

# **Executive Committee Meeting**

ROA Minuteman Memorial Building, Washington, DC

October 1, 2011

#### MINUTES

The following members of the Executive Committee were present: President, Col Walker Williams; President Elect, BG Mike Silva; Army Vice President, COL Kevin Riedler; Army Junior Vice President, CPT Chris Cox; Army Executive Committeemen, COL Judi Davenport, and COL Cliff Dungey; Naval Services Vice President, CAPT Gordon Austin; Naval Services Junior Vice President, LCDR Scot Cregan; Naval Services Executive Committeemen, CAPT Don Grant, CAPT Morgan Little, and Col Jim Sweeney; Air Force Junior Vice President, Maj Lynette Petsinger; Air Force Executive Committeemen, Col Jan Rhoads and Lt Col Randy Stoeckmann; and Acting Executive Director, CAPT Marshall Hanson. Immediate Past President, RADM Paul Kayye participated via conference call.

Appointed national officers present were Judge Advocate, MAJ Bill Pentecost; Treasurer, COL Terry Baggett; Chaplain, Maj Vince Cummings; Public Relations Officer, Maj Dayan Araujo; International Programs Officer, Col Chip Holsworth; and Sergeant-at-Arms, MAJ Joe Snel. Invited guests in attendance included Chairman, Department National Council Members, Lt Col Don Stockton; ROAL National President, Mrs. Cathy Luke; ROA/REA Ad Hoc Committee members, RADM Bob Merrilees, CMSgt Lani Burnett, and MSgt Shane Smith; and Johnson Lambert and Company representatives, Ms. Audrey Newton and Mr. Paul Preziotti.

Elected and appointed National Officers absent were; Army Executive Committeeman, COL Marco Marin; Air Force Vice President, Lt Col Ann Knabe; Air Force Executive Committeeman, Col Kathy Blair; and Historian, COL Bob Jackle.

A quorum being in attendance, the meeting was called to order at 8:30 a.m. by Colonel Williams.

# **Introductory Remarks**

Colonel Williams opened the meeting by inviting Chaplain Cummings to give an invocation, which was immediately followed by the pledge of allegiance. Colonel Williams shared with the committee that there are currently no known candidates for the Executive Committeeman seats that are open for election at the next convention. He went on to encourage each section to find someone to mentor for that position.

# **Executive Director Selection**

Colonel Williams reported that in a closed executive session the day prior, the voting members of the Executive Committee interviewed three candidates for Executive Director. After much consideration, the committee chose MajGen Andrew B. Davis, USMC (Ret.). General Davis has accepted the position and will start on November 1, 2011.

# **Financial Briefing**

Ms. Audrey Newton and Mr. Paul Preziotti from Johnson Lambert and Company (ROA's auditing company) presented the committee with an overview of the 2012 audit plan. In addition, they presented two observations and recommendations related to the life membership trust.

- 1. Life Membership Trust Revenue Recognition The auditors have determined the revenue recognition method used for ROA's life membership trust is based on a dated formula that is not consistent with objectives and expenses of the trust. This dated formula combined with the state of the overall economy substantially reduces the necessary assets to fund future related services. Their observations are supported by the review ROA had by an outside actuary, which noted that fund assets could potentially be depleted in three to five years without a change in current methodology. They recommend ROA review its current revenue recognition policy and methodology for the life membership trust and revise and update it to fit the current profile of the Association and its membership base. As part of the evaluation process, it was also recommend that ROA evaluate the appropriateness of the departmental disbursements in relationship to the overall sustainability of ROA's financial health.
- 2. Revenue Sources As of March 31, 2011, approximately 26% of ROA's revenue comes from dues-based revenue streams. If this revenue source decreased moderately, ROA's operating reserves would be depleted significantly. It was recommend that ROA consider developing alternative sources of revenue to supplement dues-based sources as the percentage is concerning when considering the member base of the Association.

Laura Sieders, ROA Director of Finance discussed the importance of departments and chapters submitting a form 990 with the IRS. If any ROA departments and chapters fail to submit a form 990 to the IRS, ROA could lose its tax exempt status. On a separate matter, she asked the committee to make a decision on how to handle the FY2010 unappropriated Endowment earnings and to approve a draw from the life member trust.

Upon a properly made motion by Colonel Davenport, seconded by Colonel Dungey, and upon a unanimous vote, it was resolved to roll the FY2010 unappropriated Endowment earnings in the amount of \$202,193.82, into the principal of the Endowment Fund.

Upon a properly made motion by Major Petsinger, seconded by Colonel Dungey, and upon a unanimous vote, it was resolved to approve a principal draw from the life member trust in the amount of \$270,981, which represents the first half of FY2012.

# **Publications Update**

Mr. Chris Prawdzik, editor of *The Officer* magazine, provided an update on ROA's print media. *The Officer* magazine will continue to be published every other month. The *Time on Target* newsletter, which is currently published quarterly, will now be included in *The Officer* magazine. The "journal" style of the magazine will remain intact, with the member-focused section in its own area of the magazine. The change will allow ROA to provide member-related news more frequently and effectively and will save the Association approximately \$50,000 per year.

# **REA/ROA Ad Hoc Committee**

Last year the ROA President and REA Executive Director formed a joint ad hoc committee to consider how the two associations could come together to become the premiere military and

veteran's association providing a unified voice on Capitol Hill and the Pentagon for all National Guard and Reserve members of the uniformed services of the United States. Three members of that committee, RADM Bob Merrilees, CMSgt Lani Burnett, and MSgt Shane Smith made a presentation to the Executive Committee during their June 2011 meeting. The ExCom approved the concept and asked the committee to research the way forward and report back with their recommendations.

Fulfilling that request, the same three Ad Hoc Committee members were in attendance to present their recommendations, which included changing ROA's Constitution and Bylaws to expand membership eligibility to include enlisted ranks.

Upon a properly made motion by Captain Austin, seconded by Colonel Sweeney, and upon a unanimous vote, it was resolved to proceed with the concept of expanding ROA membership eligibility to include enlisted ranks.

A motion was made by Colonel Riedler and seconded by Major Petsinger to put forward a Constitution and Bylaws amendment to create one new position on the Executive Committee of Enlisted Vice President. All other ExCom seats would be open to both officer and enlisted members, as presented by the ad hoc committee. The motion failed by a majority.

A motion was made by Captain Grant and seconded by Colonel Davenport to put forward a Constitution and Bylaws amendment to make all Executive Committeeman seats open to both officer and enlisted, with one seat in each section restricted to enlisted members. The motion failed by a majority vote.

Upon a properly made motion by Captain Austin, seconded by Colonel Sweeney, and upon a majority vote, it was resolved to approve the governance and eligibility slide of the briefing as presented, with the exclusion of the additional ExCom seat and with the addition of an appointed non-voting enlisted advisor to the ExCom.

# **Constitution and Bylaws**

Captain Marshall Hanson presented several Constitution and Bylaws amendments for ExCom endorsement. These amendments reflect the Executive Committee's desire to expand membership eligibility to include enlisted ranks. These amendments will go to the 2012 National Convention for approval.

#### Article A-1, Sections 1-2

Upon a properly made motion by Captain Austin, seconded by Colonel Riedler, and upon a unanimous vote, it was resolved to endorse the proposed Constitution and Bylaws amendment to Article A-1, Sections 1-2, pertaining to the name of the Association. The sections will be amended as follows:

"Section 1: The name of this organization shall be the Reserve Officers of the United States Reserve Organization of America."

"Section 2: Short Reference – The Reserve officers Association of the United States Reserve Organization of America may be referred to in this constitution or in the bylaws as the 'Association'."

This change would be contingent upon the National Convention's approval to expand membership eligibility to include enlisted ranks, and subject to a feasibility report on changing the Association's charter.

#### Article A-3, Section 1

Upon a properly made motion by Colonel Davenport, seconded by Lieutenant Colonel Stoeckmann, and upon a unanimous vote, it was resolved to endorse the proposed Constitution and Bylaws amendment to Article A-3, Section 1, pertaining to membership eligibility. The section will be amended as follows: "Any officer, or enlisted, retired officer or enlisted, or former officer or enlisted, who at any time upon entering the federal uniformed services took an oath to uphold the Constitution of the United States served under a federal commission or warrant and, if no longer serving, whose separation occurred under honorable circumstances, is eligible for active membership."

# Article B-3, Sections 1-4

Upon a properly made motion by Captain Austin, seconded by Colonel Rhoads, and upon a unanimous vote, it was resolved to endorse the proposed Constitution and Bylaws amendment to Article B-3, Sections 1-4, pertaining to the eligibility to serve as an Executive Committee member. The sections will be amended as follows:

"Section 2 (a): ROA members who are eligible to run for president-elect shall be: officer, O-5 and above; warrant officer, W-4 or W-5; and enlisted, E-8 or E-9."

"Section 3 (a): The three vice presidents... <u>Rank criteria shall be of the same rank requirements as the president-elect</u>."

"Section 3 (b): The three junior vice presidents... Rank eligibility shall include E-5 through E-7, W-1 through W-3, and O-1 through O-4."

"Section 4: The executive committeemen... Rank eligibility shall be E-5 or above."

#### Article B-3, Section 1(d)

Upon a properly made motion by Captain Austin, seconded by Colonel Rhoads, and upon a unanimous vote, it was resolved to endorse the proposed Constitution and Bylaws amendment to Article B-3, Section 1(d), pertaining to presidential appointments. The section would be amended as follows: "The president may appoint the following officers: historian, chaplain, health services officer, international programs officer, sergeant-at-arms, enlisted advisor, and public relations officer with advice and consent of the Executive Committee."

# Article B-1, Section 2(b)

Upon a properly made motion by Colonel Sweeney, seconded by Captain Grant, and upon a unanimous vote, it was resolved to endorse the proposed Constitution and Bylaws amendment to Article B-1, Section 2(b), pertaining to disciplinary actions. The section would be amended as follows: "Members may be suspended or expelled from the Association or otherwise disciplined only upon a showing of cause. Members must be formally notified of charges for cause. Charges may be based upon one or more of the following grounds: treason, dereliction of duty, dishonesty or conduct unbecoming an officer. actions or behavior in any capacity which, in dishonoring or disgracing the person, seriously compromises the person's standing in the community, a lack of which is indicated by acts of dishonesty, unfair dealing, indecency, indecorum, lawlessness, injustice, abandonment or cruelty.

A motion was made by Lieutenant Colonel Stoeckmann and seconded by Major Petsinger to endorse a Constitution and Bylaws amendment to create an Enlisted Affairs Committee. After some discussion which highlighted the creation of a reserve advisor to the ExCom and the ability of the president to appoint an ad hoc committee, the motion failed by a vote of 5 to 6.

# **Scholarship Criteria**

At the request of the Executive Committee, the HJR Scholarship Committee reconsidered the scholarship eligibility presented at the June meeting. The revisions were presented to the Executive Committee.

Upon a properly made motion by Colonel Riedler, seconded by Colonel Davenport, and upon a majority vote, it was resolved to approve the H.J. Reilly Memorial Scholarship eligibility criteria as recommended by the Scholarship Committee.

# **Executive Committee Policy Manual**

Several new policies, as well as a few amendments, were presented to the Executive Committee for approval and inclusion in the Executive Committee Policy Manual. The recommendations came from several sources, to include the committee itself, the Budget and Finance Committee, the Naval Services Section, and the national staff.

Policy C-12, Section 7: Major Decision Items and Financial Commitments Upon a properly made motion by Captain Grant, seconded by Captain Austin, and upon a unanimous vote, it was resolved to amend Policy C-12, Section 7, pertaining to major decision items and financial commitments. The policy will be revised as follows:

- (a) The Executive Committee shall approve an annual operating budget for the fiscal year that will project income and expenses and will provide for programs and support services as outlined in the work plan for the year. The Executive Committee will approve the annual budget prior to the start of the fiscal year.
- (b) The Executive Committee authorizes the Executive Director to manage the association in accordance with the approved annual operating budget. Major decision items and financial commitments greater than \$25,000 \$50,000 that were not approved for in the budget, must be proposed fully in writing to the Executive Committee members prior to discussion and decisions.
- (c) Once the budget has been approved for the fiscal year, the budget shall be included in the accounting system of the association. As monthly financial statements are prepared, a comparison of actual monthly results of operations to budget figures shall also be prepared. The financial statements and budget variances shall be reviewed quarterly by the Budget and Finance Committee.
- (d) When deemed necessary, the Executive Committee shall revise the budget to fund additional services or make allowances for other unbudgeted revenues or expenses.

# Policy C-12, Section 10: Reimbursement of Members' Expenses from National Funds

Upon a properly made motion by Captain Austin, seconded by Lieutenant Colonel Stoeckmann, and upon a unanimous vote, it was resolved to amend Policy C-12, Section 10, pertaining to the reimbursement of members' expenses. The policy will be revised as follows:

- (a) Scope These guidelines apply to all expenses which any ROA member seeks to have reimbursed from national funds. This includes expenses of national officers, committee members, consultants and other members performing official duties at the national level. The guidelines also apply to reimbursement of expenses for non-ROA members when performing activities in support of the president, vice presidents, or junior vice presidents when approved by the president or executive director. Reimbursement of expenses for employees of national headquarters is covered by a separate policy promulgated by the executive director.
- (c) General Guidelines
  - 5. Processing Expense Claims
    - A. The ROA expense claim form includes a statement that the claimant certifies that the claim complies with these guidelines.
    - B. No policy can anticipate every legitimate expense; moreover, the determination of whether or not an expense is justified must be made by the executive director, or his designated subordinate, upon consideration of all the facts in a particular case.
    - C. To be eligible for payment, expense claims are expected to be submitted within 30 days of the activity concerned, but no more than 10 days after the month's end (e.g. April expenses by May 10th).
    - D. A receipt must be attached to the reimbursement form for any expense more than \$10 \$50. If a receipt is lost, a note must be attached to the reimbursement form indicating the expense and its purpose.
    - E. <u>If an expense is entertainment or meal related, the business purpose</u> and attendees must be documented on the reimbursement form or as an attachment to the form.

# Policy C-17, Section 1: Financial Reports: Departments and Chapters

Upon a properly made motion by Captain Grant, seconded by Major Petsinger, and upon a unanimous vote, it was resolved to amend Policy C-17, Section 1, pertaining to department and chapter financial reports. The policy will be revised as follows: "All departments and chapters are required to submit financial reports for the previous fiscal year ending on 31 March. Reports are due at national headquarters (45) forty-five days later on 15 May. Instructions for completion of the reports and the report forms are on the website. Dues rebates will be paid to departments only after departments have complied with all constitution and bylaws requirements."

# New Policy: Naval Services Section

Upon a properly made motion by Captain Austin, seconded by Captain Grant and upon a unanimous vote, it was resolved to adopt a new policy to define those services included in the Naval Services Section. The policy will be as follows:

"The Naval Services section shall include the Navy, Marine Corps, Coast Guard, Public Health Service and National Oceanic and Atmospheric Administration (NOAA)."

#### New Policy: Conflict of Interest

Upon a properly made motion by Captain Austin, seconded by Major Petsinger, and upon a unanimous vote, it was resolved to adopt a new policy to provide for instances where there is a conflict of interest on the Executive Committee. The policy will be as follows: "Members of the Executive Committee are prohibited from activities that might present conflicts of interest. The powers of Executive Committee membership may not be used to personally benefit the member at the association's expense. If an Executive Committee member has a financial interest in a corporate transaction, the member must fully disclose the interest and abstain from voting. Loans to Executive Committee members are prohibited."

#### **Dues Rebates**

Upon a properly made motion by Captain Grant, seconded by Captain Austin, and upon a unanimous vote, it was resolved to adopt a new policy to provide for undistributed dues rebates. The policy will be as follows: "Dues rebates will be paid to departments only after departments have complied with all IRS and constitution and bylaws requirements. Any dues rebates remaining unpaid at the end of National's fiscal year will be absorbed by the operating fund and will no longer be payable."

#### Cash Disbursement

Upon a properly made motion by Captain Austin, seconded by Colonel Dungey, and upon a unanimous vote, it was resolved to adopt a new policy to provide cash disbursement notification. The policy will be as follows: "The Treasurer shall be notified of any cash disbursement which equals or exceeds \$50,000."

#### Signature Authority on Contracts

Upon a properly made motion by Captain Austin, seconded by Lieutenant Commander Cregan, and upon a unanimous vote, it was resolved to adopt a new policy to direct who has authority to obligate the Association. The policy will be as follows: "For a contract to have validity and enforceability, it must be signed by a person with specific authority to sign on behalf of the association. Without expressed approval of the Executive Committee, only the Executive Director, Director of Operations, and the Director of Finance are authorized to sign contracts on behalf of the association."

## Fiscal Year

Upon a properly made motion by Captain Austin, seconded by Major Petsinger, and upon a unanimous vote, it was resolved to adopt a new policy to align the fiscal year of subordinate entities with that of National. The policy will be as follows: "The fiscal year for all ROA subordinates, including departments and chapters, shall be in alignment with National."

#### **Awards**

Upon a properly made motion by Captain Austin, seconded by Major Petsinger, and upon a unanimous vote, it was resolved to adopt a new policy regarding the presentation of award nominations. The policy will be as follows: "When national

award nominees are considered, they all should be presented by a single ROA staff briefer, who is the subject matter expert. For example, the ROA legislative director should brief how the nominees meet the criteria on national security awards, while the director of communications should brief the qualifications of those nominated for national communications awards."

# **Awards**

The legislative director presented two new awards and one amendment for approval. Two new awards were presented by the Communications Committee for approval. The Communications Committee also made a nomination for the first recipient of a media award.

# H.J. Reilly National Security Award

Upon a properly made motion by Captain Austin, seconded by Major Petsinger, and upon a unanimous vote, it was resolved to create the H.J. Reilly National Security Award. Awardees will be approved by the Executive Committee. Criteria: This award is presented in lieu of the Minuteman of the Year Award at a national meeting to the citizen who has contributed the most to protect National Security in the previous year. It is usually given to an elected official or federal executive who has been a leader in national security and defense issues in keeping with the Reserve Officers Association charter. Normally rotates between the Senate and the House, Democrat and Republican.

#### Minuteman of the Year Award

Upon a properly made motion by Captain Austin, seconded by Colonel Riedler, and upon a unanimous vote, it was resolved to amend the selection criteria for the Minuteman of the Year Award. Amended criteria: Presented to the individual who has shown over a consistent period of time to be an advocate for National Security and Reserve Component Issues, having worked directly with the Reserve Officers Association. Normally given to a member of Congress or a member of the Executive Branch. Normally rotates between the Senate and the House, Democrat and Republican. If no suitable recipient is nominated, it is appropriate to pass any specific year.

#### John R. Delafield Achievement Award

Upon a properly made motion by Captain Austin, seconded by Lieutenant Commander Cregan, and upon a unanimous vote, it was resolved to create the John R. Delafield Achievement Award. Awardees will be approved by the Executive Committee. Criteria: Awarded to any class of ROA membership or to a national staff member for an important contribution to ROA that distinguishes the individual beyond normal commitment. To be presented at a national ROA meeting, or at another suitable time/place. Recommendation is that one annual award be authorized and presented, although as many as three recipients can be recognized annually.

# Colonel Thomas F. Royals ROA National Minuteman Media Award

Upon a properly made motion by Captain Austin, seconded by Lieutenant Commander Cregan, and upon a unanimous vote, it was resolved to create the Colonel Thomas F. Royals ROA National Minuteman Media Award. Awardees will be approved by the Executive Committee. Criteria: This award is to recognize an in-

dividual from any media platform who, on a national scale, significantly promotes public awareness of the members of the uniformed serves of the United States.

# Captain John Lynker ROA Department Minuteman Award

Upon a properly made motion by Captain Austin, seconded by Lieutenant Commander Cregan, and upon a unanimous vote, it was resolved to create the Captain John Lynker ROA Department Minuteman Award. Awardees will be approved by the department. Criteria: This award is to recognize an individual who, in a specific market, significantly promotes public awareness of the members of the armed forces of the United States.

# Recipient: Colonel Thomas F. Royals ROA National Minuteman Media Award

Upon a properly made motion by Captain Austin, seconded by Major Petsinger, and upon a unanimous vote, it was resolved to present the first Colonel Thomas F. Royals ROA National Minuteman Media Award to Regis Philbin.

# **National Officer/Committees**

In light of Major Dayan Araujo becoming an ROA contractor as the Air Force section director, Colonel Williams asked the Executive Committee to approve a change in appointments.

Upon a properly made motion by Captain Austin, seconded by Colonel Riedler, and upon a unanimous vote, it was resolved to appoint Captain Henry Plimack as the National Public Relations Officer and chairman of the Communications Committee. It was further resolved to appoint Major Dayan Araujo vice chairman of public relations on the Communications Committee, filling Captain Plimack's seat.

# **Future Meeting Dates**

The next Executive Committee meeting will be held Saturday, January 28, 2012 at the Marriott Wardman Park hotel in Washington, DC, just prior to the National Security Symposium.

#### Adjournment

The meeting was adjourned at 3:45 p.m.

Minutes submitted by CAPT Marshall Hanson, Acting Executive Director.