

## Executive Director's Report November 2011

### Membership

Fiscal Year starting April 1, 2011	November 2011	November 2010	YTD 2012	YTD 2011		
New Members	90	105	814	755		
Lapsed Members	(222)	(173)	(1422)	(1580)		
Net Gain (Loss)	(132)	(68)	(608)	(825)		
<b>Twelve Month Comparison</b>			<b>11/30/2011</b>	<b>11/30/2010</b>	<b>Gain/(Loss) vs. prior yr.</b>	
Regular Members			15,774	16,398	(624)	-3.8%
Family/Youth			1,022	1,089	(67)	-6.2%
Life			239	243	(4)	-1.7%
Contributory			149	136	13	9.6%
Business			243	182	61	33.5%
Total Members			17,427	18,048	(621)	-3.4%
Budget Dues FY	\$83,320		\$696,380			
Actual Dues FY	\$91,642		\$710,094	\$736,232	(\$26,138)	-3.6%
Difference	\$8,322		\$13,714		vs. budget >	2.0%

Fiscal year-to-date membership is down 608 (3.4 percent) compared to down 825 (4.4 percent) last year and down 1,469 (7.1 percent) the preceding year.

### Finances - 2011 Operating Funds

	Income	Expenses	Net Inc/Exp	Transfer	Capital	Net
1ST QTR	525,917	579,019	(53,102)	0	0	(53,102)
2ND QTR	453,872	510,188	(56,316)	0	10,400	(66,716)
OCT 2011	183,012	183,801	(789)	0	4,978	(5,767)
NOV 2011	147,879	144,774	3,105	0	0	3,105
YTD ACTUAL	1,310,680	1,417,782	(107,102)	0	15,378	(122,480)
YTD BUDGET	1,453,150	1,455,715	(2,565)	0	16,400	(18,965)
YTD VARIANCE	(142,470)	37,933	(104,537)	0	1,022	(103,515)

Income for the current year is 9.8 percent below budget, while expenses are less than budget by 2.6 percent. The net actual shortfall is \$107,102 (7.5 percent) on the YTD expenses of \$1,417,782 before capital and transfers.

### Investments

<b>Short-Term Investment Account*</b>	COST	11/30/2011
NAWCC Investment Fund	\$529,707	\$466,245
Life Membership Fund	116,045	58,737
Midwest Scholarship Fund	29,185	30,029
Library Acquisitions	11,267	11,098
Museum Acquisitions	51,007	51,893
Symposium Fund	5,000	4,882
Standard Investments	742,211	622,884

### **Long-Term Investment Account \***

Heritage Fund	49,905	45,266
Museum Endowment Fund	305,469	286,727

Museum & Library Investment Fund	731,395	712,250
Library & Research Center		
Endowment	88,453	88,703
School Endowment	173,395	165,979
Pritchard Fund	44,120	39,258
Midwest Scholarship Fund	1,379	1,289
Sub-total Long-Term Investments	<u>1,394,116</u>	<u>1,339,472</u>
Total Investments	<u><u>2,136,327</u></u>	<u><u>1,962,356</u></u>

\*Consolidated Long-Term funds balance-Individual named account balances calculated

The current values on investments reflect paper gains and losses due to market fluctuations. Because most of our fixed income investments are held to maturity, actual gains and losses will only occur at maturity or when an investment is sold.

## Development

Regular donations total \$111,136 YTD versus \$105,776 for the previous year. Pledge payments YTD are \$11,500. In-kind donations total \$9,851 versus \$5,067 last year. In-kind donations do not include items donated for which the value is not determined. \$4,050 of the in-kind donations is for computer equipment through HP's employee matching gift program.

November chapter contributions: New England Chapter 8 - \$500 unrestricted

As of the end of November the 2012 Annual Fund Campaign has resulted in gifts totaling \$25,057 from 245 donors. This compares to \$11,624 from 97 donors last year when the annual fund mailing was mailed later than this year. These numbers are likely to be much closer by the end of December.

At the Board meeting at the beginning of December, the Development Task Force appointed in June presented their report. After reviewing the report, the Board decided to move forward with retaining professional fund counsel to prepare a case for support and determine the feasibility of a major endowment and capital campaign. The money to cover the professional fees for the fund counsel was pledged from the members of the Board and the observers present at the Board meeting.

## Information Services – Kevin Osborne, IS Director

We have about 50,000 visitors to the Message Board every week. That's 2.6 million per year. This number of visitors to the website is taking its toll. It has been so busy that frequently it won't allow people to access it. This is a good problem in one way (popularity) but a problem nonetheless as people get frustrated and may stop using the website. We are seeking to address the problem by purchasing and installing a server to host and run the MySQL database, which is the engine that drives the Message Board. We also are planning to install a Barracuda Backup Device at the co-location to efficiently and reliably back up the servers that we host there.

We have upgraded and installed three computers at the School. All three PCs are now running Windows 7 and Office 2010. We have also updated the two PCs our accounting department uses along with the two computers used by our Communications Director and his assistant. All told, we now have 22 of 29 PCs running Windows 7 and 14 PCs running Office 2010. Not all the PCs will need to run Office so we have 12 additional PCs to update to Office 2010.

We have ordered 12 new copies of Office 2010 from TechSoup for \$31 each and 5 copies of Windows 7 Professional for \$12 each. The total cost was \$432 while the total retail value is \$10,630. The total value includes Microsoft's Software Assurance, a program that for a fee (free for us) allows our Association to update to a newer version of the program within any two-year period. For instance, last year we purchased and installed 10 copies of Office 2007. With Software Assurance we were able to upgrade (at no charge) the 10 copies of Office 2007 to Office 2010. According to the TechSoup website, the NAWCC has received to date, a total \$36,362 (fair market value) worth of Microsoft software for a fraction of the cost.

George Kabacinski has again offered us access to the HP Gifts in Kind program. This time we have requested a laptop for the Museum, computers for the Library and the Curator, two LCD monitors and a small color printer. This is over \$4,000 worth of donation to the NAWCC. Thank you, George!

A computer was installed in the new classrooms and the 32-inch flat panel display from the School was also installed and connected to the computer so the class can view whatever is displayed on the PC.

### **School of Horology – Jim Michaels, School Director**

The School has received six enrollment agreements for our new program starting in June of 2012.

Current classes:

Jim Michaels, Watch Program W-700: Wristwatches ends 12/16/2011, Students - 6

Al Dodson, Clock Program C-800: Platform and Lever Escapement Clocks ends 12/16/2011, Students - 4

These are the last classes for 2011

For the first time in the W-700 class, the students have all had the opportunity to work on Bulova 218 Accutrons. This will become part of the class as long as parts can be obtained.

School information packets to over 400 military installations are in the process of being sent out.

Several donations of watches have been received for student training this month.

The service center is still accepting repairs. The service center is receiving a steady supply of jobs including wristwatches, pocket watches, and clocks. Gross repair sales are approaching \$10,000 per month. Repair receipts April-November were \$55,305, compared to \$27,253 for the same period last year.

### **Museum/Library – Noel Poirier, Museum Director**

The Museum's admission revenue for November was \$4,356. Visitation for November was 1,088, including 42 NAWCC members (3.9 percent). NAWCC Store sales for November were \$3,094. November 2011's visitation exceeded the month's average visitation for the last five years. The Museum continues its partnership with the Turkey Hill Experience attraction, to date having sold over 850 joint tickets combined. The Turkey Hill Experience also is marketing the Museum's school group and adult group tour offerings. The Museum Director finalized the Museum's five-year strategic plan for presentation to the NAWCC Board of Directors at their December meeting.

The Museum's online searchable collection database recorded 2,620 searches via the database's website. The Museum Director and the Executive Director conducted on-site interviews with potential Library Supervisor candidates. A candidate was selected for the position and the candidate accepted the position on November 30. She will start at the beginning of January. The Museum Director continues to review applicants for the Gallet Guest Curator of Wristwatches position, with the hopes of offering that to a suitable candidate in December. The Museum generated a list and will present a substantial number of objects to the Museum Collections Committee for accession in December.

The Museum continues to make loan requests to institutions and individuals for objects for the 2012-2013 exhibit season highlighting timekeeping in sports and the personal timepieces of fighting men and women. A request will be made to NAWCC members regarding the possible loan of items for the exhibits as well. The Museum Director will begin in December to make arrangements for the return of items loaned for the Clockworks exhibit following its close at the end of 2011.

The Museum and Library received the information requested for the Hamilton Watch collaboration project and has begun working on our contribution to the project. Assistance will be principally providing information on various Hamilton wristwatches as well as graphic material for a website and exhibits. The Museum Director is beginning the process of redeveloping the Museum Timepiece adoption program to

make it possible for more individuals to adopt timepieces while still offering opportunities for Chapter donations as well. The Museum Director also will be sending a mailing to numerous local business leaders and corporations to solicit support for the Museum and the Library through the Museum Business Timekeeper Program.

The Library had 127 visitors for the month and loaned 199 items; 122 research and reference questions were answered, 430 items were donated, and 5 acquisitions were made.

### **Education/Volunteers – Katie Knaub, Education Director**

We held several school group programs during the month, including a private sleepover for a scout group. We made the revisions to the valuation course(s) material per the instructor's changes. We also prepared the new classroom space in the lower level of the Museum for use for the last workshop for the year. The new space was received well by the students and the instructor.

For the School of Horology we attended two webinars for financial aid: one on the gainful employment regulations and the other on updates to the direct loan program. We continue to take these webinars as they are offered so we keep current in federal regulations for student funding. We researched all student records from 2006 to the present and entered the records into the gainful employment website per new federal regulations.

Volunteers: We met with our exhibits intern for the spring to complete the necessary paperwork for the college. We also gave a presentation on volunteering to the Columbia High School students as part of Comcast Connect the Dots program. The program was attended by over 150 local students who have to complete community service hours as part of the graduation requirements. We placed a new volunteer in the Museum Store. Total Volunteer Hours for November: 532.75

We held our annual Homeschool Day program with 122 participants. The event continues to grow, and we had several families who were repeat visitors to this program. We prepared material for our holiday Make a Clock workshop and visit with Santa Claus in December, and we continue to refine programs for 2012.

### **Publications - Diana De Lucca, Editor**

Projects and activities noted below were completed in November 2011.

The January *W&C Bulletin* was sent to the press on November 29. The January issue includes eight articles, the results of the 2011 Crafts Competition, and a Q&A featuring Tom Spittler and Chris Bailey discussing their new book, *Clockmakers and Watchmakers of America by Name and by Place*, which is offered for sale in the January issue of *Mart & Highlights*. Articles for future *Bulletins* continue to be received, reviewed, peer-reviewed, and processed.

Custom emails, Constant Contact group emails, and letters were sent to Regionals, auction houses, and members to encourage advertising in the January *Mart & Highlights* issue.

The December *eHappenings* featured a listing of all October advertisers, with additional content added for several advertisers who made commitments to advertise in the January 2011 issue. Potential advertisers were called from the database created by Elise through research of other horological publications. Fifteen media kits were sent to prospects who expressed interest in advertising.

Seventy-five copies of the Spittlers/Bailey index are expected at the Museum Store by the end of December.

Richard Watkins' *Watch Collecting* book is finished and will soon be sent to Richard for his final review.

Page designs for Balcomb's *Clock Book* were finalized.

Watchdig.org continues to consume staff time; currently all posts on the site are being tagged for future searching. Fifteen new posts were added to the site since the last monthly report.

An eCard utility was installed on nawcc.org website by Markus Harris, and Publications provided graphics. Designs for a new online donor area were created and reviewed. The Join Page was addressed; a prototype

was created with Bismarq design software. Problems were encountered merging the 2011 *W&C Bulletin* index with the main index and Tom McIntyre was asked to help.

Press releases, *eHappenings*, etc., were proofed and copyedited as received. A holiday card was designed and mailed from the printer to NAWCC donors. Staff evaluations were completed. Several versions of Annual Appeal letters were created. A report was prepared for visiting Board members.

### **Communications – Markus Harris, Communications Director**

Communications adjusted and maintained NAWCC websites and online resources, provided technical advice and individual customer service via phone and email. Printed, mailed, and invoiced newsletters for Chapter 1, Chapter 3, and Chapter 11. Sent email newsletters and targeted Constant Contact mailings on various topics including Regional and area chapter events, supported Chapters 1 and Chapter 66. Developed and mailed out press packets for November Calendar of Events, December Calendar of Events, and Santa's Visit. Printed posters and flyers for Santa's visit to be mailed to Lancaster and York library systems, local businesses, and Luthercare. Contacted Larry Alexander (*Lancaster News*) and Lori Badders (*York News*) for assistance in promoting Enlisting Time exhibit. Developed and formatted special December edition of NAWCC *eHappenings* Internet newsletter. Mailed Association and School promotional information to Tulsa chapter as requested.

Communications and Special Events planned in-house catering for BOD event, arranged floral rental for Santa backdrop and dealt with Interiors and Musser's for materials (Santa's Visit event), developed menu and took reservations for Staff Christmas luncheon, completed support of BOD event (including setup and breakdown) for first week of December. Confirmed and coordinated final details for the BOD event at Loxley's and the Symposium.

### **Facilities – Chuck Auman, Controller**

In the month of November we were presented with several boiler problems. The air damper for the boiler room was not operating correctly and needed to be repaired, the sight glass and seals were replaced, and the boiler blower motor burned up and needed to be replaced. The boiler blower motor left us without heat for a day. The repairs cost over \$1,800.

While the Board of Directors was in Columbia, the heat exchanger for the heating system failed. The replacement cost for this unit is \$4,434 and was approved as a new capital item for this fiscal year. It is scheduled to be replaced in December. We also had a leak in one of the main water lines, which we fixed in early December.

I received a quote to clean up the leaves around the property for \$300. Instead of spending the money, I cleaned up the leaves on two different Saturdays mornings. I am looking for a part-time maintenance person to help with the outside work and snow removal. We now have a volunteer that is doing some of the inside maintenance work.

### **Admin/Other**

In the personnel area we have hired Sara Butler Dockery as Library Supervisor to start in January and Linda Grossman part-time in Member Services to start December 19.

The 4sale website is getting about 3,500 visitors a month, of which almost 3,000 are unique visitors, and the site has over 1,750 registered users. The number of items listed is still on the light side with 50-70 items usually available. The use of the auction function is increasing with more for sale items being listed under auctions than classifieds. Visits to the School of Horology website are up 13 percent over last year. Visits to the main nawcc.org website are slightly ahead of the prior year with over 470,000 visitors a year.

All the chapters in the IRS Group Exemption application agreed to change the application from 501c3 charitable organization to 501c7 social and recreational club per the recommendation of the IRS. Materials were sent on November 28, and subsequent contact resulted in a request for clarification on two matters that

have been submitted. The agent will clear the application as soon as she receives this follow-up letter. The application will then need to be signed off by her supervisor and go to a quality control review. This could take another 4-6 months. I continue to assist U.S. chapters in filing their IRS 990-N electronic postcard returns.

The classroom project in the lower level of the Museum was completed early in the month and has been used for several functions and workshops. The audiovisual projector in the auditorium has failed and we are in the process of replacing it. Contributions to this or other projects by chapters and individuals are always appreciated.

After a brief discussion at the Board meeting of making available to members benefits such as health and business insurance, I will proceed to work with Association Health Programs (AHP) to set up a program for the NAWCC. AHP currently provides programs for the AWCI, the American Association of Woodturners, and many other associations. I will also look into other programs that will enhance member benefits. Any member benefit programs we participate in will originate with all promotional emails or mailings from the NAWCC because we do not share member information, emails, or addresses with non-NAWCC entities.

J. Steven Humphrey, Exec. Dir.      12/15/11