

M E M O

TO: Col Reese (FAX: [REDACTED])
Alan Upshall (FAX: [REDACTED])

FROM: Ellis Jones (FAX: [REDACTED])

DATE: December 3, 1999

SUBJECT: Suggested Compromise for Minneapolis Venue

A problem has arisen with the Minneapolis Venue Committee financial situation. When the Board of Trustees accepted the invitation to hold the 1999 National in Minneapolis, it was September, 1996. That was before I was appointed Executive Director. Nothing was indicated in writing at that time or in the following months that \$5 of the Registration was to be paid to National as part of the expenses of the local venue committee. The Minneapolis venue committee did understand that 50 percent of the profits was to go to National.

Thus, the \$5 per paid registration was not included in preliminary budgets or later budget discussions. It came to my attention only as this year's National was being held that \$5 of the registration fee was to be sent to National before the division of profits. This came as a shock to the Committee and has been a bone of contention since notification had not been made earlier to allow modification of the budget to allow for it. (For example, the fee for seminars might have been set at \$8 rather than \$7.)

In the discussions with the Venue Committee, I have acknowledged that it was National's error to not have given notification in writing to avoid this misunderstanding.

The current budget situation for the Minneapolis National is as follows:

Budget Balance, November 11, 1999		\$19,139.32
Reimbursement from National for roses used at Memorial Service		185.00
Adjusted Balance		\$19,324.32
Payment to Central Lutheran Church	\$6,064.80	
Payment to Cytun (estimated)	1,850.00	
Final payment to adjudicators, seminar leaders, etc.)	1,000.00	
Total payments		8,914.80
Net Balance (no \$5 payment to National from registrations)		\$10,410.00
50 percent to National		\$5,205.00
25 percent to Minnesota Gymanfa Ganu Association		\$2,602.50
25 percent to St. David's Society of Minnesota		\$2,602.50

The number of paid registrations was 972. At \$5 per person the amount of the payment due National \$4,860.00

If that amount is put into the above calculations, the figures would be as follows:

Net Balance	\$10,410.00
Less \$5 registration fee payment to National	4,860.00
Net Balance (after \$5 registration fee payment)	\$5,550.00
50 percent to National	\$2,775.00
25 percent to Minnesota Gymanfa Ganu Association	\$1,387.50
25 percent to St. David's Society of Minnesota	\$1,387.50

In my discussions with the venue committee, I have tried to work out a compromise that would allow National to collect the \$4,860 (\$5 per paid registration) and at the same time allow the local venue to receive a reasonable profit for all the work they have done in hosting the 1999 National.

Here is a proposal:

Step 1: Local venue would pay \$2 per registration fee (\$1,944) before they close their books. The revised figures from above would be as follows:

Net Balance	\$10,410.00
Less \$2 Registration Fee Payment to National)	1,944.00
Net Profit after \$2 Registration Fee Payment	\$8,466.00
50 percent to National	\$4,233.00
25 percent to Minnesota Gymanfa	\$2,116.50
25 percent to St. David's Soc. of Minn.	\$2,116.50

Step 2: International Headquarters would handle the sales of the Minneapolis cassette/CD recordings on the following basis:

All income would come to Headquarters

All expenses associated with the production and sale of the recording would be paid by Headquarters. (This would include not only the cost of production but also padded envelopes/boxes in which to mail the items, postage on mailing the items, advertising in Y Drych and Ninnau and through mailings from Headquarters, processing of Minnesota sales taxes, and handling costs to address and mail the mailing pieces.)

Headquarters would retain all profits until the remaining \$3 of the registration fee (\$2,916) and production expenses are recovered. (I am estimating that if the profit is \$7 per cassette and \$10 per CD, we'll recover the \$2,916 when an additional 166 cassettes and 175 CDs are sold. Counting those which have already been sold and the free ones given to volunteers as a token of appreciation for their help during the national, 150 cassettes and 171 CDs are already committed. This will leave about 30 cassettes and 150 CDs for additional distribution of profits.)

Step 3: After Headquarters has received its additional \$2,916, profits from the continuing sales would be divided with a certain amount (\$4 per cassette/CD) retained by Headquarters to cover continuing handling costs and the remainder to be divided between the two sponsoring organizations.

NOTE: The production of the cassettes/CDs is well underway. The venue committee has had a chance to hear the recording and is unanimous in agreeing that this may be one of the best ever. Therefore, the Minneapolis venue has ordered 500 CDs and 350 cassettes. The selling price for each cassette is \$12 and for each CD is \$15. Orders are already coming in from the HWYL mailing of last week.

It has been learned that by having such a large order, the production costs may be as low as \$5 per item. This will leave a considerable amount to cover the other items enumerated above in Step 2 and the amount of profit will benefit both International and the local sponsors.

As a result, National will have received its \$5 per registration fee and the local venues will have received a reasonable income for their efforts in hosting the National. This has been reviewed by the Venue Treasurer and he feels this is a reasonable solution.

Is this compromise OK?

(c: [REDACTED])

mp's Contract

Alan Upshall, 12:50 AM 12/5/99 , Minneapoliscompromise

X-From_: aupshall [redacted] Sat Dec 4 18:51:16 1999
Return-Path: <aupshall [redacted]>
X-Originating-IP: [206.159.10.177]
From: "Alan Upshall" <a [redacted]>
To: ellis [redacted]
Cc: aupshall [redacted]
Subject: Minneapoliscompromise
Date: Sun, 05 Dec 1999 00:50:44 GMT

Thanks Ellis for the letter. certainly more information that when we met in California.

While we cannot be comfortable about the situation, and we must make sure that this does not happen in the future, realistically we should try to work with the local committee to see if we can all be happy.

I think that you have done a good job putting the pros and cons together and working out a package and I believe that your sentiments are correct. I have just one problem with the package and that is on page 2, last paragraph.

there it states that Headquarters would retain all profits until the remaining \$3 of the registration fee is received. I think we have to go further than this if we are also paying for the costs associated with the recording. I would like it to read:

Headquarters..... until the remaining \$3 of the registration fee and production expenses are recovered. I think that will ensure that we recover all costs. the lower you can negotiate the CD and Tape production costs the faster this would be recovered. The choir has all its costs associated with tape and CD production fixed by contract. HAS the committe not done this yet? You should know what a CD and tape should cost by now. Otherwise, it is not quite a win win but we should come out of it OK and we keep everyone happy. Nice job
regards
alan

Change made

Get Your Private, Free Email at [http://w \[redacted\]](http://w [redacted])

X-From : AFReese [REDACTED] Sun Dec 19 17:25:08 1999
Return-Path: <AFReese [REDACTED]@m>
From: AFReese [REDACTED]
Date: Sun, 19 Dec 1999 18:24:35 EST
Subject: Minneapolis Compromise
To: [REDACTED] u (Ellis Jones)
CC: aupshall [REDACTED] (Alan Upshall)

Dear Ellis,

I don't want to delay this any longer than I already have. I agree with Alan's comments in his e-mail of 12/4/99.

Please implement the compromise. I have already ordered my CD.

Sincerely,

Alf

To: [REDACTED]
From: Ellis Jones [REDACTED]
Subject: Acceptance of Proposed Compromise
Cc: [REDACTED]
Bcc:

Bob: Just received this morning an e-mail from President Reese accepting the proposed compromise for the registration fee situation. Based on the proposal, the next step would be a check for \$1,944 to WNGGA as \$2 per 972 paid registrations. Then, unless there are other items, the books could be closed except for added items like the check from Megan Lloyd. Then, we'll take over the distribution of the cassettes/CDs. I drove to Golden Valley on Friday and brought them back and during the afternoon and early evening Mary Henry and I finished got them ready for distribution. The last batch went to college post office this morning and they'll be sent out first class today so folks should receive their item before Christmas (Assuming the Post Office follows through).
When the final report is ready, I'll add it to the re-revised Final Report and make copies for Venue Committee and All members of the Board of Trustees.

Ellis J.

1999 MINNEAPOLIS NATIONAL CD/CASSETTES
Income/Expense/Inventory Report
July 31, 2000

INCOME

CDs		\$ 4,543.61	
Cassettes		2,181.52	
Minnesota Sales Tax 6.5%		<u>146.22</u>	
TOTAL			\$6,871.35

EXPENSES

Advertising		764.00	
Postage	Dec	402.00	
	Jan	63.96	
	Feb	34.72	
	Mar	33.50	
	Apr	34.72	
	May	24.22	
	Jun	6.05	
	Jul	4.04	
CD Mailers		130.64	
Cassette Envelopes		43.98	
Forms		40.00	
Printing		42.50	
Production Costs		4,419.80	
MN Sales Tax Payable		146.22	
TOTAL			<u>6,190.35</u>
Excess of Income over Expenses			\$ 681.00

INVENTORY

CDs	124
Cassettes	95