions during the year.

Past President Adkins suggested passing another continuing resolution through March 2020 while the board and staff work to reduce the budget deficit.

President Ellsworth commented that the budget expenses needs to be more in line with revenue, and that fund development must be significantly increased as well.

Vote Passed 8-1-0 (Governor Montgomery against)

(191209 OS #2B). Motion by Governor Mishler, second by Governor Ellis to rescind (4/14/15 OS #2B) MOTION by Governor Lyon, second by Vice President Garrett to approve the following budgeting guidelines beginning with FY 2016: “In drafting a Fiscal Year budget, anticipated expenses shall not exceed (anticipated revenues + 3% of Association Investment Principal). ‘Association Investment Principal’ is defined as total current assets - (total liabilities + assets temporarily restricted for program activities), as shown on the most recently approved audited financial statements. An additional 1% of Association Investment Principal may be used for unanticipated non-capital expenses during said Fiscal Year.”

April 2015 Vote Approved 7-0-0-2 (President Ostromecki, Vice President Garrett with Governors Ellis, Lyon, Rottinghaus, Sperber and Swindling voting in support; Governors Adkins & Ross absent.)

Discussion: Governor Lyon commented that should a similar motion be made in the future that it address both restricted and investment income.

Vote Passed 5-4-0 (President Ellsworth and Governors Ellis, Garrett and Montgomery against)

(191209 OS #2C). Motion by Governor Schmidt, second by Governor Eymery to approve a budget for the Fiscal Year 2019-2020 with revenue of \$4,045,496, expenses of \$5,683,662 and capital expenditures of \$50,553. (Larry’s note: Budgeted revenue of \$4,045,496, budgeted expense of \$5,683,662, budgeted capital expense of \$50,553. The use of investment income or reserves in the amount of \$1,688,719.)

Treasurer Baber provided the background on the motion and advised that the budget was created using detailed expenditures provided by staff, and was recommended by the Finance Committee. The staff and committee will continue to review the budget to reduce the operating deficit.

Controller Hull discussed the line item by line item review process used to prepare the budget.

Governor Eymery commented that effort is needed to increase income.

Governor Garrett recommended working toward an operational budget meeting the 4/14/15 OS#2B motion (3% and 1%) or equivalent criteria.

Governor Lyon emphasized the need to have a Strategic Plan to optimize the budget.

Vote Passed 6-3-0 (President Ellsworth, and Governors Ellis and Montgomery against) (R1)

Agenda Item #3. Increasing Dues on Gold Level Digital Membership – President COL Steven Ellsworth, ret.

The Membership Committee has recommended increasing membership dues for the Gold/Digital level; this level of membership receives their magazine subscription online. Currently, these dues are set as:

Regular (Gold) (64 & under)	1 YR \$28	2 YRS \$53	3 YRS \$78	5 YRS \$128
Senior (Gold) (65 & over) Young Numismatist (Ages 5 - 17)	\$14	\$26	\$39	\$64

Proposed dues:

Regular (Gold) (64 & under)	1 YR \$30	2 YRS \$57	3 YRS \$84	5 YRS \$138
Senior (Gold) (65 & over) Young Numismatist (Ages 5 - 17)	\$16	\$30	\$44	\$74

MOTION by _____, second by _____ to increase the dues structure for the Gold/Digital level of ANA Membership as proposed above. This increase will go into effect as of [date] _____.

Discussion: President Ellsworth tabled the motion until the January 2020 meeting.

Agenda Item #4. Upcoming Board Meeting Schedule – President COL Steven Ellsworth, ret.

The next Board teleconference is set for Tuesday, January 14, 2020 at 4:00pm MT.

ADJOURN at 5:42 PM MST