

BOARD MEETING

Wednesday October 20, 2002
11:00 am – 3:00 pm

2nd floor Conference Room, Administrative Offices, Robarts Library, University of Toronto
130 St. George Street, Toronto M5S 1A5

DRAFT MINUTES

In attendance

Elizabeth Broun (chair) Smithsonian American Art Museum; Ken Hamma (vice-chair) The Getty Museum; Maxwell Anderson (Treasurer) Whitney Museum of American Art; Bob Futernick (for Harry Parker) Fine Arts Museums of San Francisco; Shell Hensleigh, Detroit Institute of Arts; Alan Newman, The Art Institute of Chicago

Ex. Officio

Jennifer Trant (Ex Dir.), Christine Steiner (Gen. Counsel), David Bearman (Dir, Strategy & Research)

Regrets

Katharine Lee Reid, Cleveland Museum of Art; Susan Chun, The Metropolitan Museum of Art; Pierre Théberge, National Gallery of Canada; Robin Dowden, The Walker Art Center; Jacqueline Allen, Dallas Museum of Art; Michael Conforti, Sterling & Francine Clark Art Institute; Sam Sachs, The Frick Collection and Art Reference Library; Mark Jones, Victoria & Albert Museum.

1. Call to Order and Review of Agenda

Chairman Broun called the meeting to order at 11:00 am. She noted that we had a quorum in attendance. Broun indicated that the meeting depart somewhat from the order of the agenda to accommodate a visit from our host, Carole Moore, Director of the University of Toronto Library, at about 11:15 am.

2. Minutes from Last Meeting

The draft minutes from the Meeting of May 30, 2002 were reviewed. Alan Newman moved, Ken Hamma seconded a motion to approve with minor grammatical changes only. There was unanimous assent.

3. Management of AMICO

• University of Toronto

Jennifer Trant reported that AMICO and the University of Toronto have reached an agreement regarding housing some AMICO activities in Robarts Library over the next five years and summarized its terms.

AMICO's Editorial and Research offices will be our first Canadian activities. She and David Bearman (who are sharing one full-time position of Executive Director) have agreed to a two year contract (from July 1, 2002) to help establish AMICO's new office and create a Canadian affiliate organization.

Christine Steiner discussed the legal issues of the transition. She reported that AMICO is and will remain a US non-profit entity, with an office in Minnesota. It will continue to be represented by counsel in California and auditors in Pittsburgh. She reported that the remaining steps in the move, which included incorporating a Canadian entity with "affiliate" ties to AMICO, will be reported at the next meeting of the Board. AMICO is thinking through this step because we want to craft a model that could support national AMICO affiliates in other countries, such as in Europe, in the same way as the Canadian affiliate is structured. In each case, the benefits include eligibility for local funding and a framework for having locally-based employees.

4. Courtesy Call by Carole Moore

Carole Moore, Director of the University of Toronto Libraries, joined the meeting to greet the Board and welcome AMICO to Toronto. She expressed her hope that the many opportunities that AMICO and the U of T explored during the spring would be realized in the coming years.

5. Financial Issues

Max Anderson gave the Treasurer's Report. He reflected that AMICO's income had continued to grow in the past year, but that AMICO was experiencing a serious cash flow shortage as a result of having credited its Members with liberal rebates last spring just before major payments were due from AMICO to the rights societies. He noted that AMICO, unlike the museums that make up its membership, has no reserves or line of credit, and while its five-year projections were on target, it could not afford to be short of cash. He reviewed with the Board the current budget, including the actual spending plans adopted by staff based on a conservative budget, 25% lower than authorized.

Anderson then introduced a proposal for membership dues for the coming year which combined the unpopular step of advancing the due date on payment of dues to the end of February (invoices to go out January 1) with the popular step of doubling the per work dues rebate for Members and permitting the carry-over of unused rebate amounts to be applied to dues the next membership year. David Bearman explained the rationale behind the proposal: AMICO's cash flow had been buoyed by Archives & Museum Informatics during the years that A&MI was managing AMICO. When there were shortages, often as much as \$90,000, A&MI simply covered them, knowing that income was pending. However, AMICO's position has changed; we are managing ourselves independently. AMICO's expenses are largely for employees' salaries and large annual payments to the rights societies (due the first day of each AMICO fiscal year). There is no flexibility in when we make payments on these obligations. AMICO must make sure that it has adequate cash in-hand. While changing the dues payment schedule and implementing Membership Dues Rebates after the fact rather than as credits against amounts due is uncomfortable for AMICO Members, it is a matter of survival for AMICO.

Board Members were quite concerned about early invoicing of Membership dues. Allan Newman asked if there might be ways to credit Members for costs such as staff time contributed pro bono, in order to reduce the impact of dues. Shell Hensleigh stated that we should allow the payment date some latitude. Betsy Broun expressed concern about how best to explain the policy to Members, since we don't want museums to drop out over dues. Ken Hama noted that moving the Membership Dues date might move it into a fiscal year for which it had not been planned, thereby causing hardship to some institutions. He urged that in any case a concrete date by which rebates would be paid should be declared so that Members would know when to expect the reimbursement.

Trant reviewed the proposed methods for calculating Membership Dues Rebates for the 2003 AMICO Library year. Instead of calculating rebates based on all works contributed, as in 2002, it is proposed to only grant rebates for works contributed or enhanced in 2003. (We have statistics for 2002 about extended text and multimedia that enable us to determine if works have been enhanced in the 2003 year.) She also highlighted the proposal that enabled a one-time carry-forward of 125% of the rebate earned but not applied to dues, in order to encourage the early contribution of additional works.

After discussion of the lack of alternatives, Max Anderson moved, Bob Futernick seconded a motion to adopt the budget and rebate policy with discretion for officers to negotiate some leeway to those Members having trouble meeting obligations. The Board voted all in favor except Ken Hama, who abstained (stating that he felt perhaps we were simply postponing the problem, and acting without enough information on the concrete impact on individual Members).

Hama further requested that statements of the Benefits of Membership and the Date of Rebates be developed for all Members. Trant agreed that these were important, and noted that our new Member Services staff would be developing this kind of documentation.

6. AMICO Library Development

Jennifer Trant reviewed the AMICO Library Contribution Statistics distributed in the Briefing Package. She noted that while we struggled to bring the total number of works in The AMICO Library to over 100,000 in 2002 we were unable to meet this goal. While we had works in hand, we could not distribute 2883 works from the Fine Arts Museums of San Francisco, contributed in response to our call for additional materials, because of

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the budgetary impact of the rights fees. These works will be included in 2003 Library. Trant thanked the Fine Arts Museums of San Francisco, the Cleveland Museum of Art, and the Albright-Knox Art Gallery for their work in augmenting their 2002 contributions to help us approach 100,000 works.

Trant also reviewed the forthcoming Contribution Schedule for 2003. It is essential that the preliminary lists due on October 30, 2002 *must* include all works represented by ARS and VAGA so that AMICO can budget for rights payments. We cannot guarantee clearance for works not included in these preliminary lists.

The Board approved the schedule.

7. AMICO Library Distribution Update

• **Distributors**

David Bearman gave an update on AMICO's distributors. Cartography Associates had begun distributing AMICO (using the Luna Insight™ software. Their sales were exceeding our expectations.

Luna Imaging may be able to offer AMICO Members a discount on their software package. Bearman asked if members of the Board thought this kind of undertaking by AMICO was worthwhile. The Board concurred that this type of program had value and urged staff to explore of other such opportunities as well.

• **Subscribers**

Jennifer Trant introduced tables showing the growth of Subscriptions; our subscription numbers are on track in the K-12 community. Higher Education has experienced some slow-down, which can be attributed in some cases to uncertainty about the activities of other players in the area.

Betsy Broun asked for more information about actual uses. The Board discussed the benefit of such information and urged the staff to obtain as much data from Distributors as possible and to analyze it for Members' use. Member and User Service staff will take this on board as one of their first tasks.

• **Subscribers wishing Access through Multiple Distributors**

Jennifer Trant introduced a proposal to reduce the fees charged to subscribers using more than one distributor of The AMICO Library. Rather than require two complete payments, we recommend that AMICO waive its license fee on second and subsequent distributions. However, as are administrative costs in providing AMICO through more than one source to the same client, a small administrative fee should apply. Alan Newman moved, Max Anderson seconded a motion to charge a \$500 administrative fee for each additional distributor following the first. There was unanimous assent.

8. Management of AMICO (cont.)

• **Advisory Committee**

Jennifer Trant reported that she was considering reviving the proposal for an AMICO Advisory Committee. AMICO could benefit for a diverse group of respected individuals who could represent our positions and activities in their communities. Trant asked for suggestions from the Board on its membership and role.

The Board concurred that there was a good rationale for convening an Advisory Committee and recommended that the Executive Director pursue it.

• **Staffing AMICO**

Trant reported the hiring of Scott Sayre, Director, Member Services, and Kris Wetterlund, Director User Services for AMICO, and introduced them to the Board. Scott also serves as Director, of the US Office of AMICO. A Subscriptions Coordinator will also work from the US office.

9. Member and User Services

Sayre and Wetterlund briefly summarized a long planning report that had been developed in conjunction with Trant and Bearman during the first month of their tenure on the AMICO staff. It envisions many possible activities with all of AMICO's constituencies inside Member museums and in the subscriber community.

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Sayre highlighted several potential areas for Member activity, including consortial buying or discount opportunities, such as the Luna Insight™ software possibility noted earlier, or a possible print on demand option that we could offer through a partnership with a commercial printer.

The first step in implementing the Member Services Plan is to interview leaders of AMICO Member teams about what they, as AMICO Members, think are important areas to develop Member Services. That process is now underway and will culminate in a final Member Services plan this quarter.

The Board welcomed Kris and Scott. They expressed concern about moving from an ambitious plan to an operating program. There was widespread support for further discussions with staff at member museums and wide consultation before a plan of action is adopted. The need for closer ties with Users was also discussed, and Kris was encouraged to follow-up with high users of The AMICO Library to find out what makes it 'work' in their context.

10. Other Organizations

Christine Steiner gave a brief report on the copyright issues involved in digitizing slide libraries whether by universities or museums. She noted that generally holders of slide collections have not secured the permissions for such digital copying. The Board had a general discussion of how this pertained to ArtSTOR and other organizations with programs and plans similar to those of AMICO and how AMICO related to them. It was agreed that the findings of counsel did not require AMICO to change its policies of payments to rights societies, which were reaffirmed in discussion. No action was taken.

11. Forward Schedule

The Board agreed to a meeting in London, January 30 or 31, 2003. Chairman Broun expressed regrets that she would not be able to attend, but Vice Chairman Hamma agreed to chair the session.

The AMICO Members Meeting is being planned for late May or early June at the Museum of Contemporary Art, San Diego. It was agreed that the Board would meet at that time.

12. Other Business

- **Nominating Committee**

The Board was reminded that it was elected for a two-year term, through the end of 2003. It was agreed to establish a Nominating Committee for the Board positions that will become vacant in January, 2004. Betsy Broun agreed to appoint a committee to put together a new slate of officers and Board. Existing Board Members willing to continue to serve were encouraged to offer to stay on, to provide continuity.

13. Adjournment

Alan Newman moved, Ken Hamma seconded a motion to adjourn. The meeting was adjourned at 3:10 pm. Some Board Members stayed on to hear Alan Newman's talk on Museum Imaging, the first in a series of occasional lectures sponsored by AMICO at the University of Toronto.