

ASOR Executive Committee Meeting
Barclay Room, InterContinental Buckhead Atlanta Hotel
November 21, 2015

Present: B.W. Ruffner (Chair); Susan Ackerman (President); Sharon Herbert (Vice President); Tim Harrison (Past President); Richard Coffman (Treasurer); Lynn Swartz Dodd (Secretary); Andy Vaughn (Executive Director); Eric Meyers; Ann-Marie Knoblauch; Joe Seger.

Absent: P.E. McAllister, Ed Wright.

Visitor: Sandra Cobden, Christie's.

Business Items:

1. Call to Order: B.W. Ruffner 2:10pm

2. Approval of Agenda

BE IT RESOLVED, the Agenda is approved, by acclamation.

3. Approval of the Minutes from the October EC Meeting (October 4, 2015)

BE IT RESOLVED, the Minutes are approved unanimously.

4. Board Trustee Appointments (Susan Ackerman).

Susan Ackerman, President, discussed the process of recruiting Board of Trustee members. She warmly welcomed other Executive Committee members to participate in the process and at an earlier stage. We are particularly desirous of recruiting Trustees who have life experiences beyond academia, where we are already well represented.

The following nominees will be proposed to the Board of Trustees for their consideration: Eric Meyers, Peyton (Randy) Helm, and Jim Strange.

5. Treasurer's Report (Richard Coffman)

The Treasurer initially focused the Board's attention on the Fast Facts at a Glance table in the Finance Committee Report. The first four entries summarize ASOR's cash and investment position at June 30, 2015. It is solid. The FY 2015 net income (*i.e.*, unrestricted assets available for operations) was \$51,062. The total value of all financial accounts (checking accounts, savings accounts and Investment Accounts) was in excess of \$2.4 million as of June 30, 2015.

The Investment Account yields were over 5.4%, but the memberships and subscriptions revenue was slightly negative across the board. Memberships and subscriptions revenue is not driving the financial engine of the organization; it is one of the targeted goals of the new Strategic Plan.

ITEM	AMOUNT	CHANGE FROM FY 2014
------	--------	------------------------

Increase in unrestricted assets Available for operations (<i>i.e.</i> , unrestricted net income)	\$51,062	N.A.
General Fund (<i>i.e.</i> , unrestricted cash available for operations)	\$559,375	+17.64%
Market value of all Investment Accounts	\$1,525,081	+7.12%
Total value of all financial accounts (checking accounts, savings accounts and Investment Accounts)	\$2,415,579	+15.19%
Memberships and subscriptions revenue (total)	\$405,633	-1.72%
Individual Membership revenue (accrual basis)	\$162,003	-0.69%
Institutional Membership revenue (cash basis)	\$78,000	-1.27%
Subscriptions Revenue (accrual basis)	\$224,614	-2.14%
Investment income (Fellowship Accounts)	\$39,091	+5.8%
Investment income (Endowment Accounts)	\$35,097	+5.4%

INVESTMENT ACCOUNTS

The Treasurer made three observations regarding the Investment Accounts.

Changes to the Investment Report. Several Board members requested that the Investment Reports be streamlined, so the FY 2015 Investment Report eliminates the columns for FYE 2009, 2010, and 2011. The current year (FY 2015) + three years of comparative financial information are plenty.

ASOR Custom Benchmark. A new column to the far right of the investment reports, entitled "ASOR Custom Benchmark," has been added. The ASOR Custom Benchmark, which more closely resembles ASOR's actual investment allocations under the Investment and Spending Policy, replaces the S&P 500 Index going forward as the benchmark to measure Investment Account performance. It was suggested by Sheldon Fox, and is a derivative of the benchmark used by his firm to evaluate the investment performance of the endowments of certain of its non-profit clients.

Eighty percent (80%) of the ASOR Custom Benchmark is composed of the MSCI All Cap World Index ("ACWI") – which is based on a global stock portfolio of large and mid-cap stocks – as opposed to the S&P 500 Index, which includes only U.S. large cap stocks. The ACWI benchmark is commonly used by pensions and endowments.

The remaining 20% of the ASOR Custom Benchmark is composed of the Barclays Aggregate Bond Index, the leading index for benchmarking fixed income returns.

Sheldon suggested the 80% ACWI/20% Barclays Aggregate Bond Index combination because 80% of the Schwab investment model utilized by ASOR consists of equities. For the 12-month period ending June 30, 2015, the ASOR Custom Benchmark is 1.36%, which is calculated as follows: +1.23% (ACWI) x .80 plus +1.86% (Barclay's) x .20. For the 3-month period ending October 31, 2015, the ASOR Custom Benchmark is -1.5%.

Sequoia Fund Adjustments. The Finance Committee recently made significant special adjustments to ASOR's investments in the Sequoia Fund – which are down 15.5% from their value at June 30, 2015. By way of comparison, the S&P 500 is down only 1.5% for the same period.

Being generally aware that the Sequoia Fund is the largest shareholder of Valeant Pharmaceuticals, a recent hot topic in the financial press, Sheldon probed further and discovered that through prior gains in Valeant, Sequoia Fund management had allowed its Valeant investment to grow to comprise 28.7% of the Sequoia Fund portfolio at June 30, 2015. Valeant's business model and accounting practices have recently been under attack, causing the stock to decline in value almost 60% from June 30, 2015 to October 31, 2015.

Sheldon believes Sequoia Fund management violated a fundamental investment principle by allowing one stock to comprise almost 30% of the Fund. As a result of the investment of approximately 50% of ASOR's large-cap equity allocation in the Sequoia Fund, Valeant stock effectively comprised approximately 9% of the General Endowment portfolio, and approximately 13% of the Platt and Harris portfolios at June 30, 2015. These are uncomfortable investment levels in a single stock.

Accordingly, Sheldon recommended that ASOR liquidate a portion of its Sequoia Fund investments across the board to reduce the overall Sequoia Fund investment to 25% of ASOR's large-cap equity allocation for each of the affected ASOR investment portfolios. Sheldon further recommended that the Sequoia Fund sales proceeds be reinvested in the Schwab 1000 Fund, which is ASOR's other large-cap investment fund. The adjustments have been made and are in process. We will continue to monitor the Sequoia Fund investments closely.

FY 2015 ANNUAL AUDIT

Romeo, Wiggins & Co., LLP, the ASOR outside audit firm, has completed the audit. No issues were identified. ASOR received another clean audit report. The auditors applauded the work of Andy Vaughn and his staff.

FY 2016 JOURNALS ESCROW RECOMMENDATION

The purpose of the Journals Escrow Account is to set aside the funds required to publish ASOR journals so as to fulfill ASOR's obligations to its members and subscribers. This is an annual calculation requiring Board approval. The FY 2016

Journals Escrow Account analysis and recommendation is equal to 40% of the FY 2015 deferred journal income.

Journals Escrow account is a 40% set aside this year. There is no change in the way this is calculated as in years past.

BE IT RESOLVED, the Executive Committee endorses the recommendations of the Finance Committee to make the adjustments to ASOR's investments through the Sequoia Fund and will monitor the investment closely and keep the investment at or about 25%.

The audit was completed. Andy Vaughn and Selma Omerefendic are commended for being good managers and for doing everything as it should have been done.

BE IT RESOLVED, the Executive Committee accepts the FY 2015 audited Financial Statements from the Finance Committee. Unanimously approved.

BE IT RESOLVED, the Executive Committee accepts the motion from the Finance Committee to accept the FY 2016 Journals Escrow Recommendation. Unanimously approved.

6. Other Business

a. The Joe D. Seger Fellowship

Andy Vaughn explained that it will be similar to the Harris Fund in its funding priorities, but the anonymous donor requested that there be a preference for proposals that contain matching funds from an institution, e.g. \$2500 from Seger fund, \$2500 from institution. The goal for this fund has been met (\$50K) and resolutions for its creation and funding have been passed already; its paperwork will be set up and signed by the Spring meeting.

b. Conference Venue:

Susan Ackerman: Attendance for the Atlanta meeting is slightly down (880 people), about 50 people fewer than previous years. Is the problem just that Atlanta is not a popular meeting venue? Or is this because we have lost people due to the difficulties getting from our meeting, in Buckhead, to SBL, in downtown Atlanta? How many people might we lose if we were to move away from meeting in conjunction with the SBL altogether? This is not known.

Andy Vaughn: Next year, in San Antonio, the meetings (ASOR and SBL) will be 15-20 miles apart. Using a \$30 "ASOR Bucks" coupon (instead of the usual \$10-\$15), we have incentivized people to sign up for the San Antonio meeting already. We hope to get 100 people to sign up before the end of the Atlanta meetings.

Richard Coffman: Is familiar with the San Antonio hotel, which is incredibly beautiful, on hill. Next to it in old quarry, where now there is "Fiesta San Antonio," an amusement park. Sea World is nearby, and a high-end mall at the base of the hill on the way to the hotel. Richard recommends we pitch the San Antonio meeting as a family trip. There are two truly terrific golf courses on this property.

Andy Vaughn: Our rate is fantastic, and we have received a waived resort fee. We are at \$149/159 ish. With the Alamo and Riverwalk downtown, etc., this is a good destination. Hotel runs some shuttles and buses going to Riverwalk.

Richard Coffman agreed to be filmed by Kaitlyn of the ASOR Staff about this venue for use on the website. Richard Coffman also mentioned that weather at this time of year is excellent.

c. New Committee Chair, Baghdad Committee (Susan Ackerman):

Steve Garfinkle is new chair of Baghdad Committee

d. Report from the Vice President on the Chairs Coordinating Committee (Sharon Herbert):

1. Committee on Archaeological and Research Policy (CAP):

CAP, after many years, has affirmed that ASOR should be an international organization and should make all its membership benefits available to all its members. So, CAP will open the status of CAP affiliation to projects with non-North American directors. Also, rather than having the same vetting process as before, henceforth, in order to become CAP affiliated, a director will affirm ASOR's Professional Conduct Policy and CAP's General Standards. An application process (and peer review) will continue for ASOR resources (e.g. Harris Grant, other grants, fellowships), which will be available to projects (and individuals) that are CAP affiliated. CAP will focus on education, nurturing, mentoring, and encouraging directors to abide by best practices.

2. Committee on Membership and Outreach (COM):

COM is making a big push for internationalization and wants to do an overseas meeting. The Program Committee expressed grave concerns about sustainability of such a meeting and about an international meeting competing with the annual North American meeting. COM is expanding to reflect its interest in internationalization and has invited 3 European members to join.

3. Honors and Awards:

All went well this year. We might want to discuss the point of keeping the awards secret, as recipients may not come to the meeting if they don't know they are getting an award. Other people don't take surprises that well.

4. Committee on Publication:

COP would like to have a general review of whole publication process by a professional. There will be a review of *NEA*. Thomas Schneider last year as editor is 2017, but he has expressed interest in continuing for a third term. Would we consider a term limit exception? If not, the process of mentoring a new editor should begin quickly.

5. Junior Scholars:

Many are not happy. They feel that there are no jobs. They would like financial help with the cost of membership and attendance in order to enable them to come to the meetings once they are post-doctoral scholars.

8. Visit from Sandra (Sandy) Cobden, Senior Counsel and Head of Dispute Resolution at Christie's

She wants to become known to us, as someone we can talk to, who is committed to being a good actor in the market on these issues. An extended discussion ensued in which she explained what Christie's does in terms of vetting the material that goes up for sale as not being "currently looted" and there are different dates before which a chain of provenance needs to extend. She has a sense that this is an urgent moment, and if we don't do anything while this stuff is coming into the art market, a moment is lost. Their resources for vetting won't be as robust as they need to be and they don't want this to happen.

She needs our help in educating their clients. The better the clients are educated, the stronger the art market will be. An educated ethical collector is better than a badly educated unethical collector. She is happy to continue this conversation later.

9. Report from Committee on the Policy on Professional Conduct (Tim Harrison)

Tim Harrison, Carol Meyers, Joe Greene. Members. Tim Harrison chair: the spirit of the committee is a minimalizing one. Policy went through an outstanding development process, and it should have a chance to work. So, he is very reluctant to do anything aside from clarify where definitions are needed. Tim felt good about the first meeting and they had a great discussion.

1. section E.4 **acquired** after 1972
 - a. needs to define that legal excavation is ok (as you have not acquired it; is in country of origin; is still owned by state). **Recommendation:** insert a footnote that helps clarify a definition of what acquired means. This will need to be approved by the Board.
2. Buzzy Porten issue with cuneiform exception, appealing for Idumean ostraca
 - a. The context of the cuneiform exception was a flood of documents in 1990s. The original policy intended to deal with collections that needed to be stabilized, and then legal ownership was to be the government of Iraq. At a future time, would be returned. The cuneiform exception seems to have morphed and expanded a bit.
 - b. **Recommendation:** not to expand the scope of the policy. Rationale: the committee believes the policy should have a chance to function to function. Also, this doesn't seem to be in keeping in the spirit of the policy. Not clear with the Idumean ostraca that there is any plan for their repatriation.
3. What is "initial publication"?
 - a. Committee believes that clarification should come from within the context of the CCC where it should be discussed and language developed.

BE IT RESOLVED: the Executive Committee endorses the report of the committee on Professional Conduct Policy.

Eric Meyers left the meeting.

10. Draft ASOR Strategic Plan 2016-2020 (Susan Ackerman)

Susan Ackerman outlined the process that will be undertaken for the Board meeting on Sunday, November 22, 2016, which will include breakout groups. She anticipates a process that leads to ratification by the Board of Trustees in April 2016. There are presently two issues subject to particular discussion: ASOR hosting an international meeting and Junior Scholars who want financial considerations for membership and annual meeting fees.

11. The Chairman of the Board indicated that he will not be standing for reelection, but will continue to come to the meetings. The President expressed her appreciation for his service and extended an invitation to remain involved. She also expressed her hope that the Chair would consider an invitation to continue serving on the Board after his terms as Chair comes to an end.

12. Committee on Equity and Diversity Proposal:

A brief discussion ensued about a proposal to develop a committee on ethics and diversity under CCC, which would also allow the Initiative on the Status of Women to continue within it. Tim Harrison: With Tom Levy as CAP Chair, it looks like CAP will be creating resources, training, case statements, documentation around best practices of thorny issues, such as safety for staff, etc. A committee on Equity and Diversity would be a place to coordinate ASOR's aspirations among all its committees' purviews. The President directed that a proposal of language for the amendment of the Bylaws be developed and circulated.

Sharon Herbert left the meeting.

13. Motion to adjourn. 4:48pm.