



## **Executive Committee Meeting**

**Hyatt Regency Crystal City  
21 July 2017**

### **MINUTES**

The following members of the Executive Committee were present: President, COL Jim Sweeney; Immediate Past President, BG Mike Silva; President-elect, Lt. Col. Don Stockton; Army Vice President, LTC Hazel Robinson; Army Junior Vice President, CPT Fatima Gales; Army Executive Committeemen, LTC Milt Houghton and CPT Steven Barnard (on call); Naval Services Vice President, CWO4 Dale Andersen; Naval Services Executive Committeemen, CAPT Rick Thomas and COL Will Holahan; Air Force Vice President, Col Margaret Cope; Air Force Executive Committeemen, Col Dave Anderson and CMSgt Shane Smith; and Executive Director, Mr. Jeffrey Phillips.

Appointed national officers present were: Judge Advocate, LTC Bill Pentecost; Public Relations Officer, CAPT Henry Plimack and Chaplain, COL Sherman Reed. Also in attendance were: Chairman, Department National Council Members, COL Al Diaz; Chair, Budget and Finance Committee, Lt Col Layne Wroblewski; SmithBucklin Financial Management Team Member, Mr. Sunny Patel, national staff members, Ms. Lani Burnett, Ms. Pat Kramer, Mr. Brett Korade, and legislative intern, Mr. Ashwin Iyer.

Elected and appointed officers absent were Naval Services Junior Vice President, LCDR Jennifer Franco; Naval Services Executive Committeeman, LT George McElwee; Air Force Executive Committeemen Maj Leonard Sobieski; Air Force Junior Vice President, Maj Zach Walker; Army Executive Committeemen, COL Monti Zimmerman and Treasurer, CPT Shannon Bibbee.

Ms. Burnett, recording secretary, called roll. With a quorum being in attendance, President Sweeney called the meeting to order at 8:08 a.m.

#### **President's Remarks**

President Sweeney opened the meeting by encouraging EXCOM members to keep fundraising a priority and for strategic thinking to continue. He also asked members to support the ROA/ROA STARs Foundation Banquet and Ball being held the following evening.

#### **Financial Update**

Mr. Sunny Patel, SmithBucklin financial management team, reported that for June, the year-to-date Operating Revenue of \$948K represents 35% of the overall budgeted operating revenue. For Operating Expense, a year-to-date of \$611K represents 23% of the overall budgeted operating expense. Bottom line net income for Operations is currently at \$337K. He reported that cash flow was strong and ROA's Wells Fargo investment accounts balance was approximately \$8.4 million dollars.

Past National President Silva asked if a cash flow analysis to determine cash flow cycles had been done. Air Force Junior VP Shane Smith informed the group that one was accomplished during development of the FY18 budget and it was determined that September/October was the 'danger zone.'

## **Executive Director's Update**

Mr. Phillips briefed the content of the annual report and the 2017-2022 strategic plan, increased resource development efforts, and the legislative team accomplishments. The executive director shared his concept of creating a network of reserve chiefs and senior enlisted advisors who have recently vacated their positions. This group could serve as an advisory board on legislative and policy issues; the concept is being developed.

Discussion followed about the relationship between legislative efforts and ROA's resolution process, weaving in the RC leader network with resource development efforts, regenerating partnerships and emphasizing membership being a grassroots effort.

## **Legislative Update**

Mr. Korade stated the expectation is the House and Senate will get the NDAA done before recess so committee staff can work out conference details in August. ROA will take advantage of recess to visit Congressional offices.

Concerning the HASC/SASC Conference Letter, ROA has identified provisions in the NDAA that we want supported by Congress and are finalizing a letter on our priorities. The priorities include:

- o Technician reductions -- A previous NDAA directed a 20 percent reduction to full-time dual status technician positions. ROA supports the House provision which would result in fewer cuts.
- o 12304a, 12304b, and 12301(h) -- The House included pre- and post-deployment healthcare for these duty statuses. ROA supports the House provision.

Post-9/11 GI Bill - The House Veterans Affairs committee passed a bill that included education benefits for 12304a, 12304b, and 12301(h). It also made other improvements for the Reserve Components. The Senate is working on a similar bill and expect the House and Senate will vote to pass the bill into law.

The National Military and Veterans Association is another coalition group ROA works with for legislation and they now hold their monthly meetings at ROA.

## **ROA STARS Foundation**

Col Cope stated Reserve Kids School Kit goals have been met. A pilot in Delaware, Maryland and Pennsylvania were successful and the next phase to move into other states is starting.

## **Minutes**

President Sweeney stated the June minutes were not available and will be reviewed by the incoming EXCOM for approval.

## **Old Business**

President Elect Stockton stated dates and location for the 2018 Convention and beyond needed to be determined. Comments were made about having only one meeting and for the site of the convention to be near a reserve center. A committee will be formed.

## **New Business**

ROA Investment Portfolio – President Sweeney read a summary of ROA’s investment portfolio submitted by Chairman of the Board of Trustees, Ladd Pattillo. The report is attached to these minutes.

Strategic Plan – a motion to approve the 2017 – 2022 Strategic Plan was subjected to a motion to postpone indefinitely, with the expectation that the incoming FY18/19 EXCOM will take it up for consideration.

## **ROA Awards** –

*Upon a properly made motion by General Silva, seconded by CWO4 Andersen, and upon a unanimous vote, it was resolved to rename the International Medal after Colonel Alexander C. Gerry, USA (Ret).*

*Upon a properly made motion by General Silva, seconded by COL Houghton, and upon a unanimous vote, it was resolved to amend the ROA Awards Citation Handbook to add the following for the Truman Award, “Traditionally this award is recognized as our highest member award recognizing long term high level contributions of time and resources to the Reserve Officers Association of the United States.*

## **Life Member Fund and Department Rebates** –

Discussion ensued about whether the Life Member Fund was needed/used as it has been in the past and whether the Fund was and would continue to be actuarially sound. Further discussion was had regarding payment of life and term dues rebates to the Departments and from where and to what consequence such rebate payments should come. President Sweeney read a proposed motion on the payment of dues rebates and invited such motion on the payment of dues rebates to the Departments (attached to the minutes).

*Upon a properly made motion by COL Houghton, seconded by General Silva, and upon a majority vote, it was resolved to pay to Departments the dues rebates reasonably determined to be owed to them, taken pro rata from the Reserve Contingency Fund for term dues rebate and from the Life Fund for Life dues rebate, and under the cover of a letter commemorating the life of Lieutenant Colonel Duane Richards as specifically set forth in the proposed motion as read and amended (and as attached to the minutes).*

A motion was made by CWO4 Andersen and seconded by COL Houghton to delete the language where the funds should come from to pay the dues rebates. *Upon a majority vote, the motion did not pass.*

*Upon a properly made motion by General Silva, seconded by CMSgt Smith, and upon a unanimous vote, it was resolved to eliminate the language referring to National staff in the motion to pay dues rebates in honor of Duane Richards.*

Professional Development - CPT Gales recommended the Joint Officer Professional Development Seminar (JOPDS) be changed to Leadership Professional Development (LPD) to be more inclusive which would assist in membership recruitment efforts.

*Upon a properly made motion by CPT Gales, seconded by CMSgt Smith, and upon a unanimous vote, it was resolved to ensure a leadership professional development seminar be planned and developed to be held at ROA's National Convention.*

CPT Gales volunteered to head the committee.

### **President's Closing Remarks**

President Sweeney thanked everyone for their hard work during the past two years and presented "Make Your Bed", a #1 New York Times Bestseller written by Admiral William H. McRaven, U.S. Navy Retired to all EXCOM members.

### **Adjourn**

The meeting was adjourned by President Sweeney at 12:01 p.m.

Minutes w/2 atch (ROA Board of Trustee letter, July 20, 2017, and Department Rebate Motion) submitted by Jeff Phillips, Executive Director.

lmb

## ATTACHMENT 1

### ROA Board of Trustee letter dated July 20, 2017

July 20, 2017

Colonel Jim Sweeney, USMC Retired  
President,  
Reserve Officers Association of the United States  
1 Constitution Avenue  
Washington, D.C. 20001

Colonel Sweeney:

As the Chairman of the Board of Trustees for the Reserve Officers Association of the United States (ROA), I submit to you and the ROA Executive Committee this summary of the ROA's investment portfolio.

The ROA portfolio is managed by Dennis P. Barba, Jr., Ph.D. President & Managing Partner, Oxford Harriman & Company, based in Cleveland, Ohio. The Trustees have complete confidence in Dr. Barba and have always appreciated the advice, guidance, and personal attention received from him and his team. Our multiple separate fund accounts and conservative Investment Policy are an administrative challenge, but the Oxford team has handled the task with professionalism and grace, for a very modest fee of approximately 35 basis points.

As of early this month, the portfolio was valued at \$8,346,600 and generates current cash flow of approximately \$175,000.00 annually. Current asset allocation of the portfolio is as follows: Cash 8%, US Equity Securities 47%, International Equity Securities 7%, Market Neutral/Alternative Securities 8%, and Fixed Income Securities 30%. The portfolio performance is as follows:

Year-to-Date 2017	6%
Trailing 12 months	11%
Since inception in '09	9.34%

I am honored to have served as Chair of the ROA Board of Trustees. My guiding philosophy in this position has always been identical to that I learned in my forty-year career in public finance and public law - reasonable investment yield, prudent risk, and protection of principal. During my tenure as Chair, we have produced steady cash flow and portfolio stability for the Association, without exposure to imprudent risks.

Respectfully yours,

D. Ladd Pattillo  
Colonel, USA Retired  
Chairman

## ATTACHMENT 2

### **Executive Committee Motion to Dedicate the Payment of Dues Rebates in Honor of Lieutenant Colonel Duane Richards, USAR submitted to and read by President Sweeney, and then moved and passed by the ExCom at the 21 July 2017 EXCOM meeting:**

1. WHEREAS, several actions were taken over the past approximately six years that triggered life dues rebates to the Departments reasonably deemed to be \$355,658.74 pursuant to the governing instruments
2. WHEREAS, the rebates were not previously made to the Departments because of a good faith and reasonable fiscal determination that to do so at the time would not be actuarially sound as required under the governing instruments and for the good of ROA as a whole;
3. WHEREAS, despite the sound fiscal analysis that withholding the rebates was a sound and justifiable fiscal decision, there became a noticeable rift between the national governing body and various departments:
4. WHEREAS, the late Duke Richards, in his celebrated role as the Chairman of the Department National Council, sought to heal the rift between the national leadership and various Departments by calling for a symbolic distribution as a good faith pay down of the rebates due to the Departments;
5. WHEREAS, on December 28, 2016, in the spirit of Duke Richards' plea, the EXCOM authorized a good faith term dues (only) rebate payment of approximately \$41,000.00, apportioned at 20% of each Department's outstanding term liability;
6. WHEREAS, the Departments conveyed sincere appreciation for the rebate and many Departments used the rebates to foster grass roots membership initiatives;
7. WHEREAS, the sense of the body clearly reveals that, while some Departments have again agreed to forgive the dues rebate liabilities, the majority of the Departments expect a full payment of the rebates;
8. WHEREAS, recent financial statements indicate that a full payment of the rebates in the current financial condition of ROA would be actuarially sound;
9. WHEREAS, the Executive Committee recognizes the opportunity to remit dues rebates to the Departments now that it is actuarially sound to do so;
10. WHEREAS, the Executive Committee wishes to recognize the outstanding work of our passed colleague, mentor and friend, Duke Richards, who worked tirelessly to heal any rifts some Departments have with the national leadership; and
11. WHEREAS, it is the Executive Committee's hope that the Departments will use the dues rebates to further the grass roots membership initiatives that are so important to ROA as a whole;

NOW, THEREFORE, the Executive Committee directs the National Staff to pay to the Departments the dues rebates reasonably deemed to be owed to them under the cover of a letter commemorating the life of Lieutenant Colonel Duane Richards. Said payments will be taken pro rata from the Reserve Contingency Fund for terms dues rebates and from the Life Member Fund for life dues rebates.