

**Trustees Meeting, Wichita, Kansas
Friday, April 27, 2011 – 10:30AM**

Chris Rehmann, President – Presiding

Call to order: The meeting was called to order by President Chris Rehmann at AM CDT

Proof of due notice: Secretary Karen McBride confirmed publication of due notice of the meeting in the February issue *Orchids*.

Roll Call:

Officers Present: Chris Rehmann, Sandra Svoboda, Peter Furniss, Karen McBride, Carlos Fighetti

Officers Excused: Norman Fang, Don Ghiz

Trustees Present: Tim Brooks, Howard Bronstein, Tom Etheridge, Mario Ferrusi, Bob Henley, Jean Hollebone, Alan Koch, Fred Missbach, Nancy Mountford, Barbara Noe, Taylor Slaughter, Frank Smith.

Trustees Excused: Jeff Bradley, Russell Clarke, Fred Clarke, June Simpson, Linda Wilhelm

Honorary President: Tom Sheehan

Visitors: Glenn Brown, Judy, Cook, J. Bruce Embury, Robert Fuchs, Lynn Fuller, Harry Gallis, Aileen Garrison, John Ingram, Lowell Jacks, Wayne Marine, Helen Michel, Maynard Michel, Lynn O'Shaughnessy, Loretta Rehmann, Frank Slaughter, Jr., Max Thompson, Carol Zoltowski

Declaration of quorum: Secretary Karen McBride declared a quorum

Approval of the Minutes:

Minutes of the special meeting by teleconference - Friday October 21, 2011

**Upon a motion duly made and seconded, the Trustees VOTED to
approve the minutes of the Special Trustees Meeting by Teleconference
held Friday October 21, 2011**

Minutes of the San Antonio Trustees Meeting - Friday, October 28, 2011

Secretary Karen McBride: Mr. President, I have received two corrections and corrected the Fall 2011 minutes to include the attendance of committee chairs John Ingram and Ted Kellogg.

Upon a motion duly made and seconded, the Trustees VOTED to approve the minutes of the Fall 2011 Trustees Meeting in San Antonio as corrected.

Minutes of the Delray Beach, Florida meeting – Friday January 20, 2012

Secretary Karen McBride: Mr. President, I have corrected Delray Beach January 20, 2012 minutes to include the consensus of the trustees that employees be allowed to work from home until the end of the 2011-2012 fiscal year.

Upon a motion duly made and seconded, the Trustees VOTED to approve the minutes of the Delray Beach Trustees Meeting of January 20, 2012 as corrected.

President's message

Chris Rehmann

These past two (2) years have been an interesting journey. While the journey has been tough, any challenge is easier to face with friends by your side.

First, I would like to thank the officers and members of the Board of Trustees for their support, assistance and ideas that have made this journey easier. The direction of the Society has been changed from a headquarter-based Society to a mission-centric Society. That decision, supported by each of you, was difficult and heart wrenching but necessary. Thank you for your support and dedication to this change in philosophy.

Our Society works best when the Committee structure is operating effectively. This is a volunteer-based organization and is apparent when one observes our Committee members doing their jobs.

Greg Allikas, and the members of the Publication Committee
Barbara Noe, and the members of the Membership Committee
Lynn Fuller, and the members of the Affiliated Societies Committee
Norman Fang, and the members of the Development Committee
Ted Kellogg, and the members of the Information Management Committee
David Horak, and the members of the Conservation Committee
Carol Zoltowski, and the members of the Research Committee
Taylor Slaughter, and the members of the Governance Committee
Sandra Svoboda, and the members of the Education Committee
Harry Gallis, and the members of the Judging Committee
Pete Furniss, and the members of the Financial Committee
John Ingram, and members of Library and Archives Committee

These 192 people put into effect the ideas, the enthusiasm and also spread the message of the American Orchid Society. Thank you for your dedication.

We are in the process of transition. While staff changes occur, the Society has an opportunity to seek people with new ideas, new enthusiasm and an up-beat attitude. To

the members of our staff who chose not to join us at Fairchild Gardens, I apologize to you for disrupting your lives. Job loss is a blow to one's life. The Trustees had to make the decision to offer each of the staff a job at Fairchild Gardens in order to insure the best means to operate the Society. The choice was clear that the Society had to move in order to survive.

The arrangement with Fairchild Gardens has given the Society breathing space to "right the ship." Pete Furniss has negotiated nearly three years of rent free space, reducing our per member cost to its lowest level in many years. While we learn to work with this proven botanic garden, our leadership and volunteers will again have to dedicate themselves to improving the Society's message.

Jeff Bradley has graciously donated the resources to scan our "Bulletin" and "Orchids" magazine. This often-tried project will finally be available to our members and friends. Remember, the internet has information but the American Orchid Society possesses the knowledge on orchid culture.

Finally, I would be remiss if I did not thank Dr. Ron McHatton, our Chief Operating Officer. Ron is a unique individual. It became clear to me that the American Orchid Society could not make this transition in philosophy without Ron. His unique knowledge of orchids and their culture; his historic knowledge of the Society and his dedication to its survival cannot be overstated.

He has worked under stressful economic conditions, moved the Society while being away from home and seen the veteran staff leave all while keeping the Society afloat. I thank Ron for being faithful to the idea that the American Orchid Society has meaning worth saving and for being a friend.

Respectfully submitted,

Chris R. Rehmann, President

**Upon a motion duly made and seconded, the Trustees VOTED
to accept the President's report.**

Report of the Chief Operating Officer

Ron McHatton

We have moved! That having been said, we have only just begun the process of settling in and getting operations back to normal. We moved our servers on March 12 and, because of unforeseen connectivity issues, we were faced with limited service for several days. We physically moved our furniture and offices on March 26. It is important that we keep in mind that we have lost a number of staff positions and now occupy a much reduced physical space but we are managing. Prior to our move, we created a mechanism to deal with remote retrieval of documents, check scans, and incoming mail and practiced its operation for a month prior to the move only to find that because our servers reside on one network and we physically on another, scanning anything is currently impossible. This has necessitated rethinking staff coverage but we've managed. Membership processing is back up and running relatively smoothly. We now have telephone service that, while not ideal, allows us to function adequately.

Closing the month of March was thanks to a number of factors, frankly, a veritable nightmare but we have closed the month, Pete has reviewed the numbers and the financial statements were distributed last evening. We anticipate closing April with much less angst.

Financially we continue to perform poorly. Membership fell by an apparent 673 members in March bringing us to membership levels not seen since 1960. This net drop is the result of 847 members who chose not to renew offset by 174 new memberships. A potentially significant portion of this non-renewal number is undoubtedly the result of membership payments that arrived after the 23rd of March and, because of the move, were not processed until April. For the same reason, a significant number of new memberships will end up counted in the month of April. We know this is the case with approximately 100 new memberships coming from the SEPOS show at the end of March. This having been said, these adjustments will not turn a pig's ear into a silk purse. March was simply an abysmal membership month. I would like to personally thank all the volunteers who worked so hard at the Philadelphia International Flower Show and the SEPOS show, without whose efforts, March would have been significantly worse.

Also continuing to drop are unrestricted donations on which we critically depend. Such donations, not including our auctions, during the 08/09 fiscal year totaled \$200K, \$178K in fiscal year 09/10, \$105K in fiscal year 10/11 and for the first 9 months of the current fiscal year \$43K. At the rate of donations from the last quarter, we could end the fiscal year at or near only \$50,000 compared to our budgeted \$100K.

On positive notes, restricted donations and award revenue have held fairly well. Donations to offset the cost of the summer supplement are coming in at a brisk pace, ranging from \$2 to several hundred per donation. Reports of awards given by our various centers put the number of awards at about 15% over last year. If this holds, the award revenue should end the year above target.

We anticipate the beginning of beta testing of the offline OrchidsPlus within the first half of May. Between now and the distribution of beta-test copies, the Technology Committee will select a group of qualified beta-testers. Perhaps the best development in some time was the chance finding of an exceptionally qualified employee to manage our accounting functions along with almost anything I ask her to do. Her addition to the staff will help immensely with work flow and stress level. We are scheduled to mail the May magazine on Monday April 30th and June will be much closer to the 25th of May. Simply put, I believe that, operationally, we can now see the end of the tunnel and the light isn't an oncoming train.

Respectfully submitted,

Ron McHatton, Chief Operating Officer

**Upon a motion duly made and seconded, the Trustees VOTED
To accept the COO's report.**

WOC Trust Report

Peter Furniss

See attached report

**Upon a motion duly made and seconded, the Trustees VOTED
To accept the WOC Trust report.**

Committee Reports – Note sent to committee chairs: Submit a written or electronic copy of report from yesterday’s committee meetings. Present here only those items that require action by the trustees. ONLY JC personnel and those action items with critical timelines will be acted upon at this meeting. Other action items presented will be acted upon at a subsequent teleconference of the board.

Treasurer’s Report

Pete Furniss

We all thought that our financial mysteries would be gone by now but this is not the case. If anything, we are more in the dark than we’ve been during the past couple of years. While this might sound tremendously onerous, it does not mean that we’ve run out of money or that we are about to do so. The sale of the property in Delray Beach and the graciousness of Fairchild with regard to forgiving rent and utilities until the end of December 2014 mean we are in a fairly healthy cash position at this time. However the membership decline must be reversed or the AOS will be unable to continue operating as it has.

Since the AOS has yet to “settle” at Fairchild, we have no real idea of what the ongoing expenses will be. I would venture a guess that Ron has averaged 80 hours a week over the past year trying to juggle the myriad details of the operation as it was, as it is, and as it will be along with the overwhelming demands put on him by various members of the Board and other volunteer leaders. I confess that I have been guilty since I’ve leaned on him over and over for financial data since he’s not only our COO but also our acting CFO.

There has been no budget prepared for the upcoming fiscal year since it would be impossible to fill in most of the line items. Karen, Max, and the new Finance Committee will have their work cut out for them and I’m sure they will be thrilled when the AOS has some learned financial person on board or under contract to help them.

You have gotten a report from RPJ, our financial investment firm. While it paints a fairly rosy picture, the behavior of the stock market this month is so erratic that it changes day by day.

The budget numbers for the current fiscal year are meaningless because they considered operations to remain “as is” for the entire year. There was no way of knowing when the sale would be completed (or even “if”), where the AOS would reside after the sale, what services would be offered by the AOS, what staff would be needed, etc, etc. Operationally we have done better than forecast but please do not look at the comparisons to budget. Focus on what are the known continuing revenues such as membership which is below forecast, AQ+ which is also below forecast, and advertising which is way below budget. Not a part of operating revenue, but an important line item, is unrestricted contributions. They are dismal compared to budget.

March numbers will show continued losses and will be skewed by severance pay to departing employees.

There are some journal entries that need to be made to update the balance sheet to reflect the proper numbers now that the move is complete. These will have to be made no later than the end of the fiscal year.

Hopefully the AOS will simplify its accounting system during the next year. There are far too many accounts for the size of the operation and a lot are now meaningless since the AOS is out of the public garden business as well as most of the retail trade.

Please contact me before the meeting in Wichita if you have any questions.

Respectfully submitted,

Peter Furniss, Treasurer

Gift of \$100,000 from Lorraine McLellan:

Pete next reported on the disposition of these funds:

The AOS has a restricted gift of \$100,000 that was received from Lorraine McLellan. The gift was for the building campaign fund of the AOS and required that the "main stage" that was envisioned as a part of a theater to be constructed at the AOS Headquarters in Delray Beach, Florida, be named to honor her husband, Rod McLellan.

The theater was never built nor were the funds spent. There is very little, if any, chance that the AOS will be constructing a theater since they no longer and presently do not envision purchasing any real property.

Lynn McLellan and Sandra McLellan Behling are the heirs of the late Lorraine McLellan; and along with their advisor, who also assisted Lorraine McLellan at the time of her gift, Arthur Bredenbeck, have agreed to the following:

"We hereby authorize and direct the AOS to transfer the \$100,000 contributed by Lorraine McLellan to Fairchild for the proposal. Upon such transfer, we release and hold harmless the AOS with regard to the stipulations in the October 13, 1998, letter from Lorraine McLellan and agree that the AOS has completed any liabilities with regard to the gift."

Fairchild, through their Chief Operating Officer Nannette Zapata, has agreed to the wishes of the heirs and Mr. Bredenbeck.

**Upon a motion duly made and seconded, the Trustees VOTED to approve
the transfer by the American Orchid Society
of the \$100,000 restricted Lorraine McLellan gift
to Fairchild Tropical Botanic Garden in accordance with the wishes of**

Lynn McLellan, Sandra McLellan Behling, and Arthur Bredenbeck. Such transfer is to be made as soon as practicable after the receipt of the original letter written by Mr. Bredenbeck.

**Upon a motion duly made and seconded, the Trustees VOTED
To accept the Treasurer's report.**

Development Committee

Norman Fang

No report

Governance Committee

Taylor Slaughter

See attached report

Following discussion,

**Upon a motion duly made and seconded, the Trustees VOTED
To accept the job descriptions emailed to trustees**

**Upon a motion duly made and seconded, the Trustees VOTED to thank
Taylor and the rest of the committee for their work and to accept this
report.**

Nominating Committee

Tom Etheridge

No report

Conservation Committee

David Horak

David Horak could not attend this meeting but sent his attached report and the following items to be considered for action by the Trustees:

The Conservation Committee recommends that the Leonid V. Averyanov, PhD Dr Sci – Orchid flora of relict karstic formation in central Laos (Vientiane province, Vang Vieng and Kasi districts). Amount requested: \$6500, be funded.

**Upon a motion duly made and seconded, the Trustees VOTED to
table such a motion until the Research report.**

The Conservation Committee respectfully requests that the Board vote to create a specific conservation fund or endowment. Following this request, Chris Rehmann and Carlos Fighetti each pledged \$1,000 for begin funding such a fund.

With the Board's thanks to Chris Rehmann and Carlos Fighetti,

**Upon a motion duly made and seconded, the Trustees VOTED
To establish a special Conservation Fund as a temporarily restricted fund.**

The Conservation Committee respectfully requests that the Board allocate \$2.00 of the \$14.95 price for the 2013 AOS Conservation Calendar for conservation use. Following discussion,

**Upon a motion duly made and seconded, the Trustees VOTED
to allocate \$2.00 per calendar for Conservation.**

The Conservation Committee respectfully requests that the Board determine whether nominations can be solicited and awards given for the existing AOS conservation awards and the Philip Keenan Award.

**Upon a motion duly made and seconded, the Trustees VOTED
to approve this request.**

**Upon a motion duly made and seconded, the Trustees VOTED
to accept this report.**

Education/Web Committee

Sandra Svoboda

See the attached report.

**Upon a motion duly made and seconded, the Trustees VOTED
to accept this report.**

Library/Archives Committee

John Ingram

See the attached report.

**Upon a motion duly made and seconded, the Trustees VOTED
to accept this report.**

Affiliated Societies Committee

Lynn Fuller

The Affiliated Societies and the Membership committees met together on Thursday morning and are submitting a joint report. Lynn Fuller reported that two societies have applied to become affiliated societies.

**Upon a motion duly made and seconded, the Trustees VOTED
To approve the following two societies:**

**Meeting of Orchid Friends, MOOF
Nucleo De Orquidofilos De Gramado**

See the attached report.

**Upon a motion duly made and seconded, the Trustees VOTED
to accept this report.**

Membership Committee

Barbara Noe

See attached reports.

Information Management Committee

Ted Kellogg

See attached report.

Publications Committee

Greg Allikas

No report submitted.

Research Committee

Carol Zoltowski

The Research Committee and the Conservation Committee both recommended that the Leonid V. Averyanov, PhD Dr Sci – Orchid flora of relict karstic formation in central Laos (Vientiane province, Vang Vieng and Kasi districts). Amount requested: \$6500, be funded. Subsequent to this discussion

**Upon a motion duly made and seconded, the Trustees VOTED to approve
this \$6,500 research project.**

**Upon a motion duly made and seconded, the Trustees VOTED
to accept this report.**

Judging Committee:

Harry Gallis

The JC recommended that the trustees approve new guidelines for orchid awards photography as provided by Greg Allikas.

Upon a motion duly made and seconded, the Trustees VOTED to approve the new Guidelines for Orchid Awards Photography in the Judging Committee Report Attachment E.

The JC recommended that the trustees approve a single fee schedule for members and non-members of the AOS. Following discussion,

Upon a motion duly made and seconded, the Trustees VOTED to approve a single fee for members and non-members of \$36 per award.

Discussion followed this action regarding current outstanding delinquent fees, and a motion was made to charge these the new single \$36 fee. This motion failed.

Subsequent to this discussion, Harry Gallis agreed to finish his report in executive session following disposition of any unfinished or new business to come before the trustees.

Unfinished business:

None

New Business:

What to do with the Robert Duggar award following nomenclature changes:

Subsequent to this discussion,

Upon a motion duly made and seconded, the Trustees VOTED to send the Robert Duggar award back to the JC.

Location of the Spring 2013 Trustees Meeting

The idea was put forth that we hold a St. Louis style meeting in conjunction with the Santa Barbara Show in 2013. Sandra Svoboda said she would check on this possibility in the following week.

Timing of the Annual Meeting for 2013.

Upon a motion duly made and seconded, the Trustees VOTED that the Annual Meeting for 2013 be held at the same time as the Spring 2013 Trustees Meeting

Presidential Commendation

Chris Rehmann

Leadership has been defined as the ability to understand the correct vision must be taken without regard to personal consequences. Courage is the ability to carry out that vision in spite of the consequences.

One of the privileges of being President of the American Orchid Society is to be able to grant a Presidential Commendation. It is my pleasure to grant that award to one of our members who has demonstrated those leadership qualities that have enabled this Society to move forward.

Pete Furniss agreed to serve as treasurer of this organization in its time of economic crisis. No past president has come back to serve in this manner. Pete has already received a gold medal in 2002 for his service to the American Orchid Society.

I believe it is appropriate to award this Presidential Commendation to Pete for his unselfish service to the American Orchid Society, his courage to make the motion to sell the Headquarters Building in which he and Gail had dedicated so much of themselves and his determined effort to assist me and the Board of Trustees to make the dramatic move to change the direction of the Society. He has made numerous trips to Delray to quietly sort out the financial mess and restore order to our finances; he has worked hard to assist me in the relocation of the Society and has done all of this while also performing the duties of President of the World Orchid Conference.

It is my pleasure to present this Presidential Commendation to Peter Furniss for his unselfish service to the members of the American Orchid Society.

Following the presentation to Pete of his award,

**Upon a motion duly made and seconded, the Trustees
VOTED to go into executive session.**

At the end of the executive session,

**Upon a motion duly made and seconded, the Trustees
VOTED to come out of the executive session.**

**Upon a motion duly made and seconded, the Trustees
VOTED to approve all elevations recommended by the judging committee
with the exception of that for emeritus judge, to be considered separately.**

Subsequent to that motion,

**Upon a motion duly made and seconded, the Trustees
VOTED to approve the elevation to emeritus judge recommended by the
judging committee.**

See the attached report.

Upon a motion duly made and seconded, the Trustees VOTED to accept the report of the Judging Committee.

Unfinished Business

Scanning Project

Following discussion,

Upon a motion duly made and seconded, the Trustees VOTED to approve and accept, with grateful thanks to Jeff Bradley, his funding and facilitation of the MDDOC Scanning Project dated January 17, 2012.

See the attached report. Note: While that report shows Mr. Bradley funding phases 1 and 2 of the project, he confirmed by email to all trustees later that day his funding of all three phases of the project described in that report.

2012 Spring Meeting Auction

Following brief discussion

Upon a motion duly made and seconded, the Trustees VOTED to have the proceeds of the evening's auction placed in the General Fund.

After a request by President Rehmann,

Upon a motion duly made and seconded, the Trustees VOTED to adjourn the meeting at 2:45 PM.

Respectfully submitted,

Karen McBride, Secretary