

## MINUTES OF BOARD OF DIRECTORS MEETING

JANUARY 10 2011

### In Attendance

ADM James Hogg, USN (Ret), *Chairman*  
VADM Ron Route, USN (Ret), *President*  
VADM Hank Giffin, USN (Ret), *East Coast VP*  
VADM Tim LaFleur, USN (Ret), *West Coast VP*  
CAPT Dave Lee, USN (Ret), *Secretary*  
CAPT Jim Tackett, USN (Ret), *Treasurer*  
CAPT Dave Adler, USN  
VADM Jim Amerault, USN (Ret)  
RDML Mark Balmert, USN (Ret)  
OS1 (SW/AW) David Brakebill, USN  
VADM Bill Earner, USN (Ret)  
RDML Mike Frick, USN (Ret)  
RDML Bob Girrier, USN  
VADM Lee Gunn, USN (Ret)  
VADM Bill Hancock, USN (Ret) *(via phone)*  
RADM Joe Hare, USN (Ret)  
RADM Dave Hart, USN (Ret)  
FLTCM (SW/AW) Tom Howard, USN (Ret)  
CAPT Mary Jackson, USN

CAPT Ron Jenkins, USN (Ret)  
CMDCCM Anthony Josey, USN  
VADM Doug Katz, USN (Ret)  
CAPT Jon Kaufmann, USN  
Corey Kenniston, USN  
Mr. Charlie McCullough  
LT Padraic McDermott, USN  
LT Rob McFall, USN  
HMCM(SW/FMF) Patrick Modglin, USN  
CAPT Bob Oldani, USN (Ret)  
CMDCCM Brian Ortega, USN  
LT Sarah Pettit, USN  
CAPT Paul Rinn, USN (Ret)  
CNOCM (SW) Ashley Smith, USN (Ret)  
RADM John Tozzi, USCG (Ret)  
CAPT Gordon VanHook, USN (Ret)  
CAPT Joe Volpe, USN (Ret)  
CAPT Bill Erickson, USN (Ret), *Executive Director*

### Chairman Remarks

The Chairman welcomed attendees to the meeting and outlined how this meeting differs from the General Membership Meeting tomorrow in that it is more a Strategic Session. He also outlined how the structure of the BOD works and the role of the Executive Committee. He stated that good ideas have no rank and all ideas will be listened to. He also stressed that there are no 'dumb' ideas. He cautioned everyone not to get defensive or to walk away with hurt feelings if their ideas were challenged. He stated that while the association is doing well we always have to move it forward and keep the ideas flowing.

### President Remarks

The President remarked that it has been a very exciting and productive year for the Association. He thanked all for their participation and involvement to keep to our activities moving forward. He thanked all the outgoing board members and welcomed the incoming ones. Highlights of the year were reviewed (see slides for details.) He noted that we had a record breaking symposium in 2010 and also had a record breaking West Coast symposium. We have made great strides in being more inclusive for all communities within the Navy. He also commented on a couple of event that were cancelled in 2010. Unfortunately we had some logistical issues working with the Coast Guard Academy due to renovation of the facility the Maritime Security Forum was put on hold until 2011. In addition we were unable to hold the Communications Forum. This was primarily due to current events that we felt would make it unwise to hold this forum. We also had a scheduling conflict with many of our senior speakers for this event.

Some of the areas for the BOD to think about as today's discussion progresses are:

- How to better support areas of interest to our members
- Ways to help the professional growth while having fun

- How to incorporate best practices throughout the community
- Ways we can provide mentoring and network opportunities
- How to better promote and communicate all that we offer

### **Secretary's Remark**

The Secretary noted that the BOD minutes from January 2010 have been on the website for at least 6 months along with the Executive Committee meeting minutes from 2010. A motion to accept the minutes from the 2010 Board Meeting was carried unanimously.

He then went on to explain the nomination and voting process for the new BOD. It was noted that we exceeded our minimum requirements for voting from our membership. All outgoing board members were then recognized and the Chairman went on to thank them for all their hard work and encouraged them to continue activities within SNA.

***AI: Make sure outgoing BOD Members invited to participate in ExCom***

One of the key tenets of our BOD is that each community within our membership is represented (see slide). We do not eliminate any nominations - all that we ask is that they meet the stated requirements. All new Board members were recognized and it was noted that seven out of the nine were in attendance along with our first Coast Guard member. The Chairman thanked them for stepping up and reminded them that they received votes of confidence from the membership when they were elected and encouraged each of them to take on a cause or adopt a local chapter. The new board members were also asked to serve in one or more of our standing committees to continue the 'Surface Warfare Team.'

Every two years we have to nominate our Board Chairman and a vote was made to nominate the current Chairman ADM James Hogg for another two year term. This motion was carried unanimously.

### **Treasurer's Report**

The Treasurer reviewed the investment accounts, bank accounts, and budget. We have taken a conservative approach with the Association money when considering investments and these decisions were made in conjunction with the Finance Committee. More income was realized than expected and we didn't spend as much as we thought so did end up with a positive delta of approximately \$50,000. While we were \$50,000 to the good on the budget at the end of the day, once you take into account money used from the corpus during the year we end up with a final profit of \$5,000.

Some individual line items were discussed (see slides). Chapters are asking more for financial support and we realized about a 22% increase in these fund requests. There are still some chapters that need to be encouraged to come to National with requests. It was noted that a number of requests that come directly to National are directed back to our chapters for them to work through first.

We have set aside funding in the budget for ship commissionings but the Executive Committee is still determining exactly how to do this. We take a conservative approach when it comes to projecting income. For expenses we look at the actual for the previous year. It was noted that contractor support has increased more than normal as we are migrating the support traditionally paid by GWC from their share of the symposium to National. From this point on GWC will not receive any share of the symposium net profit as they have been aligned like all other chapters through the dues sharing and chapter fund request process. There are some line items in the Awards portion that have no dollar values - not necessarily because we didn't give anything out but because we have stock on hand and we do buy in bulk on many items to get price breaks.

***AI: Get some membership forms over to Senior Enlisted academy when presenting pins at CMC award.***

A motion was made to approve the 2011 budget and it passed unanimously.

The chapter disbursements were then reviewed. We have several categories that we support such as dues sharing, regional events, recruiting events, chapter awards, CPO Pride Day, etc. We disbursed \$125,000 in 2010.

## **PROGRAMS**

### **Executive Committee Report**

The vision statement was read so that all members had it in mind as they reviewed the following programs. (see slide). During the Committee's deliberations it was noted that in addition to those funds we typically disperse throughout our chapters we also support the CNO's Battle of Midway events in Washington, DC.

### **Membership Committee Report**

The bylaws were reviewed. The membership committee members were thanked for their hard work. The complimentary membership programs were reviewed (see slide). A question was raised why we give three-year memberships over one-year. Besides the reduction in administrative costs the Committee feels that each comp member is likely to see at least one CO who was a SNA member.

***AI Determine the number of CPOs that actually take advantage of membership offer..***

We have increased about 180 members in paid membership since last year. We also have about 190 total more than last year also. (see slide).

***AI:***

***Provide breakdown of life memberships versus other categories***

While membership is important participation is also important. We are the only professional association for every surface warfare community member and perhaps we need to stress that more on the waterfront. While we don't want to coerce Sailors to join we should expect to see about half of every wardroom as members. The Association is healthy and while we seem to struggle for memberships we are growing in many ways. We still need to keep working on increasing our membership. We need to look at the 'elevator speech' to talk about what we do outside of luncheons to encourage membership from participation. Because we do have a large active duty membership we do have problems staying in contact with them all the time especially those that have generic emails like co@ddg etc.

### **Awards Committee Report**

The committee has a total of 10 members with two outstanding staff members. The committee read over 1,000 pages of award submissions before finalizing the recipients. The committee which meets about monthly has a fairly heavy schedule over the year. (See slides for summary of program and winners.) Some awards are on a regular schedule and some are periodic i.e. Old Tar, Old Salt, CMCs. New awards this year are the Shiphandler of the Year award and also the Independent Corpsman Award. Highlights of the latest inductees into the Hall of Fame were given. One of the hardest parts of this award is to find pictures, particularly of those that were killed in Vietnam. A call to help identify potential candidates for future recognition was made. We have about 170 people in our archives. This is our heritage and how we recognize it is the life blood of our organization.

### **Finance Committee Report**

The committee meets infrequently as we have a very conservative portfolio. When the markets does well we do well. (see slide for details). It was noted that the Committee is only concerned about investments. Operations are under the responsibility of the Treasurer. The idea is not to make money out of the stock market but to protect what we have and to increase it wisely. Someone questioned how much is enough to have in reserve. Many non-profits have two-times total yearly operating expenses put aside at any one time. The Finance Committee would caution going any lower in that fund. If, however, the association has more than 5 times the operating expenses then it is likely that we will come under IRS scrutiny with regard to our non-profit status. We try to maintain a steady percentage in the operating account and we do try and look at surges particularly as we have a budget in place.

### **Symposium Committee Report**

The Symposium Chairman noted that once again we have looked, as we have over the last few years, at remaining at the Hyatt as the venue for this event. While we burst at the seams (not necessarily a bad thing!) we have looked at other options that could give us more space. Typically the expenses would be about 15% higher but the largest issue is the convenience of alternative locations to Crystal City/Pentagon.

Throughout the course of the last six or seven years we have shown a growth in attendance and have been able to hold fairly steady on our net. This year we looked at giving SNA GWC no share as we have in the past and treat them like any other chapter. The money typically given to them will be divided between scholarship and operating accounts. This change is with full concurrence of the GWC Chapter BOD. While we are unable to give any numbers for the 2011 event it is evident that the current attendance trends for this event are very promising.

Another event held in 2010 that had record attendance was the West Coast Symposium, typically held in conjunction with SWOFOT. We had 25 vendors and over 500 registered attendees including over 40 SWO flag officers. This was the first time that we worked with SWONET to do live streaming of the event. We are also looking at live streaming some of the events during this symposium. Our biggest issue however, is ensuring that live streaming doesn't impact our attendance and revenue.

### **Public Relations Committee**

The Committee did meet during the West Coast symposium and continues to maintain and expand on 'thought leadership.' This strategy will allow our members and potential members to see that we are leaders in our field. We want people to think of SNA as the organization that is proactive and effective. (See slides for details) Someone in the audience thought they had heard some of our Hall of Fame slots on the radio. While we have been working to get these released there are some issues with "Direct to Sailor" so should not have been on the airways yet.

***AI: Look into what Hall of Fame material was heard***

We expect to be in the news this week with all the activities at the symposium. The committee is also working with the scholarship program to try and get the word out to encourage more submissions.

### **Corporate Membership Report**

Our corporate membership continues to grow. If it was much larger then would have an issue with space at the symposium. A survey was done with our corporate members when we restructured based on financial size and none had any issues.

## **Scholarship Committee Report**

There are seven hardworking members on this committee. While we receive great applications we still would like to receive more and are trying to get the word out to our membership that this is a great benefit. Each year is considered individually when looking at the obligation SNA takes on for the potential renewal of each scholarship. However we have implicit understanding that this is only valid as long as we are in good financial health. We gave out a total of 56 scholarship last year and this was the first time since the Chairman has been involved in the program that all renewals 'cleared the bar' of the 3.0 threshold for renewal.

Future funding of the scholarship program has become an issue that the committee has been looking at this year. We also have never had a conversation on how this program fits in with everything else the association does and we are beginning that dialogue. It was determined that we need to come to a steady state of how many new and how many renewals we have in any one year. To get to that we have been given guidance for 2011 to issue up to a total of 65 scholarships. Of that we expect 15 new ones and the rest in renewals. If the number of renewals falls short then we will end up with less than 65. We have also never proactively solicited funds for this program. However we do have a few organizations that provide some funds,, Rolls Royce, has consistently provided a generous donation to this program for a number of years. Recently we sent a letter out to all our corporate members asking them to consider supporting this program. We are also considering looking at individual donations.

In 2010 Anchor Scholarship approached us to open a discussion about a possible merger with our scholarship program. After some discussion they decided to stay autonomous and continue to raise funds independently. It is interesting to note that a number of the SNA chapters support the Anchor's program each year. It was noted that we need to stress the scholarship piece when promoting membership into the Association. While not everyone has children of age to take advantage of this, spouses are also eligible to apply and we have changed our requirement of full time student this year to eligibility as long as they are taking 6 credits.

***AI: Look at issue of encouraging active duty applying for scholarships***

## **OPEN DISCUSSION**

***Is there anything this organization could or should do to raise the uniform leaders' awareness on ethics and core values?***

Every year we have this symposium and talk a lot about mechanical aspects of programs. Perhaps we should look at the symposium being a venue for ethical value discussions. IT was suggested that these would be good topics for the CO and JO forums. We could also provide guidance to our speakers to spread the word. Perhaps we could use the SITREP as a vehicle to run articles. However we do need to have a careful approach on this. These issues are not only relevant to the Navy but also the Coast Guard and it is important that we continue to raise this issue and talk about it. This needs to be infused at the Petty Officer and Ensign level. Unfortunately this is also a societal issue. All it takes is 1 call on the hotline to be under investigation. We should continue to take a positive side on what our sailors are doing. It was suggested that perhaps we could have a literary competition for articles that specifically discuss the breakdown of the moral compass.

***AI. Look into encouraging literary competition on a topic in this area***

We keep talking about seniors but it is a chain of command issue that starts at the very beginning. Literary competition is a good one.

**Navy Safe Harbor** is an active duty organization and supported by CNO and the Navy. It identifies those that are seriously wounded and need some help getting through the bureaucracy, specifically for Navy and Coast Guard. Currently they are looking at a way to publicize this activity. This is a Foundation that has been started is to take

over funding issues when the government cannot. For example there is a need for a van or the dependents need funding for travel for additional family members. Perhaps we could put an article in the SITREP.

***AI: Get a Navy Safe Harbor article for SITREP.***

***ACTION ITEMS:***

- 1 Make sure outgoing BOD Members are invited to participate in ExCom***
- 2 Get some membership forms over to Senior Enlisted academy when presenting pins at CMC award.***
- 3 Determine the number of CPOs that actually take advantage of membership offer.***
- 4 Provide breakdown of life memberships versus other categories***
- 5 Look into what Hall of Fame material was heard on radio***
- 6 Look at issue of encouraging active duty applying for scholarships***
- 7 Get a Navy Safe Harbor article for Surface Sitrep.***