

Executive Director's Report June 2014

MEMBERSHIP

| Fiscal Year starting April 1, 2014 | June 2014 | June 2013 | FYTD 2015 | FYTD 2014 | | |
|---------------------------------------|-----------|-----------|------------------|------------------|----------------------------------|-------|
| New Members | 72 | 51 | 232 | 237 | | |
| Lapsed Members | (150) | (170) | (518) | (562) | | |
| Net Gain (Loss) | (78) | (119) | (286) | (325) | | |
| Twelve Month Comparison | | | 6/30/2014 | 6/30/2013 | Gain/(Loss) vs. prior yr. | |
| Regular Members | | | 13,445 | 14,403 | (958) | -6.7% |
| Associate/Youth | | | 808 | 852 | (44) | -5.2% |
| Life | | | 232 | 235 | (3) | -1.3% |
| Contributory | | | 146 | 152 | (6) | -3.9% |
| Business | | | 249 | 243 | 6 | 2.5% |
| Total Members | | | 14,880 | 15,885 | (1,005) | -6.3% |
| Budget Dues FY | \$77,180 | | \$259,950 | | | |
| Actual Dues FY | \$84,748 | | \$260,228 | \$266,429 | \$6,201 | -2.3% |
| Difference | \$7,568 | | \$278 | | vs. budget > | 0.1% |

Fiscal year-to-date membership is down 286 (1.9 percent) compared to down 325 (2.0 percent) last year, and down 145 (0.8 percent) the preceding year.

FINANCES - 2014 Operating Funds

| | Income | Expenses | Net Inc/Exp |
|--------------|---------|----------|-------------|
| April 2014 | 127,337 | 131,323 | (3,986) |
| May 2014 | 165,659 | 163,224 | 2,435 |
| June 2014 | 119,539 | 149,464 | (29,925) |
| YTD ACTUAL | 412,535 | 444,011 | (31,476) |
| YTD BUDGET | 400,255 | 453,065 | (52,810) |
| YTD VARIANCE | 12,280 | 9,054 | 21,334 |

Current year income is 3.1 percent above budget, while expenses are less than budget by 2.0 percent. The actual net income is -\$31,476 (-7.1 percent) on the YTD expenses of \$444,011 before capital and transfers.

INVESTMENTS

| | Value 3/31/2014 | YTD Additions | YTD Withdrawals | YTD Investment +/- | Value 6/30/2014 |
|------------------------------------|--------------------|------------------|--------------------|-----------------------|--------------------|
| Short-Term Investment Funds | | | | | |
| NAWCC Investment Fund | 436,377 | 0 | (4,051) | 2,409 | 434,735 |
| Library Acquisitions | 7,692 | 1,435 | (2,605) | 33 | 6,555 |
| Museum Acquisitions | 29,462 | 325 | (8) | 164 | 29,943 |
| Symposium Fund | 37,157 | 25 | (1,861) | 198 | 35,519 |
| Sub-total Short-Term Funds | 510,688 | 1,785 | (8,525) | 2,804 | 506,752 |

| | Value 3/31/2014 | YTD Additions | YTD Withdrawals | YTD Investment +/- | Value 6/30/2014 |
|---|--------------------|------------------|--------------------|-----------------------|--------------------|
| Long-Term Investment Funds | | | | | |
| Heritage Fund | 175,715 | 8,333 | (1,094) | 11,671 | 194,625 |
| Museum & Library Institutional Fund | 806,259 | 5,544 | (14,559) | 50,928 | 848,172 |
| Museum Endowment Fund Library & Research Center Endowment | 398,285 | 2,449 | (3,032) | 23,223 | 420,925 |
| School Endowment/Education | 115,815 | 412 | (902) | 7,358 | 122,683 |
| NAWCC Endowment | 224,475 | 0 | (1,777) | 14,210 | 236,908 |
| Midwest Scholarship Fund | 56,979 | 1,500 | (409) | 5,828 | 63,898 |
| Pritchard Fund | 36,186 | 0 | (8,296) | 1,801 | 29,691 |
| Sub-total Long-Term Funds | 52,847 | 0 | (96) | 3,363 | 56,114 |
| | <u>1,866,561</u> | <u>18,238</u> | <u>(30,165)</u> | <u>118,382</u> | <u>1,973,016</u> |
| Total Investment Funds | <u>2,377,249</u> | <u>20,023</u> | <u>(38,690)</u> | <u>121,186</u> | <u>2,479,768</u> |

*Consolidated Long-Term funds actual balance - Individual named account balances are calculated.

The current values on investments reflect paper gains and losses due to market fluctuations. Actual gains and losses will only occur at maturity or when an investment is sold.

MUSEUM – Noel Poirier, Museum Director

The Museum's admission revenue for the quarter was \$16,404 plus an additional \$6,555 in Hops 'n' Clocks ticket sales. Visitation for the quarter was 3,906, including 141 NAWCC Members (3.6 percent). April 2014 visitation was the highest since 2000. NAWCC Store sales for the quarter were \$20,238 and included some Sherline tool sales. The Museum redeemed 564 Turkey Hill Experience Joint Tickets this quarter. Joint Tickets represented an average of 14 percent of visitation for the quarter.

The Museum purchased new point-of-sale software to be used to process visitors and sales on-site. The software also is designed to allow for the operation of a new, online store front. Initial plans were to have the new store front live during the first quarter of 2014; however, issues with the software have delayed the online implementation until the second quarter. It is the Museum's hope that the new online storefront will offer a better buying experience for customers. The NAWCC Store provided merchandise for the NAWCC National Convention in Milwaukee, and sales from the convention were better than previous years.

The Museum's exhibit team installed and opened the latest exhibit, Magic of Mystery Clocks, which includes numerous examples from the Museum collection as well as loans of timepieces from a number of NAWCC Members. The Matter of Time exhibit closed in May, and staff began preparing the exhibit space for the Backroom Curiosities exhibit slated to open at July's Hops 'n' Clocks event. This exhibit highlights items from the storage area of the Museum collection that are rarely on exhibit. Museum interns began working on the preparation for two upcoming exhibits: one on time recorders and their significance and another on public clocks.

The Museum contracted with a local firm, Lancaster County Timber Framers, to construct an appropriate stand for the display of the recently donated eighteenth-century Lancaster County Courthouse tower clock movement. A design for the stand was produced by Frank Del Greco, and funds for the stand were provided by donations from Members, Chapters, and more than half by the Steinman Foundation of Lancaster, PA. The Museum also met with the past CEO of the Simplex Time Recorder Company about the donation of his extensive collection of time recorders from the late nineteenth century to the present. An exhibit on the significance of these clocks is planned for 2015 or 2016.

LIBRARY AND RESEARCH CENTER - Sara Butler Dockery, Library & Archives Supervisor

Donna, our Library Assistant through the AARP Work Search program, has been working hard at cataloging our vertical file folders. This project has been going on for several years so it's good to have someone dedicating so much time to it. She does not have a library background, so learning the language and format of cataloging has been a challenge, but Donna has been an excellent student and learned a great deal in the past few months. This quarter she cataloged 471 folders and still found time to take care of our mail and circulation.

In May we saw a big jump in the number of visitors, questions, and books checked out, largely because we were hosting the annual clock and watch appraisal classes. Those classes are required to do research projects and make heavy use of the Library.

This quarter we made a couple of changes to improve the security of the Library. We installed ropes to block off the back portion of the Library (archives and periodicals) for staff only. This will make the archives and special collections more secure by requiring visitors to ask to see materials from that section.

We have also installed lockers behind the circulation desk to give researchers a place to store their bags and other items, which they are not allowed to keep with them while accessing archival and special collections materials. Museum visitors and volunteers will also be able to store their belongings in the lockers.

Compared to last quarter, we have also seen a jump in Library use, particularly in research questions, which is not entirely the result of the classes. Last quarter we answered 267 questions, and this quarter that rose to 482. We have been fielding more calls than in the past few months, and the number of paid non-member questions doubled.

April-June 2014 by the Numbers

Lending Library Activity

| | |
|-------------------------------------|------------|
| Total materials checked out - | 489 |
| Loans through mail - | 168 |
| Loans in house - | 321 |
| Programs borrowed for Chapter use - | 20 |
| OPAC Searches | 1,859 |

Material Types

| | |
|-----------------------------------|------------|
| VCR, DVD & Microfilm Loans - | 131 |
| Books and NAWCC Bulletins - | 358 |
| Total Number of Visitors - | 275 |
| Non-members - | 120 |
| Members - | 155 |

| | |
|---------------------------------------|------------|
| Fulfilled Research Questions – | 482 |
| Paid Non-members - | 8 |

Library Processing Statistics

| | |
|------------------|-----|
| Acquisitions: | 90 |
| Donations: | 72 |
| Cataloged Items: | 576 |

EDUCATION/VOLUNTEERS – Katie Knaub, Education Director

Museum Education Programs and Exhibits

We took down A Matter of Time exhibit and packed and returned the pieces to the artists. We set up the Mystery Clock exhibit with help from a new volunteer. Our new volunteer also began research for upcoming exhibits. We have a summer intern from England who will also be working on the installation of the

Backroom Curiosities exhibit. We also offered several field trip programs with the assistance of education volunteers.

NAWCC Workshops/Webinars

We held 11 workshops during this quarter. We are continuing to work on the online workshop program. We taped our second program with instructor Mike Dempsey that focused on an American time-only movement. We edited the first video with Tony and spent considerable time getting the integration process complete between ScholarLab and iMIS. We also had to reenter all of our workshop programs so that they can be accessed/edited by using the iMIS 20 staff webview. This took considerable time because we are using the iMIS calendar now instead of the community calendar/joomla webpages, which will save considerable staff time in the future for new workshops because those workshops will not have to be entered manually into three different locations. We also attended the NAWCC National Convention for the first time in several years, thanks to funds from the Mid-West funds. We assisted in taping several of the presentations and attended the Program, Education, and Museum committee meetings as a representative of the staff. Hopefully, we can continue to attend the National Conventions in the future because it is vital to connect with members and committee members at these meetings.

Education Attendance

| | | |
|-------------------------|--------------------------------|-----------------------|
| April-June 2014: | Museum Education programs: 72 | 2015 FY total: 72 |
| | Library Pass Participants: 134 | Museum Guides Sold: 9 |
| | NAWCC Workshops: 40 | 2015 FY total: 40 |

Volunteer Program

We have five new volunteers: one in Museum, one in Membership, two in the Library, and one in the Gift Shop. We also had a graphic arts intern from Italy with us for a month. She developed the Mystery Clock graphics as well as the Hops 'n' Clocks and fall Time Travelers Dance material. Total Volunteer Hours for Quarter: 920

Public Programs

We held an exhibit opening for the Magic of Mystery Clocks with a local magician performing for attendees on Saturday May 3. We prepared material for the annual Hops 'n' Clocks Museum/Library fundraising event to be held in July. We also offered our annual Make and Take programs on Mondays throughout the summer months. Public Program/Events Quarter: 79

PUBLICATIONS – Monica Elbert, Editor

Periodicals—*Watch & Clock Bulletin*

The May/June issue was described in the last quarterly report. The July/August issue was mailed the week of June 20. The July issue featured cover art of a recent donation to the Museum by the Towson Watch Co. of its Pride II wristwatch. This was the first time a wristwatch has been on the cover of the *Bulletin* since 2011 and the first time a *NEW* wristwatch has been on the cover since 2008. Highlights of the July issue include Part 1 of David Boullin's "Clocks of the London Underground," Rene Rondeau's "LBJ Pacer," and G. F. Prange's "Saga of an Antique French Pocket Watch."

Periodicals—*Mart & Highlights*

Revenue for May 2014-July 2014 was:

| Issue No. | Issue Date | Revenue |
|-----------|------------|----------|
| • 377 | May 14 | \$23,829 |
| • 378 | July 14 | \$24,393 |

Promotional emails via Constant Contact and personalized emails continue with each *Mart & Highlights* cycle. We have been updating our ad trades with other publications.

Special Publications

We are wrapping up the Shelley reprint. Proofs are with Donn Haven Lathrop for his final once over. We have been in contact with Owen Burt about compiling his series of article on Durfee clocks into a book. David Morrow has expressed interest in having a book published on what he took from Jerry Keiffer's course on wheel cutting.

Websites

Watchnews has been growing/improving. The "Trending Now" section gets regular updates, two articles are featured in the "Story Time" news section, and "Videos" include how-to videos and reviews. We are building professional contacts and advertising partnerships. Recruiting new contributors is ongoing. We post about once a day to social networking sites (Facebook, Twitter, etc.). General tweaking and updating on the Publications section of the NAWCC website has been ongoing.

Other Activities

We continue to prepare ads and information for the coming Ward Francillon Symposium. The department has been working on design and editing Marketing, Education, and Museum exhibit materials as well as materials that were created for the National Convention and regional convention materials.

INFORMATION SERVICES – Kevin Osborne, IS Director

Websites

We have been experiencing slowdowns on the NAWCC website as well as the Message Board. We discovered a number of access attempts through SSH (a means of logging onto servers remotely). We have shut down that access to all but the local administrators. We also have been blocking IP addresses from China and other suspicious sources.

Our websites are also exceeding our bandwidth limitations and this contributes to the problem. To remedy this, we are in the process of increasing our local bandwidth and moving our web servers to our offices in Columbia. This will eliminate the bandwidth issue, eliminate the cost of maintaining our servers at the co-location site in Ephrata and give us local access to the web servers when necessary.

We will move the equipment down to Columbia as a unit so that the websites will remain on their own local area network with a separate firewall, cable modem, and external and internal IP addresses. In preparation for this move, we have installed an independent air conditioner and backup power unit for the IT room.

Network

Although our current File and Print server has almost two terabytes of drive space, we are limited to just one terabyte of available drive space because the server is also hosting two other virtual servers that we no longer need.

Because we are running the server under VMware, we can migrate the file and print server over to another server already configured to use the entire two terabytes of drive space. To do so, we have purchased an identical used server (at minimal cost) and will prepare it for the migration. We can then put the previous server to another use.

Backup

We have two Barracuda Backup devices that we use to back up the servers in Columbia and at the co-location site. Recently, we have been running out of room on the Columbia backup device and are searching for an affordable solution to the problem. However, now that we will be relocating the web server to Columbia, we can bring down the other Barracuda Backup device and split the data load between the two.

COMMUNICATIONS – Markus Harris, Communications Director

The Communications Department carried out its various duties in the maintenance and upgrade processes of our various NAWCC websites and online resources, supporting the full implementation of the new main website (with additional updates to supporting web services and sites). Communications Director Markus Harris continues an extensive redesign of the NAWCC Community software interface and also formatted, designed, scheduled, and sent various Constant Contact email blasts for member chapters, the BOD, and national and regional association events. Communications mailed promotional materials to chapters in support of chapter events, writing and distributing press releases for the 2014 Symposium, Mystery Clocks Exhibit, our May-June-July Calendar of Events, the Trip Advisor, our Hops 'n' Clocks event, our Blue Stars Museum award, and especially for the 2014 National Convention in Milwaukee.

Communications Director Harris is still working with Association chapters to maintain a revamped website presence via the Community software system, anticipating the upcoming new redesign of the chapter microsite template. The June edition of the online ezine *eHappenings* was compiled and distributed. Markus also provided extensive customer service advice to members via Web and telephone regarding use of our website and other digital resources.

Communications arranged for assorted services at various association events and meetings. The Communications team also entered into a new advertising agreement with *Antique Trader* and *Maine Antique Digest* magazines, submitting ads for digital and printed inclusion as a member recruitment effort.

Kim Craven coordinated with the regional SVCC to help plan a celebration for the Association hometown Columbia's recognition by *Smithsonian Magazine* as one of America's 20 Best Small Towns to Visit, creating special ad content for *Susquehanna Life* and *Susquehanna Style* magazines to highlight that acknowledgment. As part of the Special Events Team, Communications sent promotional information to various beer publications and new vendors for our upcoming Hops 'n' Clocks event, resulting in the addition of 12 new breweries and restaurants. Communications also helped redesign the final poster and ad flyers for Hops 'n' Clocks. Communications promoted the Mystery Clock Exhibit and supported and helped stage that event; printed, mailed, and invoiced newsletters for Chapters 159, 134, 141, and 11; and revised our advertising forms for the Early American Industry Association to promote our new NAWCC workshops.

Kim Craven submitted newsletter invoice reports for all chapter materials produced by Communication during this period, researched our employee service awards at the company picnic in August, and led Hops 'n' Clocks meeting to discuss final event details—vendor needs and facility/operations requirements—in anticipation of the July 11 date (this moneymaking event is sold out for the third year in a row).

FACILITIES – Chuck Auman, Controller

The HVAC system has been a major problem this quarter. We replaced the chiller fans in unit #2, replaced the fan in air handler unit #1, replaced the steam actuator and motor for rooftop unit #1, and replaced the actuator on chiller #1. These repairs cost \$12,504, and we have a proposal to replace six contactors, two condenser overloads, and one suction pressure transducer in July at a total cost of \$7,323.

I completed the annual waste removal report for the Columbia Borough. I completed the Columbia Borough rented house report and paid the fee.

We continue to do building improvement such as painting and minor repairs. We started to trim the bushes around the building. We have removed several that were beyond saving.

I have been working on the natural gas contract for several months. Our current contract expired 03/31/2014, and the first proposal included a 43 percent increase over the prior contract price. At this point, I went to market price, which has been dropping, and June's price was below the prior contract price. I have been watching the market, and the last proposal increase was 21 percent for a one-year contract and 24 percent increase for a two-year contract. I will continue to monitor the prices and hope I can get a better price.

DEVELOPMENT – Steve Humphrey, Executive Director

| <u>Quarterly Comparison</u> | FY15 | FY14 | FY13 |
|-----------------------------|-----------|-----------|------------|
| Unrestricted Contributions | 19,023.24 | 20,716.09 | 16,286.25 |
| Restricted Contributions | 11,275.00 | 18,894.00 | 151,170.56 |
| Endowment Contributions | 12,600.00 | 0.00 | 51.00 |
| Total First FY Quarter 6/30 | 42,898.24 | 39,610.09 | 167,507.81 |

*FY13 Restricted includes Metsker Estate

Unrestricted contributions were 8.2 percent less for the three months, compared to the previous fiscal year. Restricted contributions were 40.3 percent less than the previous fiscal year. Endowment contributions reflect the For All Time endowment and capital campaign plus any bequest designated for endowment. Total contributions were 8.3 percent more than the first three months of FY 13.

April to June chapter contributions:

| | | | |
|--------------------------------|---------------------|----------|-----------|
| Buckeye Chap 23 | Greatest Need | 1,000.00 | |
| Heart Of America Chap 36 | Greatest Need | 1,500.00 | |
| Sooner Time Collectors Chap 74 | Greatest Need | 50.00 | In Memory |
| Valley Of The Sun Chap 112 | Message Board | 500.00 | |
| Western Carolinas Chap126 | Museum Acquisitions | 300.00 | |
| Keystone Chap 158 | Greatest Need | 300.00 | |

Other gifts include \$10,000 from the Donegal Mutual Insurance Company for the For All Time Campaign, \$5,000 from the William M. & Miriam F. Meehan Foundation, Inc. for the Library, plus several other gifts for the For All Time Campaign, and a number of gifts less than a \$1,000 for various purposes.

ADMIN/OTHER

Membership was down 153 in April, 55 in May, and 78 in June. This represents a decline of 1.9 percent for the quarter. Membership for the year is down 286 members or 1.9 percent. Dues income, which varies from actual membership numbers based on whether members pay early or late, was slightly ahead as outlined in the financial reports for the last three months. Calls by our marketing firm to reach out to lapsed members for the January to March quarter has resulted in 16 percent or 60 of the 366 lapsed members reached reinstating their membership.

We have been busy with getting the online education portal set up, which was finally accomplished in July. Several of the courses have already had members and non-members register. The 4Sale auction/classified website was updated, and we have for the immediate future removed listing and sales fees for auctions. When time is available, staff will look at the store component of the software to see if this might be membership benefit for our business or possibly other members. The main website will also soon be upgraded, and we will be looking at the new responsive design templates that make it easier to access the nawcc.org website from tablets and mobile phones. Work is also continuing on the redesign of the watchnews.nawcc.org website that is dedicated to modern wristwatch collectors. Mel Trago on our staff, who is leading this project, continues to look for contributors who want to review watches, brands, or publish short online articles on modern watches.

Linda Grossman left as part-time staff with Member Services, and Shari Lappe, who had been volunteering in Member Services, was hired as her replacement after advertising the position and interviewing several applicants.

I attended the North Coast Regional in May plus the National in June. In addition, I visited in conjunction with the “For All Time” endowment and capital campaign. The updating of the HVAC control systems commenced in May and should be finished by August. We have also been working with the Board on hiring a membership marketing firm to actively through direct mail, email, and other means solicit new members

for the NAWCC. It seems that even though about 1.5 million visit our websites each year, there are many interested persons.

J. Steven Humphrey, Exec. Dir. 7/15/14