

200114 Open Session Teleconference Meeting Minutes

Board of Governors

Meeting Minutes Draft for Review/Approval

Regular Meeting Teleconference

Open Session

January 14, 2020

(Note: Agenda item text is highlighted in gray)

Call to Order – President COL Steven Ellsworth, ret

Meeting was called to order at 4:46 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, Muriel Eymery, Mary Lynn Garrett. Greg Lyon, Clifford Mishler, Paul Montgomery, Shanna Schmidt (for Agenda Item #1)

Non-Voting Attendees Present: Executive Director Kim Kiick, General Counsel Hollie Wieland, Controller Carol Hull, Executive Assistant Donna Nunez, Secretary Sanford Pearl, Treasurer Larry Baber, Past President Gary Adkins, Funds Development Manager Donna Frater (Agenda Item #3 only)

Non-Voting Attendees Absent: Parliamentarian Mark Lighterman

Agenda Item #1. Fiscal Year 2021 Budget Guidelines – President COL Steven Ellsworth, ret.

(200114 OS #1) MOTION by Governor Montgomery, second by Governor Mishler to approve the following budgeting guidelines beginning with FY 2021:

“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. The board may allocated up to an additional 2% of Association Investment Principal may be used for planned noncapital expenses during said Fiscal Year, based on the performance of the investments.”

Reasons for:

1. These reasonable parameters will provide the staff and the finance committee clear guidelines as they work throughout the year to get the ANA budget back on a responsible spending path.

2. These reasonable parameters will provide the staff and finance committee 10+ months, prior to the submission of the 2021 budget, to identify the priorities of the association and to allocate the appropriate financial resources to each.
3. These reasonable parameters will enable the staff to forgo any new initiatives that we can't afford and focus their attention on running the day to day operations of the association while working toward solutions for a fiscally healthy association for the future.
4. The board was reluctant to rescind this very well written motion (5-4) and did so only to get past the budget process for this fiscal year. The majority of the board, if not all board members, favor these guidelines for deficit spending.
5. The board should never have to consider a budget of more than 3% over anticipated revenues taking the pressure off the board to make decisions they are not comfortable with.
6. As these parameters become a board directed mandate; pressure is removed from the Executive Director, allowing for appropriate changes to be made to the operation while allowing ample resources to manage the priorities of the association.
7. These parameters provide ample resources to do in excellence, the important priorities of the association while eliminating a number of initiatives that tax the already loaded down human resources of the association.
8. The addition of a maximum of 2% to be used only for new programs or initiatives on board approval. These funds would not be used to simply balance immediate operational needs, thus allowing for innovative programs to be considered that are essential to the relevancy of the ANA and the hobby.

Reasons against:

1. These parameters will put a tremendous amount of pressure on the staff and finance committee as they run the day to day operation while making necessary changes in operational structure to insure the fiscal future of the association.
2. Longtime "sacred cow" programs may have to be scaled down and/or eliminated; creating potential political repercussions for the board and management.
3. Some association positions may have to be eliminated creating staff morale issues if not properly managed.
4. It puts additional responsibility on the committees to be engaged in the longer term planning process in order to make recommendations for board planning.

Discussion: Governor Lyon expressed the following concerns:

- 1) Capital expenditures should not be included.

If we need to replace the roof at the cost of \$250,000 or rebuild our website at the cost of \$1 million -- that should not require a reduction in program expenditures that year in the same amount. It would be catastrophic to our programs.

The justification for this in his opinion is that capital expenditures are carried on our balance sheet -- although they do depreciate over a number of years.

- 2) Restricted funds should not be included.

Restricted funds are donated in one year for a specific purpose to be used in future years. They are not (typically) included in operating revenue in the year they are donated and, as a result, should not be included in operating expenses in the year they are used.

All of our money is intermingled as "investments" but these should not be counted in his opinion as deficit spending.

He suggested the motion be revised to provide the Board more flexibility to address future unforeseen issues.

Governor Eymery felt the motion was too restrictive and needs revision.

Treasurer Baber felt the motion would result require cutting \$1 million from the 2020 budget and require eliminating some member benefits.

Governor Schmidt agreed with Treasurer Baber and felt the motion did not give the Finance & Budget Committee time to make operating budget deficit recommendations.

Governor Mishler commented that the ANA needs to get the budget under control.

Governor Garrett felt we need to increase our fundraising efforts and also felt that the Finance & Budget Committee should be given a reasonable amount of time to make operating budget deficit recommendations.

Treasurer Baber advised that he had prepared a list of items that may be implemented to reduce the operating budget deficit. He plans to forward the list to the Board and to ask staff to provide the costs of the items.

Vote: Failed

4 for (President Ellsworth, Governor Ellis, Governor Mishler, Governor Montgomery)

5 against (Vice President Ross, Governor Eymery, Governor Garrett, Governor Lyon, Governor Schmidt)

Agenda Item #2. Approval of Open Session Minutes – President COL Steven Ellsworth, ret.

(200114 OS #2) MOTION by Governor Mishler, second by Governor Eymery to approve the minutes of the Board of Governors' Open Session Teleconference held December 9, 2019.

Discussion: None Further

Vote: Passed 8-0-0 (Governor Schmidt absent)

Agenda Item #3. Fund Development Training – Fund Development Manager Donna Frater

Fund Development Manager Frater made a presentation on connecting the Board with the Fund Development Committee. She indicated that she was working with Committee Chair Governor Garrett to identify help needed from the Board. She also commented on the status of Board donations.

Agenda Item #4. Changing Title of National Coordinator – President COL Steven Ellsworth, ret.

At the 2019 World's Fair of Money in Rosemont, Richard Jozefiak was appointed to be the National Coordinator, a title referenced in Article IV, Section 2c of the Bylaws.

Article IV: Elected Officials–Powers & Duties, Section 2. President

c) To appoint the National Coordinator and any necessary Regional Coordinators to foster communication between clubs and collectors, and to facilitate educational programs, benefits and services offered to clubs and individual collectors by the ANA. The President may delegate the appointment of the Regional Coordinators network to the National Coordinator.

The Outreach Committee has proposed that this title be changed to ANA Outreach Programs Coordinator. Since this title change would not affect the voting rights of the membership, their eligibility for office or the structure of the board (as set forth in Article XIV, Section 2), the

board may vote whether to revise the Bylaws to adopt the proposed title. The Board may then also reappoint Richard Jozefiak to serve in the retitled role.

The proposed revised Bylaws passage:

Article IV: Elected Officials–Powers & Duties, Section 2. President

c) To appoint the ~~National Coordinator~~ **ANA Outreach Programs Coordinator** and any necessary Regional Coordinators to foster communication between clubs and collectors, and to facilitate educational programs, benefits and services offered to clubs and individual collectors by the ANA. The President may delegate the appointment of the Regional Coordinators network to the ~~National Coordinator~~ **ANA Outreach Programs Coordinator**.

(200114 OS #3) MOTION by Governor Garrett, second by Governor Eymery to revise Bylaws Article IV, Section 2c as proposed, striking the title of National Coordinator and adopting the title of ANA

Outreach Programs Coordinator, and to re-appoint Richard Jozefiak as ANA Outreach Programs Coordinator.

Discussion: None Further

Vote: Passed 8-0-0 (Governor Schmidt absent)

Agenda Item #5. 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

(200114 OS #4) MOTION by Governor Eymery, second by Governor Montgomery to increase the dues structure for the Gold/Digital level of ANA Membership as proposed above. This increase will go into effect as of June 1, 2020.

Discussion: Executive Director Kiick advised that the proposed increase is estimated to raise \$25,000 revenue.

Vote: Passed 6-1-1 (Governor Lyon against, Vice President Ross abstained, Governor Schmidt absent)

Agenda Item #6. Upcoming Board Meeting Schedule – President COL Steven Ellsworth, ret.

The next Board teleconference is set for *Thursday, February 13, 2020 at 11:00 AM MST (new date/time)* to discuss Service Awards.

The March teleconference will be Tuesday March 10, 2020 at 4 PM MST.

The Board will meet at the Atlanta National Money Show on Friday, February 28th at 7:00am for Executive Session/8:00 am for Open Session and again on Saturday, February 29th at 7:00am for Executive Session/8:00 am for Open Session.

ADJOURN at 5:55 PM MST