

**MINUTES**  
**AZALEA SOCIETY OF AMERICA**  
**BOARD OF DIRECTORS MEETING**  
**ASA CONVENTION CHARLESTON, SOUTH CAROLINA**  
**March 14, 2019 at 1:00 PM**

**BOD DIRECTORS, CHAPTER PRESIDENTS AND COMMITTEE CHAIRMEN**

President	Rick Bauer	Pres. Alabamense	Amanda Wilkins
Past President	J Jackson	Pres. Arkansas	Ronnie Palmer
Vice President	Charles Andrews	Pres. Ben Morrison	Budne Reinke
Secretary	Leslie Nanney	Pres. Central Carolinas	Kevin McCorkle
Treasurer	Paul Beck	Pres. Lake Michigan	John Migas
Director 2019	Jim Campbell	Pres. Louisiana	Allen Owings
Director 2019	Kevin McCorkle	Pres. No. Virginia	Lars Larson
Director 2019	Sally Perkins	Pres. Rev. John Drayton	Tom Johnson
Director 2020	Fred Anderson	Pres. Texas	David Creech
Director 2020	Robert Thau	Pres. Texas Forest Country	Robert Thau
Director 2020	Andy Whipple	Pres. Vaseyi	J Jackson
		At Large Contact	Robert Thau
Editors	Barbara Stump and Pam Fitch		
Advertising	open		
ARC Chair	Hale Booth		
Archives Chair	Jeanne Hammer		
Awards Chair	Buddy Lee		
Azalea City	Buddy Lee and Barbara Stump		
By Laws Chair	Rick Bauer		
Membership Chair	Robert Thau		
Seed Exchange Chair	Lindy Johnson		
Website Manager	David Banks and Paul Beck		

**CALL TO ORDER - Rick Bauer**

Rick Bauer called the meeting to order at 1:00 pm.

**ROLL CALL - Leslie Nanney**

Leslie Nanney called the roll and declared there was a quorum. J Jackson and John Migas gave their proxies to Rick Bauer.

**REVIEW AND ACCEPTANCE OF THE PAST MINUTES**

The minutes of the 2018 BOD meeting were accepted.

## OLD BUSINESS

### Disposition of gifts

- A. Return of \$3209 for George Harding Memorial Garden.

These funds have not been spent. Suggestions for these funds include providing a special planting or a bench in Brookside Gardens in memory of George Harding.

- B. Donation of \$2000 by the Great Garden Alliance Fund.

This donation is intended to support the Legacy Project. The funds remain available for supporting activities.

## NEW BUSINESS

### Treasurer's Report and Financial Statements (Paul Beck)

The Society is financially healthy with a three year cushion in the Operating Fund. The percentage of renewals increased last year, largely due to changes in timing of renewals and in chapters where the president personally contacted members to encourage them to renew.

Paul Beck made the following two proposals to attract new members and to increase income from advertisements in *The Azalean*. The financial statements and related discussion are in Appendix A.

- A. Proposal to offer softcopy and student memberships

The membership of the ASA has declined from about 840 in 1994 to about 640 for the current year. The ASA membership is aging and attracting younger members has been a challenge. Since young people are more inclined to read online, Paul Beck is proposing to offer a reduced rate membership with all of the regular membership benefits except that the paper issues of *The Azalean* would not be provided. It would be offered to students age 25 and under at a rate of \$15 annually. Amanda Wilkins offered her opinion that the reduced rate would not be very effective without some means to make students aware of it. She suggested developing a standard letter or presentation introducing the ASA to college horticulture instructors and including the student membership offer. This approach would likely reach horticulture students as a part of their ongoing student activities.

Additionally, a reduced rate, softcopy-only regular membership is proposed for those members who wish not to receive the paper issues. The rate would be \$25.

The BOD approved both the student and softcopy membership rates.

## B. Ad Manager position compensation

The production costs for *The Azalean* are not completely covered by dues. We have tried to solicit advertising to make up the difference, but this has not been successful and the position has been vacant for several years. The current compensation is 10% for new ads and 5% for renewals. A one year 1/8 page ad sells for \$180, so the ad manager receives only \$18. The proposed compensation would provide a more lucrative reimbursement incentive for the ad manager. Proposed rates would be 50% of revenue for first time ads, and 10% for renewals. The BOD discussion also included the idea of displaying the ads on the ASA web site.

The BOD approved the increase in compensation for the ad manger position.

## **Proposed New Membership and Communication Committee (Charlie Andrews)**

The overall purpose of the proposed committee is to improve relationships with the chapters and assist them to be more successful. This would involve activities in 2 areas:

- A. Improved communication and support for the chapters, and
- B. Increased focus on raising the visibility of the Society, and developing policies and programs to attract new members.

Robert Thau, who has been very successful in building membership for the new Texas Forest Chapter, will continue his efforts to help chapters attract new members in their local areas.

## **Primer on Running Successful Chapter - Rick Bauer**

Rick Bauer is preparing a primer to assist chapters in planning for and running the ASA annual conventions. It is in draft form and available from Rick for review and comment.

## **The Azalean – Barbara Stump**

Production of *The Azalean* is on schedule to include four issues this year. Beginning with the winter 2018 issue, Barbara upgraded the printing to full color at the additional cost of \$100 annually. She is also planning a new section on azalea care and culture. Both of these changes are to make *The Azalean* more attractive and broaden its appeal to a wider range of readers.

## **Azalea Research Fund - Hale Booth**

Hale Booth reported that no new grants were awarded last year.

The existence of a red poukhanense was mentioned, along with a photo of it in bloom, at a presentation during the ARS conference in Bremen. The presenter was the CEO of Chollipo Botanical Garden in Korea. This represents a significant color break in this early blooming species and could be indicative of other potential colors that we are also not aware of growing on a mountain top in South Korea. Hale is exploring ways of getting seed of this red poukhanense for ASA. This may become a research fund project proposal if funding is needed at some point. This color break could be a big opportunity for azalea hybridization as the typical purple blooming poukhanense blooms early and helps extend the azalea bloom season.

### **Proposed Policy for the ASA Benefits of Membership (Rick Bauer)**

Rick Bauer proposed policies on the topics as summarized below. They are meant to be statements to guide operational decision-making rather than amendments to the by-laws.

- A. Convention attendance - society membership is required for attending conventions sponsored by the ASA (to include subordinate chapters). Exceptions may be made by the convention sponsor.
- B. *The Azalean* - online access to *the Azalean* is through the society website. Access to the most recent 3 years of issues is restricted to society members. The public has access to back issues.
- C. Seed exchange - members will have the opportunity to purchase seed before sales are open to the public.

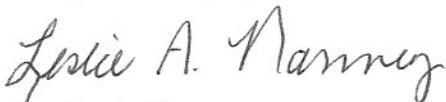
### **Legacy Project Status (Rick Bauer)**

The Legacy Project has continued its previous success. It now includes 16 cultivar groups, with three more planned for the coming months. Legacy leads are responsible for providing liners for the annual conventions.

### **ASA Convention for 2020 and Beyond (Rick Bauer)**

The 2020 convention will be held in Houston, Texas. It may include optional trips to Jasper, Texas and Lafayette, Louisiana after the main convention. The next two conventions will be in Charlotte, NC. for 2021, and in Auburn, AL. for 2022. Charlie Andrews is working with the American Rhododendron Society to collaborate on a joint convention targeted for northern Georgia in 2023.

Respectfully submitted,



Leslie A. Nanney

Secretary, Azalea Society of America

## Appendix A

### 2018 ASA FINANCIAL STATEMENTS

The ASA's Income Statement for the year 2018, Expenses for 2018, and its Balance Sheet as of December 31, 2017 and December 31, 2018 are presented in Tables 1A, 1B and 1C, respectively. Summaries for ASA CDs, as of December 31, 2018 are presented in Table 1D. Consolidated income and expenses for the ASA for 2018 are presented in column 1 of Table 1A.

#### Income, Expenses and Donations

Total income for the year was \$32,495, total expenses were \$22,247; receipts exceeding expenses by \$10,248. If the **Azalea Research Fund** is excluded, the net revenue is \$5,254. Twenty eighteen was a good year. This was primarily due a significant increase in membership (discussed next), and several large individual and organization donations.

- In 2018, five issues of *The Azalean* were published (2017 winter issue published in January 2018). This resulted in a higher expenditure for the publication, \$19,840 instead of a normal year of about \$18,000. The printing and mailing costs for the 2018 winter issue were paid in January 2019, and thus are not included in the \$19,840 figure above. The per-issue publication costs are approximately \$4,500.
- In 2018, the dues revenue was \$19,490 compared to \$16,793 for 2017. Part of this difference is due to the late dues collection last year; in addition, the 2019 renewal process was started in early November 2018, thus moving more of the 2019 dues collection into 2018. For simplicity of accounting, no attempt is made to allocate the dues collected to the income for the year of the dues applicability. This should make no difference over the long run as long as we are consistent from year to year in the commencement of the dues collection process.
- Donations to the **General Fund** were \$3,301. Primary components were a \$1,000 donation from the **Northern Virginia Chapter**, a \$1,000 donation from an individual, and \$216 resulting from the convention plant sale (plants donated by NV chapter) at Little Rock, AR.
- Donations to the **Azalea Research Fund** were \$2,815. The largest component was a \$2,500 donation from the **Dolan Gardens Foundation**. There was also a \$100 individual member donation and several smaller individual donations.

#### Membership

On March 1<sup>st</sup>, as per the ASA by-laws and reinforced at the 2016 BOD meeting, those members who had not yet renewed for 2019 were made inactive. One hundred and twenty (estimated) members were thus removed from the active rolls. Our active membership is now 520. At this point last year, it was 491; this is a very good trend. Also, per the BOD decisions in 2016, those members made inactive have had their access removed from the protected areas of the website, and will not be mailed any missed issues of *The Azalean* if they subsequently renew their membership.

Those persons registered to attend the "Azaleas 101" session before the 2018 convention were automatically registered for a ½ year membership after the convention. That group generated a net increase of 62 memberships for 2018. Of that group, 19 have renewed their membership for 2019. This was a significant addition to the Society roles.

A significant effort was expended this year to get members to renew their membership. This effort had previously been only at the national level, and this year the effort was started at the national level, with subsequent follow-up at the chapter level. It appears that a more personal and local approach to encouraging members to renew was more successful. Several chapters, through personal contacts with members, were able to limit their losses to only one or two members.

In addition, this year we tried a small free membership lottery as an enticement for members to renew early. Three free memberships were awarded to members who had renewed by December 10<sup>th</sup>. It is not clear that this had any effect on the renewals.

## **Assets and Liabilities**

As shown in Table 1C, total assets and liabilities have remained essentially constant at \$228,955 (2018) vs. \$229,564 (2017). The great majority of the ASA's assets are now in CDs, instead of investments, as in prior years. Although the ASA was given permission to invest in equities a couple of years ago, the Finance Committee had opted to not use that option. In 2018, the treasurer was encouraged to move assets into mutual funds. That process was started in October 2018, however several issues (bureaucratic/administrative) arose with converting the ownership of the Schwab investment account to the new treasurer and president. This process has finally just been completed, and an initial \$25,000 mutual fund purchase was recently completed. Funds will continue to be moved into mutual funds as CDs mature.

## **Operating Fund**

The total value of the Operating Fund (OF) was \$37,632 at the end of 2017, and \$59,303 at the end of 2018. The large increase in the OF was primarily due to the intentional reduction in the Endowment Fund, as explained below. The Operating Fund remains healthy. The end of year Operating Fund balance is sufficient to cover expenses for almost three years without any additional revenue.

## **Endowment Fund**

The total value of the Endowment Fund (EF) was \$82,183 at the end of 2017, and \$67,515 at the end of 2018. The endowment fund is a set-aside of assets to cover life membership dues as well as pre-paid dues for the coming year. I have re-assessed the amount in the Endowment Fund, and have determined that we have over obligated that fund. The cost of a life membership for domestic members is \$600. This is based on an estimate that the life membership will need to cover dues not paid for approximately 20 years. There is no data at this point to backup that assumption. In order to arrive at a more equitable reserve in the EF, I tallied all the life members who joined prior to 1990 (26) and assessed their future obligation at \$600 each. This assumption is that those members who joined prior to 1990 will likely have up to 20 years more of membership. The remaining 47 life members were assessed at \$900, assuming these are younger members and that they may

have 30 years of membership yet to be covered by the EF. Adding these to set-asides together with the pre-paid 2019 dues of \$9,715 resulted in a total requirement for the EF of \$67,515. The unneeded remaining funds were moved to the OF.

## **Azalea Research Fund**

The total value of the Azalea Research Fund (ARF) was \$109,177 at the end of 2017, and \$101,867 at the end of 2018. The fund received donations of \$2,815 in 2018, and awarded no grants, thus incurred no expenses. The ARF is self-sufficient, and its goal has been to incur no expenses other than grants awarded.

The assets of the ARF, in addition on moneys donated, are the two equities in the Schwab account, Ford Motor Corp (F), 1000 shares, and Ameriprise Financial (AMP), 100 shares. The per-share price of these equities was \$7.65 (F) and \$104.37 (AMP) respectively at the end of 2018. The total market value of these equities was \$18,087. This is a significant reduction from their value at the end of 2017, which was \$29,437. Market value thus decreased \$11,350 in 2018. Dividends paid by the investments reduced the paper loss by \$953. The value of the Ford stock will be watched to see if it comes back up in 2019. If not, it will be liquidated and turned into mutual funds. The Ameriprise shares have cycled up and down over the last six years, from a high of \$18,408 in 2013 to the low of \$10,437 in 2018.

The ARF assets listed in Table 1C include cash still in the Schwab account, resulting from dividends paid. At the end of 2018, the account had a cash balance of \$3,573.

## **Conclusion**

The Society is financially healthy and stable. The improvement in membership this year has been a good trend. Additional initiatives to increase membership should be attempted. A three year cushion in the Operating Fund is a good, safe operating margin. The Endowment Fund is adequately funded.

Respectfully submitted,

Paul A. Beck, PhD, Treasurer  
Azalea Society of America  
February 13, 2019

**Table 1A**  
**ASA Receipts 2018 (\$)**

	Consolidated	Operating + Endowment	Research
<b>Azalean</b>			
Advertising	2,340	2,340	
Back Issues	157	157	
<b>Total Azalean</b>	<b>2,497</b>	<b>2,497</b>	
<b>Donations</b>	<b>6,116</b>	<b>3,301</b>	<b>2,815</b>
<b>Dues</b>			
Regular Dues	19,290	19,290	
Life Dues	200	200	
<b>Total Dues Paid</b>	<b>19,490</b>	<b>19,490</b>	
<b>Interest</b>			
Bank Account Interest	132	126	6
CD Interest	2,439	1,219	1,220
Investment dividends	953		953
<b>Total Interest</b>	<b>3,524</b>	<b>1,345</b>	<b>2,179</b>
<b>Seed Exchange</b>	<b>868</b>	<b>868</b>	
<b>Total Receipts</b>	<b>32,495</b>	<b>27,501</b>	<b>4,994</b>

**Table 1B**  
**ASA Expenses 2018 (\$)**

	Consolidated	Operating + Endowment	Research
<b>Administrative</b>			
Envelopes	18	18	
Postage	201	201	
Website	323	323	
<b>Total Administrative</b>	<b>542</b>	<b>542</b>	
<b>Awards &amp; Memorials</b>			
Awards	0	0	
Memorials	0	0	
<b>Total Awards &amp; Memorials</b>	<b>0</b>	<b>0</b>	
<b>Azalean</b>			
Advertising	0	0	
Convention	393	393	
Editor	4,500	4,500	
Layout	4,500	4,500	
Postage	1,241	1,241	
Printing	9,206	9,206	
<b>Total Azalean Expense</b>	<b>19,840</b>	<b>19,840</b>	
<b>Fees &amp; Charges</b>			
PayPal Charges (online renewals)	291	291	
Square Charges (phone renewals)	34	34	
Corporate Fees	0	0	
Azalea City	0	0	
<b>Total Fees &amp; Charges</b>	<b>325</b>	<b>325</b>	
<b>Membership</b>			
Chapter Reimbursement	1,440	1,440	
New Member Packets	99	99	
<b>Total Dues Expense</b>	<b>1,539</b>	<b>1,539</b>	
<b>Research Fund</b>			
Grants Awarded			0
<b>Total Research Fund Expense</b>			<b>0</b>
<b>Total Expense</b>	<b>22,247</b>	<b>22,247</b>	<b>0</b>
<b>Receipts-Expenses</b>	<b>10,248</b>	<b>5,254</b>	<b>4,994</b>

**Table 1C**  
**ASA Balance Sheet, December 31, 2017 and 2018 (\$)**

	2017	2018
<b>Assets</b>		
Checking Account	11,619	26,239
Savings Account	27,455	34,554
PayPal	311	2,216
CDs	158,258	144,286
ARF Stock Investment (Schwab)	31,921	21,660
<b>Total Assets</b>	<b>229,564</b>	<b>228,955</b>

<b>Liabilities</b>		
Uncashed checks (chapter rebates)	455	0
Operating Fund	37,632	59,303
Credit Card	117	270
Endowment Fund	82,183	67,515
Research Fund	109,177	101,867
<b>Total Liabilities</b>	<b>229,564</b>	<b>228,955</b>

**Table 1D**  
**ASA CDs, a/o December 31, 2018 (\$)**

	Rate, Maturity	12/31/2018
FVC Bank, XX2169, \$15,000	1.69%, 3/18/2020	15,714.46
FVC Bank, XX2056, \$25,000	1.69%, 2/1/2020	26,225.96
FVC Bank, XX2800, \$63,746.39	1.54%, 04/17/2019	65,405.52
FVC Bank, XX3284, \$36,368.15	1.88%, 01/05/2023	36,940.16
FVC Bank, XX1920, \$16,002.40 (Oconee)	1.2%, 10/21/2018	0.00
<b>Total CD Balance</b>		<b>144,286.10</b>