

AKTI Board of Regents Meeting

March 24 - 25, 1999

Room 127, Hospital Suite Resort, Phoenix, AZ

Wednesday, March 24, 1999 Meeting called to order approximately 1:00 p.m by president Les de Asis. Other Regents present: CJ Buck, Wally Gardiner, Sal Glessner, D'Alton Holder, Bob Miller. Absent: Jim Wehrs. Others: Jan Billeb, Executive Director, and guest Al Pendray, President Knifemakers Guild. The meeting was recessed approximately 6:00 p.m. and reconvened Thursday, March 25, 1999 at 8:00 a.m.

These minutes are presented on a per subject basis, not chronologically.

Financial - Wehrs

Due to Wehr's absence, Jan presented the December 31, 1998 statement along with 1999 year-to-March 17. Current checking account balance is \$9,649, all outstanding bills including Roger's fees and Jan's fees and expenses through February are paid.

Dues - Imperial Schrade and Benchmade have paid \$10,000 dues for 1999. Holder questioned his dues obligation as Regent. Gardiner moved that Holder's dues commitment as Regent was covered, seconded by de Asis, passed.

Taxes - Jan reported meeting with the accountant at McGladrey & Pullen. The 1997 and 1998 records were delivered for preparation of the review and federal 990 forms. The accountant has recommended that all revenues be classified as dues, not contributions. Also, any lobbying expenses need to be tracked separately and a statement provided yearly to members of the percentage of dues used for lobbying purposes.

Insurance - Quotes for officer and directors liability and general liability received from Executive Risk and Chubb (Aon) were reviewed and CJ had Lisa at Buck Knives review the information. He reported the Chubb Officers and Director's policy would be a good choice with defense expenses in addition to the liability limits and the statutory protection provided by law. Gardiner moved, Holder seconded to purchase the Chubb/Federal Insurance Company three-year policy with a \$750 annual premium for \$1,000,000 coverage with no deductible. Passed.

Budget - A rough budget plan was discussed for 1999 based on '98 year-end. Revenue expected from membership: \$75-80,000 - goal of \$100,000. Expenses consistent with '98 with funds for committee projects of: legislative - \$10,000; education - \$5,000; public relations - \$15,000; membership \$10,000. (Note: Outstanding obligations at 12/31/98 of \$14,000 were not considered.)

Membership Committee- Gardiner

Gardiner reported that George Brinkley at Case had agreed to join at the \$10,000 level. Gardiner indicated the board might in the future consider a board position for Brinkley. Gardiner has had contact with Smoky Mountain about renewing membership.

Premier member plaques were ordered from Baron (minimum quantity of 20 costing approximately \$167 each). The membership year will be laser printed on the bottom by Schrade.

Gardiner discussed the issue of potential members with questionable business and/or advertising practices. It was agreed AKTI needs to encourage and accept their membership and then influence practices beneficial to the industry.

Discussion followed of who is the member: entity or individual, association or members; how different groups fit into the membership categories according to the bylaws; can an individual pay and become a premier member with voting rights, and other membership category issues.

After discussion about the membership of the **Knifemakers Guild**, Holder moved to accept all members of the Knifemakers Guild for \$4500 for 1999 with each member being an AKTI Ambassador. Buck seconded, passed Holder and Al Pendray will seek approval from the Knifemaker's Guild. Pendray agreed that the Knifemakers Guild would make an appeal to its membership for volunteers with resources or expertise.

Other potential associations suggested for membership: American Bladesmith Society, Professional Knifemakers Association, National Independent Cutlery Association (group of about 40 members owners of retail cutlery stores, mainly mall locations.) Miller will discuss with Brian Swanson, executive director, NICA joining for \$5,000, giving each store membership in AKTI.

Knife box stuffers - Jan reported there are about 380,000 stuffers left without the extra fold. It was decided she should send some to Benchmade, Schrade and Spyderco, saving about 100,000 for use at shows and to mail to knife groups and others willing to distribute AKTI information.

Counter-top tear off Stand - Glesser will proceed with the counter display with a tear-off application form. It will be sent to approximately 150 cutlery stores 150 plus others 600 to 700. He'll have 1,000 printed. Gardiner and Miller will work on the letter to be included in the mailing and Miller will make arrangements for the actual mailing. Gardiner suggested AKTI letters regarding membership need to be short and to the point to insure they are read.

Membership cards - It was approved for Jan to order official membership cards, and other miscellaneous items requested in the notes to the agenda. No action taken on AKTI decals.

United Cutlery - Miller agreed to talk to David Hall about not including the AKTI box stuffer in their knife kit. Their offer to put an insert into their catalog was not discussed.

A.G. Russell - De Asis explained A.G. had offered either a one page ad in his catalog or a \$4,000 payment for dues. Holder will call and encourage A.G. to support AKTI with both.

Other membership topics discussed included the idea of a discount offer from suppliers and retailers for AKTI membership, answering the question "why should I join," and the need for AKTI to emphasis dealer membership more than individual Ambassadors. Glesser discussed that AKTI really has two audiences and needs to address their concerns differently: the large audience (the general public) and the small audience (knife industry). It was suggested a questionnaire be sent to prospective members asking "What do you think are the important issues for AKTI to focus on?"

Education Committee - Holder

Presentations: Holder reported on three different presentations he made and the differences required in adapting them for the individual audiences of youth groups, men and women. He will be working on outlines of how presentations can be done and said a videotape (about 10 minutes) is needed for illustrations. He could use video clips from any available source.

Hand-out materials: Another planned project is a booklet on knife safety that can be distributed at presentations and programs for scout groups. Gardiner will provide him with a sample of "My First Knife" distributed by Schrade.

DARE Program: Miller reported interest in a videotape to be used in the DARE program offered in most public schools.

Legislative Committee - Buck

Buck coordinated a web site StateNet presentation Discussion included the possibility to use legislative information on AKTI's web site in a "member's only" section that did not necessarily have to be password protected. StateNet information can be copied and pasted

Costs of hiring lobbying firms was discussed including a proposal from the firm Buck Knives uses.

Buck requested approval for a twelve month approval with Statenet starting June 1st at the standard service for \$12,000 per year, to be billed monthly. Miller so moved, de Asis seconded, passed.

Gardiner updated the board on the case of a New Jersey person arrested carrying a Schrade knife. Based on his conversation with the Attorney General of New Jersey the state intends to enforce laws already on the books that have previously been ignored and is asking NJ's cooperative states to do the same. Discussion followed on automatic knife issues including the fact that federal law makes it illegal to import knives that can be converted to automatic.

Buck reported on the California case of a man arrested on a community college campus with a Benchmade knife.

Publicity Committee - Glesser

Positive Knife Image - Glesser showed Spyderco's 30 second TV spots which have been broadcast on PBS and the weather channel. He emphasized the need to show positive images and influences and the importance of considering perception in advance.

AKTI Forum - Glesser presented idea of AKTI getting its own forum. Bladeforum.com would host the spot but AKTI would need a moderator which is very time-consuming. Sal indicated someone would have to check for messages on a daily basis. He questioned, "Who is going to be the authority on AKTI?" It was suggested that questions could be answered with "it's my opinion" or fielded out with internal communication before answering. It was decided for now Sal would pose questions about AKTI on his forum.

Strategic Plan - Glesser and Jan will work on a strategic plan for publicity and will have editorial input on articles or publicity developed. Ideas discussed: a press release on the new legislative service; membership update about the Knifemakers Guild, Y2K concerns; issues for customers - dealers, etc. Outside writers will be approached for ideas. A budget will need to be developed. Areas discussed for publicity committee involvement included: internet, newsletter, mailings and Gardiner suggested the possibility of a public service announcement being provided by AKTI.

Web site

Links - It was noted that companies still need to link their sites to akti.org.

FAQs - The importance of having position answers was discussed and some basic questions were brainstormed. It was agreed that Jan would develop them further, e-mail a draft to everyone for comments and additions within a few days and then post to the web site.

Servicemark - The message from attorney Mary Brett was reviewed about changes and an ad needed to complete registration of the servicemark for akti.org. Jan will proceed with the necessary details.

Web site development - Fees for the server will be due in May of approximately \$400 per year. Jan and her college son will continue providing the actual site content and development.

Administration

Glesser moved, Holder seconded to approve the **Minutes of the November 19 and 20, 1998 Meeting**. Passed.

Next BOR Meeting - Scheduled for Chicago June 25th and 26th with meeting starting Fri. at 9 a.m., and Sat. 8:00 a.m., followed by the annual meeting. Gardiner suggested the Hilton Airport for the meeting location. Gardiner presented the interest of Fleischman Hillard to meet

with AKTI and do a presentation on their services. If possible they will be invited to the June meeting.

Annual Meeting - will be on Saturday, June 16th from 10:00 a.m. - 12 p.m. A 30-day notice will be mailed to all members per the bylaws.

Arrangement with Roger Combs - Holder moved, Gardiner seconded to terminate AKTI's relationship with Roger Combs and eliminate the Communications Director position. Passed. Buck agreed to make arrangements to pick up AKTI property from Combs after Jan provides a list. It was agreed that Jan will coordinate areas previously considered Communications Director's responsibilities.

Form 1024 for Non-Profit Status - Jan reviewed some of the questions on the federal form to obtain non-profit tax status including membership categories, questioning how associations fit into categories in the bylaws, whether AKTI ever intended to contribute to the election of an official, and the priority of various planned programs based on resources. The form will be filed by July and the application fee is \$500. She will send a draft of the answers to the Regents for review.

Other

Show Participation - It was discussed that AKTI participation at various shows did not necessarily require someone taking care of a display, that materials could be made available along with a sign of where to talk to those Regents present.

Blade Show - Glesser suggested a knife raffle for people that sign up for AKTI membership during the Blade Show. He will coordinate the setup. Holder will donate a knife for first prize and Schrade, Buck and Benchmade will also donate knives. Having Jan attend the Blade Show and take care of memberships and meet writers was suggested, but it was generally agreed if was not work the AKTI resources the trip would require. Regents attending Blade Show will plan a recruitment meeting.

Buck moved, de Asis seconded to adjourn meeting, approximately 12:00 p.m., passed unanimously.

Minutes submitted:

Jan Billeb
AKTI Executive Director