

Executive Director's Report August 2011

Membership

Fiscal Year starting August 1	August 2011	August 2010	YTD 2012	YTD 2011	
New Members	107	92	517	481	
Lapsed Members	(174)	(188)	(911)	(924)	
Net Gain (Loss)	(67)	(96)	(394)	(443)	
Twelve Month Comparison			8/31/2011	8/31/2010	Gain/(Loss) vs. prior yr.
Regular Members			15,973	16,768	(795) -4.7%
Family/Youth			1,040	1,111	(71) -6.4%
Life			239	243	(4) -1.7%
Contributory			150	128	22 17.2%
Business			239	179	60 33.5%
Total Members			17,641	18,430	(789) -4.3%
Budget Dues FY	\$85,820		\$433,400		
Actual Dues FY	\$83,180		\$430,045	\$451,423	(\$21,378) -4.7%
Difference	-\$2,640		-\$3355		vs. budget > 0.1%

Fiscal year-to-date membership is down 394 (2.2 percent) compared to down 443 (2.3 percent) last year and down 1,118 (5.4 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)
JUL 2011	138,613	154,246	(15,633)	0	10,400	(26,033)
AUG 2011	166,637	193,180	(26,543)	0	0	(26,543)
YTD ACTUAL	831,167	926,445	(95,278)	0	10,400	(105,678)
YTD BUDGET	921,125	938,936	(17,811)	0	10,400	(28,211)
YTD VARIANCE	(89,958)	12,491	(77,467)	0	0	(77,467)

Income for the current year is 9.8 percent below budget, while expenses are less than budget by 1.3 percent. The net actual shortfall is \$95,278 (10.2 percent) on the YTD expenses of \$926,445 before capital and transfers.

Investments

Short-Term Investment Account	VALUE		INSTRUMENTS
	COST	8/31/2011	
NAWCC Investment Fund	\$534,707	\$516,631	Corporate Bonds, CD & Cash
Life Membership Fund	116,045	64,531	Stocks, Bonds & Cash
Library Acquisitions	11,267	11,267	
Museum Acquisitions	51,007	51,007	
Standard Investments	713,026	643,436	
Long-Term Investment Account *			Cash, Corporate Bonds, Mutual Funds
Museum Endowment Fund	305,469	292,896	
Museum & Library Investment Fund	731,395	730,560	
Library & Research Center Endowment	88,453	90,206	

School Endowment	173,395	170,783
Pritchard Fund	44,120	41,384
Midwest Scholarship Fund	30,564	30,511
Sub-total Long-Term Investments	<u>1,373,396</u>	<u>1,356,340</u>
Total Investments	<u>2,086,422</u>	<u>1,999,776</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. Since 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 \$55,597 YTD versus \$74,453 for the previous year. Pledge payments YTD are \$10,500. In-kind donations total \$264 versus \$285 last year. In-kind donations do not include items donated for which the value is not determined. One charitable gift annuity of \$10,000 was contracted in August.

Recent chapter contributions: \$2,000 from San Diego Chapter 59 toward the classrooms project.

The materials for the 2012 Annual Fund Campaign were prepared for the mailings and October *Mart & Highlights*.

Information Services – Kevin Osborne, IS Director

The new drives are installed on the Web server and will be available for data soon.

Eight new Business Members were added to the business directory.

All the Museum, Archive, and Library cameras are now color cameras. We also ran two cables inside the Museum to the corner behind the Engle Clock. We will carry them through the wall and outside where we will install two outside cameras to cover the parking lots. Our new DVR system has the capability to allow us to access the cameras remotely on remote devices such as the iPhone and the iPad. We have configured it so that now we can remotely check and see whatever the cameras see.

We have been in contact with George Kabacinski, and he has once again participated in the Gifts-in-Kind program on the NAWCC's behalf. With his donation we will be replacing our two Gift Shop Point of Sale computers with new touch screen computers and updating our two Library patron computers as well.

We will also be receiving additional flat-screen monitors to replace some of the older remaining CRT monitors we have. Finally, we will be able to replace a number of 10-plus-year-old LaserJet printers with new models that print faster and use less power. We will also upgrade the donated Laser printer in Publications to a new efficient and faster printer. Thank you, George, once again!

With the addition of new computers in mind we have begun to think through upgrading the remaining old computers with newer computers. We will do this in conjunction with upgrading all of our newer PCs with Windows 7 and Office 2010.

No new equipment will need to be purchased because we will start with one of the new computers we received from George in the last donation. That computer will replace one running XP, which will then be upgraded to Windows 7 and Office 2010 and used to replace another PC, which then will be upgraded to Windows 7 and Office 2010, and so on. When it is finished, we will have 10 PCs upgraded from XP to Windows 7 and 13 PCs upgraded to Office 2010. Combined with the existing Windows 7/Office 2010 PCs, all of our staff will be current with standard Microsoft computer software. To carry out the update, we will need to purchase 8 additional copies of Windows 7 and 12 additional copies of Office 2010. These can be purchased from Tech Soup at \$12 each for the Windows 7 and \$24 each for the Office 2010.

School of Horology – Jim Michaels, School Director

Classes continued through the month of August. The watch program held W-300 Horological Lathes. The clock program continued with C-300 Basic Clock Repairs, followed by C-400 Intro to Clock Escapement.

The Pennsylvania Department of Education held a compliance visit the morning of August 5. During the visit student records were reviewed for accuracy, and the School catalog was reviewed along with the instructor's files. The School was found to be in compliance with the rules and regulations of the PA Department of Education and was only required to correct one form for Al Dodson's file and update the Combined Program tuition on the State site.

The Accrediting Commission of Career Schools and Colleges (ACCSC) held an unannounced school evaluation visit on August 9. The Commission reviewed student records, school catalog, and graduation retention records. The School is not compliant with updating and recording graduate retention and employment rates. The School's dropout rate exceeded standards, compared to the graduation rate for 2010-2011 for the number of students the School had. The School will receive the final evaluation findings from the visit in 4-6 weeks.

A Program Advisory Committee meeting was held August 23. These meetings are mandatory for accreditation and must be held at least twice per year. The committee discussed each program curriculum along with an in-depth discussion on advertising for the School and what the committee could do to help.

The SOH service center has had a steady stream of watch and clock repair work. The service center continues to both repair and sell timepieces for customers. Customers often have the timepieces repaired prior to sale for which the service center receives a sales commission. Gross repair income for August was \$8,654, compared to \$1,691 last year. The YTD total is \$36,690, compared to \$9,714 the previous year.

Museum/Library – Noel Poirier, Museum Director

The Museum's admission revenue for August was \$8,450. Visitation for August was 1,864 visitors, including 49 NAWCC members (2.6 percent). NAWCC Store sales for August were \$6,977. August 2011's visitation is the highest August visitation since 2002. "Family" visitors and visitors who purchased the Turkey Hill Experience / NWCM Joint Ticket amounted to nearly 28 percent of August's visitors. The opening of the Turkey Hill Experience has no doubt aided in the increase in Museum visitors (specifically family visitors) through the summer. Only time will tell if this increased visitation trend will continue through the fall and winter months. September's visitation is already ahead of last year's.

The AAM's decision about provisional accreditation was received in August, and the Museum's application has been tabled for two principal reasons: an AAM concern over the Museum's dated HVAC control systems and the completion of the Museum's five-year strategic plan. The Museum Director is addressing these items with the AAM Accreditation Commission and expects to submit material to the Commission in early January to ensure our compliance with AAM standards on these matters. Once this is completed, the Accreditation Commission should award provisional accreditation and schedule a site visit for some time in 2012.

The Museum's online searchable collection database recorded 2,309 searches via the database's website. Laurence Bodenmann, a curator with the Musée international d'horlogerie, spent over a month working at the Museum. She worked on a plan for a new method of exhibition of the Museum's extensive Hamilton Watch Company material. The Museum is working with NAWCC member Daniel Weiss on his 2013 NAWCC Calendar using images of American pocket watches in the Museum collection.

The Found Time exhibit of Randall Cleaver's art-clocks was installed the first week of August with a small, artist opening held in the middle of August. Randall will also be attending the annual Wine & Chimes fundraiser in October to provide tours of his exhibit to attendees. The Museum has arranged the loan of a number of objects for the 2012-2013 exhibit season, highlighting timekeeping in sports and the personal timepieces of military men and women. Loans are being made with private individuals, museums, and brands.

The Museum is finalizing its negotiations with Hamilton Watch on how we can assist them in the 120th Anniversary of the brand in 2012. This partnership tentatively will involve Hamilton's sponsorship of exhibits and events at the Museum and promotion of the Museum and its collection at a special exhibit being planned for New York City. Gallet has committed to serving as a sponsor for the 2012 exhibit season, and we expect their donation to arrive this fall. The Museum Director has finalized designs for a brochure promoting NAWCC Membership with Museum visitors that highlights the local benefits of NAWCC Membership and will begin marketing that with visitors over the Labor Day weekend.

The Library had 247 visitors for the month and loaned 212 items; 111 research and reference questions were answered, 126 items were donated, and 26 acquisitions were made.

Education/Volunteers – Katie Knaub, Education Director

We continue to work with the instructor on the valuation courses materials and with National Association of Jewelry Appraisers to whom we will offer a special members-only course in April 2012. We assisted with the installation of the Found Time exhibit. We also held a story time program at the Columbia Library as part of their youth summer programs with 40 children in attendance.

We continue to review material received from the Department of Education, PHEAA, and other sources on the latest regulations for federal student aid for the School of Horology. We assisted in the site visit from the PA Department of Education.

Our three interns finished their various projects for us and returned to college. We continue to receive inquiries about volunteer opportunities and meet with those individuals to discuss volunteering with us.

Total Volunteer Hours for August: 686

We continue to offer the make-and-take sessions on Mondays; more families participated this year than last year. We offered our kids camp workshop related to the clockwork toy workshop with assistance from our education volunteers. We continue to prepare material for the upcoming special events in September.

Publications - Diana De Lucca, Editor

The October *Watch & Clock Bulletin* was sent to the press on Friday, August 26. The October issue includes nine articles, Technical Tidbit No. 11 by Stephen Nelson, a one-page promotion of the October Symposium by Patti Moore, and the State of the Association report. Coordination with authors and peer reviewers continues on articles for future issues.

The October *Mart & Highlights* was delivered to the print vendor on Monday, September 12. The October issue is 72 pages, including 22 pages of Chapter Highlights. Advertising income for the issue is not known at this time; however, ad income was less than August *Mart* income. Nine regular *Mart* advertisers have chosen to take advantage of the new *Mart & Highlights* website feature, Mart Marketplace.

Tom Spittler's *Clockmakers and Watchmakers in America by Name and by Place* is still in process; additional needed corrections have delayed the completion of this project until the end of September. Richard Watkins' *Watch Collecting* has been put on hold to complete the Spittler book. Image scanning and digitizing text has been completed for Philip Balcomb's *The Clock Book*, and layout will be done in September.

Work on WatchDig website/blog continues to be a major focus of the Department. Staff continues to post content and review all posts. The database is still being developed. Various watch forums have been contacted to promote the site.

Staff continues to update nawcc.org as needed; recent changes were made to the Library section. A new design has been created for the donate page of nawcc.org.

Copyediting and proofing continue on all marketing material: primarily *eHappenings* and press releases. The NAWCC dues notice and Annual Appeal literature were redesigned. A Constant Contact email was designed for the upcoming Symposium. The 2011 Crafts Contest winners were posted online.

Communications – Markus Harris, Communications Director

Communications maintained the various NAWCC websites, monitoring and troubleshooting all NAWCC online resources, and provided technical advice and individual customer service via phone and email. Printed, mailed, and invoiced newsletters for Chapters 1, 141, and 3. Sent Constant Contact email blasts for various National and Chapter level events, sent targeted Constant Contact mailings to membership on various topics, including Regional and area chapter events. Communications followed up via email and phone contacts to complete recruitment of vendors for our upcoming Wine & Chimes event. Communications sent more recruitment emails to vendors for Wine & Chimes and made calls in support of the September 16 Steampunk Festival. Coordinated with Chapters to update and upgrade Chapter websites as necessary. Developed and sent press releases for September Calendar of Events, Wine & Chimes, and Chapter 80 Mini Mart. Developed Aug/Sep edition of NAWCC eHappenings Internet newsletter and designed minischedule flipbook for Mid-South Regional.

Communications contacted environmentally friendly publications for interest in including information about Found Time exhibit and worked with media personality Melanie Gardner from TV Fox 43 in filming four segments promoting Found Time exhibit. Compiled list of food and wine vendors for inclusion on Facebook; sent information on all fall events to the York County Convention and Visitors Bureau; contacted and scheduled Santa for December visit and workshop; coordinated farewell luncheon for guest curator Laurence; sent more member recruitment materials to Chapters, including posters, member applications, and Chapter meeting cards; and coordinated the inclusion of Museum ad in local publications. Marketed, researched, and contacted possible leads in promoting Steampunk event via contacts made by email, Facebook, and phone to Harrisburg, Lancaster, Philadelphia, and Israel.

Facilities – Chuck Auman, Controller

In the month of August we spent \$2,770 to repair roof leaks. We replaced the boiler controller for \$891. I spent over four hours researching the boiler controller and was able to purchase one from a supplier and then have it installed. The original estimates to replace the boiler controller were \$1,975 to \$1,585, thereby providing a saving of \$694. We had plumbing and HVAC repairs done at a cost of \$1,156 and \$1,083, respectively. August was a busy month with repairs.

September has been a very busy month with the water problems. We are replacing two sump pumps with larger pumps and adding one to the elevator shaft to handle the water flowing into the building. Because we have a good relationship with a local plumber, he provided several sump pumps for our use. Without his pumps, the water problem could have resulted in major damage to items in the lower level. We also used the fire department to pump water out of the elevator shaft. We need to add a water drainpipe to the elevator shaft to get the water out of the building.

The maintenance area continues to require about 10-15 hours a week of the Controller's time, except on September 8, when the flooding required 15 hours for the day.

Admin/Other

David Lee, our new treasurer, visited in early August to meet with the Controller and me. I attended a small group sponsored by the Lancaster Chamber to meet with Congressman Pitts and discuss federal initiatives. I attended the Chris Brown auction in Monrovia, NY, and the following day attended the Cog Counters annual picnic and presented their NAWCC Charter as the newest NAWCC chapter. Following these events I spent the next several days at the Eastern States Regional in Syracuse, NY. Later in the month we had the semiannual meeting of the School of Horology's Advisory Board. Time was spent on the annual fund campaign, planned giving, and other administrative matters.

J. Steven Humphrey, Exec. Dir. 9/16/11