

The Geological Society of Washington  
*founded 1893*

DRAFT MINUTES  
MEETING OF THE COUNCIL  
OCTOBER 23, 2019

*Council Members Present*

Patrick Carr, council secretary  
Liz Cottrell, 2nd vice president  
Carl-Henry Geschwind, treasurer  
Graham Lederer  
Mark McBride  
Karen Prestegaard, past president  
Michael Purucker, president  
Ester Szein, 1st vice president  
Bev Walker

*Council Members Absent*

Laura Helmuth  
Megan Holycross, mtg secretary  
Nick Pyenson  
Libby Stern

*Others Present*

Jamie Allan  
Ann Benbow  
Erik Hankin  
Roz Helz  
Alex Speer

The meeting was called to order at 2:01 P.M. by President Purucker. The minutes of the April 3, 2019, meeting were approved without objection.

BUSINESS OF THE DAY

Without objection, the discussion of meeting venue was taken up since Allan and Helz were invited for that purpose. Purucker introduced the topic by mentioning that the two main problem with the Cosmos Club were the cost and the need for a Club member to host the dinner and meeting. AGU's new facility is promising and they are offering a lower price; he received a written proposal in June which is attached. Salient points: \$900 per meeting for 11–13 meetings per year for three years ending by 10:30 P.M., 1–2 joint GSW-AGU lectures including the Bradley, and a liaison from AGU to the GSW council. We had arranged to hold this year's Bradley Lecture there on November 13th, but the building will not be ready.

Bentley presented the results of the membership survey that was completed on October 20th, which are attached. To summarize, 28 percent prefer to remain solely at the Cosmos Club, 24 percent to remain at least partially at the Cosmos Club, and 39 percent prefer the AGU facility. This is not especially conclusive.

Allan related a few experiences: The survey from a few years ago about the number of talks at meetings and the subsequent reaction to experimentation suggest that tradition is important to the membership, perhaps more so than is reflected in survey results. He was also somewhat wary of the motives of the post-Spilhaus AGU, considering it to be more "corporate" and less accommodating of smaller partners. Speer concurred with this; MSA had a poor experience collaborating with them. Allan suggested at a maximum a 50/50 split between venues for a couple of years so as not to break the relationship with the Cosmos Club.

Helz addressed the hosting issue: It's difficult to recruit Earth scientists to the Club—in recent years it has gradually tended more towards medicine and politics—and it becomes a positive feedback because of the number of members required to support a new member. A Club member is required to reserve the auditorium and host the dinner,

but these could be separated. The host must be present at dinner, but is not required for the meeting. However, dinner at the Club does serve as a recruitment for speakers and it is also convenient for the Program chairs to have all the speakers assembled in the building before dinner.

A brief discussion was held, by my notes most comments bent towards the Cosmos Club. Geschwind noted that the AGU price was subsidized and only guaranteed for three years. Sztein raised the concern that jointly-branded AGU-GSW talks might confuse the two identities with an eventual loss to the Society. Walker asked about other venues—Cottrell mentioned Smithsonian’s Q?rius Theater, but that would have the issues we originally discovered with AGU: charges for evening staff and security, audio-visual equipment use, and bartending.

The discussion will continue. Purucker is waiting for revised meeting prices from the Cosmos Club. Sztein will continue the conversation with AGU, perhaps for six meetings rather than twelve, perhaps by semester.

## REPORTS

### *Treasurer*

Geschwind presented his report, which is attached. The General Fund approximately broke even for the fiscal year ending June 30, 2019. There was unexpected revenue of \$400 from a field trip that Doctor led at the AGU fall meeting, and unexpected expenses for the Cosmos Club and office operations related to a one-time upgrade of the hardware at MSA. The budget for FY20 is for \$19,400 for twelve meetings (including one Bradley lecture) and is balanced by a transfer from the Endowment Fund of 4.5 percent.

The long-term trend is that revenue is decreasing, largely due to declining membership, and expenses are increasing, due to increasing costs for meetings and beverages and steady attendance. For now the deficit in the general fund is below the gains from investments, but the gap is narrowing. He proposed having more events named for W.H. Bradley, say, three related talks as a “Bradley Symposium” as one way to make more use of invested funds. Carr also suggested encouraging donations to the General Fund.

The motion arising out of his report, to maintain dues at the FY19 level of \$40 for regular members and \$15 for corresponding, student, and early-career members, passed without objection.

### *Finance*

Prestegaard noted that the FY20 budget depends on a transfer from the Endowment Fund of more than 4 percent, so the Committee recommends the following changes to the Investment Policy:

In Procedure 7 to insert “at year end”; to insert “by no more than 25 percent”; to strike “in any given year”; to strike “4” and insert “3”; to insert “If the actual balance

at year end is greater than 25 percent but not more than 50 percent greater than its MRB, the transfer should not exceed 4 percent of the total balance. If the actual balance is greater than 50 percent of its MRB, then these limitations do not apply, but amounts transferred should be no greater than is necessary to maintain the General Fund at the target range expressed in item 8) below.”; to insert “while at the same time guarding against excess accumulations in the Bradley or Endowment Funds”; and to make clerical corrections such that it now reads:

7. If the actual balance of the Bradley or Endowment Fund at year end is greater than its MRB by no more than 25 percent, the transfer of monies from that Fund to the General Fund should not exceed 3 percent of the total balance of the Fund from which the transfer is derived. If the actual balance at year end is greater than 25 percent but not more than 50 percent greater than its MRB, the transfer should not exceed 4 percent of the total balance. If the actual balance is greater than 50 percent of its MRB, then these limitations do not apply, but amounts transferred should be no greater than is necessary to maintain the General Fund at the target range expressed in item 8) below. These limitations are intended to prevent depletion of the entire expendable portion of a Fund’s balance in a single year, thus preserving some monies for future use, while at the same time guarding against excess accumulations in the Bradley or Endowment Funds. Exceptions are possible in the case of unusual, one-time expenditures.

This is intended to give the Treasurer more flexibility when restricted Funds are considerably in excess of their required minimum balance (MRB). There is additional discussion in Geschwind’s report including a “track changes” version of the Policy. This passed without objection.

#### *Nominations*

On behalf of Bentley, Purucker presented the report of the Nominations Committee, who propose the following slate of officers:

- First Vice-President: Liz Cottrell (Smithsonian)
- Second Vice-President: Larry Meinert (independent)
- Meeting Secretary: Beth Doyle (Northern Virginia Community College)
- Council Secretary: Patrick Carr (Department of Defense)
- Treasurer: Carl-Henry Geschwind (independent)
- Councillor: Pranoti Asher (American Geophysical Union)
- Councillor: Bill Craddock (US Geological Survey)
- Councillor: Julia Nord (George Mason University).

The slate was approved without objection.

Sztein mentioned that for 2020, the co-chairs of the Program Committee, the doughty duo of Haupt and Padilla, will continue but that she would prefer an asynchronous hand-off to their successors to improve institutional memory.

### *Membership*

Hankin reported that membership was roughly steady this year, but the long-term decline continues. There are 272 members for 2019 down slightly from 286 members in 2018; the renewal rate was 85 percent with 24 new members. Student membership is up, but he suggested that the two-step process of application and approval followed by payment is a hindrance. I.e., there are currently 7 approved applicants with outstanding dues.

Prestegaard moved that the application process be one-step, that is that payment be accepted at application. Speer will investigate the feasibility of implementation.

Given that actions of recent years have reduced barriers to entry, Hankin suggested that perhaps a code of ethics might be warranted. Prestegaard suggested AGU's as an example; Hankin will investigate.

### BUSINESS OF THE DAY (CONT.)

Speer announced that he will be retiring from MSA and introduced Benbow as his replacement. Her most recent position was as the executive director for the Archaeological Institute of America in Boston, and before that she was with AGI. She holds a doctorate from the University of Maryland. Everett Johnson will continue in his role as staff. Speer has been with us since 1985, the beginning of MSA's involvement and has handled the records, processing, notices, archives, and bookkeeping for the Society. The Council unanimously thanked Speer for his years of reliable service.

Purucker and Bentley mentioned that GSA regional joint meeting of the Southeastern and Northeastern sections will be held in Reston March 20–22, 2020. Speer added that MSA will have a booth and that GSW is welcome to put a sign or flyers there.

Hankin suggested the development of strategic plan, perhaps by a committee with a nucleus of past presidents. Sztein suggested perhaps a clear mission statement first—Prestegaard suggested starting from statements from Powell. Sztein will consider this for action.

McBride would welcome relief on the management of the informal dinner before meetings and perhaps the formation of additional dinners. Hankin suggested that could meld into the Facebook outreach.

The meeting adjourned at 4:20 P.M.

Respectfully submitted,

Patrick M. Carr, Council Secretary



16 June 2019

Michael Purucker  
President, Geological Society of Washington

Dear Mike and GSW Council:

I'm writing on behalf of AGU to propose a collaboration between AGU and GSW around the use of our conference facility for GSW meetings. As mentioned, in developing an offer for use of the AGU conference facilities on a simple standard fee basis, we realized that the costs would exceed significantly the per meeting budget of GSW. This is because we have to support an evening security and cleaning staff.

Instead, we are proposing in this letter a closer collaboration between the AGU and GSW than a simple contracting model. We view this as mutually beneficial to both societies including our staff and local and visiting members. We would propose an MOU between AGU and GSW that would follow the following framework:

- AGU will host the GSW meetings. GSW would contribute a flat fee of \$900/meeting to AGU for 11-13 meetings/year. AGU would subsidize additional direct costs including staffing and standard (beer, water, sodas) beverages for attendees at a minimum for each meeting. Additional food and beverage services or other amenities can be provided at AGU's discretion. AGU meeting space would include the lobby and main conference room.
- We propose that GSW hold 1-2 "public" lectures/year as joint GSW-AGU lectures. One of these would be the Bradley Lecture; an additional one could be the Presidential address or an extra meeting upon agreement of both societies. "Public" means that AGU would be able to advertise these meetings to its local (DC area) membership and perhaps other scientists in the DC area. We would have a registration system to ensure that attendance did not exceed capacity and that GSW members had priority.
- GSW will include one AGU staff member either as a non-voting member of the GSW Council, or as a co-chair or advisor to the GSW meetings chair, to allow GSW to have better knowledge of AGU members that are visiting and to coordinate w/ the AGU staff seminar series, and to provide effective feedback to AGU on the facility.



- AGU would provide small meeting rooms or space for five GSW executive meetings per year (council and finance committees).
- Each society agrees to help with joint messaging of seminars of interest to their respective community and other open AGU or GSW events.
- GSW would confirm meeting dates with AGU in advance yearly so that AGU can predict set up and conflicts related to any other groups using the AGU space.
- GSW would conclude their meetings by 1030 PM (AGU night staff are paid for a maximum of 4 hours)
- This MOU would be in effect for 3 years.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Brooks Hanson'.

R. Brooks Hanson  
Executive Vice President, Science  
AGU





After reviewing the available information, my preference would be for GSW to meet	Please share any comments you have, to help inform the GSW Council as it considers this important question.
...at the AGU building only.	The new AGU HQ is very nice and just as convenient for folks as the Cosmos club
...at the AGU building only.	AGU is a good site unless they keep bouncing GSW whenever they have a "more important" organization that wants to use the room
...sometimes at the Cosmos Club and sometimes at AGU.	Consider a split between AGU bldg and Cosmos Club for the first year and then re-poll the membership once again to consider this question.
wait until we have a trial meeting at AGU, ensure that meeting is widely publicized to AGU members so that we understand the potential interest coming from being AGU-adjacent.	
Look for a more central meeting place for GSW members	Open up the meeting options to other locations in addition to AGU and Cosmos, they may be more convenient to the majority of members/attenders
...at the Cosmos Club only.	
...at the AGU building only.	
...at the Cosmos Club only.	From a 50+ year AGU lifetime member (who is considering resigning) and GSW member who treasures tradition. The public face of AGU has become an unbalanced one of the advocacy of AGW, even CAGW. To associate GSW with AGU will sully GSW's enduring reputation as a venue for presentation of independent earth science. GSW is financially healthy; saving \$200 per meeting is not worth the possible long-term damage to GSW's reputation. [1]
...at the AGU building only.	
...at the AGU building only.	I think the main reasons for not doing this years ago was availability of drinks, and where to dine with speakers. If these are both solved, leave the club. They have not been good to us.
...at the Cosmos Club only.	The AGU offer isn't much use if they ask us to move. Not being able to hold the first venue may be telling us everything we need to know about the treatment we would get.
...at the Cosmos Club only.	
...at the AGU building only.	
...at the AGU building only.	Cosmos Club was likely an ideal venue in the early days of GSW, but it is a business relationship and change is long overdue. The parameters of the AGU option described here and at the last GSW meeting are very appealing. The AGU connection, mainstream venue, and greatly improved parking availability would likely generate significant marketing and membership benefits for GSW along with cost savings. GSW is worthy of moving forward.
...at the AGU building only.	
...sometimes at the Cosmos Club and sometimes at AGU.	I like the tradition of using the Cosmos club, but parking is always an issue (though I always walked there) and there were some odd rules for going there. The cost savings seems nominal but maybe in the long run not so. What is the plan for the pre-meeting dinners? Will they still be at the Cosmos Club or would that also be terminated? What is the likelihood of getting "bumped" in the future even with the three-year MOU in place?
...at the AGU building only.	I see the AGU offer as win/win, with both lower costs, unlimited drinks, and potential synergy w/ AGU staff and membership, as well as DC-wide publicity services provided by AGU.
...at the AGU building only.	It seems to worthwhile to use the less expensive venue. And the AGU building is impressive.
...at the Cosmos Club only.	Historical identity anchors GSW.

After reviewing the available information, my preference would be for GSW to meet	Please share any comments you have, to help inform the GSW Council as it considers this important question.
...at the AGU building only.	
...at the Cosmos Club only.	
...at the Cosmos Club only.	
...at the AGU building only.	
At AGU but only if we could guarantee that we	I am all for holding the meeting somewhere less expensive. However, if they are already bumping GSW meetings for a 'higher priority' group it makes me hesitate to fully commit to using their facilities because of the possibility of getting bumped in the future.
...at the AGU building only.	Moving to the AGU building is a great idea.
...at the AGU building only.	I live in AZ, so I am largely indifferent to meeting venue. I do belong to both GSW and AGU. Being bumped from your initial trial meeting did not sound promising for AGU. No mention was made of food in the e-mail I received.
...at the Cosmos Club only.	
...at the Cosmos Club only.	This is a hard one. I am not against moving from the Cosmos Club but it has to be to an accessible and reliable venue. Sad to say, I would be wary of going all-in with AGU which would otherwise be a good venue. As shown by the way they have treated GSW already -- be warned or have a legally binding agreement that is tilted in our favour (even though lawyers cost money, be suitably cautious in this business deal). Alternating venues would confuse people unless, say, you only and always have the Bradley lecture (on the same month every year) and the AGM at AGU.
...at the AGU building only.	The Cosmos Club is an important part of the history of GSW. For me, it represents exclusion. We are not invited to be in most of the building. As a new person to GSW, it is difficult to find the place to enter for the meetings. I believe it would help growth of GSW to consider how the meeting location represents the organization and the possibility that it could be more open and inviting. Thank you for the opportunity to comment.
...at the AGU building only.	Perhaps off topic, but I would unquestionably come to more meetings if they started/ended earlier.
...at the AGU building only.	Given that there are fewer and fewer members of the Cosmos Club able to host the speaker dinners and the rising cost of the Cosmos Club rental, it seems that now is the time to break from tradition and move on to the better accommodations at AGU. The AGU building is so close to the Cosmos Club that individuals that still want to park for free along consulate row will still be able to do so, and if the Cosmos Club wants us back we can negotiate for a better deal moving forward.
...at the Cosmos Club only.	
...at the AGU building only.	
...sometimes at the Cosmos Club and sometimes	Sad to give up the Cosmos after the long history. One option is to raise the GSW membership fee or change a flat drink rate per year for those that like beer.
...at the Cosmos Club only.	
more information needed	If we book again at the AGU and are cancelled, what happens if we can't book at the Cosmos Club? Are we at risk of not being able to have a meeting at all?
...sometimes at the Cosmos Club and sometimes	The AGU revocation of the previously agreed upon lecture room for a GSW event is a troubling sign for being able to count on AGU going forward. The potential savings would be about \$2,000 per year on average, which is a consideration, but there is no guarantee of such a continuing price break after three years. The Cosmos Club may not always like our contract with them but because of the history they have come through often and we have choked down the costs.
...at the Cosmos Club only.	They might bait n switch after 3 years by increasing prices with no guarantees on service.

After reviewing the available information, my preference would be for GSW to meet	Please share any comments you have, to help inform the GSW Council as it considers this important question.
I have a COI and therefore will not be voting	The technological advantages at the AGU facility cannot be understated. Readability of slides is a major issue at the Cosmos club. The multiple LCD monitors and projector screens at AGU make it so any person in the audience can easily see and read presentation slides. There is also the capability to hook up to wifi and live stream presentations. And it has far superior networking space. And finally, it would be really nice to be welcomed at a facility for our GSW meetings, rather than being forced to enter through a side door away from the viewing of the Cosmos Club members.
...sometimes at the Cosmos Club and sometimes at the AGU building only.	The rich geologic tradition of the Cosmos Club should be taken into consideration. Also, such a historic location encourages attendance at events
...sometimes at the Cosmos Club and sometimes at the AGU building only.	It would be a shame to be out of the Cosmos Club completely - after all, it has been used since 1893!
...sometimes at the Cosmos Club and sometimes at AGU.	
...sometimes at the Cosmos Club and sometimes at AGU.	I like the idea of new venue and possibility of special meetings and anniversary celebrations at our dear Cosmos Club.
...sometimes at the Cosmos Club and sometimes at AGU.	
...sometimes at the Cosmos Club and sometimes at AGU.	
...sometimes at the Cosmos Club and sometimes at AGU.	
...sometimes at the Cosmos Club and sometimes at AGU.	
...at the AGU building only.	Need guarantee that GSW would not be pushed out for a "higher" priority
...sometimes at the Cosmos Club and sometimes at AGU.	
...at the AGU building only.	I am opting for meetings at AGU HQs because I feel it would benefit GSW's image to emerge from underneath the umbrella of the Cosmos Club, which has a reputation of a very exclusive organization. One of the concerns raised to moving was that speakers would not benefit from the Cosmos dinners anymore. However, fancy dinners can still be had (and at a variety of locations), and will become more inclusive once restrictions on who can participate are no longer in place.
...at the Cosmos Club only.	Another issue at the Cosmos Club is the seating. The chairs in the meeting room are not designed with ergonomics in mind. As a person with lower back issues, I cannot sit on the chairs for more than an hour without putting my back at risk of injury. AGU has ergonomic chairs that I have used in the past for a full day with no trouble. I have spoken about this issue with several other people who have echoed my concerns about the seating.
...at the AGU building only.	Please feel free to quote my remarks if needed.
...at the Cosmos Club only.	There are many reasons to stay at the Cosmos Club, but a major one was well expressed at the last GSW meeting: there is great value in the association with an organization devoted to broad apolitical intellectual and societal concerns rather than one focused on earth science alone. As was said then, we should avoid the implicit connotation of "just another geological meeting" under the AGU umbrella.
vary days, times and venues	Either is OK for me. I wish to attend mtgs. but I just cannot do Wed. evenings. Perhaps it might be possible to vary the days, times and venues.
...at the AGU building only.	

After reviewing the available information, my preference would be for GSW to meet	Please share any comments you have, to help inform the GSW Council as it considers this important question.
...at the Cosmos Club only.	
...sometimes at the Cosmos Club and sometimes at AGU.	
...sometimes at the Cosmos Club and sometimes at AGU.	<p>During the late 1980's there was a renovation of Powell Auditorium. AGU graciously allowed GSW to use a large meeting space in their then new headquarters building. I thought the meeting facilities at AGU were adequate. The disadvantage of meeting at AGU for long-time members of GSW who were also members of Cosmos was the disruption of customary dining habits: One had to walk several blocks after drinks &amp; dinner at Cosmos to reach AGU for the meeting. The disadvantage, however, of meeting at AGU was the danger of the enveloping embrace of a large and aggressively growing organization operating in predatory mode towards a small organization. The scheduling of GSW meetings was, as I recall, subject to disruption by AGU's overriding concerns for their own organization's imperatives. The example of MSA's experiences with AGU are a fair warning: Back when AGU operated out of a K Street basement, MSA correspondence was regularly dumped in the trash by an unsupervised employee. That is why MSA was forced to setup its own headquarters and has flourished since that time. I suggest an initial trial period of meeting alternatively at Cosmos and AGU. Let the members experience both venues and make an objective decision.</p>
...at the AGU building only.	
...at the AGU building only.	
...at the Cosmos Club only.	
...at the AGU building only.	
...sometimes at the Cosmos Club and sometimes at AGU.	
...at the Cosmos Club only.	<p>AGU will never be able to commit to making GSW a priority and therefore our meetings will always be at risk. Beware deals that seem too good to be true. Also, does GSW want to promote unlimited drinking? Can't we cap Cosmos Club costs by putting a drink limit in place? Parking is more challenging East of Connecticut as well and the walk to metro is longer, putting some members at greater risk late at night when the talks are over. Caution for this decision is warranted.</p>
...at the AGU building only.	<p>In favor the AGU venue only if they agree that reservations made by GSW are binding on them. Reserving their facility and then cancelling is a deal breaker.</p>
...at the Cosmos Club only.	<p>I am concerned that we will always be at risk of losing our timeslot with AGU to a paying customer, even at relatively short notice.</p>
...at the Cosmos Club only.	<p>The Bradley Lecture being bumped by AGU due to a "higher priority group" already does not bode well for this venue. Also, on balance, consistency in a venue location makes it easier for members to know where to go to meet, which reduces confusion and aids attendance. Lastly, the Cosmos Club was started by the same person who started GSW; there is a history there. To change venues, essentially due to drink prices, seems short sighted to me. Other ways to account for this could be considered. For example, as money cannot change hands at meetings, why not have us write down our names when we get a drink. When dues are due, the tally can also be given to a member: "By the way, you drank 25 drinks last year...." [2]</p>
...at the AGU building only.	<p>But only after we first have a meeting at AGU to see how it goes! Will AGU advertise meetings? I do think we desperately need a shot in the arm with regards declining attendance and membership. Would this work? What is cost of Cosmos Club dinner vs. Russia House (thinking of comparable elegance for speaker dinners)? Could a deal be worked out with the parking garage, since evening rate is now over \$20?</p>
...at the Cosmos Club only.	
...at the Cosmos Club only.	

After reviewing the available information, my preference would be for GSW to meet	Please share any comments you have, to help inform the GSW Council as it considers this important question.
...at the AGU building only.	
...at the Cosmos Club only.	
...at the AGU building only.	I appreciate the tradition of meeting at the Cosmos Club, but I feel that it would honor the GSW mission to keep the meetings accessible to members of all ages, abilities, and economic status by offering meetings in a location with options for mode of transportation and the possibility of lower member fees. Currently, I take the metro at night (getting home close to midnight), so the availability of close parking is a huge bonus.
...at the Cosmos Club only.	
...at the Cosmos Club only.	
...at the AGU building only.	I wish there were another viable suggestion, but I don't see one.
...at the AGU building only.	
...sometimes at the Cosmos Club and sometimes at the AGU building only.	GSW should have priority on the scheduled meeting nights - AGU should not be able to cancel on short notice. And having the annual meeting be open to AGU members might be a problem in that the subsequent business meeting is not open to people who are not GSW members. AGU attendees would have to be told to leave before the business meeting could start, which might be awkward (although in the past nonmember spouses have attended, with strict instructions not to vote). I would suggest a 6 meeting trial run with AGU before committing to moving over entirely. The difference in cost is only \$200 per meeting, so cost should not be the only reason for moving. The convenience of being able to have speaker dinners before the meeting in the same building as the talks should not be overlooked (though I'm not sure how many Cosmos Club hosts GSW still has).
...at the Cosmos Club only.	As a remote member, I am not sure my vote should count, although I have given talks at the GSW during my stints at the USGS and NSF. The Cosmos Club history with GSW indicates it should stay there. The AGU's bumping the meeting is not a good sign.  Maybe the decision should depend more on access and parking?  Jack Sharp
...at the AGU building only.	This seems like a good venue with more modern infrastructure, equally convenient, and within a sustainable building. It's really not about the money, except that it will add up over the year.
i suggest a trial period of perhaps 6 meetings at the AGU building only.	I would have said just move to AGU except that they bounced us for the Nov. lecture...not a good sign.
...at the AGU building only.	The AGU building option sounds better both in price and amenities, but if they reschedule our meetings too frequently because of scheduling conflicts, we ought to stay at the Cosmos Club.
...sometimes at the Cosmos Club and sometimes at AGU.	
...at the AGU building only.	parking at COSMOS horrible but "free" AGU parking cost? "modern" equipment also a plus at AGU
...sometimes at the Cosmos Club and sometimes at AGU.	
...sometimes at the Cosmos Club and sometimes at AGU.	In recent years I have not been a regular attendee. In the years when I was attending regularly (and was an officer) driving into DC from NoVa was nontrivial. At that time I suggested that GSW try multiple venues to spread around the inconvenience and commuting pain a bit. I could not convince enough folks to try this. Fast forward to now and it appears we are going to try a new model, if there is enough support. I am a bit concerned about total dependence on AGU (as nice as our AGU friends are!). In addition to AGU as a venue, perhaps it would be worth exploring one or more venues in the suburbs. Thank you.

<b>After reviewing the available information, my preference would be for GSW to meet</b>	<b>Please share any comments you have, to help inform the GSW Council as it considers this important question.</b>
...at the AGU building only.	
I have not visited the AGU facility and feel I can not make a truly informed decision. However, I would lean towards moving the meetings to AGU.	
At AGU mostly; at Cosmos Club for special events, such as	
...at the Cosmos Club only.	
...at the Cosmos Club only.	The marginal cost savings of moving to AGU seems short-sighted compared to continuing the shared history of association between GSW and the Cosmos Club. It is this sense of tradition that distinguishes our society from others.
...sometimes at the Cosmos Club and sometimes at AGU.	
...sometimes at the Cosmos Club and sometimes at AGU.	
...at the AGU building only.	appreciate council's thinking out of box. savings at the margins are a good idea.
...sometimes at the Cosmos Club and sometimes at AGU.	It is unclear to me whether GSW will still preserve its unique identity after a move to AGU. AGU has a very fine building, which is a plus. But AGU's prioritization of another group when they had already confirmed us for the November GSW meeting is problematic.
...at the AGU building only.	
...sometimes at the Cosmos Club and sometimes at AGU.	This is essentially a longer term trial for AGU.

[1] Responder updated this value.

[2] Responder updated this value.

From: **Carl-Henry Geschwind** [geschwind@fastmail.com](mailto:geschwind@fastmail.com)   
Subject: [Gsw-councilplus-l] GSW Treasurer's Report, October 2019  
Date: October 6, 2019 at 11:02 AM  
To: [gsw-councilplus-l@minlists.org](mailto:gsw-councilplus-l@minlists.org)



Dear GSW Council Members:

Attached please find four exhibits, which constitute my report on GSW finances for the fiscal year ended 30 June 2019 (FY 19), as well as an additional exhibit showing a proposed change to our Investment Policy.

#### Executive Summary

General Fund broke even for the year, and Invested Funds grew healthily. However, the excess of outflows over inflows keeps growing and is becoming worrisome.

I propose that Council take two actions:

- 1) ratify a change in the Investment Policy to allow greater withdrawals from Invested Funds
- 2) institute a Bradley Symposium in addition to the Bradley Lecture

#### Detailed Discussion

Please turn first to Exhibit 1, which displays the inflows and outflows in the General Fund (which covers our operations, as opposed to the Invested Funds). You will note that the General Fund essentially broke even for the year, once we transferred the maximum allowable amounts from the two invested funds (the Endowment Fund and the Bradley Fund). We benefitted from a one-time inflow of \$400 from a field trip Dan Doctor led at the AGU fall meeting, but suffered due to higher-than-expected costs from MSA (which manages dues collection and other back-office operations) and the Cosmos Club.

Also on Exhibit 1 is my budget for the current fiscal year (which began 1 July 2019 and runs through 30 June 2020). I am anticipating that dues revenue and contributions will continue their decline, while I am hoping that Cosmos Club charges will remain the same (the variable here is average drinks consumption at our meetings) and MSA fees will revert back to more normal levels. I am also expecting that AGU will cover the Cosmos Club charges for the Bradley Lecture (as compensation for having bumped us from their facility). This will limit the amount I can withdraw from the Bradley Fund. In order to balance the General Fund for the year, I anticipate that I will need to withdraw 4.5% from the Endowment Fund.

In order to put the development of income and expenses into perspective, please refer to Exhibit 2, which shows the evolution of General Fund inflows and outflows for the past 7 fiscal years. You will note that inflows have been steadily decreasing (the annual rate of decrease comes out to about 4%) due to our continuing decline in membership. At the same time, expenses have been increasing more significantly (these numbers have been adjusted to a standardized 12 meetings per year, and the extraordinary costs for the 125th anniversary meeting have been removed). Part of the increase is due to new costs we have taken on (2 years ago we started to pay up to \$1,000 for Bradley Speaker travel costs, and also 2 years ago we started paying \$650 a year or so for liability insurance; this accounts for about 3/4 of the jump from FY 17 to FY 18). Part of the increase is due to general cost inflation at the Cosmos Club (7 years ago hall rental at the Cosmos Club was \$540, while today it is \$640; 7 years ago they charged us \$6.60 for a Sierra Nevada, and today they charge us \$9.60). But part of the increase is also due to the fact that our drinks consumption has increased. In the middle of Exhibit 1 I show that, after adjusting consumption to present-day prices per drink, our drink costs have increased from \$5.41 per attendee in FY 14 to \$7.44 per attendee in FY 19. Moreover, even though our membership is declining, attendance at our meetings has remained fairly steady.

Please now turn to Exhibit 3, which shows the performance of our Invested Funds. In both the Endowment Fund and the Bradley Fund, market gains for the year clearly outweighed the amounts transferred to the General Fund, and as a result the balances in both funds increased for the year. A certain amount of that balance cannot be spent (the so-called Required Minimum Balance, defined as the amount in the fund in 2001 adjusted for inflation or adjusted for subsequent contributions, whichever is greater). But the amount in excess of the Required Minimum Balance has increased in both funds, to 77% for the Endowment Fund and to 91% for the Bradley Fund.



Finally, take a look at Exhibit 4, which shows our General Fund deficit (i.e., the excess of outflows over inflows from Exhibit 2) compared to the market gains in our Invested Funds. For each of the past 7 years, investment gains have exceeded the deficit, so our overall assets have increased. For these 7 years, market gains have averaged about \$12K per year. This does seem to have been a particularly good period for the stock market - the Wellington Mutual Fund, which is where our Endowment Fund has its investment, was begun in 1929 and over the past 90 years has averaged 5% annual growth above inflation, so based on the present size of our invested funds and current inflation rates we can expect long-term growth to be around \$10K. Given that our General Fund deficit has now grown to somewhat more than \$6K per year, we are starting to get to the point where even the average annual growth in our investments cannot cover our deficits. Thus, we need to start thinking about reining in expenses. One possible avenue for reducing expenses is to move our meetings to the AGU, although I am aware that there are many more considerations than purely financial ones that have to be weighed in evaluating their proposal. But in the meantime there are also some other actions that I recommend be taken.

Proposed Actions

Up till now our Investment Policy has restricted us to taking out no more than 4% of the year-end value of each Invested Fund per year (about \$6,900 at current levels). This policy was put into place to prevent raiding or depleting the Invested Funds. However, given that the Invested Funds have grown recently by far more than 4% each year, this has led to a ballooning of the balances in these funds. Until this past year the 4% withdrawal from Invested Funds was sufficient to balance the General Fund, but in my budget for the current fiscal year I anticipate the need to withdraw 4.5% from the Endowment Fund.

It appears to me that a restriction on withdrawals makes sense when the excess balance over the Required Minimum Balance is no more than 50% - that is a safe cushion against severe market corrections such as those that occurred in 2008/9. But when the excess over the Required Minimum Balance is more than 50%, it appears to me to be counterproductive to restrict withdrawals while there is a General Fund deficit.

The Finance Committee has agreed and has amended the Investment Policy to remove the 4% cap on withdrawals when the excess over the Required Minimum Balance is more than 50% (subject only to the guidance that the amount in the General Fund should be 50% to 70% of annual expenditures). For a text of the amended policy, see Exhibit 5, item 7. I ask that the Council ratify this action by the Finance Committee.

The Bradley Fund has an even greater excess balance than the Endowment Fund. But there is an additional restriction on withdrawals here - money can be withdrawn only for events or awards named for William H. Bradley. At present these are the annual awards for best and second-best paper presentation (including engraving the prize bowl), and the Bradley Lecture (including Cosmos Club charges, travel costs, and speaker dinner). This past year the costs for these totaled \$2,082.40, which was less than the \$2,500.00 I could have withdrawn under the 4% cap. If the 4% cap is removed, then the discrepancy is even bigger - the total costs for the Bradley Awards and Bradley Lecture are definitely less than the average annual growth in the Bradley Fund.

I do not want to create new expenses that can be paid out of the Bradley Fund. Instead, I want to help out the General Fund by shifting some existing expenses to the Bradley Fund. Thus, my proposition is that one regular meeting each year be converted into a Bradley Symposium (with two or three speakers giving linked talks on a common subject). Once the meeting is named for Mr. Bradley, the expenses for it can then be charged to the Bradley Fund. This idea has found general approval in the Finance Committee.

Action Items for Council

- 1) Ratify the amendment to the Investment Policy adopted by the Finance Committee
- 2) Institute an annual Bradley Symposium



Exhibit 1.pdf



Exhibit 2.pdf



Exhibit 3.pdf



Exhibit 4.pdf



Exhibit 5.pdf

Geological Society of Washington  
 Financial Statements for Year Ended 30 June 2019 (FY 2019)

<u>General Fund</u>		Budget FY 2020
Balance, 6/30/18	10,261.25	
Member Dues	8,400.00	8,000
Contributions	3,872.77	3,700
Insurance Royalties	150.00	120
Miscellaneous Income	400.00	1,100 (AGU reimbursement)
Transfer from Endowment Fund	4,675.90	5,030 =4.5%
Transfer from Bradley Fund	<u>2,082.40</u>	<u>1,450 =2.4%</u>
Total Inflows	19,581.07	19,400
Meeting Costs - Cosmos Club	13,403.00	13,400
Speaker Dinners	1,762.81	1,785
Bradley Speaker Travel	575.80	1,000
Awards	385.00	385
Insurance	653.00	650
MSA Fees	2,343.09	1,800
PayPal Fees	265.11	260
Miscellaneous Expenses	<u>120.00</u>	<u>120</u>
Total Outflows	(19,507.81)	19,400
Balance, 6/30/19	<u><u>10,334.51</u></u>	

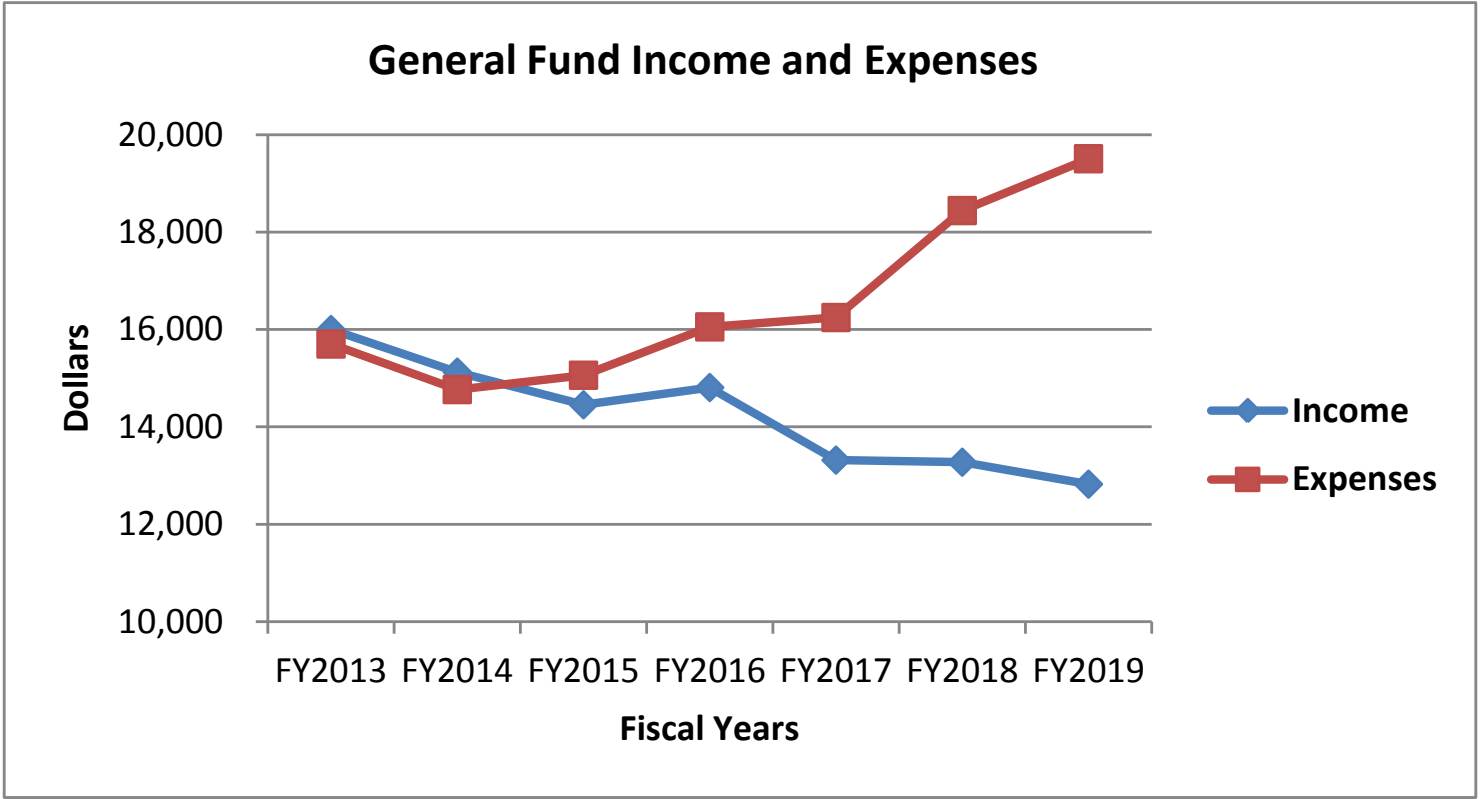
Memo on Beverage Costs per Meeting

	Avg. Attendance	Cost/Attendant	Cost/Meeting
FY14	65.33	5.41	353.50
FY15	61.67	6.46	398.50
FY16	65.82	6.12	402.71
FY17	56.42	6.45	363.80
FY18	missing	missing	437.16
FY19	63.75	7.44	474.38

Note: costs per attendant and per meeting are at current prices for each kind of beverage

Memo on Revenues

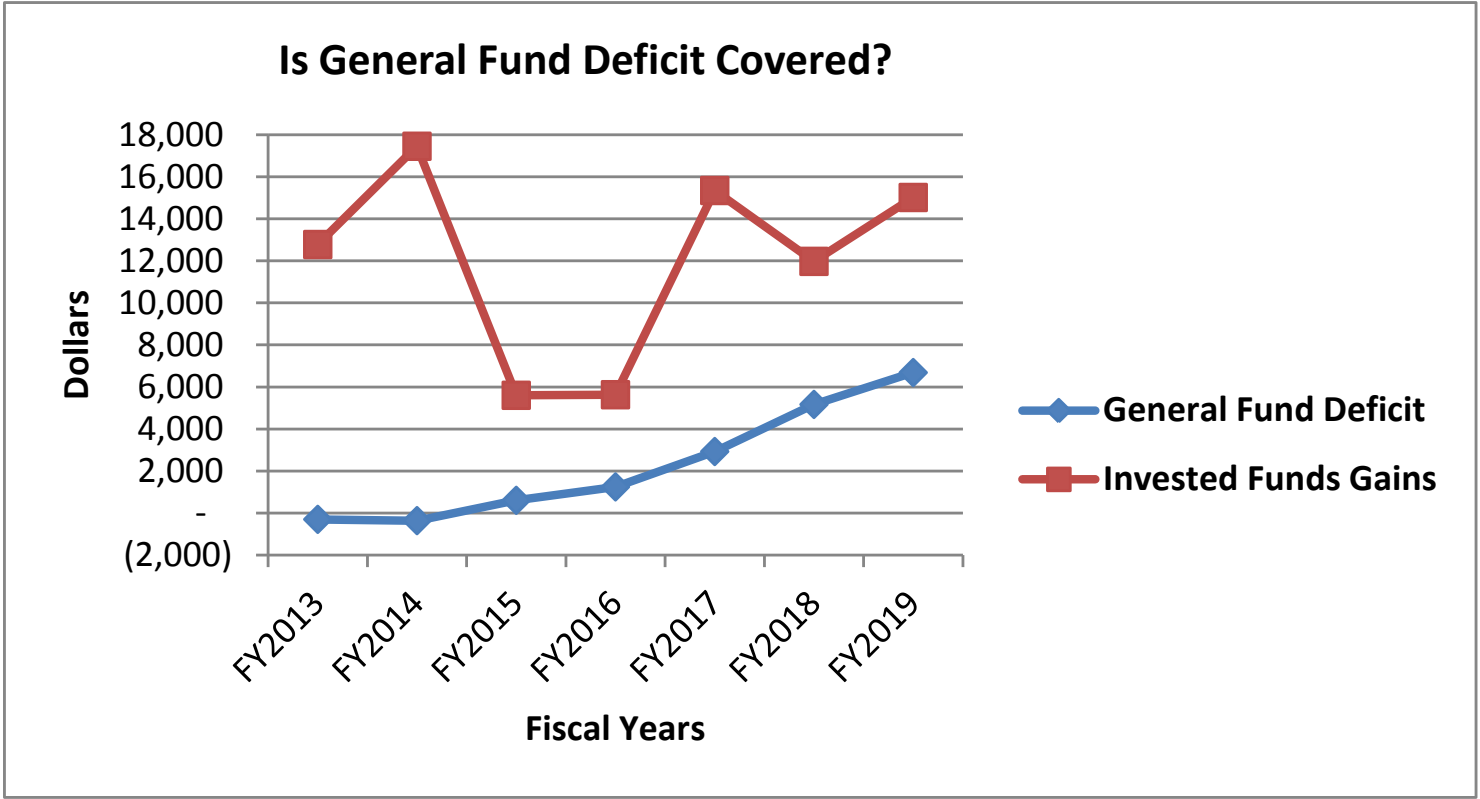
	Dues	Contribs	Royalties	Total
FY 2013	10,635	4,945	410	15,990
FY 2014	9,995	4,820	310	15,125
FY 2015	10,113	4,048	253	14,414
FY 2016	10,055	4,503	220	14,778
FY 2017	9,190	3,908	200	13,298
FY 2018	9,130	3,984	160	13,274
FY 2019	8,400	3,873	150	12,423
Annual decline	4.01%	4.16%	18.24%	4.30%



Geological Society of Washington  
 Financial Statements for Year Ended June 30, 2019

<u>Endowment Fund</u>		Req. Min.	Spendable	spendable as % of required min.
Balance, 6/30/2018	106,683.08	62,500.77	44,182.31	70.69%
Donations	775.00			
Market Growth	9,439.49			
Withdrawals	<u>(4,675.90)</u>			
Balance, 6/30/2019	<u><u>112,221.67</u></u>	63,275.77	48,945.90	77.35%

<u>Bradley Fund</u>		Req. Min.	Spendable	spendable as % of required min.
Balance, 6/30/2018	56,375.63	31,059.96	25,315.67	81.51%
Donations	310.00			
Market Growth	5,814.45			
Withdrawals	<u>(2,082.40)</u>			
Balance, 6/30/2019	<u><u>60,417.68</u></u>	31,610.70	28,806.98	91.13%



## **GEOLOGICAL SOCIETY OF WASHINGTON INVESTMENT POLICY**

Adopted by Council November 1, 2017

### **Introduction**

This Investment Policy provides guidelines for the investment of funds held by the Society and use of the proceeds therefrom. The invested funds are the Endowment Fund and the Bradley Fund. A third fund, the General Fund, accounts for the operations of the Society. The balance of the General Fund is held in a checking account. The bulk of the assets of the Endowment and Bradley Funds are held in investment accounts, but a portion of each of these invested Funds is held in the Society's checking account.

### **Purpose of the Invested Funds**

The W.H. Bradley Memorial Fund was established in May, 1979. The purpose of the Fund, as stated in the original solicitation for contributions, was that the "proceeds" would "be used to support a W.H. Bradley Prize(s) for the best paper(s) of the year or for such other award or activity bearing his name that may later prove desirable." In subsequent years, this Fund has also supported the Great Dane prize for the best informal communication and part of the costs of an annual Bradley lecture.

The Endowment Fund was established in November, 1989. The Council minutes creating this Fund indicated that the "interest on this fund would be used to augment the General Fund in running the meetings of the Society, but the principal would not be touched." The purpose of this Fund is to ensure the future financial health of the Society.

### **Procedures**

The following procedures should be followed to ensure that the investments continue to grow and continue to provide enough return that the Bradley and Endowment Funds can always be used for their intended purposes:

- 1) The Finance Committee will meet to consider the financial health of the Society and review its investments at least twice every year, once preceding the fall Council meeting and once preceding the spring Council meeting (meetings may be by electronic means if no substantive discussions are anticipated). The evaluation of the investments will include comparing their total returns to total returns of equivalent, alternative investments and to the investment objectives. Based on the results of these reviews, the Finance Committee may make recommendations for changes of investment strategy to Council; any changes that are made must first be approved by Council.
- 2) Contributions to the Endowment and Bradley Funds are solicited on the basis that they will be added to the Fund balance so that their "interest" or "proceeds" can be used to support the Society in the future. (The terms "interest" and "proceeds" are used here as equivalent to net total return, which equals interest plus dividends plus

realized and unrealized capital gain minus fees.) The Society solicits the contributions on this basis, so is bound by it. Ideally the balances of the Bradley and Endowment Funds should increase each year, at a minimum, by an amount representing the contributions received for that year. In addition, so that these two Funds can continue to support the Society in the future, the balance of each Fund should increase each year, at a minimum, by an amount representing inflationary growth (policy established by Council in autumn 2000, reaffirmed by Council in spring 2007).

- 3) In order to ensure that 1) all contributions to the Bradley and Endowment Funds have been added to the relevant Fund, and 2) each of these Funds is growing at a rate at least equal to the rate of inflation, the Treasurer will calculate a Minimum Required Balance (MRB) that fulfills these constraints for each of these Funds. Procedures for calculating the MRB of each Fund are given in the Appendix. The difference between the actual balance and the MRB provides a metric for evaluating the health of the Funds. If the actual balance of a Fund is greater than the MRB, the Fund is growing at a rate greater than that required to fulfill the two constraints because of appreciation of its investments. If the actual balance of a Fund is less than the MRB, the Fund is not growing at a rate that fulfills the constraints because the investments are performing poorly and/or too much is being expended. If the actual balance of a Fund is less than its MRB, expenditures from the Fund should be minimized until appreciation of the Fund's investments again yields an actual balance that exceeds the MRB, and Council should balance the General Fund budget by means other than transfer of monies from that invested Fund (such as decreasing number of meetings, soliciting contributions to the General Fund, or increasing dues).
- 4) If, at any point, the actual balance of the Bradley or the Endowment Fund is less than the total of contributions received during the life of that Fund, there must be no more expenditure from that Fund. In this situation, there should be an attempt, by soliciting contributions to the General Fund, to increase the General Fund balance so that it compensates for the total of the deficits in the two invested Funds. If expenditures from an invested Fund in this situation are necessary because there are no alternatives, Council must justify the expenditures in light of the factors governing prudent management in the most recent version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA).
- 5) The total of contributions received during the life of an invested Fund constitutes its permanently restricted balance and the difference between the actual balance of the Fund at any given time and its total of contributions as of that time constitutes its temporarily restricted balance.
- 6) The sums of contributions for the Bradley and the Endowment Fund as of the end of fiscal year 2001 are the starting points for adoption of the policy stated above and are the starting MRBs for the Funds (for the Bradley Fund, \$22002; for the Endowment Fund, \$32024).
- 7) If the actual balance of the Bradley or Endowment Fund at year end is greater than its MRB by no more than 25%, the transfer of monies from that Fund to the General Fund should not, in any given year, exceed 43% of the total balance of the Fund from which the transfer is derived. If the actual balance at year end is greater than 25% but not more than 50% greater than its MRB, the transfer should not exceed 4% of the

- total balance. If the actual balance is greater than 50% of its MRB, then these limitations do not apply, but amounts transferred should be no greater than is necessary to maintain the General Fund at the target range expressed in item 8) below. These limitations ~~is~~ ~~are~~ intended to prevent depletion of the entire expendable portion of a Fund's balance in a single year, thus preserving some monies for future use, while at the same time guarding against excess accumulations in the Bradley or Endowment Funds. Exceptions are possible in the case of unusual, one-time expenditures.
- 8) The desired balance for the General Fund at the end of each fiscal year should be between 50% and 70% of the annual expenses of the General Fund for that year. If the General Fund balance is below this target range, transfers from the Bradley and Endowment Funds should be made to adjust the General Fund balance to the desired level, subject to the limitations on such transfers cited in items 3), 4) and 7) above. Should the General Fund balance at the end of a fiscal year be above the target range, even if there are no transfers made from the invested Funds, adjustment of the Fund balance to within the target range shall be made at the end of the following fiscal year(s) by adjusting the amounts transferred from the invested Funds.
  - 9) The Treasurer will hold the contributions to the Endowment and Bradley Funds in the checking account at least until the end of the calendar year following the end of the fiscal year in which such contributions were received, although these contributions will be assigned to the MRB and actual balance of the relevant invested Fund as they are received. At the end of the fiscal year, any transfers from the Bradley or the Endowment Fund to the General Fund will be taken from the amounts held in the checking account unless the amount in the checking account does not cover the total transfer. The Endowment and Bradley contributions remaining in the checking account through the fall, along with the General Fund balance, will be used as a cushion to cover General Fund expenses until most dues payments have been received, at the end of January. At the time dues notices are sent out in the fall, the Treasurer will evaluate the checking account balance (the desired amount is at least 50% of the total budgeted expenses for that fiscal year); any excess that represents assets of the Bradley and Endowment Funds may be transferred to the invested accounts of those Funds early in the following calendar year.
  - 10) At the first fall Council meeting, the Treasurer will propose a budget for the new fiscal year and report on the actual balances and MRBs of the Bradley and Endowment Funds.
  - 11) Every year, the Finance Committee will compare the growth of the MRBs of the Bradley and Endowment Funds to the growth of the expenses of the Society. If the Society's expenses have been increasing more rapidly than the MRBs, the Finance Committee will report this situation to Council and may recommend appropriate measures to Council to ensure that the two invested Funds can continue to support Society activities.
  - 12) The Finance Committee will review this policy every two years. If changes are deemed advisable, the Committee will recommend such changes to the Council for approval.



- 13) Signatories to the checking account are the current President and Treasurer. Signatories to the investment accounts are the President, Past President, Council Secretary, and Treasurer. Only one signature is required for withdrawals.

### **Investment Objectives**

The Endowment and Bradley Funds should be invested so that the MRB of each Fund increases with time, thus ensuring that the Funds remain able to contribute to support of Society programs, and their ability to support the Society is neither eroded by inflation nor adversely affected by market volatility. Recognizing that short-term market fluctuations may cause variations in account performance, the long-term target for each Fund will be that its total return should exceed the increase in the Consumer Price Index for all Urban Consumers (CPI-U) by at least 3% annually, averaged over a ten-year period.

### **Investment Guidelines and Asset Allocation Parameters**

The Endowment and Bradley Funds should be invested in moderately conservative accounts, to ensure growth over time and to minimize large losses during economic downturns. Investments are to be in mutual funds rather than individual securities or tangible property. Diversification is an important consideration because it reduces volatility and possible loss of principal over short periods of time. The total portfolio of each Fund should be classified as a moderate-allocation balanced portfolio and should include cash, fixed income (or bond) investments, and stocks; the proportion of stocks should generally be equal to or greater than the proportion of bonds. Note: Filters applied in selection of moderate-allocation balanced mutual funds in 2010 were as follows: rated five-star by Morningstar; net total return equal to or greater than the average of similar mutual funds; risk equal to or lower than the average of similar mutual funds; consistent performance through rising and falling markets; relatively low volatility; relatively low expense ratio; assets greater than \$1 billion; relatively diverse holdings.

### **Appendix – Calculation of the Minimum Required Balance**

The Minimum Required Balance (MRB) of the Endowment and Bradley Funds will be determined throughout each fiscal year and will be the larger of: 1) the MRB of the Fund at the end of fiscal year 2001 multiplied by the value of the Consumer Price Index for All Urban Consumers (CPI-U) as of time of determination of the MRB divided by the CPI-U at the end of fiscal year 2001; and 2) the prior year's MRB plus the contributions received as of the time of determination of the MRB. An arithmetic expression of this calculation is as follows. Let  $MRB_{[n]}$  represent the new Minimum Required Balance,  $MRB_{[n-1]}$  represent the Minimum Required Balance at the end of the previous fiscal year, and  $MRB_{[0]}$  represent the Minimum Required Balance at the end of fiscal year 2001. Let  $CPI_{[n]}$  and  $CPI_{[0]}$  represent the value of the Consumer Price Index for All Urban Consumers (not seasonally adjusted) at the time of determination of the MRB and at the end of fiscal year 2001, respectively. Let  $C_{[n]}$  represent the value of contributions to the Fund since the end of the previous fiscal year. Two calculations will be made, as follows: 1)  $MRB_{[n]} = (MRB_{[0]} \times CPI_{[n]}/CPI_{[0]})$ ; and 2)

$MRB_{[n]} = MRB_{[n-1]} + C_{[n]}$ . The new MRB will be the larger of the two calculated values of  $MRB_{[n]}$ .