

Executive Director's Report September 2015

MEMBERSHIP

| Fiscal Year starting April 1, 2015 | September 2015 | September 2014 | FYTD 2015 | FYTD 2014 | | |
|---------------------------------------|-------------------|-------------------|------------------|------------------|----------------------------------|-------|
| New Members | 85 | 86 | 520 | 519 | | |
| Lapsed Members | (102) | (99) | (849) | (959) | | |
| Net Gain (Loss) | (17) | (13) | (329) | (440) | | |
| Twelve Month Comparison | | | 9/30/2015 | 9/30/2014 | Gain/(Loss) vs. prior yr. | |
| Regular Members | | | 12,994 | 13,307 | (313) | -2.4% |
| Associate/Youth | | | 751 | 797 | (46) | -5.8% |
| Life | | | 227 | 231 | (4) | -1.7% |
| Contributory | | | 152 | 148 | 4 | 2.7% |
| Business | | | 264 | 243 | 21 | 8.6% |
| Total Members | | | 14,388 | 14,726 | (338) | -2.3% |
| Budget Dues FY | \$85,220 | | \$512,210 | | | |
| Actual Dues FY | \$78,364 | | \$490,247 | \$519,001 | (\$28,754) | -5.5% |
| Difference | -\$6,856 | | -\$21,963 | | vs. budget > | -4.3% |

Fiscal year-to-date membership is down 329 (2.2%) compared to down 440 (2.9%) last year, and down 704 (4.3%) the preceding year.

FINANCES: 2016 Operating Funds

| | Income | Expenses | Net Inc/Exp |
|---------------------|----------|----------|-------------|
| First Quarter FY'16 | 408,454 | 421,212 | (12,758) |
| July 2015 | 152,899 | 178,042 | (25,143) |
| August 2015 | 153,972 | 126,695 | 27,277 |
| September 2015 | 126,927 | 150,806 | (23,879) |
| YTD ACTUAL | 842,252 | 876,755 | (34,503) |
| YTD BUDGET | 893,985 | 897,551 | (3,566) |
| YTD VARIANCE | (51,733) | 20,796 | (30,937) |

Current year income is 5.8 percent below budget, while expenses are under budget by 2.3 percent. The actual net income is -\$34,503 (-3.9%) on the YTD expenses of \$876,755 before capital and transfers. The net is worse than budget by \$30,937.

INVESTMENTS

| | 3/31/2015 | Additions | Withdrawals | Investment | Merrill Lynch | Transfers | Book |
|------------------------------------|-----------|-----------|-------------|------------|---------------|-----------|-----------|
| | Value | YTD | YTD | Change YTD | 9/30/2015 | Pending | Value |
| | | | | | Value | | 8/31/2015 |
| Short-Term Investment Funds | | | | | | | |
| NAWCC Investment Fund | 480,634 | 0 | (92,721) | (30,969) | 356,944 | (1,412) | 355,532 |
| Library Acquisitions | 14,971 | 10,445 | (6,230) | (6,416) | 12,770 | (97) | 12,673 |
| Museum Acquisitions | 24,757 | 22,010 | (9,168) | (3,577) | 34,022 | 0 | 34,022 |
| Symposium Fund | 20,000 | 0 | (77) | (1,765) | 18,158 | 0 | 18,158 |
| Sub-total Short-Term Funds | 540,362 | 32,455 | (108,196) | (42,727) | 421,894 | (1,509) | 420,385 |

| | 3/31/2015 | Additions | Withdrawals | Investment | Merrill Lynch | Transfers | Book |
|-------------------------------------|-----------|-----------|-------------|------------|---------------|-----------|-----------|
| | Value | YTD | YTD | Change YTD | 9/30/2015 | Pending | Value |
| | | | | | Value | | 8/31/2015 |
| Long-Term Investment Funds | | | | | | | |
| Heritage Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Museum & Library Institutional Fund | 767,553 | 62 | (6,350) | (82,083) | 679,182 | (14,270) | 664,912 |
| Museum Endowment Fund | 389,657 | 2,105 | (8,912) | (41,206) | 341,644 | (1,262) | 340,382 |
| Library & Research Center Endowment | 115,411 | 1,000 | (771) | (12,469) | 103,171 | (2,226) | 100,945 |
| School Endowment/Education | 216,396 | 20,000 | (1,509) | (25,485) | 209,402 | (4,158) | 205,244 |
| NAWCC Endowment | 103,389 | 51,531 | (859) | (17,080) | 136,981 | (1,104) | 135,877 |
| Midwest Scholarship Fund | 23,977 | 0 | (160) | (2,566) | 21,251 | (1,295) | 19,956 |
| Pritchard Fund | 52,820 | 0 | (353) | (5,653) | 46,814 | 0 | 46,814 |
| Sub-total Long-Term Funds | 1,669,203 | 74,698 | (18,914) | (186,542) | 1,538,445 | (24,315) | 1,514,130 |
| Total Investment Funds | 2,209,565 | 107,153 | (127,110) | (229,269) | 1,960,339 | (25,824) | 1,934,515 |

*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 \$19,795. Visitation for the quarter was 3,916, including 146 NAWCC members (3.7%). NAWCC Store sales for the quarter were \$25,175. The Museum redeemed 398 Turkey Hill Experience Joint Tickets this quarter. Joint Tickets represented an average of 10 percent of visitation for the quarter.

The Museum hosted its annual Hops N Clocks fundraiser in July. As in past years, this event sold out (in 4 days this year). It continues to be the Museum's most popular public event and a significant fundraiser. The Museum staff met with NAWCC member and Bulova collector Richard Callamaras as well as with representatives from Bulova Watch to begin planning for an exhibit on the history of Bulova that will include vintage and modern pieces. This exhibit will open at the end of October 2015. Another event, Cloktoberfest, was held in late September in coordination with *Smithsonian Magazine's* Free Museum Day. More than 20 vendors, including a number of NAWCC members and Chapters were present, and traffic for the day was heavy, with over 300 visits that day. We anticipate offering this event as an annual event.

The Museum Director drafted four grant requests during the quarter (EG Watkins Family Foundation, Norfolk Southern Foundation, S. Dale High Family Foundation, and the John Frederick Steinman Foundation). These grants were requesting funding for collections and security upgrades that have been identified as NAWCC priorities.

MUSEUM COLLECTIONS: Kim Jovinelli, Curator

The Museum Collections Department has packed and sent for auction the Bryson and Mary Lou Moore collection to Pook and Pook auction house. The auction netted \$47,174, which was put into the Museum Endowment Fund to be used to further our collection preservation and acquisition. The Museum has also been working to research and install a Bulova Watch exhibit, with assistance from Guest Curator Adam Harris, titled *Bulova: A History of Modern*, which will feature the collection of member Richard Callamaras and pieces provided by Bulova Watch. It is set to open October 29. In addition, with the assistance of

volunteers Pam and Judy, the ongoing reevaluation of the collection space has continued. Judy has also continued to photograph our watch collection. It is anticipated that these projects will continue for some time. Few accessions have been added to the database, but several have been approved by the Collections Committee.

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

In July we shipped out the books that were bought in our online auction. It brought in just over \$2,000. We have been pricing more books for the online auctions and making sure that the carts in the Library are well stocked. There are enough books on hand to allow us to make the auctions an ongoing project.

At the end of August we held our annual staff and volunteer picnic, at which all of the Library's volunteers were honored for their service. The Association also honored this year's volunteer of the year, Terry Buckwalter, who volunteers in the Library. I have mentioned the inventory project that Terry recently completed periodically over the past two years and announced in the May monthly report that he had finished. Over the two years he worked on the inventory, Terry also scanned the covers, tables of contents, and indices of the vast majority of books in the Library. He handled every one of the more than 15,000 books in the Library, identified numerous cataloging errors, and recommended books for repair and conservation. Terry's work on the catalog will enable members to find information in the catalog and discover materials to borrow. We are very proud of him and grateful for his service.

In September the Museum held its first Cloktoberfest event, in which the Library held a Pay What You Wish book sale and provided clock and watch evaluations. Don, Adam, James, and Al were on hand to identify timepieces brought by about 20 participants. The book sale made about \$300 dollars for the Acquisition Fund.

July-September 2015

Lending Library Activity

| | |
|-------------------------------|-------|
| Total materials checked out - | 304 |
| Loans through mail - | 177 |
| Loans in house - | 127 |
| Programs for Chapter use - | 12 |
| OPAC searches | 1,739 |

Material Types

| | |
|------------------------------|-----|
| VCR, DVD & Microfilm Loans - | 96 |
| Books and NAWCC Bulletins - | 208 |

| | |
|-----------------------------------|-----|
| Total Number of Visitors - | 239 |
| Non-members | 136 |
| Members - | 103 |

| | |
|---------------------------------------|-----|
| Fulfilled Research Questions – | 240 |
| Paid Non-members - | 3 |

Library Processing Statistics

| | |
|------------------|-----|
| Acquisitions: | 3 |
| Donations: | 381 |
| Cataloged Items: | 83 |

EDUCATION/VOLUNTEERS: Katie Knaub, Education Director

Museum Education Programs

We had several day care programs visit the Museum as part of summer activities and scheduled some field trips for the fall with teachers. We also started receiving registrations for our annual homeschool day program in the fall.

NAWCC Workshops and Webinars

We held 12 workshops during this quarter. We are searching out more sites or organizations to cross-promote our workshops. We are continuing to work on the online workshop program, but we want the efforts to be coordinated with the revisions of the Education Committee. We did place a new video series that covers a basic American time-only movement on our YouTube channel. It is made up of 16 short videos (no longer than 8 minutes each) that describe the various components of how a clock works. The content is from an "Introduction to Horology" course, which NAWCC member Lex Rooker teaches for Chapter 190. Lex produced the videos and donated them to the NAWCC for our use to promote the NAWCC as a source of horological education. We had 239 views in the first week it was posted, without any promotion. The videos direct viewers to the NAWCC for further education. We held three webinars during this quarter. The topics included On the Clock: Changing the Industrialized World, The Seven Clock Companies of Joseph Henry Eastman, and How To Start a Vintage Wristwatch Collection Without the Tears. We have worked with the Program Committee on scheduling next year's lineup of presenters and have most of the schedule set. We continue to add the webinar presentations to our YouTube channel educational playlist and are receiving many hits from that format as well. Our new course, titled "Luxury or Lie," which helps to identify genuine versus fake watches, is set to run with 14 students in our first offering. We are hopeful that this course will be well received and will fill the gap in education that many jewelry industry, pawn associations, and appraisers have been asking us to offer

Education Attendance

July-September:

| | | | |
|----------------------------|-------------------------------|----------------|-----|
| Museum Education programs: | 109 | 2016 FY total: | 160 |
| Library Pass Participants: | 187 | | |
| NAWCC Workshops Attendees: | 54 | 2016 FY total: | 89 |
| Online Workshop Purchases: | 18 | | |
| Webinar Attendance Live: | 192 | | |
| Webinar Views Recorded: | 343 (including YouTube views) | | |

Volunteer Program

We held our annual volunteer and staff picnic in August and gave out the volunteer of the year award to Terry Buckwalter, who volunteers in the Library. He will be featured in the November/December *Watch & Clock Bulletin*. We have a new volunteer in the Library and a community service volunteer for facilities. We began the implementation of the new background checks required for volunteer and staff working with minors and will continue to complete that before the end of the year deadline. It requires state police, child welfare, and FBI background checks. Total Volunteer Hours for April-September: 2,426.5

Public Programs

We continue to work on event promotion for upcoming events with the Marketing Department, including promoting the events on our Facebook page and updating our Museum event's page on the website. We also coordinated the development of flyers for upcoming events with Publications staff. Our Make-and-Take program in the summer had another record attendance of participants with 130 people making clocks on Mondays at the Museum. This program would not have been possible without volunteers to run the program for the Museum. We ran the children's activities section at the Cloktoberfest event with pendulum painting and make-a-clock stations. It was a popular part of the day's activities.

Public Program/Events Attendance for Quarter: 110 (not including Cloktoberfest Attendees and Hops N Clocks Attendees)

Note: I was on maternity leave in July and most of August. The workshops responsibilities were handled by Dana Neill and the Museum education programs by Abby Krouse and Noel Poirier. I thank all the staff who helped with these items while I was on leave.

PUBLICATIONS: Therese Umerlik, Editor

Periodicals—Bulletin

The July/August 2015 issue was mailed in mid-August. The issue featured on the cover the article titled “Time Travelers: A History of Electric Clocks for the American Automobile.” The issue contained 8 articles and 15 features.

Periodicals—Mart

| Issue No. | Issue Date | Revenue |
|-----------|------------|-------------|
| 384 | July 15 | \$19,418.30 |

Promotional emails via Constant Contact and personalized emails continue with each *Mart & Highlights* cycle. We have been updating our ad trades with other publications. In addition, we have decided to increase our ad rates, a change that will go into effect in 2016.

Special Publications

We have completed the pricing and production of the revised and updated *American Tower Clocks* book that was written by Fred Shelley and edited by Donn Haven Lathrop.

We have been laying out Owen Burt’s five articles that were published in the *Watch & Clock Bulletin* for his upcoming book on Durfee clocks. I found a submission from last year in which a member provided photos of his Durfee clock restoration, but he needed help writing it. I contacted Mr. Burt who is creating a photo essay of the project that will be added to his book and not published in the *Watch & Clock Bulletin*.

Website

WatchNews editor Keith Lehman continues to find new writers and work with them in developing original content. He has posted nearly ten original stories this quarter as well as *Watch & Clock Bulletin* features and articles on watches. His Twitter following has jumped from about 1,500 to around 6,000.

Other Activities

We have been working on design and editing work for Marketing, Education, Member Services, and the Museum, including designing ads for Museum and educational events and revising membership and other forms. Freda Conner has been researching the Association’s history by sifting through archival material and working with members and the Library staff and volunteer Judy. She will present this information in a story package in the November/December issue of the *Watch & Clock Bulletin*. This package will include anecdotes and photos from members of the first 25 years of the Association. In 2017 she will focus on the next 25 years and in 2018 the last 25 years leading up to the 75th anniversary.

INFORMATION SERVICES: Kevin Osborne, IS Director

Network

As part of our Disaster Recovery Plan, we have relocated the Comcast Internet cable connection for our websites to the School and upgraded to a faster modem.

We still have two cable connections to the Internet: one at the School for our webservers and one in the administration building for our internal network and Internet connection for iMIS member transactions. The speed on this modem was upgraded as well.

Our fiber connection to the School integrates our administration network with the Barracuda Backup device and the Secondary Domain Name server both located off-site at the School.

Our Wi-Fi system has been upgraded with additional devices replacing the older wireless routers. The new Wi-Fi controller accepts public as well as private connections (with a passphrase) and follows the users' device from controller to controller with no interruption of signal.

We have installed two donated rack mounted KVM switches and monitors. This allows us to access our seven servers on our internal network with one keyboard, one mouse, and one video monitor. With the second switch and monitor at the School we can access our webservers and the secondary Domain Server.

Websites

Because our Comcast cable connection for the websites is now located at the School, we have moved the webservers there as well.

The problem we were experiencing with the Message Board Google Search redirect has finally been fixed. After a detailed explanation of the problem was communicated to our Security provider, they found the cause and repaired it. We have not had the issue surface again.

iMIS Association Management Software

Our update of iMIS 20.1 to iMIS 20.2 has been completed with a fairly smooth transition.

We took advantage of this update and had our new vendor write a new Single Sign On. This SSO worked fine for the main iMIS linked login but did need tweaking on the Message Board login to get it to function properly. This new SSO is much less complex and does not require a \$600 per year support contract to keep it active.

COMMUNICATIONS: Markus Harris, Communications Director

The Communications Department continued to maintain NAWCC websites and online resources. Communications Director Markus Harris coordinated multiple email newsletters and targeted Constant Contact mailings on various topics, including event notices and support for Chapter meetings, BOD announcements, and local and regional events. Work continues on the upgraded Joomla website backend in preparation to upgrading the main website from Joomla 2.5 and implementing a bootstrap responsive template; the scheduled upgrade has been delayed in favor of coordinating Bootstrap functionality on our Community and Chapter microsites, which has now been completed. Communications Director Markus Harris exerted significant effort in eliminating successfully a long-term malware infection from our online message board. Meanwhile, Communications continues to provide the biweekly Auction and Sales eNewsletter for interested members. Communications also developed and mailed promotional materials to Chapters in support of Chapter events, writing and distributing press releases for the August Calendar of Events, September Calendar of Events, Cloktoberfest, Webinar: 7 Clock Companies of Henry Joseph Eastman, Night at the Museum Sleepover, Witching Hour Halloween Ball, Webinar: Comic and Cartoon Character Watches, and October Calendar of Events. Printed, mailed, and invoiced newsletters for Chapter 141, Chapter 11, and Chapter 134. Customer service advice was provided to members via Web and telephone.

Communications hosted multiple biweekly Communications Assessment Meetings to assess department concerns and projects. We also helped coordinate the annual Hops N Clocks event, the Annual Staff-Volunteer Picnic, and the highly successful Cloktoberfest event. Kim Craven sent NAWCC promotional materials to Chapter 48 and the Silver Dollar Regional and submitted our events schedule to the local Convention and Visitors' Bureaus, *Antique Trader*, Pawn Organization, *Southern Jewelry News*, and Turkey Hill press offices. Communications also promoted multiple NAWCC webinars and online courses as well as extensively advertising our new "Luxury or Lie" specialty course, which was extremely successful.

Communications aided in hosting reporters from WHTM 27 News to create a special story on visiting the Museum and arranged for Blue Ridge Cable to produce a piece on the Museum for Haunted Lancaster.

FACILITIES: Chuck Auman, Controller

This quarter has been busy with painting parts of the Museum for the new display, cutting grass, and trimming bushes. We added shelves to one of the areas for easier handling of items we use regularly, instead of storing them in the basement.

We replaced several smaller items for the HVAC system. The items were the rebuild of a backflow preventer, rooftop unit one humidifier, and replaced the drain pan.

We removed five ballasts and ten 32-watt bulbs and replaced them with new non-ballast 15-watt LED bulbs. A special thanks go to Greg Gerhart, a volunteer, who changed the fixtures for us. We are currently putting a program together to replace the remaining 362 four-foot fixtures throughout the building.

We paid \$94,000 for the new air conditioning chiller unit that has five compressors with the same tonnage as the two compressors we had before. This should save on electricity costs as the compressors come on in stages. We needed to replace the fans with low-noise-level fans. We are working with Johnson Controls on the noise level because we still have one neighbor who complains about the noise.

One of the chilled water circulation pumps failed and leaked the glycol from the HVAC system. We are collecting bids to replace the pump and the glycol. I filed an insurance claim, because I make sure we have equipment failure as part of our insurance package.

We continue with our paper recycling, and in September we recycled 1,480 pounds of paper.

DEVELOPMENT: Steve Humphrey, Executive Director

| <u>Year-to-date Comparison</u> | FY16 | FY15 | FY14 |
|--------------------------------|-----------|-----------|------------|
| Unrestricted Contributions | 51,274.62 | 51,154.96 | 34,661.09 |
| Restricted Contributions | 31,290.00 | 19,459.00 | 24,324.00 |
| Endowment Contributions | 5,760.00 | 22,708.62 | 173,500.00 |
| Total YTD 9/30 | 88,324.62 | 93,322.58 | 232,485.09 |

Unrestricted contributions were 0.2 percent more for the six months, compared to the previous fiscal year. Restricted contributions were 60.8 percent more 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 less by 5.4 percent, compared to the first six months of FY15. The restricted contributions increase includes a \$17,962 grant from the PA Historical Museum Commission for Museum operations.

July to September Chapter contributions:

| <u>Chapter</u> | <u>Use</u> | <u>Amount</u> | <u>Note</u> |
|--------------------------------|------------------|---------------|------------------------|
| Heart Of America Chap 36 | Greatest Need | \$600 | Annual Appeal |
| Heart Of America Chap 36 | Greatest Need | \$200 | Memorial |
| Heart Of America Chap 36 | Greatest Need | \$200 | Memorial |
| Rocket City Regulators Chap 61 | Greatest Need | \$100 | Memorial |
| Western Michigan Chap 101 | Greatest Need | \$25 | Memorial |
| Cog Counters Chap 194 | Museum Endowment | \$100 | For All Time, Memorial |

Other gifts include \$1,600 from Dan Weiss for sale of his timepiece calendar; \$850 for the Ansonia clock project from Russ and Janet Oechsle and the Lubrizol Foundation (match of Frank Del Greco gift); \$3,000

for Museum and Library endowments from Roger Gendron; and numerous other gifts. Many other gifts plus contributory memberships were received. Donors will be acknowledged in the *Watch & Clock Bulletin*. We currently have grants pending with the National Endowment for the Humanities, the Crystal Trust, and several smaller foundations.

ADMIN/OTHER

Membership was down 49 in July, 35 in August, and 17 in September for a total of 101 or 0.7 percent for the quarter or compared to 1.0 percent a year ago. Dues income, which varies from actual membership numbers based on whether members pay early or late, was down by \$13,889 or 5.5 percent for the quarter. Calls by our marketing firm to reach out to lapsed members for the April to June quarter resulted in 8.8 percent or 36 of the 408 lapsed members for the quarter reinstating their membership. The number of members actually reached by phone was 272, which means 13.2 percent of those reached reinstated.

Through the initiative of Robert and Sue Gary of California, five LED light retrofits kits were donated to determine the feasibility of replacing 32W fluorescent bulbs in our 350-plus four-foot fixtures with 15W LED bulbs. The test proved that we could do the upgrades with volunteer and part-time staff. Frank Del Greco and others have pledged funds to assist in the retrofit project. We anticipate acquiring the approximate \$8,600 needed to proceed with the project.

I have been working with our Publications staff to update our advertising pricing for our publications and to expand the advertising opportunities to include the back cover and interior covers of the *Watch and Clock Bulletin*. Our editor Therese is working on streamlining operations and redefining staff roles in the Publications Department. We have also reviewed our pricing for our special book publications and made adjustments to ensure an adequate return to the NAWCC.

A survey was emailed in August to determine whether members would be interested in automatic renewals for their membership dues; 1,565 members responded, and 425 (27.1%) of those responding answered that they would be interested in automatic renewal. Of those interested, 91.6 percent preferred an annual renewal, 17.9 percent quarterly, and 7.5 percent monthly. This would mean that approximately 3,900 members may have some interest in automatic renewal. If even half this number were to take advantage of the option, we would save about \$2,000 a year in printing and postage. We are pursuing this as an option for membership renewals.

The Library was offered a worthwhile archival collection of 370 documents, correspondence, and catalogs from the early 1900s. After a mention in my weekly newsletter and an appeal from the Library Committee, the \$2,000 needed and a little more were raised for Library acquisitions.

In August I attended the Cog Counters annual meeting in upstate New York, in September I attended a Practical Planned Giving Conference in Florida and the Mid-Eastern Regional in Hampton, VA. The dates for the fall Board of Director's meeting in Columbia are November 17-19.

J. Steven Humphrey, Exec. Dir. 10/15/15