

# **UNC NROTC Alumni Association**

## **Board of Directors meeting, June 25, 2016**

The Board of Directors of the UNC NROTC Alumni Association met in person and via telephone conference call on Saturday, June 25, 2016, by telephone conference call.

### Members present:

Eric Schneider '86, President  
Steve Fish '85, Secretary  
Will Stubbs '85, Treasurer  
Pat Connelly '85  
Debra Davis '83  
Rob Giodfriddo '86  
Gerry Good '64  
Christin Hayes '09  
David Jackson '87  
Steve Levesque '89  
Tim Nichols – Staff Alumnus  
Hon. S. Jay Plager '52  
Pat Riordan '87

### Members not present:

Steve Matts – Staff Alumnus

### Additional persons on the call for a portion of the meeting:

Bill Latham, '85 – Legal Counsel to the Board  
Butch Bracknell – '92 – Awards Committee Chairman

Thirteen of fourteen directors were present by telephone, a quorum (5 required) was established and maintained throughout the meeting. A simple majority is 7, the number needed to amend the bylaws is 8 (a simple majority of all duly elected and sworn) given five days notice.

The meeting was called to order at 1105.

### **Constant Contact Account.**

The first point of discussion for the Board was in reference to the on-going situation of dealing with a previous Board member and Officer as to access to the Association's Constant Contact database and its use. The original Constant Contact account was not turned over to the current Board and access to its contents was denied by the previous custodian. Through discussions with the corporate representative of Constant Contact, the account has been "frozen" and is un-usable by any party while the access dispute is active. The Board has retained pro-bono legal counsel (Bill Latham, '85) to advise in how to resolve this. Since this is an ongoing legal issue, the

Board feels that confidentiality is paramount and will report fully when the matter is resolved.

In the meantime, the Association has obtained a new Constant Contact account and with the assistance of the University's General Alumni Association and the NROTC Unit, has created a new database and this is being actively employed to communicate with the membership. It was our intent to not allow the legal matters to slow down the efforts of communicating with the membership, however, it did in fact take much longer to get the new database up and running than desired. We believe the majority of that work has now been done and future communications should be much more efficient.

## **COMMITTEE REPORTS**

The established committees emailed summary reports to the Board and each committee chair reported to the Board and reviewed their activities as follows.

### **Awards Committee**

Butch Bracknell reported that the Connor Award was presented at the Battalion Awards Day on April 21 to Ens. Salvatore Savarese. Since the inception of the award, an aviator's watch has been the award and was presented by the Association President Eric Schneider. Further details are contained in the Association Newsletter published June 24.

A review of the Distinguished Alumni Award and Distinguished Service Award was conducted and solicitations were made to the entire membership via the Newsletter for this year's recipients. It is our desire to present these awards at the Fall Meeting in October.

### **Governance and By-Laws Committee**

The newly appointed Governance and By-Laws Committee has been slowly reviewing the existing document for potential. The full scope of changes are possibly extensive, were not presented at this meeting.

However, there were 2 urgent and compelling changes that needed to be adopted at this meeting and in accordance with current By-Laws provisions, the proposed changes to the By-Laws themselves were presented to the entire Board 5 days in advance by email.

1. In the second paragraph of the document, ARTICLE I, Section 2. Other Offices, regarding the Association's mailing address... "Section 2. Other Offices. The corporation may have offices at such places, either within or outside the State of North Carolina as the Board of Directors may from time to time determine. The Association's mailing address normally follows the physical location of the Treasurer, that officer being the recipient of all official correspondence (financial statements,

billings and membership re-registration forms, etc). Such location shall further be defined with a P.O. Box Number and address. Such address shall constitute an 'Other Office'."

It is believed this is too restrictive to conduct efficient operations and the proposed language is "... Such location may further be defined with a P.O. Box Number and address." (Underline in both places above for this emphasis only.)

The Secretary placed the motion on the floor and it was seconded. There was minimal discussion and the Board approved the change unanimously, 13 for and 0 against.

2. Additionally, in ARTICLE VI, Section 4. Checks, Drafts, Etc, the current language reads, "All notes, drafts, acceptances, checks and endorsements or other evidences of indebtedness shall be signed by the President or a Vice President and by the Secretary or the Treasurer, or in such other manner as the Board of Directors from time to time may determine."

The organization does not have any Vice-Presidents and this is the only mention in the By-Laws. Additionally, this requirement is also inefficient and impractical as Association business is now conducted via electronic transactions with no physical checkbook in existence. Additional "checks and balances" measures for financial management were adopted at the March Board meeting which will prevent any one person from overspending any account.

The proposed language is "All notes, drafts, acceptances, checks and endorsements or other evidences of indebtedness shall be signed by either the President or the Treasurer, or in such other manner as the Board of Directors from time to time may determine."

The Secretary placed the motion on the floor and it was seconded. Discussion ensued concerning the checks and balances on spending Association funds and how it is done. The Board voted and the motion was passed unanimously 13-0.

## **Events Committee**

The Events Committee conducted an email dialogue following the March Board meeting. The subject of the email discussion was developing a generic annual plan for Association events.

The Committee proposes the following broad Association Events Plan: (A generic year's worth of events.)

- 1 x Fall event (BBQ and Annual Association Meeting)
- 1 x Winter event (Speaker)
- 1 x Spring event (graduation/awards day centered.)

The committee uses the Mission Statement/"Lines of Effort" outlined in the Articles of Incorporation to focus its efforts. Although the Events plan does not directly

support each of the lines of effort, one could argue each of the events are at least in secondary support.

Guidance was requested with respect to the following:

1. "Business Rules" regarding liaison with the Staff and Midshipman Battalion.
  - a. Logistics for the Annual Association Meeting and BBQ, as well, as associated events (Football tickets) will largely be handled by the Staff and/or Midshipman Battalion.
  - b. This will hold true for ANY Association event on Campus or in conjunction with the Staff/Battalion
  - c. What is the guidance regarding direct liaison with the Staff/Battalion by committee members/"class reps" on behalf of the Board?

It was agreed that Event Committee Chair or his/her designee be charged with personally coordinating with the Unit CO or his/her designee as appropriate.

2. Procedures for spending Association money. No requirement, yet, but in the event the Committee needs to spend money, what is the proposal/approval process?

It was agreed that as event planning proceeds, the Event Committee Chair will coordinate budgetary/spending requirements with the Treasurer, then, if already budgeted, may spend accordingly. If not already budgeted, the Committee Chair and Treasurer will make a request to the Board for discussion and approval.

Outstanding Tasks:

1. Establish Liaison with Staff/Battalion.
2. Publish detailed Sequence of Events for Annual Association Meeting, 8 Oct, and associated events.
3. Develop initial list of Speakers to populate Speaker's bureau.
4. Contact perspective Speaker for Winter speaker's event.

A proposal forwarded by Board Member Tim Nichols. Develop a "History of the Navy/Navy ROTC Presence on the UNC Campus" class to be presented to the freshman class upon arrival AND the senior class prior to graduation. The goal being "seeding and then re-seeding" the important legacy/lineage of the Navy at Chapel Hill. Two benefits:

1. Demonstrable increase in unit pride and sense of institutional legacy.
2. Make Alumni interested in continuing the legacy as members of the Association.

Several options in construction of class:

1. Coordinate with Staff/Battalion as an individual or class "Project."
2. Reach out to an Alumni class to "Commission the project" for completion and "gifting" to Unit.
3. Reach out to University to accomplish.
4. Contract the project to a PR firm.

Summary: The Events Committee recognizes the importance of Association events in supporting the current Mission Statement of the Association. There is work to do, and as the committee "gets its legs underneath it" the goal is to enhance that support by increasing the liaison with the Staff/Battalion and other committees and stepping up communication with the Board and Officers of the Association.

## **Communications Committee**

The Communications Committee has developed the following plan and reported the following.

- 1. Create an electronic database of all those commissioned through UNC NROTC program**
  - a. Constant Contact account created
  - b. Constant Contact populated with file from GAA and augmented with available data from "old files"; about 1500 entries exist
  - c. Approximately 65% of entries in Constant Contact have email addresses associated with them
  - d. Data exists to segment these entries into Life members, etc.
  
- 2. Validate the Constant Contact list**
  - a. Sent out an "introductory email" to make initial contact with the 1500 emails on the Constant Contact list. About 1100 email addresses are valid.
  - b. Send postal mail of introductory letter to all those with no email address or who "bounced" to have them establish an email link (possible with Constant Contact and website, no return mail needed)
  
- 3. Revise and update the website - underway**
  - a. Current website based on old technology and out of date
  - b. Need new appearance to create positive image
  - c. Simple changes being made June 24; more complex changes coming soon
  
- 4. Establish a regular schedule for publishing a newsletter to the membership**
  - a. There should be at least two issues a year to report on significant events, awards and Annual Meeting
  - b. Possible for two additional newsletters with stories of interest to the membership such as unit info, midshipmen profiles, updates on past graduates, etc.
  
- 5. Maintain an interesting website and Facebook page to maintain members connection and interest**
  - a. Update website regularly with happenings, etc.

- b. Posting to Facebook of pictures, stories, links to website, etc.

**6. Sign up more members through all of the above**

- a. The goal of all of the above is to improve communications with the entire membership and ultimately increase membership in the organization.

**Financial Oversight Committee**

The Finance Oversight Committee has met twice by telephone since the March Board meeting and has exchanged numerous emails regarding committee business.

The committee reviewed proposed mutual fund allocations to the various restricted and unrestricted "accounts" (some of which are actually sub accounts or accounting entities for bookkeeping purposes). As a committee we unanimously agreed on allocations for all of the accounts now currently in force and in use. There was discussion about moving the accounts away from USAA to other mutual fund companies. It was generally agreed that USAA funds perform as well or better than any fund company out there so for the time being it was agreed to leave the money there for ease of handling and to prevent additional account opening fees. The Treasurer has worked with USAA to reallocate the Associations accounts back to segregated separate accounts for the Connor Award fund, the Dawson Library fund, the Scholarship fund and the Life Dues funds (balances and fund selection/allocations shown later in the Treasurer's report).

Based on current income and market performance, the Treasurer presented a revised budget from the March Board meeting. We reviewed the various line items constituting all of the income and expense estimates and are unanimously satisfied that they constitute a reasonable and valid budget basis. The presentation included a budget to actual comparison as of 5/31/2016. While there is much revenue improvement over last year, especially in regard to unsolicited gifts and the 2016 Scholarship endowment, there is also obvious risk to the budgeted revenue due to the lack of annual members and new life members, which are material drivers of income. These categories represent the biggest risk to the budget at this time, as most of the other line items are expected to be realized within relatively narrow bands of variation. We will need to address the lack of annual and new life members at the full board meeting—this needs to be communicated as a major, material issue to be addressed.

Last we reviewed the proposed business rules as previously promulgated by the Treasurer for the March Board Meeting in section 3 of his memo dated 1 March 2016. With a few minor edits, which will be provided by the Treasurer, we unanimously agreed to propose adopting the business rules outlined in this section to the full board. This will be done via the Governance and By-Laws Committee in consideration for codifying these rules into the By-Laws in the future.

## Treasurer's Report

The Treasurer prepared and presented net worth and income statements for 2016 YTD, as well as the revised budget proposal based on current income and investment returns.

Additionally, the Treasurer reported:

1. The IRS form 990-N has been filed for 2015.
2. Per guidance received from the Financial Oversight & Budget committee, the USAA funds have all been transferred out of the Growth & Income Fund (USGRX) and Intermediate Term Bond Fund (USIBX) to the Government Securities Fund (USGNX) pending further direction from the committee.
3. A market rate savings account has been opened at Wells Fargo and funded for holding of the current year's planned disbursement of Scholarship Funds this Fall.
4. The Connor Award was purchased, engraved and shipped to the unit for presentation on Awards Day; Butch Bracknell has been reimbursed.
5. UNC IT services has been notified that we are scaling back our payment for Naval Armory cable TV service to one drop, as the other two are not in use. UNC IT paid in full and current.
6. Goosedown Graphics (website) and Constant Contact have been paid current.
7. The USAA portfolio is now divided into named funds as of Thursday 6/23: Life Dues Endowment, Connor Memorial Fund, Dawson Memorial Fund and Scholarship Endowment Fund. All funds remain invested in USGNX as specified above. Treasurer adjusting funding levels to meet intent of March board action on corpus; however withholding diversification efforts until signal of approval from Financial Oversight and Budget Committee. Anticipate execution of diversification before end of month.
8. Don Ledford has been replaced by Eric Schneider as the "Registered Agent" for the corporation with the North Carolina Secretary of State. The RA must be a North Carolina resident.
9. The income engine for the organization for 20 years has been the use of newsletters and bulletin solicitations used in combination with the website host for information and (eventually) Paypal contributions. As a result of not having started this effort until halfway through the fiscal year [as the Treasurer is anticipating that the newsletter will be dispatched before the board meeting tomorrow 6/25], the income engine has not yet been started. Once fired up, we will need a concerted effort by fellow board members to reach out and invite/encourage classmates and eligible friends to join/re-join and participate.

# Financial Statements

6/4/2016

## Income Statement 2016 YTD as of 5/31/2016 1/1/2016 through 5/31/2016

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Category	1/1/2016- 5/31/2016
<b>INCOME</b>	
Restricted Income	
Gift received-Connor Award Fund	1,050.00
Gift Received-MIDN Scholarship	2,625.00
Interest Inc	0.22
Life Dues Payment	825.00
TOTAL Restricted Income	4,500.22
Unrestricted Income	
Annual Dues	
2015	20.00
2016	260.00
TOTAL Annual Dues	280.00
General Fund	170.00
TOTAL Unrestricted Income	450.00
_DivInc	480.09
<b>TOTAL INCOME</b>	<b>5,430.31</b>
<b>EXPENSES</b>	
Uncategorized	0.00
Awards	
Patrick K. Connor Memorial Award	609.42
TOTAL Awards	609.42
Bank Charge	75.00
Midshipmen Support	162.50
Miscellaneous, Bus	546.00
Supplies, Bus	32.84
Website	80.00
<b>TOTAL EXPENSES</b>	<b>1,505.76</b>
<b>TRANSFERS</b>	
FROM PayPal Account	2,996.20
FROM Wells Fargo Simple Business Checking	3,000.00
TO Wells Fargo Bus Mkt Rate Savings	-3,000.00
TO Wells Fargo Simple Business Checking	-2,996.20
<b>TOTAL TRANSFERS</b>	<b>0.00</b>
<b>OVERALL TOTAL</b>	<b>3,924.55</b>

6/4/2016

Net Worth 5/31/2016 - As of 5/31/2016  
(Includes unrealized gains)

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Account	5/31/2016 Balance
<b>ASSETS</b>	
<b>Cash and Bank Accounts</b>	
PayPal Account	0.00
Wells Fargo Bus Mkt Rate Savings	3,850.22
Wells Fargo Simple Business Checking	2,950.57
<b>TOTAL Cash and Bank Accounts</b>	<b>6,800.79</b>
<b>Investments</b>	
USAA Investment Management	62,338.92
<b>TOTAL Investments</b>	<b>62,338.92</b>
<b>TOTAL ASSETS</b>	<b>69,139.71</b>
<b>LIABILITIES</b>	
	<b>0.00</b>
<b>OVERALL TOTAL</b>	<b>69,139.71</b>

**UNC NROTC Alumni Association**  
**Proposed 2016 Budget in "Sources & Uses" Presentation Format**

**Unrestricted Funds**

**Notes:**

Sources

Loan from Life dues	\$ 2,250.00
Annual Dues	\$ 2,000.00
Investment income life dues	\$ 1,330.00
General Fund	\$ 170.00

loan from Life dues endowment, budgeted for repay over 3 years@\$750/yr  
 100 members join / renew  
 based on 20 new life members and 4.74% ROI APR over 6 months  
 any gift here is bonus to plan

Total Sources \$ 5,750.00

Uses

Awards expense (DAA/DSA)	\$ 300.00
Bank Charges	\$ 1,000.00
Midshipmen Support expense	\$ 250.00
Miscellaneous, Business	\$ 700.00
Postage & Shipping	\$ 250.00
Supplies, Business	\$ 250.00
Website expenses	\$ 3,000.00
Contingency	\$ -
Allocate to Life Dues payback	<u>\$ -</u>

allow for \$150 for each award including item, tax, personalization & shipping  
 PayPal pro-rata based on income, + Wells Fargo (modest)  
 Cable TV, reduced to 1 drop, reevaluate to discontinue EOY  
 Constant contact (\$546); NC Sec of State (\$23), \$131 balance remaining  
 Newsletter mailing costs to non on-line members  
 Newsletter printing costs to non on line members, \$217.16 remaining  
 Based on enhanced vendor estimate: \$2560.09 remaining  
 removed from budget  
 deferred until 2017

Total Uses \$ 5,750.00

**Restricted Funds**

Sources

Patrick K. Connor Award Fund inv income	\$ 418.46
Patrick K. Connor Award Fund gift revd	\$ 1,050.00

based on 4.07% ROI APR over 6 months  
 \$1000 gift (RPR) + \$50 gift (ESS)

Use

Award- Connor Award expense	<u>\$ 609.42</u>
Net increase to Connor Fund corpus	\$ 859.04

Connor Award guaranteed this year by restricted \$1000 gift (RPR), see abc

Source

David P. Dawson Library Fund inv income	\$ 307.70
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based on 4.07% ROI APR over 6 months

Use

Dawson Library expense	<u>\$ 300.00</u>
Net increase to Dawson Library corpus	\$ 7.70

Based on estimated revenue of \$307.70 above

Source

Midshipmen Scholarship Fund gifts (goal)	\$ 23,000.00
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\$3000 pay out / \$20,000 to endowment

Use

Midshipmen Scholarship expense	<u>\$ 3,000.00</u>
Establishment to Scholarship Endowment	<u>\$ 20,000.00</u>

restricted

Source

Life dues income (2 new life members)	\$ 7,000.00
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Use

Loan to Operating Fund	<u>\$ 2,250.00</u>
Net increase to Life Dues Endowment	<u>\$ 4,750.00</u>

**Net increase to Restricted Funds** **\$ 25,616.73**

## **Scholarship Committee**

The Scholarship Committee conducted a limited email conversation with input from the Treasurer in an effort to determine whether the scholarships have targeted the most appropriate midshipmen. In essence, we attempted to determine the return on the Association's investment. Data is incomplete, but it appears several past recipients did not graduate and of 21 scholarships given, only four recipients ever joined the Alumni Association of which only one appears to currently be a member.

The Scholarship Committee will continue the discussion of how best to select scholarship recipients and engage Unit staff, with the understanding on all parts that the Association remains the "owner" of the scholarships and will have the last word on to whom and if awards are made in any given year.

Scholarships will be presented at the October annual meeting as in past years.

The Board discussion revolved around whether or not the scholarship should be given to a needy 3<sup>rd</sup> class midshipmen or should it be more directed at a candidate who is most likely to graduate and become an association member. There was also discussion on further engaging the 1<sup>st</sup> and 2<sup>nd</sup> Class midshipmen with the Alumni Association so that they don't feel so alienated from the Association. Additionally, it was proposed that we ensure scholarships presented with the full battalion present so as to show the entire group the Association's presence and feel more connected to us and us to them.

The Scholarship Committee will have further recommendations for the Board at the next scheduled meeting.

## **Dawson Library Committee**

Rob Gionfriddo reported that the committee is in the process of reviewing the current status of documents and books held by the library along with the status of the Chief of Naval Operations' and the Commandant of the Marine Corps' reading list. They are also coordinating with the Unit staff to bring the space and signage current.

## **New Business**

During the course of the meeting, several Board members had to leave the phone call but a quorum was maintained throughout.

Will Stubbs put before the Board a discussion of current and future Honorary Members. It is believed there are previous Honorary Members from years past, although we don't have specific records in hand to show this. We will attempt to track this down and include them in all future communications. These are:

- 1) Colleen Mills (widow of CDR Chris Mills, former XO of Unit, who died on active duty, for whom the Mills award for midshipmen is named)

- 2) Mr. and Mrs. Connor, parents of Pat Conner
- 3) Dr. and Mrs. Dawson, parents of Dave Dawson

He proposed that we confer the following Honorary memberships (cost is insignificant).

- 1) Colleen Mills and Rusty Mills (Chris' widow and son)
- 2) Mr. and Mrs. Connor and any living siblings (Pat Riordan agreed to contact the Connor Family).
- 3) Dr. Dawson, Andrea & Paul Dawson (Dave's siblings)
- 4) Aggie Koster, Cris Sawyer and Susan Koster-Hunter (Al's widow and daughters)

It costs us nothing and is likely to generate goodwill – and it gives us a chance to write another newsletter this summer and ring the fundraising bell again.

Will proposed the motion and it was seconded. The Board approved the motion unanimously 7-0.

### **Next Scheduled Board of Directors Meeting**

It was agreed that the next meeting of the Board by telephone conference call, on one of three Saturdays in the future: August 13<sup>th</sup>, August 27<sup>th</sup> and September 10<sup>th</sup>, with the latter being the most favorable. We will conduct a Doodle poll to solicit input for this and determine the final date as soon as possible.

The meeting was adjourned at 1450.