

Milestones History of AREA 2000 to the current period

(See our accompanying file for the period 1974 thru 1999)

2009

October 30th Board Meeting

The Meeting was called to order at 1300 hours, 30 October 2009, HQ AAFES, 3rd floor Real Estate Directorate Conference Room by Chuck Poffenbarger, President

General Discussion

Marty Handel pointed out an error in the October, 2009 Newsletter, which stated donations were given in memory of two AAFES retirees. Since each of these men is alive a correction will be issued in the January, 2010 Newsletter.

Review of Minutes

The minutes for the 27 February 2009 meeting were provided by mail as a '*read ahead*' in preparation for today's meeting. Since all members had the minutes a head of time, there were no comments addressed. Milt Bergman made 1st motion to approve...Gerry Peterson 2nd All approved.

President's Report

Scholarship

Chuck presented a proposal to change the current requirement for maintaining the Scholarship Program Committee Evaluation Process from five to eight members, i.e. the chairman and five members to the chairman and eight members. Since the program is completely '*mechanized*' it does not matter where the members are located. Chuck pointed out that if a person reviews the Scholarship Booklet the diversity of the students is evident and a similar diversity should be maintained on the committee.

Tom Gallagher added that also with the added number of members, when a circumstance occurred where a member could not participate, the increased overall number would insure there always be an adequate number to participate in the evaluation process.

Discussion continued with Gerry Peterson recommending that we include members from the individual AREA Chapters. The existing membership reflects members from across the United States and from various levels within AAFES.

Chuck made the motion to accept this change. He reminded the board that only the Executive Committee could vote, which is the President, Treasurer, Secretary, Information Director, Scholarship Chairman, Members at Large Bob Haver and Milt Bergman. Since the motion was '*on the floor*' Larry Phillips provided the 2nd. All approved. Chuck stated he would make the change to the By Laws on the Web Site.

Meeting Dates

Chuck pointed out that this was the second meeting this year, the first being in January 2009. Since the dominant focus of the AREA Board is the Scholarship Program, Chuck recommends that we hold only two meetings a year, i.e. January and October unless there is a need to meet for unscheduled purpose.

Article V of the By Laws essentially outlines meetings each quarter and since the board no longer sponsors Annual Conventions there is no need to meet more often than twice each year. Chuck handed out a copy of the By Laws change for information.

Discussion continued with Tom Gallagher adding clarification that in October that the board votes on the number of Scholarships and the specific amounts to enable him to 'post' this information the Web Site. The program actually starts the 1st of January each year. In January when the board meets they vote on the 'final' amount of money to be presented.

While a vote is not necessary, Chuck did want to inform the board as to the reason he had changed the number of the meetings.

Membership Report

Pat reported that membership has increased since our last meeting by a total of 28. The membership is 1,536 plus 36 Email giving us a total of 1,572. As of September there still are 120 outstanding, which may increase or decrease this number, i.e. some may be dropped due to non-payment or others added due to payment. In December there will be a significant number of memberships expiring with 853 due.

Discussion followed with suggestions to verify that AAFES was presenting AREA as an option to all retirees.

Tom Gallagher reminded the board that when each of us retired there was a 'check list', which contained the option to join AREA. Chuck offered he had provided AAFES with an application containing all the information as to how they could join. Tom stated that since the first year membership is free it would seem we would have more retirees interested in joining.

Marty Handel stated we should try and get someone in HQ to sign up people for this first year's membership for every retiree through out the system. Tom Harmon said, at one time this was in fact the process for all UA's, but it was not done for the HPP's. Tom Gallagher suggested that we add a statement on the checklist, which says, '*someone from AREA will contact you about your one year free membership if you provide an email address or point of contact*'. This will be given to the retiree at the time of completion of the Retirement Check List.

Chuck stated that he would contact the AAFES representative responsible for this procedure and discuss the suggestions made.

Financial Report

Gerry Peterson provided an overview of the handouts included in the '*read ahead*' given to each board member stating that based on the activity through the end of October 2009 it '*looks like*' we will end the year with \$1,300 net profit.

Gerry cautioned that while on the surface that this is positive it is not good, because last year we had a '*bottom line*' of \$3,168 and in 2010 we have the Directory '*coming up*' for reprint, which will cost about \$7,000 to publish. While we are not striving to make a '*profit*', based on future needs we do not have sufficient income this year to meet this need.

Discussion of this concern included, once again, to place the Directory '*on line*' it would drastically reduce this expense. While it would reduce the expense it also would eliminate many who do not have computers and require the approval of the individual before we could send the Directory. As we have discussed many times the majority of the retirees are hesitant to '*give out*' their Email addresses.

Marty suggested that we include in an article explaining we are moving toward providing the Directory via Email and asking each retiree to complete and return '*form*' if they do not wish to participate and giving their Email address if they wish to participate. It was also suggested to consider placing the Directory on the Web Site. Pat stated, according to GC this was illegal.

Another suggestion was made to require a '*pass word*' allowing access to the Directory. Chuck said the Web Site was a part of the AAFES site, but outside the fire wall, so unless we could obtain someone to incorporate this provision for us approved by AAFES it, too, would be impossible.

Tom Harmon suggested that since AREA was '*founded*' with the mission to offer the Scholarship Program, Newsletter, Directory and Retiree Benefit Updates we should not be considering limiting or reducing any of these efforts. Milt Bergman stated he did not believe Tom was suggesting reducing the benefits we offer, themselves, but rather the cost to provide them. Tom said he was talking this point only about the Newsletter. Chuck stated the Newsletter is '*on line*'. In the past three years only forty have '*signed up*' for this method. At this time there is no easy solution.

Moving to the next subject Gerry stated that the Scholarship Fund will be a break even for the year. At the present time reviewing the '*Portfolio...General Fund...Scholarship Fund*' we are at a \$19,000 deficit, but additional funds are due to '*come in*'. Discussion that followed ended with the reminder that if we liquidated '*today*' there would be a loss, but with the anticipation that the economy and markets will improve this will change.

Gerry Peterson pointed out that he understood that with the release of Windows 7, which he now has, the Quick Books Version we use is not compatible. If this is the case, he would like approval to upgrade the Quick Books Version to 2010. Bob Haver moved that we authorize Gerry to do this if needed. Tom Harmon 2nd the motion and all agreed.

Scholarship Program Update

Chuck provided an overview of the funds he anticipated to be received this year. At this point it appears \$36,500 will be given to the AREA program. In this case it will be a '*wash*' again this year.

Tom Gallagher discussed that this year he has required all applicants be submitted by Email. This allows all the input to be merged into our program easily. This allows a '*quick turn around*' for the information.

As a part of this process he has changed the past procedure to '*block out the names*'. This procedure was time consuming and created more problems than it prevented. Each committee member is given the opportunity to not participate in the process if they believed for some reason they could not be objective because of knowing the name of the applicant.

Information Director

Larry Phillips stated that the deadline for input for the Newsletter is 23rd November, with the intent of sending it to the printer the 1st week of December and mailing the end of December.

Community Service

Dick Fregoe said the change to Quarterly Submissions seems to work better. We received nine submissions the 2nd Quarter but less for the 3rd Quarter. We will continue to monitor.

Round Table

Tom Harmon offered that he had a name of someone who might be interested in the President Elect Position, Richard Sheff. Chuck said that he just accepted the position of Vice President for the North Texas Chapter and he is also an '*unpaid*' consultant for the Veteran Canteen Service.

Also Tom asked about the number of applicants for the Scholarships. Tom Gallagher said, he had the information and contacts will continue to be made to determine '*where they are*' today.

Next meeting will be announced in early January 2010. Meeting adjourned.

Milestones History of AREA 2000 to the current period

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2009

February 27th Board Meeting

The Meeting was called to order at 1300 hours, 27 February 2009, HQ AAFES, 4th Floor, FA Army Conference Room by Charles Poffenbarger, President. Chuck informed the Board that due to the IRS audit of AREA we delayed the January meeting until today.

Review of Minutes

The minutes for the 30 October 2008 meeting were provided by mail as a '*read ahead*' in preparation for today's meeting. Chuck stated this would be his practice in the future to provide as much material as possible in advance. Since all members had the minutes a head of time, there were no comments addressed. Marty Handel made 1st motion to approve...Milt Berman 2nd

Special Report IRS Review of AREA

Gerry Peterson provided the board an update on the IRS audit of AREA as a tax-exempt entity or a '*Social Club*'. At the present time this review is still open. Gerry stated he had advised the IRS representative that we would be having a meeting in early February and would like to provide an update to the AREA members if possible. The representative stated that he would do his best to '*get back*' to us, but as of today that has not happened. Gerry stated there were two open questions the representative had to research before closing out our review.

Chuck and Gerry reported that the IRS was doing a survey of tax-exempt membership organizations under the IRS code 'C-7'. They were told that there was a golf club in Portland that held tax-exempt status as a membership organization, yet earned more income from renting out their facility than they were from their membership. Since AAFES receives donations from outside institutions and earns interest on these donations aside from income received from its membership, a '*flag*' was raised in their review. This rule for social clubs states you cannot exceed more than a certain percentage of your income from outside your membership. Gerry stated that they talked with the representative about the 35% threshold that AREA purposed to not exceed from the '*Friends and Neighbors*' program. AREA has not exceeded this threshold, but we were still '*flagged*' for review.

The two open items resulting from this review that remain under research and further clarification are:

- 1.) Status of Pat Weaver, Membership Director as a paid employee of the AREA. The IRS rule states that if a Board Member is paid even \$1 or \$2 per year they are considered employees and you must pay employment tax.

- 2.) The IRS identifies status of a possible difference/change in the way AREA as tax exempt. Neither Chuck nor Gerry could remember the exact reference that the representative needed to clarify.

Marty Handel stated that we could change the status of Pat Weaver at this meeting, which will alleviate the result of her being identified as an employee.

Gerry stated he believed we provided all the information requested. Marty asked if the chapters were in question; Gerry responded they were '*clean*' from the review. Marty explained that because Pat was a '*private contractor*', when she reports her income under schedule 'C' she will pay both the employee and the employer portion of the employment tax.

While it is possible the IRS could '*come back*' and say that AREA owes this tax, at the same time Pat could request a refund on what she has paid. The difference would be a '*wash*'.

In summary, Chuck commended Gerry for collecting and organizing the requested information in a very professional manner resulting in the auditor stating the '*we had done his work for him.*' He was quite pleased with our cooperation and thoroughness and left on a very positive note. Chuck said, the auditor had a 10-12 page check list, from which he asked them questions. It is the first real audit, Chuck stated, that he had been through and a tremendous learning experience. He stated it brought home the point it is best to follow the rules. The Internet has made finding these rules much easier than in past years.

President's Report

After hearing the '*Special Report*' and the '*Minutes*', Chuck brought everyone's attention to page 7 of the '*read ahead*' provided.

Community Recognition Award Article

This article appeared in the January 2009 AREA Newsletter. It appears that our quarterly emphasis is working as we received nominations for the last two quarters. As with our last award period, the Exchange Post could not run the results due to lack of space. Chuck states that he is considering dropping the request to publish the results as space seems to be limited. They do, however, continue to support the program.

ALA Benefit Luncheons

The Hampton Roads ALA Chapter Benefit Luncheon, December 9, 2008, once again, was a great success generating \$11,250 for the AREA Scholarship Program.

This December 12th 2008 the DFW ALA Chapter Luncheon was also a tremendous success presenting AREA with \$10,000.

The ALA is having a Roundtable Conference in Dallas the morning of March 2nd, and the DFW Chapter is sponsoring a golf tournament that afternoon. We have been invited to the social after the golf tournament for another scholarship donation. Every two years, the ALA holds a similar Roundtable Conference in Dallas and it is during those years that we receive the donations from the DFW Chapter in both the spring and fall. Chuck stated he expected AREA Scholarship fund might receive \$10-15,000 from this event.

Cory Belkov, Hampton Roads Chapter, had begun drumming up vendor support for our 2009/2010 Scholarship Program Booklet. We expect to surpass the \$10,000 in ad space sold in 2008.

Tom Gallagher commented on the donations received for the Scholarship Fund by pointing out that for the last several years the donations had increased during a period when we anticipated that they might decrease. In light of this, we increased the Scholarships to \$41,000 from \$36,000 the previous year. Tom suggested that because of the success of the Scholarship Booklet, the increase from membership and the fact that a plan to 'draw down' from the 'reserves' did not materialize, the Board might wish to consider increasing the amount of Scholarships again next year. Marty Handel added that we should wait until the Treasurer gives his report before such a consideration.

Chuck reminded the Board that we discussed this last year when Gerry suggested we maintain purchasing parity on the Scholarships. While we have not experienced much inflation, the cost of education has increased significantly in comparison. Chuck said, we discussed the idea of possibility of increasing the Scholarship amounts at some point in the future by \$500 to \$1,000 each. Gerry acknowledged this, but cautioned that he was not making such a suggestion at this time.

Officer of AREA and Elections...Term: June 1, 2009 – May 30, 2011

Chuck stated that he has asked Tom Harmon to submit recommended names for our election of the vacant President-Elect position.

Gerry Peterson, Treasurer and Don Smith, Secretary, have agreed to stand election for another term.

Ballots will be placed in the April News Letter, with the return date of May 18th to Pat Weaver, Membership Director. The effective date for the elected Officers is June 1st.

Further, Chuck stated, he is not able to stand for election as Section 7 of the Constitution states: *'Members elected to offices of President and President Elect may not serve for more than two consecutive full terms plus the un-expired term to which they may have been appointed by the Executive Board.'*

Current status of AREA Officers:

President...Chuck Poffenbarger...½ year un-expired term, plus 2 full (2 year) terms. The Constitution must be amended to permit him to continue to serve.

President Elect...Vacant

Treasurer...Gerry Peterson...1 year un-expired term, plus 1 full (2 year) term. No restricted by term limits, so another two year term is allowed.

Secretary...Don Smith...Joined Board August 2006 (1/2 un-expired term). Not restricted by term limits, so a full 2-year term is possible.

Chuck provided a proposed change to the Constitution in the following paragraph:

'Members elected to offices of President and President Elect may not normally serve for more than two consecutive full terms plus the un-expired term to which they may have been appointed by the Executive Board. However, in absence of a viable candidate, incumbents may serve additional terms.'

The following proposed changes were presented in total to include changes to Pat Weaver's position and addressing the fact that we no longer have conventions. Proposed changes are underlined.

ARTICLE 1V COMMITTEES AND ADVISORS: The President shall appoint the following (and such others as may from time to time be deemed necessary by the Executive Board).

- a. **MEMBERSHIP DIRECTOR (non-voting member)**-One person, term indefinite. Responsible for maintaining the membership rolls, for insuring that all eligible person are aware of their right to join the Association, for collecting membership dues and for promoting the formation of Local Chapters.
Reason: The IRS states that the board members paid even a nominal amount (\$1) must have social security and Medicare taxes deducted from their compensation. This makes the person an employee of the organization.
- b. **INFORMATION DIRECTOR (voting member)**-One person, term indefinite. This person is the Editor of the Newsletter and Membership Directory and is responsible for maintenance of the information in the Directory, for the timely publication of the Annual Report, Newsletters and Membership Directory and for coordination of publicity with the community, the Exchange Post, and/or other sources.
- c. **MEMBERS-AT-LARGE (voting members)**-Three members, terms indefinite representative of the general membership.
- d. **SCHOLARSHIP COMMITTEE (non-voting members)**-With Chairman and five members representative of the general membership, the committee will annually recommend to the Executive Board changes to the program, the total dollar amount to be distributed in scholarship awards, and the number and value of each. Subsequent to the Executive Board's action, the Scholarship Committee

will select the students to receive the awards. Chairman and five representative member terms are indefinite.

- e. **COMMUNITY SERVICE COMMITTEE (non-voting members)**-With a Chairman and at least two members, terms indefinite, this committee will promote community service by members, Local Chapters and AAFES Associates, and recommend to the Executive Board changes to the program and persons and Local Chapters to be recognized for Community Service Awards.
- f. **EMERGENCY RELIEF FUND COORDINATOR (non-voting member)** One person, term indefinite, who shall oversee the establishment and execution of relief funds.
- g. **LEGAL ADVISOR (non-voting member)**-One Person, term indefinite, who shall advise the Executive Board on all legal issues and related policy matters.
- h. **AUDITOR (non-voting member)**-One person, term indefinite, who shall prepare an annual audit of AREA accounts and report to the Executive Board.
- i. **FINANCIAL/INSURANCE ADVISOR (non-voting member)**-One person, term indefinite, who will assist the AREA Treasurer in assuring that AREA funds are invested with a minimum risk and a reasonable return, and recommends appropriate insurance coverage for Association activities.
- j. **AREA VEBA TRUSTEE (non-voting member)**-One person, term indefinite, to serve as AREA representative on the Voluntary Employee Beneficiary Association (VEBA) at HQ AAFES.
- k. **CONVENTION COORDINATOR (non-voting member)**-One person, serving a term concurrent with the planning and conduction of a convention, and responsible for the planning and conducting of a specific year's convention. Reports to the President Elect.
- l. **CONVENTION ADVISORY COMMITTEE (non-voting)** Membership is made up of the AREA President Elect, Secretary, Information Director, a Past President and a member chosen by other committee members. The President Elect is the Chairperson, The Committee's purpose is to (1) advise the AREA Board on site options and the financial status of conventions, and (2) provide guidance to convention coordinators on the various operational aspects of planning and execution.

Reason: Delete both as we no longer have conventions

Chuck commented that there were comments throughout the Constitution and By-Laws referencing the convention, thus it will be necessary to review the entire document to remove references to it.

Marty stated that there were probably 'things' in the Constitution that were more suited for the By-Laws. Chuck commented that 'By-Laws' appear to primarily centered on the convention.

Chuck asked for a motion to change the By-Laws...Tom Harmon provided 1st motion and Bob Haver, indicated 2nd motion...all approved.

After the vote, Marty suggested that the outright deletion of the convention paragraphs seems to be too *'final'*. It is conceivable that we might have a either convention or a *'mini-reunion'* at some point in the future and it is not our intent to deny this possibility should it occur. He suggested that we add a statement allowing us to announce when *'groups'* pre-planned such activities to meet at select locations and inviting all who elected to join them, could do so. It would not require the extensive planning previously employed by our conventions, but rather only the establishment of good rates with no pre-conceived agenda. All agreed such a change could be made.

The discussion then turned to Pat Weaver position in view of the IRS finding. Chuck asked us to turn to the last page of the *'read ahead'* provided to all members. This page lists the AREA Executive Board (Exec Officers and Program Directors) as of January 21, 2009. He said, what will happen is that Pat will be moved from listing of AREA Officers to the listing of AREA Program Directors, which are non-voting.

Chuck asked the Board if we should consider adding an additional *'Member at Large'*, as this change will reduce the total number of voting officers to an even number, to keep the number of officers at an odd number in total to allow for *'tie breaking'*. Marty stated based our voting history this has not been a problem in the past. I pointed out that with the President Elect position vacant we have basically functioned with an even number of officers until this change, which assuming the President Elect position remains vacant, will leave us with an odd number.

This comment turned the discussion to the position of President Elect with various members asking if anyone had been located. Several names were mentioned and considered not viable either because they were working or not interested. Tom Harmon stated he had spoke to Richard Sheff and that he said he might be interested. Gerry recommend we pursue asking him again as this position allows the individual to observe for two years before stepping us as President. All agreed.

Review of General Fund Portfolio

Based on a handout provided by Gerry Peterson, the market value of this fund as of *'last night'* was \$41,518.28. We are *'in balanced'* compared to our goal of 50%/50% at present, i.e. cash versus stock. Currently we have \$16,966.55 in stock versus \$24, 551.73 in cash where we normally strive to maintain a 50%/50% ratio.

Gerry stated he had not maintained this ratio, as it did not seem prudent to make such a move in the current market. He reviewed a history of the 500 Index/Share Price, which reflected a price per share of \$144.22 on 9 October 2007 versus \$69.63 per share on 26 February 2009. He asked for the Board's input as to whether we should leave the ratio as it is and if so should we should consider moving more stock into cash. Marty explained he believed it was wise that we had more cash on hand at this point, but did not consider it prudent to move any more from the funds into cash.

Discussion followed as to the merits of when to expect the market to 'come back'. After discussion Bob Haver made a 1st Motion to leave this fund at its current ratio...Milt Bergman gave the 2nd and all approved.

Review of Scholarship Fund Portfolio

Following the review of the General Fund Marty pointed out that the Scholarship fund was experiencing similar 'in balances' from the established ratio of 37 1/2% for each of the Equities and 25% for cash. Gerry pointed out that we would be taking out \$36,000 from cash for this year's Scholarship. On the handout provided he indicated the that fund as of 26 February 2009 contained \$276,277.84 in market value with \$61,974.25 Vanguard 500 Index, \$81,344.27 Vanguard Wellington Admiral and \$132,959.32 cash.

Gerry stated that with the ratios after we 'take out' the \$36,000 for this year we should have about \$69,000 versus \$96,000. Marty says we need to ask ourselves two questions:

1. Should we leave cash as it and not move any funds?
2. Should we take the \$36,000 out of cash or the other funds?

Chuck recommended that we take the \$36,000 out of cash and leave the remaining funds as they are for the foreseeable future. Bob Haver provided a 2nd to the motion...all approved.

Proposed Budget

Gerry asked all to look at the 'Proposed Budget' for the General Fund on page 17 of the 'read ahead'. When asked if there were any comments or suggestions Tom Harmon asked if we were going to consider increasing the dues this year?

Marty asked if we are in 'dire need' to raise dues, if not then we should wait until next year when the last of the life memberships were taken off the books. Discussion continued with Pat Weaver reminded all that postage has gone up several times. She reviewed numbers of re-enrollees as per page 11 of the read ahead and added the fact that the publication of the directory will increase the cost per last year.

Pat has received some extra postage from members as suggested previously, but it at best is something we need to continue to monitor. All agreed we should not take any action at this time.

There were no further questions concerning the budget and Bob Haver motioned to accept it as presented and Tom Harmon provided a 2nd motion...all approved.

Scholarship

Tom Gallagher stated that we have received ten applicants so far and only 2 or 3 are qualified. Historically all come in during the last three weeks. The only thing new will

be special consideration of applicants requiring Board approval, otherwise he does not anticipate anything unusual. There will be 12 Scholarships

Chuck said he would ask Mike Howard to send a second email out to all employees reminding of the program and deadlines. In this regard Chuck reviewed paragraph two, page 18 of the read ahead. All agreed to continue as documented.

Round Table

Tom Harmon - we need a convention in the future. All agreed that if interest was there we could peruse.

Pat Weaver stated we had 1,544 members to date and that she has not had the time to input all data into the new program. Tom Gallagher offered to help after the Scholarship Program was complete for the year.

Gerry Peterson pointed out that the new Long Term Insurance program offered by AAFES no longer provides for payroll deduction. Several acknowledged that more information was coming.

Newsletter suspense is March 16th and it will be mailed mid April 2009.

Next meeting will be announced at a later date

2008

October 30th Board Minutes

The Meeting was called to order at 1300 hours, 30 October 2008 in the FA Army Conference Room by Charles Poffenbarger, President.

Review of Minutes

There was no meeting in July 2008, so the Minutes for the last meeting 30 May 2008 were provided as 'read ahead'. There were no comments on the Minutes and Gerry Peterson provided the 1st and Larry Phillips provided the 2nd with all approving the Minutes.

President's Report

Community Recognition Article

In the absence of Dick Fregoe, Chuck announced that Community Service Awards were given out in late summer and that there was a good article in the October Newsletter about the awards given. We have tried to get an article in the Exchange Post, but there was insufficient space to do so. The Exchange Post 'Editor' has indicated that due to their efforts to control their cost of publication, space is limited. She has stated they will continue to give priority to articles such as the 'kick off' of the Scholarship Award Committee, but in the future the EP staff will be necessarily selective in the articles they will 'run' due to the limited space, thus leaving the possibility some articles may not be published.

Scholarship Booklet and ALA Donations

Chuck stated that, prior to the meeting, he contacted the representative of the Hampton Roads ALA Chapter and he reports that AREA will receive about \$10,000 for the Scholarship Fund from their 9 December 2008 benefit luncheon.

On December 12th the DFW ALA Chapter will have their holiday luncheon at the Los Colinas Country Club and several AREA people plan to attend. Typically, the DFW ALA Chapter gives about \$15,000 to the Scholarship Fund and we expect that they will do so again this year. Chuck reminded the board that \$5,000 of the DFW Chapter's donation is for the Marilyn Iverson Scholarship. He stated that a copy of the 60-page 2008 Scholarship Booklet would be placed at each table setting.

Chuck explained that the Scholarship Booklet has proven to be very popular with the ALA vendors. Several vendors have sent emails to him stating the booklet, and thus the program has exceeded their expectations. Chuck said, he would not be surprised to see the booklet grow from the \$12,000 received this year to perhaps \$15,000 next year. Larry Phillips pointed out that the booklet gives us an added benefit, since our ability to gain expanded coverage in the EP has been reduced. He said, it gives the students exposure to those who support the program as well as encouraging others to support the program in the future.

Lastly, we received \$3,000 from the Dan Daniels Golf Tournament this year, after not receiving anything for several years. Chuck said that he sent a letter of appreciation a copy of which was included in his 'read ahead' information. Chuck commented that the current name of the tournament is the 'Military Resale Invitational'.

Relating to the Scholarship Booklet, Chuck shared that recently he received an email from a lady whose husband had retired from AAFES commenting on the 'nice article' regarding the Townsend Trust specifically and the Scholarship Program in general. She told Chuck AREA awarded her son Justin a \$3,000 Scholarship in 2004 and after graduating Magna Cum Laude he is today a first year law student. Larry Phillips suggested we publish this story in the Newsletter. Marty Handel remarked that we have frequently talked about soliciting such stories to promote the Scholarship Program, so this is an opportunity. Chuck stated he responded to the lady asking for a photograph, which she sent and he will send them to Larry for publication.

Community Service Report

Following up on a previous comment, (Community Recognition Article) Chuck stated we had six Community Service Awards. All were from the Tidewater Chapter and were originally intended as FY '07 submissions. Because of a tremendous problem with the application form on the web site and in spite of efforts to correct the application form, the process was held up for about six months. In the end Chuck stated he deleted the form.

Overall, this program has reached a critical point; Chuck stated that the award submissions received have virtually 'dried up'. This is in spite of the fact that Mike Howard forwards Chuck's email to all 50,000 AAFES employees. To try to jump start the program Chuck has talked with Dick Fregoe, who has suggested that the committee, develop a list of names from all sources, i.e. Newsletter input, EP articles, etc. to include just asking for names only to be submitted, who qualify for such recognition and the committee will 'write up' the award itself.

There are a lot of people doing worthwhile things, and this direct method may be a solution. Chuck said he would send out an email in the future that requests 'names' for this purpose. Larry asked if spouses are eligible and Chuck stated yes, anyone associated with AREA is eligible.

NERA News

The Navy Exchange Retired Employees Association sends out a quarterly Newsletter. In their Fall, 2008 edition, there is a short article stating that their convention committee is busy planning the activities for the May 4-8 '09 convention in Orlando, Florida. Chuck asked them for some information on how they plan their conventions. The information was provided in his 'read ahead' on pages 19-22.

Tom Harmon recently asked Chuck if we could pursue the possibility of organizing a convention in Dallas in the future. Chuck stated that he pointed out to Tom that two years ago, he sent out an email asking for input from the chapters and he received a variety of caustic remarks, basically summarizing what seems to be a general attitude that no one wants to come to Dallas.

Chuck stated that he spent a lot of time following up by responding to all who submitted comments and that he dismissed the idea of having a convention in Dallas due to lack of interest. He said, he told Tom if he believed the circumstances had changed he could launch an effort to organize a future convention and he would support his effort.

The conversation continued and I asked 'what we wanted to accomplish' from such a meeting. Chuck stated there does seem to be some within the chapters that desire to 'get together' periodically to provide an avenue of staying connected and informed. In this regard, perhaps a future meeting in San Antonio, for example, might be more popular.

Treasurer Report

Chuck asked both Gerry and Marty to comment on how the market has affected our investments. Marty Handel said the economy is hurting our investment just as it is hurting everybody. But he stated that our investments are 'well diversified' and therefore, the impact is not as severe as some are facing today.

Gerry Peterson commented that 'we will be back'. As of the night before this meeting Gerry commented that in the Scholarship Fund we have sustained a loss at cost of \$57,000. We are down to \$265,000 at market value in our Scholarship Fund and our cost basis is \$322,000. About half of these funds have been invested in the last fifteen months from the Townsend Estate and deposited when the markets were up.

Marty commented that the market is down for the last few days 40% YTD. The impact is still not as severe as it might seem because Wellington and the S&P 500 both have not been hit nearly as bad. The Wellington is down 24% and 27% for the S&P 500.

Discussion followed as to 'what is happening' with the market. Gerry stated that we did receive another \$16,000 from the Townsend Trust. He said, that he planned at first to put this total amount in Vanguard, but decided to wait and only deposited one third. Since this deposit, the fund has continued to decline. The question according to Gerry is when will the market settle. Marty continued his discussion on some of the circumstances,

specifically the mortgage market, impacting the total investment market and Gerry asked if he should deposit another third into the fund and Marty agreed.

There were no questions on a great presentation and Bob Haver gave the first motion to approve, while Larry Phillips gave the second, with all approved.

Scholarship Program

The Scholarship Program for 2008 is outlined in detail on pages 15-17 of the 'read ahead' booklet provided by Chuck. The basic program is \$36,000 and we received \$40,000. The fund and the program are in good shape considering the impact of the market. Generally Chuck and Tom anticipate the program to continue as in this past year with consideration of what the market may do the remainder of the year. For this reason, Chuck commented that we could not determine the full impact until January 2009. However, he reminded us that we have received \$40,000 to date. We will adjust as needed.

Membership Report

Pat was unable to attend but she reported to Chuck that we currently have 1562 members. Tom Gallagher has worked on developing an 'Excel' program for Pat to use in maintaining the membership file. Gerry, Tom and Pat met to make the necessary shift to this program from Lotus, which will solve our previous problems discussed. From all indications the testing of the change was successful and our future reporting will be accurate and will agree with our financial reporting.

Discussion followed on the future growth potential for AREA. Gerry Peterson commented that even though the membership is free for three years he has not noticed any increase in applications.

Chuck stated that many other organizations are going through the same decline in membership. He suggested that if we consider the future based on what we know at present we will have a healthy Scholarship Program and a continuing decline in membership. He suggested that 'our era', in which many had a desire to 'get involved' and stay connected with the company, seems to be passing from the scene. He said it seems the retiree of today is not interested in becoming involved in AREA.

Information Report

Larry Phillips reported that 15 November would be the deadline for input to the Newsletter. Chuck stated that he had asked for an article from AAFES on the retirement program for the Newsletter.

Closing

There being no further business a motion was made and passed to adjourn the meeting.

Don Smith
Secretary

May 30th Board Meeting

The Meeting was called to order at 1300 hours, 30 May 2008 in the FA Conference Room by Charles Poffenbarger, President.

Review of Minutes

The minutes for the 30 November 2007 meeting provided in each member's '*read ahead*' handout were brought to the attention of the board members coupled with a 5 January 2008 email from Chuck asking for an '*email vote*' on the size of the scholarship program. This email was initiated in lieu of having a January 2008 board meeting.

Chuck summarized the content and purpose of the email, which asked for a vote on his proposal for 12 scholarships with a program total of \$36,500 for the '08/09 academic year. The email was a follow on to his proposal in the November board meeting.

Bob Haver seconded the motion to establish the size of the scholarship with Tom Harmon, Milt Bergman, Larry Phillips, Pat Weaver, Gerry Peterson and Chuck Poffenbarger voting in favor.

There were no questions or suggested changes...Marty Handel 1st...Tom Harmon 2nd ... all voted to accept and approve as written.

President's Report

Community Recognition and Scholarship Award Articles

Articles for both the Community Recognition and Scholarship Award programs were submitted to for publication in the July 2008 AREA Newsletter as well as the Exchange Post.

Scholarship Booklet

This year, the booklet will be 60-pages versus 36 pages last year. We have 29 sponsors of which 24 paid \$500 a page for their advertisement. Five sponsors were not charged for their advertisements.

AAFES...Back Cover
DFW ALA
Hampton Roads ALA
Watt/Spohn Universal
Military Sales & Service (MSS)

Total income will be \$12,000, leaving about \$8,000 net financial gain to the Scholarship program after printing and mailing costs of \$4,000.

Marty asked if we received payment from the vendor that received advertisement in last year's booklet, but has failed to pay at printing. Chuck stated no payment was received and that he had considered it un-collectable. The vendor did not request to be included in this year's booklet.

A general discussion followed concerning the net financial gain. Tom Gallagher stated we anticipate the booklet will be even larger in subsequent years.

Chuck pointed out that though he only asked for a half page endorsement, the Commander of AAFES provided a full-page letter endorsing the program, which will be included in the booklet. The letter signed by all three members of the '*Command Group*', Commander, Deputy Commander and Chief Operating Officer will be sent to all vendors telling them how much they appreciate their support of the program.

Chuck reiterated that he believes the Scholarship Booklet presents an increasing income potential for future years. Gerry Peterson stated that last year we made about \$700 net income. This year with the '*gross*' anticipated we will have to pay taxes on the net income. We are now crossing over into an area where we are producing income based vendors receiving something in return for their fees paid, versus simply giving a donation.

Gerry stated the law permits a \$1,000 exemption per entity. Tom Gallagher asked could we avoid this circumstance if the vendors donated their \$500 to the Scholarship fund in lieu of paying it as a fee. The booklets could then be given for free to those who donated to the fund. Tom Harmon stated companies do this frequently. Gerry asked if we would give a booklet to '*all*' vendors regardless of donation. Tom Gallagher responded we could give to all who ask for one, but specifically to those who donate.

Gerry pointed out, however, that Chuck provided invoices and receipts to those who purchase the advertising currently. Tom Gallagher asked how much the tax would be if we made no change. Gerry stated we would pay 15% on the net after the \$1,000 deduction. Essentially, on the estimated net income it would be \$1,200. Chuck stated he would rather pay the tax than run the risk of doing anything illegal. He further emphasized based on his contacts with other vendors that this program will continue to increase requiring us to conform closely to the law. In summary, Chuck stated for this year's booklet there remained four more '*ads*' to obtain and seven more checks. Tom Harmon asked if we had received any more news from the Townsend Estate. Pat stated that they were waiting for some property to sell.

Treasurer's Report

Chuck announced that Gerry in conjunction with his normal financial update had a proposal on how to deal with a loss in the general fund, which started to incur last year

and will continue to incur. Part of the loss is because we used to take the \$10,000 donated by the Hampton Roads ALA generated through their luncheon into our general fund, while it should go into the Scholarship fund.

Before the proposal was discussed Gerry provided an update on the AREA Portfolio. As of *'last night'*, the *'Index 500'* is up 4.5% from the end of the prior year and the *'Wellington'* is up 1.4%. The handouts provided previously were reviewed with not comments or suggestions. Discussion of the proposal followed.

Gerry passed out a comparison of *'Income and Expense'* between 2006 and 2007. In the general fund we have predominantly expenses related to printing and postage, as shown. If we pay tax on the *'net other income'* discussed earlier, which is \$3,014.25 as of December 3007, minus the \$1,000 exemption, we would have paid 15% of \$2,014.25, which is \$302. Following the discussion all agreed that to be able to retain \$2,700 of \$3,000 in net other income would be the best course of action.

Marty reminded the board members that in the past discussions centered on how to keep AREA viable in view of the number of life memberships on the books while no new income was received. This was in spite of the fact that there was a large balance in the general fund at that time, monies donated for the Scholarship Program. Members recognized that this money could not be used for routine operating expenses because it was not donated for that purpose.

Thus, the decision was made invest the *'bulk'* of the funds and retain only a balance of about \$10,000 in the general fund to pay expenses. In this regard the Hampton Roads donation was deposited into the general fund each year for this purpose. However, Gerry pointed out that this money is received in the form of check made out to the AREA Scholarship Program and thus we can no longer deposit the Hampton Roads donation to use for routine expenses. Gerry provided a comparison to include a projection into the out years of what would happen if we continued to use our existing general fund without depositing the Hampton Roads donation. All agreed we must work toward a circumstance were funds are obtained for routine expenses.

At this point, Chuck injected that his article published in the July Newsletter pointed out to the membership that AREA faced a need to both lower its expenses and to search for income or donations specifically for general fund use. He made two suggestions to the members. First, he recommended each member consider receiving the Newsletter *'on line'*.

Chuck explained a service that he used called, *'You Send It'* allowing the sender to send up to 2 Gigabyte of files to 500 or 600 people. He sent the last Newsletter to everyone within AAFES using this service with no difficulties, saving AREA about 54 cents per copy in mailing costs.

The second suggestion he recommended is to consider changing to three Newsletters per year in lieu of the four we send out currently. The only thing we would need to do is to collect email addresses of our members.

Gerry stated we would not necessarily need to reduce the number of Newsletters. Marty agreed and pointed out that if we could resolve the difference in the number of Newsletters we are printing versus the number of paid members we have this would result in a reduction of the costs in printing. Tom Harmon suggested we do both and send the Newsletter on line to the unpaid members and the printed version to the paid members. Chuck stated that this in essence was what he successfully did last month.

The question was asked, '*do we know how many are printed*'? Pat Weaver stated she prints 1722 to mail plus a 100 (60 are sent to AAFES) keeping 40 for requests. In short, if we send the 60 on line to AAFES it will result in reducing the printing need for about 50 copies. Total membership is 1795 with 143 lifetime members remaining.

According to Gerry's records there are 1200 plus members paid; less 143 leaves about 400 people receiving Newsletters not are not paid. The discrepancy seems to be a result of the antiquated program Pat is required to use. Tom Gallagher recommended taking the files and reviewing them line-by-line. Pat stated it is impossible to do with her files. Discussion continued as to what could be done to upgrade and reconcile the files with our accounting records. I asked if Milt Bergman could recommend someone to help. It was generally agreed that research would continue for a solution.

Returning to the original proposal, Gerry made a motion that we retain the contribution in the general fund and pay taxes on the required amount. Pat Weaver seconded the motion and all voted in favor.

Finally, Gerry reported we received a letter from the lawyer of the Townsend Trust stated that one of the attorneys was requesting compensation for administering the Trust. This request was being made to each of the recipients of the Trust. He has billed the Trust for a total of \$4,900 of which our part will be half or less. This amount would be withheld from future disbursements. He is asking for approval to respond to the letter granting approval. Tom Harmon moved to approve and Pat seconded the motion.

Before leaving this topic Chuck asked Pat if she had anything to report in her *Membership Report* independent of what she had reported above. She stated no, unless there were questions. Chuck reminded all that we will continue to search for a solution to the need to upgrade and reconcile the '*old*' Lotus program Pat is using and asked that the members contact anyone we knew in the computer field for advice. He stated he has previously asked everyone he knew and or recommended to him about helping us convert the Lotus program to Excel with no success. Tom Gallagher suggested we place a request for help in the next Newsletter. Chuck agreed to do so.

Community Service Report

Dick Fregoe reported overall nominations for award candidates were decreasing. We approved five awards this year. In comparison, last year we had ten award recipients and one chapter recognition and three AAFES employees. So, we are less than half. We just started recognizing people on a quarterly basis to include encouraging people to nominate themselves, so this change has no impact on these past awards. Overall nominations continue to decline.

Tom Harmon stated that he knew five retirees that are worthy and he would submit them in the future. Marty stated we know that there are many retirees that are involved in community affairs that are worthy of awards. Dick stated we have discussed this many times, but it remains difficult to get people to nominate themselves.

Dick reminded the board that Chuck sent a letter to all the chapters in March of this year with no impact. Chuck suggested that we expand the program to include allow chapter members who are not AREA members. Current rules require nominees to be AREA members, as well. Dick suggested to also add the change to include any AAFES retiree, whether a member of AREA or a Chapter. Discussion followed with a consensus that an AREA member or Chapter member could either nominate or receive an award. Pat Weaver provided the second with all in favor.

Scholarship Program

Tom Gallagher reported that this year the program worked smoothly with every phase on schedule. We used March 31st again as the cutoff date to receive applications. We received 80% of the applications in the last two weeks, which appears to be normal. It is still cumbersome to get information out to the committee members using email, but no change is suggested as we receive the input in various formats. We received 45 applications this year, compared to 47 last year and 12 the first year he chaired the program.

The program enhancements of going to Command Group, publishing articles to create recognition is working well and the cooperation from AAFES is outstanding. We now do verification of employment with AAFES versus asking the applicant to give proof of employment. The scholarship program additions for 10 additional scholarships in the amount of \$1,000 each were a tremendous enhancement to the program.

Tom suggested that as donations increased we could consider increasing individual scholarships. Overall the program worked very well.

Around Table Last Thoughts

Chuck advised that the next meeting will be in July, but at this time there were no agenda items. A decision would be made to either call a meeting in July or pass until September or October. Gerry stated if we do not have the July meeting he would propose to publish the '*financials*' in August, as he will be out of town.

Closing

There being no further business a motion was made and passed to adjourn the meeting.

Don Smith
Secretary

January board Meeting

The meeting was cancelled. However, an e-mail vote was conducted on January 15th to establish the number of scholarships and program dollar amount for the '08/'09 academic year. The motion for 12 scholarships with a program total \$36,500 was approved. Subsequently, the Scholarship Committee recommended 10 additional scholarships based upon their review of all applications, and 22 scholarships for \$46,500 were awarded for the '08/'09 academic year.

2007

November 30th Board Meeting

The Meeting was called to order at 1300 hours, 27 July 2007 in the AAFES Real Estate Conference Room #1 by Charles Poffenbarger, President.

General

Chuck explained that Marty Handel would participate in the meeting via 'speaker phone' as he was unable to attend the meeting in person.

Review of Minutes

The minutes for the 27 July 2007 meeting provided in each member's 'read ahead' handout were brought to the attention of the board members with Chuck highlighting page 9 of the minutes. Marty pointed out there was a 'typo' resulting in the dollar figure on this page showing \$500, which should read \$8,500. This error was corrected.

There being no other comments or a change, a motion was made to accept the minutes with the one correction cited and all approved.

President's Report

Proposal to Change Scholarship Program

Chuck asked all to review page 13, paragraph three of the 'read ahead', which outlines his proposed change to the Scholarship Program. The following was reviewed by the board members:

-
1. Program Parameters

- Define the basic program as 12 scholarships @ \$36,500 with these dollar amounts:
 - ✓ 2 each @ \$5,000 per scholarship
 - One scholarship designated the Marilyn Iverson Scholarship as long as the DFW ALA Chapter continues to provide the funding.
 - The second one undesignated
 - ✓ 1 each @ \$4,000 undesignated
 - ✓ 9 each @ \$2,500 undesignated
 - ✓ 12 total scholarships amounting to \$36,500

- The awards, as determined by the Scholarship Committee, remain flexible in both number and amounts based on caliber of the applicants.

- A maximum of one additional \$2,500.00 scholarship considered each year based on the “Special Considerations Program”. (See page 2)

- The reserve contingency fund amount equal to four (4) years of the basic program, i.e. 12 scholarships @ \$36,500, or \$146,000.

- A period of 8-15 years of allocated income established to bring the award levels and investment fund goals in line. (The current program amount, \$320,541 {See Note}, minus \$146,000 equals \$174,541 to be allocated over a period 8 to 15 years. The amounts would range from \$11,636 to \$21,818 a year.)

Note: Market value Sep 30, '07 \$341,432 less \$20,891 contributions Jan thru Oct, 07. Here's how the calculation using this formula would play out for the 2008/'09 academic year program.

2. 2007 scholarship program contributions thru October. (Figures may be higher at year end)

- Individual Donations: \$4,391
- AREA General Fund: \$3,000
- Hampton Roads ALA Chapter \$8,500
- Dan's Tournament: \$0
- Dallas ALA Earlier this yr \$5,000
- Dallas ALA (Undesignated): \$10,000*
- Dallas ALA (M. Iverson): \$5,000*
- Organizational Total: \$31,500

*Will be given to AREA at their Dec, '07 Christmas party.

Grand Total: \$35,890

3. Based on funds received and pledged so far this year, only \$610 would be needed from the allocated amount to fund the 2008/'09 academic year program for 12 scholarship @ \$36,500. Between \$11,636 and \$21,818 would be available from the 8 to 15 year allocation should the scholarship Committee recommend additional scholarships, as they did for the 2007/'08 academic year program, higher scholarship amounts or a decline in corporate sponsorship donations. The maximum scholarship program using the full allocations would be \$57,098.

4. Here are the parameters for the “Special Considerations Program”

“Special Considerations” Scholarship Program

The AREA Scholarship Program recognizes that some students have special needs that prevent them from achieving at the sat/act levels stipulated for regular AREA scholarships, and other students defer, by choice or circumstances, going to college right after graduation. A maximum of one additional scholarship may be awarded each year based on the above considerations and these specific criteria. The amount of the scholarship cannot exceed the lowest scholarship amount granted each year.

- ✓ The program will not be advertised. Potential applicants will be selected from the applications submitted.
- ✓ College entrance delayed no more than 16 months after high school graduation.
- ✓ At least 1,600 on the SAT or 21 on the ACT.
- ✓ Acceptance at an accredited college, university, or one of the U.S. military academies for undergraduate studies
- ✓ Meet other qualifying criteria.
- ✓ Financial hardship excluded as a factor.
- ✓ Scholarship must be approved by the full board.

5. The academic and other criteria in our current scholarship program, which remain unchanged, are furnished below.

Current Scholarship Criteria

STUDENT ACADEMIC CRITERIA:

5. Students must...

- a. Be in their senior year of high school and scheduled to graduate in calendar year 007.
- b. Have a score of at least 1,750 on the SAT or 25 on the ACT.
- c. Plan on attending an accredited college, university, or one of the U.S. military academies for undergraduate studies in calendar year 2007. AREA scholarships are not awarded for participation in non-academic and certificate programs.

Once academic eligibility is met, five factors listed on the Application for Scholarship form are scored to determine the ranking for scholarship awards.

The five factors are:

- a. Scholastic Honors & Other Recognition Received.
- b. School Activity Participation.
- c. Outside Activities, Hobbies and Special Talents.
- d. Essay: Tell us why you feel you should be awarded a scholarship.
- e. Letters of Recommendation.

Note: These factors are scored on a scale of 0 to 5 by the committee members. Tom Gallagher does not vote as he aware of all of the names and other personal data that are blacked out when sent to committee members.

In summary, Chuck explained that we would hold a 4-5 year reserve versus the two currently held invested and if the donations '*stopped*' completely we could supplement this program and continue for eight to 15 years.

Tom Harmon asked if this meant if we did not receive 'any more money' in scholarship fund we would have enough to fund the program for four to five years. Chuck responded that the four to five years is a reserve amount that we will invest and not 'touch.' Tom Gallagher pointed out that this is discussed in the 'hand out' as a 'reserve contingency.' Using a program of \$36,500 per year coupled with the money recently donated the contingency is four years. Chuck reminded the board that this is 'modeling' and would change if the dollar amount changed. Further, he reminded the group that the board votes each year on the amount.

Chuck injected that on December 12th he and Tom Gallagher will attend the DFW Chapter of the ALA to pick up a check for \$15,000. He stated they will put a Scholarship Booklet at each place setting and Tom will give an overview of the program.

Chuck asked before we held an open discussion on this proposal that Gerry Peterson explain an analysis he conducted on the sustainability of the program. In this analysis Gerry Peterson stressed he made several reasonable assumptions. Gerry's analysis on page 16 confirms based on both known and predicted impacts the program is funded with a four to five year reserve.

Gerry commented that his analysis indicates that unless we incorporate some type of increase to the existing amounts of disbursements such as an '*Index*' increasing the amounts annually, the scholarships would lose value over time. He is concerned that 'down the road' that the amount of money given for Scholarships if not increased would erode to the point that the amount of the scholarship would have little impact on the overall college bill of the applicants.

On page 16 of the handout, Gerry pointed out that if we did nothing to increase the 'value' of our Scholarships as the cost of tuition increases, with an estimated 6% annual cost inflation the initial \$36,500 in 2008 would require \$65,366 to remain equivalent in value in 2018. Essentially this means in 2018 we would run out of money. Gerry also calculated an assumption to answer the question 'what would happen if we lost 50% of the Dallas ALA funds?' In this circumstance the 2008 \$36,500 would require \$51,776 to remain equal in 2014 and run out money at that time. He made a similar calculation if we increased the \$36,500 annual award to \$40,000. The result in this calculation is that 'end' would occur 1-2 years earlier.

The above calculations Gerry pointed out reflect that at the end of the periods stated we will still have the four year reserve, but the value of the scholarship will have decreased. If we increase the amount each year by 'Indexing' it will be difficult to maintain the reserve amounts shown.

Chuck stated he was not in favor of 'indexing'; as we meet four times each year and annually vote on the amounts to disburse. If there is a need to increase the amount of scholarship based on increases in tuitions it could be and would be addressed at that time. He believes that the ALA donations will continue and perhaps increase.

Tom Gallagher pointed out that in effect looking back in history we have escalated the value of the Scholarships. Further, the interest in the program has increased. In Tom's opinion the annual review has done its job and maintained the value of the Scholarships and even increasing them. Tom recommended that we continue to allow the board to review each year without attaching an automatic indexed increase.

Chuck asked Marty for his input. Marty stated that essentially everyone was saying the same thing. We have agreed to increase the contingency to four years from two and we have agreed that just because we have the tremendous and unanticipated increase to the Scholarship Fund we should not automatically begin spending it without consideration to the long term impact. Marty pointed out that Gerry's analysis highlights this same concern. Marty suggests we continue on the path that we have followed and review the program annually without 'locking in' any automatic increase. This will allow the board to respond to any negative impact.

General discussion continued with Chuck emphasizing that we are receiving \$35,000 and proposing a program of \$36,500. At this time we are in great shape with the balance in our contingency fund. By analyzing our situation annually we can meet any adverse circumstance and indexing would not be necessary. Gerry pointed out that he was not suggesting that we adopt indexing, but rather that if we did nothing the value of the Scholarships would decrease. An annual review increasing where necessary will maintain the Scholarship value.

Chuck also pointed out that the board adopted the practice of supplementing the Scholarships when needed from the contingency fund three years ago and that this year was the first year we needed to do so. In light of this, the decision to put this practice in place was a good one and the fact that we did not need to do so until this year indicates the program supports itself most years.

Tom Harmon injected that he understood our history and the purpose behind maintaining a contingency fund, but both the corporate and individual donors do not give their donations for us to let the money sit in the bank, but rather that it be used for Scholarships. Tom Gallagher pointed out that the money is and will be used for Scholarships; it is just that we as a board have voted to provide a consistent number of Scholarships in gradual increasing amounts on a yearly basis rather than empty the bank each year. Chuck added that the number and value of our Scholarships is significant when compared to similar organizations with similar programs.

Chuck thanked Gerry Peterson for his effort and work in analyzing the Scholarship program. Tom Gallagher added that now we can see exactly what the program can do for the foreseeable future and each year we can evaluate it and adjust as necessary. Chuck stated based on the input and the discussion he would like to suggest we adopt the program as he has laid out on page 13 and 14 of the handout and as copied above.

Gerry Peterson injected he had one comment on the proposal that has not been discussed. He stated he is not 'a big fan of the special considerations'. Our Scholarship programs are built upon achievement. He explained he does not disagree with allowing the candidates to delay attending college for one year as was the circumstance with the one candidate this past year. But he does have concern when we discuss 'lowering our standards'. For example, he stated there were seven additional candidates that met the standards and received \$1,500 each. The person in question, in whom special consideration was suggested, would have received a \$2,500 Scholarship, more than these seven receiving \$1,500 each, while he did not meet the standard set by the board.

Tom Gallagher asked to comment on the proposal to include a Special Considerations Clause. Tom reminded the group that the employee that 'kicked off' the idea that we needed such a clause was serving AAFES in a 'war zone' operating a store. He applied for the scholarship acknowledging that he was slightly lower than the standard and that he would not be able to attend college until he returned from Iraq. It was this deployment that delayed his entrance into college. Tom admitted initially that his reaction was that the applicant did not qualify. However, the employee submitted his application asked that he be considered because of his special circumstances. Tom said that after thinking it through and discussing it with others on the committee, he concluded that when there are special circumstances that we need give special consideration. He summarized by stating that he believes that 'there is room' in the program to review special considerations and award a scholarship outside the parameters established if the board agrees to consider and vote on special applicants.

Chuck added that the proposal has a 'limit' that a candidate cannot delay longer than 16 months and the SAT has a limit and that the applicant must meet other qualifying criteria. He also reminded the board virtually all colleges had similar programs allowing for special considerations. Tom Harmon suggested we 'come up with a recommendation' and vote on it. Chuck stated that this is what he was recommending, a 'rewrite' of the program to include a Special Considerations Clause and that his recommendations are included in the handout (copied above).

Gerry Peterson stated his objection was not to the need for a clause; but that the person discussed this past year being considered for special consideration would have potentially receive a higher Scholarship amount having lesser qualifications than those who had received the lowest Scholarship amounts having met the qualifications. Marty suggested that we specify that the special consideration scholarship only be offered at the 'minimum' level for that year. Chuck agreed that this change should be included in the Special Considerations rewrite.

Tom Gallagher added that this topic makes ‘good reading’ and attracts attention to the program. We have not in the past been open to accepting such scholarship applicants and this program will enable us to do more. Human Interest programs have at times more value than the money amount being given.

Chuck asked if all agreed with the rewrite of the program with the change recommended. All agreed and it was passed.

Tom Harmon asked to inject one last point before we leave the subject. He stated it has been discussed several times that we should pursue obtaining more input from previous candidates. Their success stories would develop the human interest Tom Gallagher spoke about. Chuck stated he agreed to do so, but had not decided how to approach obtaining the feedback from the previous candidates. Tom Gallagher stated that last year we added the requirement of a photo and advising the candidates that we will expect them to follow up with us at a future time on their accomplishments. Further, Tom stated that he sent an email to all the past candidates that we had addresses for and received only one response. That response was highlighted in the Scholarship Booklet. The problem with not receiving more responses is due to the incorrect or no longer existent email addresses.

Tom Harmon suggested we do extra work and research the email addresses to build a more dependable data base. He stated that he could think of several names of the candidates parents and that we could contact them. If we received three or four responses from this effort then it would build from that point. Tom Gallagher stated he had files for the past four years and Chuck stated he had the files for all candidates and suggested that Tom Harmon review them and either make the contacts or suggest who to contact.

Chuck asked for a motion to be made for the Scholarship Program for next year as discussed and agreed upon. Bob Haver offered the motion, which was seconded by Gerry Peterson, voted upon and approved.

Scholarship Booklet

In this regard, Chuck reminded all that he has talked with the representative from Hampton Roads and they intend to sponsor the Scholarship Booklet for 2008. He stated he would limit the sponsorship to ten companies, which will generate \$5,000 in income. By the time we give the ‘free’ pages, which will be 12 of the 36 total it essentially limits us to ten sponsors. The cost to print the booklet last year was \$1, 950 generating about \$2,800.

Treasurer Report

Gerry Peterson directed the group’s attention to page 18 of the handout, *Income and Expense, Budget Versus Actual*, comparing the budget to actual. We are ‘some what better off’ than what we budgeted by \$1,000, but we are still \$11,000 ‘in the hole’ for the year. This is due to our contributions being up considerably to the scholarship fund.

Membership dues are down about \$1,200 compared to a budget of \$5,000; Postage and Delivery is well under budget; Printing Expense, however is on track; our Income is \$700 more than anticipated.

On page 19, *Income and Expense*, Gerry commented that it compares Jan – Sep 07 to Jan – Sep 06. This year the AREA General Fund is \$11,091.70 ‘in the hole’, while last year the same time we were \$1,070.01 ‘to the good’. Printing and Reproduction was well above last year due to the printing of the Directory.

The *Balance Sheet* is shown on page 20 and reflects that our Total Assets this year are very close to that of last year. Our Liabilities are lower so we are in good financial shape.

Chuck asked if the “Prepaid Dues” would ‘fall off’ next year. Gerry stated no, “Long Term Liabilities’ reflects dues paid through 2015. While some members do pay ahead several years, most of the Long Term Liabilities are from the Life Member program. Tom Gallagher asked how those that owed dues were contacted. Pat Weaver responded after they have not paid she sends one more free Newsletter. Following that Newsletter if still not paid she sends a ‘pink’ reminder card that the member’s dues have expired.

Gerry drew the board’s attention to page 21 the *General Portfolio*. As of September 30th our value was \$55,135.94. We are down about \$4,000 from the previous period. As of last night November 29th, YTD the S&P 500 is up 3.99. Wellington Fund has increased 6.01.

On page 22, *AREA Scholarship/Emergency Relief Fund, Income and Expense* reflect \$140,370.82 for Jan – Sep 07 due to the donation from the Townsend Estate. To date we have received \$ 5,141.00 in membership donations, which is an increase. AREA gave \$11,500 this year and it is unlikely that we will exceed \$3,000 next year. Remaining expenses are minimal.

The *Balance Sheet* on page 23 reflects the increase from the Townsend Estate. The \$5,000 ‘Other Current Liability’ for Sep 30, 07 is the one Scholarship that will not be paid until next year.

The *Scholarship Portfolio* on page 24 Gerry pointed out does not show the ‘value’. Tom Harmon asked if we expected additional funds from the Townsend Estate. Chuck stated that he talked with the Executor and he indicated that there probably would be additional funds, but he did not say ‘what or when’. Pat Weaver stated she understood that there was ‘land’ involved in the estate that ultimately would be sold. Gerry added that according to those that evaluate the market, our growth of the portfolio may drop into the single digit figures. Marty commented that the market has been ‘up’ in the last four days so it is difficult to predict. We have not reached the ‘bottom’ of the housing mortgage crisis, so the predictors of single digits could be correct. He said you can’t guess where the market is going, so you do what we have done...we bet on the broad market, a balanced fund like Wellington and bet on cash. These three elements are keeping us in balance as to our

financial health. Gerry added that his point was that there might be some 'rough sailing ahead'.

Community Service Report

Dick Fregoe pointed out that at our last meeting we had a lengthy discussion regarding the fact that participation in the program has stayed flat and not increased. The most disappointing aspect of this is that several years ago we included AAFES employees as potential candidates. This action resulted in a slight surge at the time, but after a period of time the program leveled out.

Tom Harmon asked if we had placed an article about the program in the Newsletter. Chuck and Pat responded that it has been put in previous Newsletter - the next would be in January. Dick suggested we consider giving the awards in concert with the real time the input is received rather than doing it only annually. Another suggestion is to send letters again to the Presidents of the AREA State Chapters telling them they can provide nominations at any time through out the year.

Tom Gallagher asked if we had considered a human interest article in the Exchange Post about the program. Chuck stated that in January AREA would be given space on the back page. Dick said the results are being placed in the Exchange Post but that making awards more frequently and inserting an article each time and award is given might help. He also pointed out that reading the last meetings minutes Tom Harmon had volunteered to write an article for the Exchange Post. Tom indicated he would do so.

Dick asked if there were any other comments, if not he would prepare a letter to go the chapter presidents. He then asked how the group would suggest handling the change to 'real time' versus once annually. All agreed to start with 'quarterly'. Chuck stated he had the program on his computer and he would make the change, send a draft to Dick and then to David George, who maintains our web site. All agreed that this is the time to make a change. The previous annual submission was based on the Yearly Convention hosted by AREA, which allowed for the awards to made at that time. With the absence of the conventions, this change will help.

Membership Report

Pat Weaver reported that we have 2064 members to date. In December 2007 we will have 830 expired memberships due. As of September we have 102 members that have not paid and Pat will send them reminders. Larry Phillips suggested that Pat give him a short article for page one of the News Letter.

Pat suggested that we consider charging more for members living overseas. Her reasoning for such a suggestion is that the only method available for mailing overseas is 'priority mail', which dramatically increases the postage cost to overseas members versus members living in the U.S. Tom Harmon asked how many specific members do we have living overseas; Pat responded that she did not have an exact figure, but indicated it

would be 50 to 60 total. She stated that recently she mailed a Welcome Package to Germany, which included a membership Directory and News Letter and the cost was \$7.00.

Gerry stated that he hated to see us make such a change for only 50 to 60 members. Marty stated that this has 'come up' many times in the past, the last time when the decision was made to revoke the Life Membership program. That decision was not popular and this decision would not be either. He suggested that we analyze the exact cost of mailing per package to overseas addresses compared to the U.S. We need to be able to say it costs 'so much' per mailing, four times a year.

Marty recommended as an alternative that we 'suggest' to the overseas members that they could help AREA offset the additional cost to mail items overseas by giving a contribution to help us pay for the postage. Pat stated she could put this in the article she would write for the News Letter. She also said, for the board's information, that on those occasions when someone loses their Directory and asks her what the cost is to send another, she collects \$4.00. All agreed that was a fair practice, but this should not be a part of the article. Tom Gallagher suggested that when we mailed something overseas that we put a 'short note' asking for this help from the overseas' member. Pat responded that the idea was good, but that she did not do the regular mailing, a mail service was used. Chuck asked if Pat would give him the 50 – 60 addresses and he would mail them a short note. Pat said that she could make up a 'card' and send to them. Larry suggested that we put the note in an envelope and give it to the mail service. He asked Pat to give him what she wanted to say and he would take care of it.

Information Director

Larry Phillips stated that he was about 2-3 pages short for the next release of the Newsletter. A discussion centered on the expected articles. Larry also reminded the group that he and Chuck would see the new Commander next week and he would hold open the News Letter until that time.

Scholarship Program

Tom Gallagher stated that he would 'drop off' a 'kick off' article to the Exchange Post for the program today. He would be implementing some added automated changes to form for this coming year. The cut off is the 31st of March with the results complete in late April 2008.

Around Table Last Thoughts

Dick Fregoe suggested that in the article Tom Harmon will write for the Community Service Program include a reminder that people can nominate themselves.

Gerry Peterson asked if John Hanson had been contacted regarding his offer to help Pat Weaver with the new membership computer program. This is the program transferring the membership program from Lotus to Excel. It was noted that John's Mother, who lived

with them, had recently passed away and that he had some health issues his self that prevented him from helping. Chuck stated that he would contact IS and ask if someone could help us.

Closing

There being no further business a motion was made and passed to adjourn the meeting.

Don Smith

Secretary

July 27th Board Meeting

The Meeting was called to order at 1300 hours, 27 July 2007 in the AAFES Real Estate Conference Room #1 by Charles Poffenbarger, President.

President's Report

AREA Elections

Asking the board members to review page 13 of the '*read ahead*', Chuck pointed out that the votes are in from the AREA Officer Election and stated he wanted to thank Gerry Peterson, Treasurer and Don Smith, Secretary for serving another elected term. Further, Chuck stated he also wanted to thank the collective board members for agreeing to continue their service with AREA.

NEREA

Chuck reminded the board that he was on the mailing list for the Navy Exchange Retired Employees Association (NEREA) Newsletter. The NEREA just completed their annual convention in Denver, Colorado, electing a new president, David Noble. Three pages from their summer edition Newsletter are at pages 16 – 18 of the '*read ahead*'. We have added NEREA to our Newsletter mail list.

Scholarship Booklet

The 2007 Scholarship Booklet that the '*board*' began to discuss last year has become a reality. Chuck stated AREA collected \$3,000 in '*sponsor income*' with the booklet costing \$1,850. He anticipates, in addition, it will cost about \$100 to mail the booklet to all on our mail list.

The booklet was published and will be distributed to AAFES senior management, two ALA chapters, scholarship recipients, sponsors and AREA chapters in the next week or so. We will also send a copy to everyone who makes a donation to the Scholarship Fund.

In spite of the limited sponsorship, Chuck states he believes the booklet was a success. The list of sponsors is shown below.

<u>Scholarship Booklet Sponsors</u>
Manchu Wok USA
Watt/Spohn-Universal (Nikon)
Enfission, Inc (Zip Fizz)

Watt/Spohn-Universal
Goody (Rubbermaid)
Hooah
DFW Chapter, ALA
Hampton Roads, VA. , ALA

Chuck reminded the board that we plan on doing this every year and that now that the ‘*template*’ is complete, future issues would be less expensive. Pat Weaver suggested we include a listing of ‘*significant*’ donations in the booklet such as that given by the Townsend Trust Fund.

Tom Harmon added that it would not be unrealistic to include all who donate to the fund. Chuck agreeing stated that we will send a copy of the booklet to each person who donated to the Scholarship Fund.

In the October Newsletter an ‘*insert*’ will be made advising that all who donate will receive a copy of the booklet.

Tom Harmon agreed with the book’s success, and added that ‘*success stories*’ of past recipients will add to the success of the booklet. Reflecting on the impact of the ‘*scholarships*’ will encourage others to donate.

Chuck stated that Tom Gallagher sent out approximately 100 emails to past recipients and received the response listed on page six of the booklet. He stated, while we only had one response this year, as we ‘*build*’ on this effort, there will be perhaps 3 or 4 for future releases of the booklets.

Discussion continued as to the various ways to reach past recipients that had received scholarships four or five years ago. It was agreed that our efforts next year will focus in the area of reaching those who have had four to five years of experience since graduation.

Townsend Estate Trust Donation

Chuck stated that he believes we need to re-consider our scholarship program in view of the \$106,700.00 Townsend Estate donation. Current parameters were approved at the January 20, 2004 board meeting.

Scholarship Program Parameters, established 2004

- The reserve contingency fund amount is equal to two (2) years of the annual scholarship grants;
- The awards, as determined by the Scholarship Committee, are flexible in both number and amounts based on caliber of the applicants.
- A period of 5-10 years was established to bring the award levels and investment fund goals in line.

Our original intention when we voted on the funding procedures for the scholarship program was to start using the surplus to bring the award levels and investment fund goals in line over a 5 – 10 year period.

In the 2007/2008 program, we used \$12,793 to 'plus-up' the program to 19 scholarships @ \$47,000. This was the first time we used some of the unreserved amount. Our basic program of 12 scholarships @ \$36,500 was funded by 2006 donations.

Chuck believes that Mike Howard's (AAFES-COO) e-mail this spring to all senior civilian and military personnel supporting the program contributed significantly to the large increase in applications this year. The added exposure and program flexibility allowed us have the best year ever.

For next year, Chuck proposes the following:

- Invest the \$106,700 Townsend Estate amount as its not needed now, based on the size of this year's results. Our program, without the Townsend Estate donation and after this year's awards are paid, is \$159,404.
- Continue with the Scholarship Program Parameters already in place, i.e.,
 - ✓ The reserve contingency fund amount is equal to two (2) years of the annual scholarship grants; (If the basic program is defined at 12 scholarships for \$36,600, as recommended below, the reserve contingency fund would be \$73,200.)
 - ✓ The awards, as determined by the Scholarship Committee, remain flexible in both number and amounts based on caliber of the applicants.
 - ✓ A period of 5-10 years continues to be established to bring the award levels and investment fund goals in line. (Based on the above, \$86,204 would be drawn down over a period of 5 to 10 years. The amounts would range from \$8,620 to \$17,240 a year.)
- Define the basic program as 12 scholarships @ \$36,500 with these dollar amounts:
 - ✓ 2/\$5,000
- One scholarship designated the Marilyn Iverson Scholarship as long as the DFW ALA Chapter continues to provide the funding.
- The second one undesignated
 - ✓ 1/\$4,000 undesignated
 - ✓ 9/\$2,500 undesignated
 - ✓ 12/\$36,500
- Continue with an aggressive marketing program to see if the increase in number of applications experienced this year can be sustained, or even increased.
- Re-visit program parameters, as needed, based on scholarship program results in future years.

Chuck summarized his thoughts that we 'set aside' this money and then restructure our parameters based on the above. Marty asked why we had to set aside the Townsend funds as we can invest the Townsend funds with the total funds we have. Marty believes that we have the flexibility to do what we choose to do. Chuck injected that his greatest concern was the 'drawn down' period of 5-10 years, which would need to be changed to 10-15 years.

After discussion all agreed to 'roll into' the total funds the Townsend donation. Chuck stated he would recalculate the parameters and that they might increase to 10-15 years.

Tom Harmon recommended that we promote the suggestion that AAFES employees consider including the AREA Scholarship fund in their 'wills'. He stated if this became more common and the Scholarship Fund increases at a certain level the scholarships could be based on the annual earnings, while the basic fund remained invested.

Chuck stated he would include an article to this regard in the next Newsletter. The article could include a 'story' about Andy Townsend and follow up with the fact that other contacts have been received by AREA from retirees asking how they, too, could include AREA in their will.

Gerry Peterson suggested that in October 2007 we review our procedures on this program and determine at that time changes that needed to be made. Discussion resulted in agreement that we needed to remain flexible.

Scholarship Program

Next Chuck stated that he wanted to thank once again to Tom Gallagher, Director, Scholarship Program, and his team for another year of identifying successful young people, and of helping them and their families cover the cost of the freshman year at college thru scholarship awards.

Here are the Scholarship Committee members and their e-mail addresses. Why not send them a message thanking them for a job well done.

Tom Gallagher, area_scholarships@tx.rr.com

Jim Sawyer, Sawyerj@charter.net

Duane Walsh, pamac1@sbcglobal.net

Vivian Skalsky, vrskalsky@aol.com

Don Smith, DonaldSmith7@aol.com

Richard Sheff, sheff@aafes.com

Dan Carmichael, Mrjackfrost28@aol.com *

*Unable to participate this year

Special Considerations

Lastly, Chuck raised the subject once again of "*Special Considerations*" We have a relatively high bar for qualifying for one of our scholarships. If a grade were put on it, we would classify our SAT/ACT thresholds as B+. Most students go through grade and high schools in the normal way, and then on to college the year after high school graduation and can qualify for our scholarships.

Some students, though, have special needs that prevent them from achieving at the level we stipulate, and other students defer, by choice or circumstances, going to college right after graduation. It's these people that Tom Gallagher has recommended that the board review the possible need to recognize "*Special Considerations*" for select students.

Board members and our advisors were correct when they stated that “*Special Considerations*” criteria had not been established in our program at the time and could not be considered in the award of scholarships this year.

Chuck believes that we should have such an option in our program. We don’t have to go through all of the “*Special Considerations*” program parameters now; however, I would like your thoughts at the board meeting on conditions or circumstances that we should consider in such a program. Tom and Chuck will structure the program and present it at the October board meeting for discussion and vote. Here is an outline listing some factors that can be considered.

“Special Considerations” Scholarship Program

The AREA Scholarship Program recognizes that some students have special needs that prevent them from achieving at the sat/act level stipulated for regular AREA scholarships, and other students defer, by choice or circumstances, going to college right after graduation.

A maximum of one additional \$2,500.00 scholarship may be awarded each year based on the above considerations and these specific criteria.

- ✓ College entrance delayed no more than one scholastic year after high school graduation.
- ✓ At least 1,600 on the SAT or 21 on the ACT.
- ✓ Acceptance at an accredited college, university, or one of the U.S. military academies for undergraduate studies
- ✓ Meet other qualifying criteria.
- ✓ Financial hardship excluded as a factor.
- ✓ Scholarship must be approved by the full board.

The academic and other criteria in our current scholarship program are furnished below.

Current Scholarship Criteria

STUDENT ACADEMIC CRITERIA:

Students must...

- d. Be in their senior year of high school and scheduled to graduate in calendar year 2007.
- e. Have a score of at least 1,750 on the SAT or 25 on the ACT.
- f. Plan on attending an accredited college, university, or one of the U.S. military academies for undergraduate studies in calendar year 2007. AREA scholarships are not awarded for participation in non-academic and certificate programs.

Once academic eligibility is met, five factors listed on the Application for Scholarship form are scored to determine the ranking for scholarship awards.

The five factors are:

- f. Scholastic Honors & Other Recognition Received.
- g. School Activity Participation.
- h. Outside Activities, Hobbies and Special Talents.
- i. Essay: Tell us why you feel you should be awarded a scholarship.
- j. Letters of Recommendation.

Note: These factors are scored on a scale of 0 to 5 by the committee members. Tom Gallagher does not vote as he aware of all of the names and other personal data that are blacked out when sent to committee members.

As these parameters were discussed, Gerry Peterson stated we already had a student this year who deferred his attendance to college after receiving his scholarship from AREA. Several questions were raised and it was even suggested that perhaps his scholarship should be withdrawn. Chuck stated that he has already committed to the parents that AREA would agree to a *'one year deferral.'*

After discussion, Marty suggested that since the criteria for his receiving the award has not changed, only his choice of when to begin his college career, if he does continue at the time he stated in his request Gerry Peterson should issue a check to the college. If he does not, then the matter should be bought back to the board for reconsideration.

In summary, Chuck stated we could vote on such a program in October, but wanted to give us his input. He added that the Scholarship Committee agrees with the need.

Treasurer Report

Gerry Peterson provided the following comments on the Financial Reports on pages 19-25 of the *'read ahead'*.

Investment Report...Gerry replied *'we took a beating yesterday'*, but not as bad as it seems when you review the individual accounts. The General Fund lost \$240, while the Scholarship fund lost \$5,900. The Balance Sheets of each respective fund are shown in the attachments with the value of each.

The Wellington Fund through June 30 is up 4.6% for the year...The S&P 500 Index is up 6% ...Cash is yielding 5.13%...the Townsend money was invested for three months.

Income and Expense Report...On page 19 of the *'hand out'* we can see that we are in the 'black' due to the Friends and Neighbors' donation coming in the 2nd Quarter versus the last Quarter. Otherwise, we reflect negative earnings. The largest expense was the *'Directory'* costing almost \$7,000.

Profit & Loss Budget vs. Actual... Again, because of the \$8,500 donation from the Friends and Neighbors coming earlier than anticipated considerably over budget. Expenses though are in line with budget...membership dues are slightly under plan...investment income is 'up' from projected.

Chuck injected that the Hampton Roads ALA gives the '*Friends and Neighbors*' donation in the '*name of the scholarship fund*'. He said he has made it clear to Cory Belkov, the Hampton Roads representative previously that over the years the money is used in our '*general fund*'. Cory has responded that they do not care how we use, but it is easier for them to gain donations if they state it is for the scholarship fund.

This year specifically, Chuck stated he wrote them a letter explaining how the money was used. He explained that while at times money is transferred from the general fund to the scholarship fund, the Friends and Neighbors donation is used in many other areas. In this letter, he asked them to next year not designate on the check '*scholarship fund*', so that AREA can avoid any possible repercussion from the IRS.

Tom Harmon suggested rather than '*run the risk*' of '*cutting the money off*' through the donation, we should use it only in the scholarship fund. Chuck responded that historically the money was needed and budgeted for in the general fund. Discussion centered on the legality of continuing this past practice. Chuck stated he did not intend to '*cut the money off*', but he asked Hampton Roads to use only the Friends and Neighbors description on the check.

Gerry Peterson stated we are liable if we do not use the money for which it is designated. Further, Gerry stated he did not recall specifically that the check was specifically designated for '*scholarship fund*.' Chuck said he was certain it did reflect the scholarship fund. To stay within the intent of IRS '*rules*' the check must be referenced to the scholarship fund. Otherwise, the check must be deposited into the scholarship fund.

Gerry asked if we could make a motion to this effect. Marty Handel recommended a motion be made that we transfer the \$8,500 that has been given this year to the scholarship fund. All agreed, a motion was made and carried.

There were no comments on page 21, Income & Expense Previous Year Comparison.

Balance Sheet... On page 22 the checking account looks high for the AAFES CU. This is because the \$8,500 check from the Friends and Neighbors was deposited in this account. In our '*general fund*' we are 'up' 22% total equity from last year, so we are in good health.

Scholarship Fund...Income and Expense... Page 23...The Townsend Estate is \$106,700 of the total figure. This leaves slightly over \$10,000. The miscellaneous expense was for the lawyer to assist with the Townsend Estate.

Scholarship Fund...Income & Expense Previous Year Comparison...Page 24... This year compared to last year again reflects the Townsend Estate donation. The '*other contributions*' are up slightly.

Balance Sheet...Page 25... This will be reduced by \$42,000 that we will be disbursed. A total of \$47,000 was awarded and Gerry said he will treat the \$5,000 as a liability on the books.

Gerry asked if there were any questions on his comments. Tom Harmon asked if the membership dues were '*coming in*' as anticipated. Pat Weaver stated that generally most paid within the time frame.

Scholarship Booklet... Special Note

The first paragraph on page 33 of the booklet needs to be 'reworded'. It states, '*All administrative costs are paid for by AREA's General Fund, so 100% of your contribution goes directly to student scholarships.*'

While, this was true in the past, today there are some expenses. So, this paragraph will be reworded to reflect there are some slight expenses.

Community Service Report

Dick Fregoe reported that the result of the article in the Exchange Post was disappointing, particularly in the area of the AAFES employee participation. There were only three.

If we are going to achieve better results, then we need to do something different. Dick stated that the intent of the program is such that it does not matter '*when*' the nominations are made, so perhaps changing the program to permit nominations at anytime through the year may be the answer.

Pat Weaver stated that the program could be placed '*on line*' also allowing participants access anytime. Chuck said that we need to change our marketing approach. To begin with he will insure that something is said in each Newsletter about the program to keep the focus on it through out the year.

Dick pointed out that there are many people who are contributing to the community in a significant, if not unique manner, but will not nominate themselves. Discussion ensued on how to encourage people to nominate them selves. It was agreed that a good beginning will be to allow people to nominate anytime during the year even though awards will continue to presented once annually. Tom Harmon volunteered to write an article for the next Newsletter on the program.

Information Director Report

Larry Phillips was not able to attend the meeting, so no input was recorded. Chuck stated that the deadline for the Newsletter will be August 31, 2007.

Membership Report

Down from last report we only have 1725 total members. From March of 2006 to current there have been 287 memberships expire, meaning they have not been renewed. There are no forwarding addresses for some of this total. According to her records 180 more will expire in September and 881 in December 2007.

Gerry Peterson drew a comparison with the prepaid dues in the financial records. Gerry also asked if John Hanson had contacted her to help update the AREA records. Chuck stated that John has recently undergone surgery, so he will not be able to help, at this time.

Officer Elections

Chuck stated that there were 13 '*write ins*' for the President Elect position. (All were contacted and asked if they would volunteer for the position. None accepted.)

Next Meeting

There being no further business Chuck advised the next meeting will be in November 2007. A motion was made and passed to adjourn the meeting.

April Board Meeting Cancelled

January 26th Board Meeting

The Meeting was called to order at 1300 hours, 26 January 2007 in the AAFES Financial Management & Accounting Directorate 4th Floor Air Force Conference Room by Charles Poffenbarger, President.

Special Report

Pat Weaver provided a '*special report*' concerning the '*will*' and '*trust*' of deceased AAFES retiree, Andy Townsend. Some AREA members recall he retired in the early seventies and recently passed away leaving the AREA Scholarship fund as a benefactor in both his *will* and a *trust* established.

Initially a lawyer for the *trust* contacted Chuck Poffenbarger by phone explaining that AREA was to be a benefactor in the trust and also potentially Mr. Townsend's *will*, as his wife had also subsequently passed away.

At the same time, Pat Weaver received on behalf of AREA by mail information concerning the *trust*. While still under review, the amount could be \$160,000. Pat provided handouts of the clauses in both the *will* and the *trust*. With the approval of Chuck, Pat obtained the assistance of an attorney (cost of \$1,000) to work with the lawyers of the estate. She will provide an update as information is provided to her.

In this regard, Marty Handel reminded the board that about a year ago Woody Soto spoke to both Ken and Pat Weaver indicating a desire to put AREA in his will. At that time, the

board agreed to ask the AREA attorney, Tom Reagor, to send Woody Soto the suggested language for his will to make AREA a benefactor. Marty suggested that someone contact our attorney to determine the status. After discussion, Chuck suggested since Woody and Pat Weaver remain in contact that Pat ask Ken to contact Woody and determine if he received the clause. Pat agreed that she and Ken would do so.

President's Report

As is his custom, Chuck provided a '*read ahead*' with the '*handouts*' to provide board members advance information of the topics to be discussed. Chuck asked the members to review and comment on the minutes.

Prior to voting on the minutes, Tom Harmon said he would make a motion, but first he asked if Chuck had received his report on the Emergency Relief Fund. Chuck stated yes it was at page nine in the '*read ahead*'.

With regard to a reference in the minutes Marty Handel asked about money received for the Marilyn Iverson Scholarship. It was his understanding that we received one check from ALA for \$5000 and while stated as one scholarship for this amount in the minutes, it is shown on the Financial Report that two were received totaling \$10,000. It appears that two separate checks in the amount of \$5000 were given for the same Scholarship.

Chuck acknowledged that there were two separate checks received; one we were told could be used for the Marilyn Iverson Scholarship and the other for what ever Scholarship we proposed. Gerry Peterson commented that he reflected both checks for Marilyn Iverson's Scholarship, so the Financial Report will need to be corrected.

Minutes

It was finally agreed that the minutes reflected the correct sequence of events, but the Financial Report needed to be changed. The minutes of the 3 November 2006 meeting were provided for review. Both a first and second motion was made to accept the minutes as submitted.

Meeting with Mike Howard, Chief Operation Officer, AAFES

After the last meeting Larry Phillips, Tom Gallagher and Chuck briefed Mike Howard on the programs of AREA, specifically the Scholarship Program. Chuck reported that Mike Howard was very supportive of the retirees and the efforts of AREA.

Dan Daniel Golf Tournament

Chuck read the email he sent to Greg Cox which expresses disappointment over the potential loss of the donation given each year from the Dan Daniel Golf Tournament for the Scholarship Fund, but also acknowledges that the board members understand why the

changes are proposed. Greg responded that the final decision had not been made, so it is possible that no change will occur after all.

Scholarship Booklet

So far we have nine sponsors for the twenty pages that are available for advertisement sponsors of the 36 page booklet. There will be one page for Tom Gallagher as Chairman of the Scholarship Committee to provide the history of the program; multiple pages for the Scholarship Recipients, a *'stats'* page, etc. Two of the nine pages dedicated so far will be given at no charge. They are for the ALA chapters of DFW and Hampton Roads; both have done much for the Scholarship Program over the years.

Marty asked if we intended to *'hold'* printing of the booklet until all of the *'ad pages'* were *'sold'*. Chuck, said, yes, even though the printing costs were only \$500, he did not intend to release the booklet, until all of the sponsors are obtained. There will be 18 *'paying'* sponsor pages in total. Chuck said that he anticipates the booklet will generate the projected sponsorship income. Copies will go to the recipients, sponsoring vendors, AAFES Senior Management and AREA Chapters.

Tom Harmon asked for clarification of the booklet's purpose. Chuck stated the *'vendors'* suggested the concept for the booklet. While it will give the recipients a record of their selection and remind Senior AAFES Management of the importance of the program, to the AREA its primary purpose is to generate additional funds for the Scholarship Program.

The *'time line'* for the steps necessary to produce the Scholarship Booklet is provided in our handouts. Chuck stated he anticipates that the booklet will be distributed in late June and that we will no doubt receive additional ideas regarding its format once released. In fact he stated that next year we will add a page of former recipients. Over and over again people ask him *'do we ever receive any feed back on the success of any of the recipients?'*

In this regard, a discussion ensued as to how we could obtain *'feed back'* on *'where are you now?'* of former recipients. How could we obtain such information? How far back could we go? Who could we get it from?

Chuck added that no one in former AREA leadership has attempted to do this in the past and that he believes the booklet will provide us the forum to help us obtain this information.

Larry Phillips suggested we include a *'feed back'* form in the booklet itself. Tom Harmon suggested either in the booklet or the information packet and application we send to them. Tom further suggested that we research the recipients as far back in our history as possible and obtain the names and addresses of the recipients' parents and send a letter requesting this information. He stated that even if we received 15 out of 100, the

'stories' published in the Exchange Post would generate considerable attention and exposure for the scholarship program.

Marty added that this approach is better as the input would be after the recipient is into his or her career, as apposed to just being in their first year of college. The human interest generated from any 'success stories' contributed to by the AAFES Scholarship Program would encourage more individuals to donate to the program. All agreed that focusing on the recipient that is out of school and well into their career are the ones we need to contact. Chuck agreed and stated he will talk to Tom Gallagher and determine how to implement.

Scholarship Program Review

The overview of the Scholarship Program was presented in Tom Gallagher's absence as follows:

Contributions this Year:

Individual	\$8,207
AREA General Fund	\$3,000
DD Golf Tournament	8,000
Dallas ALA (Undesignated)	10,000
Dallas ALA (M. Iverson)	5,000
Organization Total	\$26,000
Total Individual and Organizational	\$34,207

Designation of Proposed 2007 Scholarships:

Two \$5,000 Scholarships	
One Scholarship Designated 'Marilyn Iverson Scholarship'	
One Undesignated Scholarship	
One \$3,000 Undesignated Scholarship	
One \$2,500 Undesignated Scholarship	
Eight \$2,000 Undesignated Scholarships	
Total of 12 Proposed 2007 Scholarships	\$31,500

As a point of Comparison the 2006 Scholarships were:

One \$6,000
One \$4,000
Two \$2,500

Eight \$ \$2,000

Total of 12 Scholarships amounting to\$31,000

Chuck stated that a good case can be made for increasing the \$2,000 scholarships due to the escalating costs for both tuition and books. He provided a copy of an article from 2006-07 College Costs at pages 24 & 25 of the 'read ahead' handout. While \$2,000 is not a nominal amount, we cannot ignore the fact that costs are rising. Chuck suggests that we consider increasing the amount to at least \$2,500 for the 2007 year. Such an increase would bring the total proposed amount for 2007 to \$35,500, an amount that AREA can still easily fund.

The board was reminded by Chuck that it voted in the January 20, 2004 meeting to fund the Scholarship within specific parameters:

- That the Reserve Contingency Fund amount to two (2) years of the annual scholarship grants; (Based on the current program that is \$63,000).
- That the awards, as determined by the Scholarship Committee, be flexible in both number and amounts based on caliber of applicants.
- That a period of 5-10 years be established to bring the award levels and investment fund goals in line. (\$191,800 [see following paragraph] - \$63,000 = \$128,000 for augmenting annual program amounts over a 5-10 year period.)

The total value (at cost) of the Scholarship Fund (AAFES FCU checking/savings and Vanguard) as of December 31, 2006 was \$173,301.51. At market value, the amount is \$191,800.25.

The board's intention when voting on these funding procedures for the Scholarship Program was to start using the surplus to bring the award levels and investment fund goals in line over a 5-10 year period. So far, because the number of qualified recipients has equaled the designated scholarships, we have not had to augment any year's program with surplus in this manner.

Gerry Peterson agreed, but pointed out that such an increase would then lessen the value of the next scholarship amount '*in line*' of \$3,000. Thus, he suggests we consider increasing this amount from \$3,000 to \$4,000. After discussion considering other amounts it was agreed to increase this scholarship to \$4,000, which will bring the total to \$36,000. Motions were made and the board voted to increase the current eight \$2,000 scholarships to \$2,500 and the \$3,000 scholarship to \$4,000.

Chuck also reiterated that he intended to ask with Mike Howard, AAFES-COO to send a message to all directorate chiefs asking them to endorse both the scholarship and community recognition programs to their associates and assigned military personnel.

AREA Business Meeting with Chapters

Larry Grewelle, President of the Montgomery Metro Chapter and Bob Askew, President of the ALAMO Chapter sent Chuck an email asking that the board consider holding a one day meeting to review AREA business and retiree issues.

Both Larry and Bob believe that since the cancellation of the annual conventions the AREA Chapters have lost the ability to stay in touch and up to date on issues concerning retirees. Their suggestion is to meet for cocktails the evening before and then conduct a one day business meeting the next day.

While the board agreed such a meeting could be helpful, Marty suggested that a letter be sent to all the Chapter Presidents to determine if the interest goes beyond these two chapters. Discussion continued as to 'what subjects' would be appropriate for such a meeting.

Generally it was agreed that any topic pertaining to retiree benefits would be welcome. Hosting the meeting close to AAFES HQ would allow the appropriate personnel to 'speak' to the group on the topics selected. Tom suggested that such a meeting might result in identifying suggestions as to how AREA can improve what it does. One area that needs enhancement in his view is the Community Recognition Program. Dick Fregoe stated the program has been consistent, but it is not growing. After the discussion it was agreed that Chuck would send an email to the Chapters asking for their input.

Nominating Committee

Tom Harmon agreed to chair a Nominating Committee to develop and submit the names for our election of a President Elect. Gerry Peterson, Treasurer, and Don Smith, Secretary have agreed to stand election for another term. Chuck stated he will stand election for another term with the expectation that someone will eventually be nominated to the President Elect position. Ballots will be placed in the April Newsletter with a return date of May 18th to Pat Weaver, Membership Director. The effective date for elected officers is June 1st.

As a reminder, Section 7 of the AREA Constitution states: Members elected to offices of President and President-Elect may not serve for more than two consecutive full terms plus the unexpired term to which they may have been appointed by the Executive Board.

As a reminder, the status of our current Board is as follows:

- *President* Chuck Poffenbarger- ½ year unexpired term + 1 full (2 year) term. One term remains.
- *President Elect* ... Vacant

- *Treasurer* ... Gerry Peterson- 1 year unexpired term + 1 full (2 year) term. Not restricted by term limits.
- *Secretary* ... Don Smith-Joined the Board August 22, 2006 (1/2 year unexpired term). Not restricted by term limits.

AREA Membership Directory

Pat Weaver will be publishing the new directory in April. More detail will be provide in her 'Membership Report'. It will be published in the same format we currently use. Larry Phillips commented that the previous change did not 'save' any expenses, so, no future changes are anticipated.

Investment and Treasurer Report

A comparison of the General Fund Value between 2005 and 2006 reveals the working fund is up14.9%; Vanguard is up 15.6%; and S&P is up 13.6%. It was a good year in all investments, i.e. general fund and scholarship. Gerry Peterson provided an overview of the various reports provided to the members comparing this year versus last year culminating with the Balance Sheet as of December 31, 2006:

	<u>Dec 31, '06</u>	<u>Dec 31, '05</u>
ASSETS		
Current Assets		
Checking/Savings		
AAFES FCU Checking	1,867.36	6,383.67
AAFES FCU Savings	12,106.39	6,040.50
Vanguard Money Market	<u>23,117.54</u>	<u>22,041.22</u>
	37,091.29	34,465.39
Total Checking/Savings		
Other Current Assets		
Accounts Receivable	3,960.00	0.00
Prepaid Expense	3,760.00	0.00
Vanguard Index 500*	10,482.44	10,267.69
Vanguard Wellington **	11,280.98	10,417.92
Total Other Current Assets	<u>29,483.42</u>	<u>20,685.61</u>
Total Current Assets	<u>66,574.71</u>	<u>55,151.00</u>
TOTAL ASSETS	<u>66,574.71</u>	<u>55,151.00</u>

LIABILITIES & EQUITY

Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	0.00	35.40
Total Accounts Payable	0.00	35.40
Other Current Liabilities		
Life Members-2006	0.00	2,352.00
Life Members-2007	1,878.00	0.00
Prepaid Dues-2006	0.00	3,355.00
Prepaid Dues 2007	3,990.00	0.00
Total Other Current Liabilities	5,868.00	5,707.00
Total Current Liabilities	5,868.00	5,742.40
Long Term Liabilities		
Life Members	2,827.00	4,705.00
Prepaid Dues		
2007	0.00	1,275.00
2008	1,310.00	440.00
2009	538.00	223.00
2010	292.00	112.00
2011	120.00	45.00
2012	50.00	45.00
2013	120.00	60.00
2014	90.00	60.00
2015	15.00	0.00
Total Prepaid Dues	2,545.00	2,260.00
Total Long Term Liabilities	5,372.00	6,965.00
Total Liabilities	11,240.00	12,707.40
Equity		
Opening Balance Equity	20,661.44	20,661.44
Retained Earnings	21,782.16	13,297.88
Net Income	12,891.11	8,484.28
Total Equity	55,334.71	42,443.60
TOTAL LIABILITIES & EQUITY	66,574.71	55,151.00

*Market Value: \$12,418.48; **Market Value: \$13,246.53

All reports for the Investment and Treasurer's report were provided to the members in the handout at pages 15 through 22. Gerry stated that *'in all'* we had a good year, though the increase came in the last quarter. Until the last quarter we were *'even'* with last year.

We received \$8,000 from the *'Friends and Neighbors'* which helped considerably. Additionally, our dues are up as shown. However, much of the increase is due to a change in the method of recording the dues.

After reviewing the dues report submitted to him by Pat Weaver, Gerry noticed that some of the 2007 dues had December dates. Thus, by separating the 2006 dues from the 2007 it allowed him to pick up the 2006 dues and treat them as receivables. This amount is about \$3,800. Thus, the \$7,800 in dues may seem like a lot, but \$3,800 was brought back from 2007. This is a *'one time'* recording for this year only.

Pat Weaver made the statement that virtually all of the dues are either due in December or that they are received in December of each year. Gerry stated that he understood, but since we had either received the 2006 dues checks before 1 Jan 07 or the checks had been received prior to our closing the books Generally Accepted Accounting Principles state the income should be booked as 2006 dues and not 2007 dues. He stated he had a suggestion that would help, which he will address at the close of the report.

In summary, Gerry stated the expenses were in line and that there were no other unusual reporting's. He added that our investment income was \$2,200, of which, we will donate \$2,100 to the Scholarship Fund. We do not have to donate the interest income, only the investment income.

On page 17 *'Income and Expense'*, we are up \$4,000, \$2,000 is from *'friends and neighbors'* in addition to the added income we *'booked'*. All of this is coupled with investment income, which is up. Page 16 *'Income and Expense'* shows we are \$8,000 above budget. Page '15' the *'Balance Sheet'* shows that we are in excellent shape.

Page 21 reflects the AREA Scholarship/Emergency Relief Fund *'Income and Expense'*. Gerry noted that he will make the change discussed earlier on the Marilyn Iverson fund. Overall this fund made \$10,000. Tom Harmon asked if there was a balance in the Emergency Relief Fund. Gerry stated that this fund had a zero balance as all funds were spent on the 'relief' effort. On page 20 comparing this year to last year, last year we *'made'* \$3,000, while this year we *'made'* \$10,000.

Gerry asked if there was a minimum amount necessary to maintain in our checking account. The purpose of this question was based on an observation made by Marty Handel as to the seemingly large amount of funds we maintain in the FCU accounts while they pay the least amount of interest. His suggestion was to maintain the larger amounts in the Vanguard Money Market Fund until needed and then transfer specific amounts to FCU. Marty acknowledged that the FCU should receive some benefit for the amount of

work they do for AREA. However, his recommendation is to leave no more than \$2,500 in FCU.

Thus, the motion was made formerly that because the FCU performs a needed service to AREA in processing the large number of \$15 dues checks, we must maintain a minimum balance. It was the consensus that AREA should maintain balances slightly in excess of \$500 in the checking and \$2,000 in the savings accounts. The motion was carried unanimously.

While discussing the financial statements, Chuck asked if Gerry was going to ask for an audit in 2007. Gerry stated he had planned to ask Gene Miller to complete an audit in early 2007. A report on this audit will be given in the future.

Next, Chuck asked the members to review page 22, *The 2007 Proposed Budget*. A discussion ensued on several proposed changes. However, after 'talking through' several points it was agreed that no changes were necessary.

As Gerry mentioned at the outset of his presentation he has a suggestion that will help Pat Weaver in her accounting of the dues received. Gerry suggests that the board approve updating the current LOTUS program to Microsoft Access. Gerry explained the laborious process she must go through using this outdated system. One of the short falls of the old system as it shows the receipts of the dues yearly versus monthly, thus causing virtually all the dues income to fall in the last quarter.

Chuck suggested that we contact John Hanson and ask his assistance in making this change to set it up for Pat's use. His help in setting up the data reporting for the convention was exceptional. Milt Bergman also stated he would check to determine if anyone in AAFES could help. Pat stated she had the new program nearly finished, but needs help in making the transfer of the old data. The main suggestion Gerry made coupled with the new software is to change the reporting from yearly to monthly. Marty recommended that when John Hanson contacts Pat that Gerry Peterson be included in the exchange. All agreed that the change needed to be made. A motion was made to accept the financial report as presented with the suggested changes as discussed.

Community Service Report

Dick Fregoe reported that the article in the Exchange Post will produce favorable results in the future. Dick stated that the article combined with the COO contacting all of Senior Management will no doubt improve the number of nominees this coming year. Chuck agreed that the article was very good.

Information Director Report

Larry Phillips stated the deadline for input to the next Newsletter will be February 15, 2007. His objective is to keep the Newsletter to about 20-24 pages so that it will mail easier. The goal for both to reach the printer is March 5th. Larry said he will 'dove tail'

the printing of the Newsletter with that of the Directory. Finally, Larry said he will be assisting Pat with the Directory cover.

Membership Report

There are 2027 members to date. Pat Weaver stated that she sent out 750 reminder cards and received 500 back to her reminder. Dues are anticipated to be received at various times through out the year.

The Directory printing is on schedule with the cost projected this year to be \$7,979 versus last year of \$8,882. Gerry stated he will change the budget to reflect this reduction.

Pat advised that she had received several requests to consider placing the Directory on CD or email. While this will help some it will not help the total membership. Pat stated that while we had 2027 total members, AREA only received about 500 email addresses. Discussion included the fact that there were legal obstacles the last time this proposal was evaluated. Chuck stated he would ask Tom Reagor about the legalities of placing the Directory on CD or email.

Next Meeting

There being no further business Chuck advised the next meeting will be in April 2007. A motion was made and passed to adjourn the meeting.

2006

November 3rd Board Meeting

The meeting was called to order at 1300 hours, 3 November in the Financial Management & Accounting Directorate 4th Floor Conference Room, Headquarters, AAFES by Charles Poffenbarger, President.

PRESIDENT'S REPORT:

Chuck Poffenbarger provided a 'read ahead' for all the board members due to the significant number and variety of topics to be discussed. His report as presented and discussed is as follows:

Minutes

Minutes of the 28 April 2006 meeting were handed out to the board members for review. Chuck pointed out that he made the correction concerning the 2006 Quick Books that was discussed. Both a first and second motion was made to accept all agreed to accept the minutes as submitted.

New AREA Secretary

Chuck Poffenbarger welcomed Don Smith to the AREA board as Secretary. The board Secretary Position has been vacant for two years.

Pre-Retirement Briefing Program

In early May, Chuck Poffenbarger met with the HR representative responsible for the pre-retirement briefings program. The two reviewed and re-wrote the material distributed at the 'briefings'. Chuck also coordinated with the North Texas Chapter for a re-write of their information.

President Elect Resignation

Chuck reminded everyone of his email sent in early July announcing that Duane Walsh, President Elect resigned from the AREA board due to other commitments. This resignation was effective 4 July 2006.

Newsletter Input from Senior Management

Larry Phillips, Tom Gallagher and Chuck Poffenbarger will brief Mike Howard, AAFES-COO following the AREA meeting to discuss providing AREA with Newsletter articles twice-a-year in April and October. The Commander gives AREA articles for the January and July editions of the Newsletter and this request will reduce the COO input from the four times a year submitted by Marilyn. All agreed that four times a year was perhaps too often. This change will provide 'senior management' input in each release. A report of this meeting will be given in at the January meeting.

Dan Daniel Golf Tournament

Gregg Cox, Director, AAFES Washington Office sent an email to Chuck 1 November 2006 concerning the Annual Dan Daniel Golf Tournament contribution to the AREA Scholarship Fund. In his capacity as Director, WO, Gregg sits on the Dan Daniel Tournament Board of Directors. Gregg stated that the Dan Daniel Golf Tournament BOD is considering a redirection of their contribution focus from the AREA Scholarship Program to providing rehabilitation equipment to wounded soldiers. He asked us to reply on what impact this would have on AREA Scholarships. Chuck told him that he would reply on Monday, November 6th allowing time to discuss during this meeting.

Chuck introduced the subject by stating that he believed we should respond favorably to Gregg stating that, while Dan Daniel Golf Tournament contribution is a meaningful component of AREA's Scholarship Program, we certainly understand and support their Board's desire to re-direct the funds to providing rehabilitation equipment to wounded soldiers.

This Tournament provides the AREA Scholarship fund almost every year a check for \$5,000. The contribution this year (we did not receive anything last year), which will be discussed later, was \$8,000 and a 'photo shoot' is scheduled for Wednesday, 8 November 2006. Chuck stated that in his response agreeing with the proposed change he would emphasize that because these contributions have been so meaningful, if in the future 'additional monies' were available he would request the Dan Daniel board to consider contributing to the AREA Scholarship program once again even if only periodically.

Scholarship Program

As a continuation of his discussion of the contribution to the Scholarship Program, Chuck provided a 'review' of the program. Tom Gallagher will give an 'update' to this year's

program later. Chuck reminded the members that the program for funding the Annual Scholarship Program was approved at the 20 January 2004 board meeting with the following points emphasized:

- a. That the reserve contingency fund amount to (2) two years of the annual scholarship grants be maintained; (Based on the current program, that's \$62,000).
- b. That the awards as determined by the Scholarship Committee be flexible in both number and amounts based on caliber of the applicants.
- c. That a period of 5-10 years be established to bring the award levels and investment fund goals in line. (\$162,590 {see below} - \$62,000 + \$100,590 for augmenting annual program amounts over a 5-10 years period.)

The total value (at cost) of the Scholarship Fund (AAFES_FCU checking/savings and Vanguard) as of December 31, 2005 was \$162,590.43.

Scholarship Program Booklet

At the request of Chuck Tom Reagor has written a clause to be used in the Scholarship Application form to inform applicants of the planned Scholarship Program booklet featuring articles on each of the annual recipients. The clause will ask for either their consent or that of their parents. Further, it will be 'mechanized' on line for applicants use.

Tom Gallagher referred the board to his input to the 'read ahead' provided by Chuck where he quotes Tom Reagor's clause:

"By making application, you agree to allow AREA the use of your photo, biographic and application information in publications designed to promote the AREA Scholarship Program. Publication examples are Exchange Post, AREA Newsletter and Scholarship booklet featuring scholarship recipients. Scholarship applications and other submitted materials sent to AREA become the property of AREA and will not be returned."

AREA will sell 'ads' to the various vendors who have sponsored our programs in the past. The booklet will be distributed to the recipients, AAFES senior management, selected ALA chapters and the vendors.

The AREA Newsletter printing firm has quoted a price of \$755.00 for 250, 36 page, 5 ½" X 8 ½" booklets with a two color cover. This size booklet will accommodate 20 ads generating \$10,000 income, 13 student bios, with 3 pages remaining for marketing efforts or general information concerning AREA or AAFES, etc. It is anticipated 'ad revenue' per page will range from \$500 to \$600 per page. All net proceeds will be directed to the Scholarship fund.

There will be many benefits of the booklet to AREA. Since the annual conventions have been dissolved, AREA today has reduced exposure to AAFES. The booklet will once again provide consistent exposure of AREA 'before AAFES' through the Scholarship

Program. AREA use to receive such exposure through the annual convention that was beneficial to both AREA and AAFES, i.e. health benefit updates, overview, etc. Tom Harmon reminded the ‘board’ that AREA is able to do some things that benefit AAFES that it cannot do itself such as the Emergency Relief Effort. Chuck acknowledged this and said that the ‘booklet’ would be another such effort. Further, with the redirection of the contributions historically received from the Dan Daniel Golf Tournament the revenue produced from this booklet will help maintain the Scholarship Fund level to that of years past.

Tom Harmon suggested we need to publicize the ‘booklet’. He reminded the ‘board’ that we needed to publicize to the membership the purpose of the booklet and to encourage them to send in their contributions less they assume the booklet itself generates ‘all’ funds needed for the program. Tom Gallagher added that the booklet itself will provide several possible benefits in this area. He said, the booklet could be placed on the website explaining all of the benefits. For example, vendors receive advertisement benefit; AAFES receives recognition benefit as does AREA. Chuck said he would write an article for the January Newsletter.

Scholarship Donations

At Marilyn’s October fest Retirement party, October 14th, there were two presentations relating to the Scholarship program.

1st ... Will Cofer presented Marilyn with a check for \$8,000.00 from the June Dan Daniel Golf Tournament (mentioned earlier) sponsored by Everett College.

2nd ... Rich Krug, President, Dallas/Fort Worth Chapter, ALA, announced an annual award of \$5,000 in the name of Marilyn Iverson for her many accomplishments during her 35 years of AAFES service. The money for this scholarship is in addition to the \$10,000 normally given by the DFW chapter for the regular program. (Note: In 2005, they gave \$20,000). AREA will incorporate the designated scholarship into its overall scholarship program. As a result of the change in these donations Chuck reviewed the current breakdown of scholarship amounts.

Scholarship Amounts

As a part of Chuck’s ‘review’ of the program he suggested a revised structure of the 12 annual scholarships of \$31,500. One of the two top scholarship awards is suggested to be named for Bunny O’Neil as she is recognized as the originator of the Scholarship Program idea in 1985. Tom Gallagher will provide more detail for 2007 later. This major change suggested is due to the contributions given in the ‘name of,’ which leads us to the need to establish ‘named’ scholarships that coincide with the contributions. The following is the proposed new structure:

2006 Program	2007 Proposed Program
1 ea. \$6K Scholarship	1 ea. \$5K Bunny O’Neil Scholarship
1 ea. \$4K “	1 ea. \$5K Marilyn Iverson Scholarship

2 ea. \$2.5K “
8 ea. \$2K “

1 ea. \$3K Scholarship
1 ea. \$2.5K Scholarship
8 ea. \$2K Scholarships

12 Total for \$32K

A general discussion followed of ‘named’ scholarships with Tom Harmon asking if the AREA board has ‘officially’ adopted ‘named’ scholarships. As indicated in past board minutes concern exists that perhaps limits and circumstances should be established when ‘named’ scholarships are initiated. Discussion continued with Marty Handel giving the history of ‘other’ named scholarships such as John Ellis asking that Scholarships given in the name of his wife be ‘named’ scholarships. Several expressed concern as virtually all individual awards are received ‘in the name of’ someone. Without limits we conceivably could ‘open up’ the program for multiple ‘named’ awards that do not mean anything to the membership ‘at large’. If we agree to ‘named’ scholarships they must have a minimum, be recognizable to the membership have term limits tied to donations. For example, the contribution given from the DFW chapter in Marilyn Iverson’s name would be appropriate for a ‘named’ scholarship. However, permitting any scholarship not associated with a minimum contribution given potentially could create a negative circumstance. The discussion continued regarding establishing a ‘Bunny O’ Neil’ Scholarship with all agreeing since she is given credit on the website for suggesting the program to limit the named scholarship to Marilyn Iverson and the limit for future named scholarships ‘one time’ or ‘continuous’ to \$5,000 or above. This will be voted on in January 2007.

Donations this year:

General Fund donations...	\$ 3,000 (As previously determined to retain tax exempt status each year’s interest and investment Income is contributed to the scholarship fund)
Individual donations ...	\$ 6,007 (some of this amount received from non-members in remembrance of General Kathy Frost)
DFW Chapter, ALA ...	\$ 5,000 (October ...Marilyn Iverson Scholarship Fund)
Dan Daniel Golf ...	\$ 8,000 (October ...Recognition of Marilyn’s contributions to AAFES as COO)
DFW Chapter, ALA ...	\$10,000 (December ... Annual Scholarship Fund)

Total as of 3 November 2006 \$32,007

Projected Donations for 2007:

Individuals	\$ 6,000
DFW Chapter, ALA	\$ 5,000 (Marilyn Iverson Scholarship Fund)
Scholarship Booklet	\$10,000
DFW Chapter, ALA	\$10,000 (December Luncheon)

Total projected \$31,000

At the conclusion of this 'review' of the Scholarship Program and related sub-programs it was confirmed we could respond positively to the Washington Office that we supported the proposal to redirect the Dan Daniel Golf Tournament contributions. Chuck reminded the board that following the '911 Attack' a similar decision was made and ultimately the AREA contributions continued.

Election of New Officers

Next year, 2007, will be the year the membership must vote on the 'Officers' of the Association: President, President Elect, Treasurer and Secretary. The following is the 'time line' that will be included in the January Newsletter:

- January 15th ... Nominating Committee (Three AREA members appointed by the President) submits the names of persons it nominates (with consent of the nominees)
- April ... Ballots Placed in April Newsletter
- May 18th ... Ballots returned from April Newsletter
- June 1st ... Effective date of new officers

Section 7 of the Constitution states: "Members elected to offices of President and President Elect may not serve for more than two consecutive full terms plus the un-expired term to which they may have been appointed by the Executive Board." The following is the status of the current officers of the Association:

*President...*Chuck Poffenbarger ... ½ year un-expired term plus (two-year) term...one term remains.

*President Elect...*Vacant

Treasurer ... Gerry Peterson ... 1 year un-expired term plus 1 full (two year) term. Not restricted by term limits.

Secretary ... Don Smith ... Joined the Board August 22, 2006 (½ year un-expired term). Not restricted by term limits.

INVESTMENT AND TREASURER'S REPORT:

In the absence of Gerry Peterson, Marty Handel reported on both the Investment Report and the Treasurers Report. He stated the General Fund has increased \$1,000 and the Scholarship Fund \$4,000, updated through October 2006, both compared to Market Value. Expenses are in line with budget, but he foresees 'trouble' with the income, i.e. membership dues are down to \$17,700 through September 2006 compared to prior period. Chuck stated he anticipates AREA will receive \$5,000 in the fall 'Friends and Neighbors' Campaign. He stated our membership is possibly down since we no longer

have conventions we are not receiving the visibility. In summary, Marty states while we are in line with expenses we need to consider ways to increase income.

Tom Harmon asked if we still maintained the AREA Community Service Award Program. He posed this question as the 'read ahead' booklet provided each member reflects an expense of only \$85.00. Dick Fregoe, Community Service Chairman, stated, yes, we continue with the program, but it does not cost AREA any thing; the \$85.00 was a reimbursement for plaques and certificates. This program is supplemented through contributions from vendors. Discussion centered on how we could further reduce the AREA cost in this area. Chuck stated he obtained the source from AAFES of the 'blue' cardboard certificate holders used for the AAFES program. They are attractive, yet inexpensive. Chuck reminded all that the program will be January-April for the Community Recognition and January-March for the Scholarship. It will be in the Newsletter along with the form, and then Chuck will send an email to HR, who will distribute worldwide. This year Chuck stated he will also send a 'note' to each SR asking that they distribute to their employees.

Tom Harmon asked 'how much money do we have in the bank'? Marty stated we have \$53,000 in the General Fund, which includes all accounts.

COMMUNITY SERVICE REPORT:

Dick Fregoe advised that the program will be publicized in the January Newsletter. Chuck further, reminded all that the program is on the 'web page. Much of what is planned has been discussed along with the 'Fin Rep'.

MEMBERSHIP DIRECTOR'S REPORT:

Pat Weaver stated we have on record 2002 members to date. We mail Newsletters to 1,915 members. Those not mailed are not mailed are from chapters that are either potentially deceased, dues expired or have relocated without a forwarding address. As of the date of this meeting dating from March 2006 there are '33' that need to be removed from the membership list due to non payment; as of June 06 we have '12' not paid; from September 06, '221' will receive reminder cards of dues that are due; and in December 06, '798' member dues will expire. Pat stated each person will receive two reminders of due expiration. Chuck advised he would write an article for the upcoming Exchange Post.

EMERGENCY RELIEF:

Tom Harmon provided an update on the efforts for hurricane Katrina victims. He stated the disbursement of donations determined by the local exchange committee representatives was divided up in to three loss categories:

Catastrophic	Major	Minor
50%	30%	20%

Initially Tom received a report in January 2006 from Lois House, HQ AAFES and \$10,000 has been received and disbursed since. In total, nearly \$60,000 (\$59,845.87)

was donated. AREA serves in a significant manner in raising funds for 'Emergency Relief' since legally AAFES can not do so. Tom stated letters for IRS purposes were mailed to all who donated \$200 or more.

SCHOLARSHIP PROGRAM:

As a follow on to the President's report on this earlier in the meeting, Tom Gallagher reported that there were 12 awards presented from 37 applicants (versus 13 last year) totaling \$31,000. This year the submissions were automated for the second year to include digital pictures. A recap of comments received from the applicant's revealed only one comment submitted, which stated the ACT is set too high at 25. After review and noting the number of applicants that met the ACT level it was determined a 25 ACT level is OK. Comments from the committee members indicated that the automated process worked well, but illegible entries presented a problem. Also, there was a comment suggesting more room be made for comments on the application form. When we add the application 'on line' this will correct both the illegible entry items and the need for more room on the personal essays.

In 2007 the automated process will continue to be expanded to include the application process and digital photos. Though we will continue to receive applications by mail the changes will allow the applicant to submit the application via email. Once again, this will expedite processing and eliminate illegible entries; and allow applicants to submit all supporting documentation on line via email. Next years' program will include approval of awards as outlined in the President's update following discussion and vote. Tom suggests continuing with the same scholarship committee membership as last year:

Tom Gallagher, AREA Scholarship@comcast.net
Jim Sawyer, Sawyer@charter.net
Duane Walsh, pammac@sbcglobal.net
Vivian Skalsky, vrskalsky@aol.com
Tony Trevino, tnetrevino@aol.com (Charter Rep)
Don Smith, donaldsmith7@aol.com
Richard Sheff, sheff@aafes.com (HQ Rep)

Tom discussed the need to determine how to verify electronic signatures of the candidate through email. Tom Reagor suggests we obtain a signature. Marty Handel suggested we review how web site hosts ask for verification to accomplish this. It was also suggested that the applicants under the age of 18 forward a 'hard copy' with signature by mail, also. In the interim Tom Gallagher will investigate out 'electronic signatures' are obtained.

Tom stated we will continue to use the March 31st cutoff.

CLOSING:

At the close of the meeting Chuck asked 'all' to review the calendar for 2007. It will be necessary to change the day of the meeting. It was agreed we would 'try for' Thursday for 1:30 in January 2007, the specific date to be announced. Marty Handel reminded 'all'

that the board members using Comcast email addresses will be receiving new email addresses.

2006

April 28th Board Meeting

The meeting was called to order at 1300 hours, 28 April 2006 in the Financial Management & Accounting Directorate 4th Floor Conference Room, Headquarters, AAFES by Charles Poffenbarger, President.

PRESIDENT'S REPORT:

Minutes of the 3 February 2006 meeting were approved out of session and published to Board members via e-mail.

Chuck Poffenbarger presented a follow-up to a request by Cory Belkov, President, Hampton Roads ALA Chapter. Cory requested that AREA publish a scholarship recipient pamphlet and sell ads at \$500 a page. Chuck got an estimate of \$755 for printing a booklet that would accommodate 20 ads, 13 student bios and 3 pages for general information. Ad income would be \$10K. Chuck said he did not have the time to produce the booklet this year and advised Cory we would probably do it next year.

The Hampton Roads ALA will host their Holiday AREA/NERA/HRALA Scholarship Benefit Luncheon 29 November in Virginia Beach. Guest speakers will be Maggie Burgess, AAFES, and Tess Paquette, NEXCOM. Last year AREA received \$5,500 from the luncheon.

Chuck gave an update from Tom Harmon on the Katrina Emergency Relief Fund: "The Katrina/Rita account hasn't been closed as yet as discussed. We have at least \$1,200 to be sent yet, and one gift card, so at the next quarterly meeting of the board, I'll have a full report, including how the money was distributed." Chuck mentioned the thank you letter from the GM at Keesler for the ERF contributions.

INVESTMENT REPORT:

Marty Handel reported AREA is doing fine on investments, which were up slightly from 31 December. The General Fund was up 3.1% and the Scholarship portfolio was 2% higher since the first of the year.

TREASURERS REPORT:

Gerry Peterson presented the treasurer's report to include the financial status of both the General Fund and the Scholarship/Emergency Relief Fund. He reported that overall AREA is in good shape.

Gene Miller has performed the audit, which showed no problems. However, the need for Gerry to have the latest version of QuickBooks (2006) was discussed, as Gene keeps his up-to-date. Marty Handel made a motion for Gerry to

purchase QuickBooks 2006. Pat Weaver seconded, and the motion carried unanimously.

COMMUNITY SERVICE REPORT:

The nominations form was printed in the January newsletter and nominations were due by March 31, with recipients to be notified in May. Awardee profiles will be featured in the July edition of the AREA Newsletter and in the September edition of the Exchange Post.

MEMBERSHIP DIRECTORS REPORT:

Pat Weaver reported current active members number 1,891, down from the 2,098 members reported in February. The mailing list includes 2,152 mailable members

INFORMATION DIRECTORS REPORT:

Larry Phillips said that subject matter for stories for the newsletter are becoming more difficult to generate without convention activity, fewer chapters, chapter activity limited mainly to dinners and luncheons and only repeating events. Alamo and Aloha chapters regularly submit articles and an array of photos, mostly of people eating. We should be OK for the July issue with scholarship and community service awards stories taking up 3-4 pages.

SCHOLARSHIP PROGRAM:

Tom Gallagher submitted a status report on the 2005/6 Scholarship program: We received a total of 36 applications, including 27 at the end of the submission period; 21 applicants qualified and were evaluated; preliminary results should be available by the target date of May 1.

Using the scholarship motion approved by the AREA Board at the 3 February meeting, we'll award 12 scholarships totaling \$31K, with the flexibility to request an increase from the Board in number and amounts based on the caliber of applications. Programmed scholarship distribution for 2005/06 is 1/\$6k; 1/\$4k; 2/\$2.5k; and 8/\$2k.

The 2005/06 Scholarship Committee is composed of Tom Gallagher, Jim Sawyer, Duane Walsh, Vivian Skalsky, Tony Trevino, Don Smith and Richard Sheff.

After discussion, the Board directed that Tom Gallagher write a "how we did it" scholarship article for the next newsletter.

GENERAL DISCUSSION:

Chuck received an inquiry from a retiree in Hawaii who was an Agent Orange victim, asking AREA to help with his case. The Social Security Administration is reviewing the case. Chuck turned the request for assist over to Mike Immler at AAFES.

The Board discussed the need to do something in the Dallas area to get retirees involved, noting that a lot of retirees don't attend North Texas Chapter events. Corinne McQueen is the new president of the chapter and is trying to revitalize the chapter.

Several means of generating retiree interest in AREA/Chapter activities were discussed:

- Obtaining addresses of retirees who are not AREA members.
- Sending an AREA message out with checks
- Get the General to help
- Publish a half page in the Exchange Post, with a pitch to join AREA/Chapters.
- Stress that if your chapter goes inactive it's even more important to be an AREA member

The Board discussed the need to fill position of secretary, including the possibility of finding a female retiree to take the vacancy which has existed for several years.

2006

February 3rd Board Meeting

The meeting was called to order at 1300 hours in the Financial Management & Accounting Directorate's 4th floor conference room, Headquarters, AAFES by Charles Poffenbarger, President.

PRESIDENT'S REPORT:

Minutes of the October 28, 2005 meeting were approved.

➤ **Corporate Sponsor Update**

1. Dallas/Fort Worth (DFW) ALA Chapter: We normally receive \$5k twice a year, in spring and fall, for our scholarship program. This year, we received \$10k at their May 27th luncheon in which Karen Stack was the guest speaker; and \$10k at their December 14th holiday luncheon. Maggie Burgess was the guest speaker.

2. Dan Daniel Golf Tournament: We receive \$5k each for our scholarship program. This year, the Dan Daniel Board decided the funds would go to Hurricane Katrina Relief. Remaining funds were spent on the OEF/OIF wounded soldiers to attend the dinner.

3. Hampton Roads ALA Chapter: Supports various events for our Friends & Neighbors (F&N) Programs. We received \$5.5k at their November 29th luncheon. The guest speaker was Mike Westphal.

➤ **Scholarship Recipient Pamphlet**

Cory Belkov, President, Hampton Roads ALA Chapter, asked if we would like to publish a pamphlet of scholarship recipients each year with venter ads. The ads

would sell for \$500 for ½ page. We anticipate that we would be able to make \$3-\$5,000 net from the effort. The pamphlet would be distributed to scholarship recipients, senior management personnel of AAFES, as well as to the vendors themselves.

The board asked that publishing prices be obtained, and a projected profit and loss statement prepared and e-mailed to the board for review before considering this idea any further. Chuck has the tasking on this issue.

➤ **Scholarship “Thank You” letters.**

Otha Atherton has been sending out Scholarship Fund ‘thank you’ letters to scholarship donors for some time now. He and Pat are trying to minimize their obligations and downsize so that they can retire to some place for seniors. Pat Weaver has agreed to send out the letters.

➤ **eNewsletters**

On February 1st, Chuck sent an e-mail to AREA chapters and board members stating that the eNewsletter will be put on hold for a bit. He has been doing it for about two years now and recent editions have been somewhat stale – same format, too much extraneous material and too little AREA information. Chuck stated that the monthly eNewsletter idea may have run its course.

TREASURERS REPORT:

Gerry Peterson presented the treasurer’s report to include the financial status of both the General Fund and the Scholarship/Emergency Relief Fund. He reported the General Fund is in good financial condition (we earned \$8,484.28 in 2005).

Gerry then reviewed our tax status under 501 (C) 7 and said that investment income is taxable and that to retain our tax-exempt status we have to give that income away. We had \$1,200 in investment income last year that triggered another IRS requirement—any 501c (7) organization that has over \$1000 in investment income must file Form 990-T. Following a board discussion of this issue, the following policy was developed: “It is the Board’s intent, subject to extraordinary circumstances, that we’ll donate 100% of the investment income to the scholarship fund. Annually at the same board meeting, the Board will review operating results and determine any additional contributions that we will make to the scholarship fund.”

Accordingly, the new policy was implemented with Marty Handel making a motion that \$3,000 be transferred to the Scholarship fund. The motion passed by unanimous vote.

The total value (at cost) of the Scholarship Fund (AAFES-FCU checking/savings and Vanguard as of December 31, 2005 was \$162,590.43, an increase of \$1,773.12 from year-end '04.

SCHOLARSHIP PROGRAM FOR 2005/6

The program for funding the annual scholarship program was outlined and approved at the January 20, 2004 board meeting, as follows.

1. That the reserve contingency fund amount to two (2) years of the annual scholarship grants;
2. That the awards, as determined by the Scholarship Committee, be flexible in both number and amounts based on caliber of the applicants.
3. That a period of 5-10 years be established to bring the award levels and investment fund goals in line.

Duane Walsh, who is also on the Scholarship committee, proposed that the \$3,000 scholarship be increased to \$4,000, and that the annual program be increased to \$31,000. He stated that the 1st and 2nd recipient scores are always very close, and the current award amounts (\$6,000 and \$3,000) don't reflect the nearness of the best students. The motion below was presented and approved by unanimous vote.

✓ **MOTION FOR 2005/6 PROGRAM:** That the AREA 2005/6 scholarship program be approved 12 scholarships for a program total of \$31,000, with the flexibility to request an increase in numbers and amounts from the Board based on the caliber of the applicants. Programmed scholarship award distribution is 1/\$6k; 1/\$4k; 2/\$2,5k; and 8/\$2k.)

EMERGENCY FUND REPORT, 3 February 2006

Status of Giving:

- Disbursed on 6 October 2005.....\$ 26,525.90
- Disbursed on 28 October 2005..... 22,979.82
- Disbursed on 12 January 2006..... 8,255.00
- Received but not disbursed..... 575.00
- AAFES Gift Cards to be disbursed..... 480.00

Total \$ 58,815.72 *

On 7 January 2006, Tom Harmon, AREA Emergency Relief Fund Coordinator, received a report from Lois House, the HQ AAFES Coordinator for this project how the funds were being divided. It appears from the report that the local exchange committee that is responsible for disbursement of the funds is doing an excellent job at making sure the distribution is fair and equitable. At the next AREA Board meeting, Tom will show exactly how the funds have been distributed. By then, we should have disbursed all of the funds to the exchange committee.

The Treasurer will contact Tom about the letters that need to be sent to donors reflecting the tax exempt status of their contribution

COMMUNITY SERVICE REPORT:

Dick Fregoe stated that a few applications have been received. We still have until the end of March for receipt of applications.

The program was featured in the Chief Operating Officer's article in the February edition of the Exchange Post.

MEMBERSHIP DIRECTORS REPORT:

Pat Weaver submitted a report on current active members' number 2,098, down from 2,223 since the last Board meeting. She has to send out a very large number of postcards, often two to a member, reminding people that their membership has expired. Pat will check with our mailer, Mail Today, Inc, and see if a stamp can be placed near the mailing label stating that the subscription is about to expire.

AREA NEWSLETTER:

Duane Walsh opened a discussion about reducing costs associated with the AREA Newsletter and proposed cost savings by publishing three times a year instead of four and reducing the size of each issue. After discussion, the board decided not to change the frequency or size of the newsletter but would try to eliminate some of the extra costs involved in mailing. In addition to the expense of reminding members about paying their dues, Pat Weaver said that when members change addresses, or no longer subscribe to the Newsletter, the return address service is costing us more money in higher post office fees. The Board approved a change to the address box on the last page of each newsletter—the "Return Service Requested" wording printed above the address will be eliminated. The Post Office will no longer return these newsletters to the AREA post office box. Duane will work with Pat to develop educational information to tell members how they can help us save money by renewing their memberships and sending us change of addresses instead of relying on the Post Office—this information will be published in his Reflections column in the April issue.

INFORMATION DIRECTORS REPORT:

Larry Phillips discussed programs associated with mailing the April, and asked that input be sent to him by February 24th.

The meeting was adjourned at 2:30 p.m.

2005

October 28 Board Meeting

The meeting was called to order at 1300 hours in the Real Estate Directorate Conference Room #2, Headquarters, AAFES by Charles Poffenbarger, President.

PRESIDENT'S REPORT:

Minutes of the April 29, 2005 meeting were approved out of session and published to Board members via e-mail and placed in the History Section of AREA web site.

➤ **Ambassador at large:** Bob Ellis will be retiring in 2006 and has asked he could be considered as the AREA Ambassador to ALA. The Board unanimously accepted Bob's offer.

➤ **AREA Directory:** The results of the August eNewsletter article asking about extending the frequency of AREA Membership Directory from two to three years was discussed. The last directory cost \$12,000 to print and mail. We publish updates quarterly in the AREA Newsletter. A dozen members supported the proposal and one wrote that the directory needs to be published more frequently and could be paid for by increasing dues to \$20. A motion was made to print the directory every three years and continue the quarterly updates in the newsletter. The motion passed unanimously.

➤ **NERA Cruise:** We received an invitation from the Navy Exchange Retired Employees Association for AREA members to join their cruise in May 2006. A four-page invitation was included in the October AREA Newsletter and an e-mail was sent extending the offer until the end of November.

➤ **Corporate Sponsor Program Update:** The sponsorship program was reviewed. In May, we received \$10,000 from the DFW ALA Chapter from their luncheon, and should receive \$5k from the holiday luncheon. Both contributions are for the scholarship program. Other monies come from the Dan Daniel Golf tournament, \$5k; Hampton Roads ALA luncheon, \$5.5k for the Friends and Neighbors Program; and \$250 for corporate sponsorship in the November eNewsletter.

➤ **AAFES REQUEST FOR ASSISTANCE:** Lisa Moak from AAFES Corporate Communications made a request for assistance from AREA members to identify photographs and sort through historical documents. They particularly need photographs taken in the last 10 years and are seeking additional newspaper clippings and photographs. AAFES-PA will set up dates and times for retirees to come in and will also welcome people who would like to provide oral histories. The Board agreed to back the request, and Chuck will draft an article and send it out. Lisa's e-mail address is moak@aafes.com.

TREASURERS REPORT:

Gerry Peterson presented the treasurer's report to include the financial status of both the General Fund and the Scholarship/Emergency Relief Fund. Gerry reported the General Fund is not in as good condition as last year. Income from the Friends and Neighbors program has been negligible, dues are ahead of budget projections, postage and printing are below budget, and we incurred unexpected costs from convention expenses. We've received more than \$48,000 in Katrina donations, and there have not been any expenses associated from the Katrina Fund (see additional comments in the following Katrina Emergency Fund Update).

EMERGENCY FUND REPORT:

➤ Tom Harmon presented a copy of a letter to the General Manager, Keesler AFB Exchange, sending an additional \$22,979 for Katrina aid. The total has now reached \$49,505. Tom's letter asked for an interim disbursement report by 1 December 2005.

➤ AREA is the conduit to those in need and that exchange associates, organizations, retirees, vendors and many others have responded to this dire situation in a heartwarming manner. Tom said another \$6,000 has been received, which would bring the total to \$55,000. He said there are no rules or procedures for cutting off the time period to receive donations. However, on 31 December, Gerry Peterson will write a check to reduce this year's Katrina fund to zero balance. Chuck said we need to stress that AREA doesn't charge any administrative costs to the emergency fund, which is a big selling point to donors.

COMMUNITY SERVICE REPORT:

- We revised this program to add AAFES associates as award recipients. It was suggested that the award should be entered into the 201 file for each active associate who is honored with the Community Service Award. We'll check with HR on doing this.
- We will publish the Community Service nomination form in the January issue of the AREA Newsletter.

SCHOLARSHIP PROGRAM:

- Tom Gallagher was unable to attend the meeting but submitted a letter outlining scholarship program changes in 2005/06. The changes include:
 1. Twelve scholarships totaling \$30,000 (which was the case in 2004/5).
 2. Set the new minimum SAT score at 1,750 points. (The SAT was recently expanded to a maximum of 2,400 points, from 1,600 points before.) We'll keep the minimum ACT score at 25 points.
 3. Drop "Class Rank" as a qualifying factor as the SAT/ACT scores are sufficient for determining the academic requirement.
 4. Change the due date from February 28th to March 31st of each year to allow more time to gather the information required by the application.
- Bob Haver moved to approve the changes, Tom Harmon seconded, and the voting members approved unanimously.

The scholarship committee process has been mechanized, allowing us to have members who would be unable to attend Dallas meetings to participate. Tom submitted the 2005/6 Scholarship Committee members, as follows:

- Tom Gallagher, Chairman, area_scholarships@comcast.net
- Jim Sawyer, Sawyerj@charter.net
- Duane Walsh, pammac1@sbcglobal.net
- Vivian Skalsky, vrskalsky@aol.com
- Tony Trevino, tnetrevino@sbcglobal.net (Chapter Representative)
- Don Smith, DonaldSmith7@aol.com
- Richard Sheff, sheff@aafes.com (Hq, AAFES Representative)

MEMBERSHIP DIRECTORS REPORT: Pat Weaver submitted a report stating that current active members number 2,223, down just slightly from 2,238 since the last Board meeting.

INFORMATION DIRECTORS REPORT: Larry Phillips discussed programs associated with mailing the October issue, which resulted in more than a 2-week delay in members receiving the newsletter. The mail service admitted responsibility for delaying the distribution. Our next issue will be in January; the newsletter needs to be in the hands of the printer by 1 December to assure it can be printed and mailed by mid-December—to get us back on schedule. Chuck will ask for newsletter input by 15 November in his November eNewsletter.

April 29, 2005 Board Meeting

The meeting was called to order at 1 pm in the 4th floor F&A conference room, Headquarters, AAFES by Charles Poffenbarger, President.

PRESIDENT'S REPORT:

The minutes from the January 28, 2005 meeting were reviewed. They were approved February 17, 2005 via e-mail vote.

Since the last meeting, these events took place:

1. The Secretary's position is still not filled.
2. The meeting began with an extended discussion of the recently cancelled convention program. The reasons for the cancellation were reviewed. After a lengthily discussion in which various opinions were voiced, members agreed that we should try one more time to see if a convention program would prove feasible. Two alternatives were expressed:
 - a. Contact a city's convention bureau for location of a hotel that will receive reservations and provide attendees with local tour information. A Welcome Reception would be scheduled. A Convention Coordinator is required for this option.
 - b. Join the Navy Exchange Retired Employees Association (NEREA) convention that's held annually alternately on the Pacific and Atlantic coasts. Events could be scheduled for AAFES retirees. This option also requires a Convention Coordinator.

These options will be addressed in the July Newsletter.

2. One additional chapter is closing up shop - Monterey Bay, and another – Chapter One planning on it. Both wish to remain as Inactive Chapters for receipt of AREA info (e.g., Glance eNewsletter). This makes seven chapters in this category: High Country, New England, Puget Sound, So. California, Roadrunner, Chapter One and Monterey Bay.

TREASURER'S REPORT

Gerry Peterson reviewed the income and expense statements, as well as the balance sheet, for both the General Fund and Scholarship/Emergency Relief Fund. Highlights are:

✓ General Fund: Unaudited and nearly complete results for fiscal period Jan thru Mar '05 reflect a profit of \$7,434.24, compared to a budget of \$9,941.25.

The major reason for the lower earnings is reduced membership dues. Other expenses were in line with budget.

✓ The Scholarship/Emergency Relief Fund had income of \$2,062.69. Most of the income was due to Scholarship Fund donations of \$1,350.00. Investment income was \$783.72.

SCHOLARSHIP FUND UPDATE

Tom Gallagher, Chairman, provided information on the recent review of scholarship applications. Thirteen scholarships were awarded this year, for a total of \$31,000.00. Letters have been sent to the winners. Articles featuring the students will appear in the July Newsletter, and August Exchange Post. A motion was presented by Duane Walsh to expand the Scholarship Committee to include a Chapter person, on a Chapter rotating basis. It was seconded and approved. This is possible as Tom Gallagher, Scholarship Program Chairperson, has developed a process for reviewing applications and other information via the internet.

COMMUNITY RECOGNITION DIRECTOR'S REPORT

Dick Fregoe stated that the applications for the Community Recognition Award have been received, and that he'll set up a meeting with several AREA members to review the nominations.

MEMBERSHIP DIRECTOR'S REPORT

Pat Weaver stated that current Newsletter mailable member is 2,227. Overall, AREA membership is 2,536,

INFORMATION DIRECTOR'S REPORT

Larry Phillips stated that the suspense date for submitting materiel to him for the July Newsletter is May 25th.

January 28, 2005 Board Meeting

The meeting was called to order at 1 pm in the 4th floor F&A conference room, Headquarters, AAFES by Charles Poffenbarger, President.

PRESIDENT'S REPORT

The minutes from the October 22, 2004 meeting were reviewed. They were approved December 28th via e-mail vote.

Since the last meeting, these events took place:

1. The Secretary's position is still not filled.
2. Convention registration, as of Wednesday, January 26th:
 - ✓ We have 57 people who have booked rooms with 148 room nights. Per our contract we have 805 rooms reserved, of which we need to book at least 80% or about 640 rooms to get our event rooms free. Of the 57 people who have made hotel reservations 36 have not registered with AREA. For comparison, here are the 2001 convention stats:
 - 1/7/01 ---- 14 registrations - 394 hotel room nights booked.
 - 2/2/01 ---- 80 registrations - 837 hotel room nights booked
 - 3/11/01 ---160 registrations - 1076 hotel room nights booked
 - 4/12/01--- 315 registrations--1225 hotel room nights booked

We ended up with 475 registrations and 1089 room nights booked.

Although we won't meet our 2001 convention totals, we believe, based on the above, that we might still meet the minimum 640 room nights or more. Our contract allows us to cancel rooms at the following rate:

Room block reduction/attrition schedule:

1. 91 or more days (Feb 25) prior to group arrival there is no penalty for attrition.
 2. 90 to 61 days prior (Mar 25) 25% of rooms held at 90-day review may be canceled without penalty.
 3. 60-30 days prior (April 25) 15% of rooms held at 60 day review may be canceled without penalty
- ✓ Thru January 26th, we have received 33 registrations, almost all couples, for \$4,737. Registration fee income is \$425; raffle ticket sales are \$345.
- ✓ We have 10 vendors who have signed up for "ads" in our convention booklet. The Hampton Roads and DFW Chapters, ALA, are sharing a ½ page "ad".
3. We received an inquiry by a member about the change to the lifetime dues program. Pat Weaver will respond to the member outlining the sequence of events.
 4. Corporate sponsors are very loyal to AREA, contributing \$25,750 to the various Friends & Neighbors programs in 2004, including \$15,500 to the scholarship program. We are grateful for their support.

TREASURER'S REPORT

Gerry Peterson reviewed the income and expense statements, as well as the balance sheet, for both the General fund and Scholarship/Emergency Relief Fund. Highlights are:

✓ General Fund: Unaudited and nearly complete results for fiscal year 2004 show a loss of \$5,109 compared to a budgeted loss of \$8,630. Reason for the lower than expected loss was the deferral to 2005 any convention expense (budgeted amount-- \$5,000). However, unfavorable impacts of higher than expected Newsletter and Member Directory printing costs, higher postage expenses, and a loss on the Real Estate Investment Trust increased the loss by \$4,491. The board approved a budget for 2005 with a projected net income of \$10,025.

✓ Scholarship/Emergency Relief Fund: Unaudited figures show a net income of \$4,859. The favorable result was achieved by an increase of \$13,320 in contributions of which \$7,000 from the AREA General Fund. Most of the remaining increase came from the ALA community. The Scholarship Fund gave out \$25,000 in 2004, an increase of \$10,000 in keeping with the Board's desire of reducing the amount kept in reserve to two year's disbursements.

SCHOLARSHIP FUND UPDATE

Tom Gallagher, Chairman, reviewed the 2004 program sources of income. As follows:

1. 2004 UPDATE: AREA had four sources of scholarship funds in FY 04, for a total \$29,886.13 in donations.
 - a. Corporate Sponsor Program: Varying amounts for \$15,500
 - b. Individual contributions: \$8,290
 - c. Board special dividend declaration. In January, \$7,000 was transferred from the general fund to the scholarship fund.

d. Scholarship fund investment income: <\$903.87>

2. He then discussed several issues that had arisen in e-mails to him about the 2005 program. One person asked if retiree grandchildren were eligible for the program. Board members stated that this has been discussed several times before and that a motion was presented and failed to pass last year, as have been proposals to expand the program to include scholarships for post graduate studies. The purpose of the AREA program is to provide freshman year college scholarships to high school graduating students who (a) are related to active, retired or deceased AAFES employees and assigned military personnel, or (b) work for AAFES themselves. It's a limited income program, and any expansion would dilute funds available for the stated groups.

3. Home schooling was also discussed. Students could compete in some of the ranking areas but would be unable to compete in others. The board didn't believe that any of the ranking factors should be waived in favor of home-schoolers. They really don't constitute that large a body of students and their work is subject to many variables to make them competitive with people going to public or private schools. Home schooling is generally done for non-academic reasons and we don't want to get into a situation where the validity of our scholarships is questioned because of the lack of objective criteria.

A motion was presented and passed for the 2005 program, as follows:

✓ **MOTION FOR 2005 PROGRAM:** That the AREA 2005 scholarship program be approved for up to 12 scholarships for a program total of \$30,000, with the flexibility to request an increase or decrease in the number of scholarships from the Board based on the caliber of the applicants. (Scholarship award distribution is 1/\$6k; 1/\$3k; 2/\$2,5k; and 8/\$2k.)

MEMBERSHIP DIRECTOR'S REPORT

Pat Weaver stated that current membership is 2,512. Approximately 659 members have let their dues expire and she will be sending out reminder cards soon. Most people renew their membership when reminded that dues have expired.

INFORMATION DIRECTOR'S REPORT

Larry Phillips stated that the suspense date for submitting material to his for the April Newsletter is February 20th.

Members were if they had anything further to discuss before the meeting adjourned. Duane Walsh stated that he would like to have time in the April board meeting devoted to discussion of convention topics. All agreed.

2004

22 October Board Meeting

The meeting was called to order at 1300 hours in the 4th floor F&A conference room, Headquarters, AAFES by Charles Poffenbarger, President.

President's Report:

The President reviewed the minutes from the 30 July 2004 meeting, which were approved October 15th via e-mail vote. He also mentioned that the Secretary's position is still not filled.

Since the last meeting, these events took place:

1. Duane Walsh and Chuck Poffenbarger attended the August 12th Oak Cliff Chamber of Commerce reception to support the retention of AAFES in Dallas. Mayor Laura Miller performed the master of ceremonies function. Virtually the entire Dallas area congressional and state delegation was either present or represented, as well as several mayors of nearby cities. Texas Governor Rick Perry gave the opening presentation. Maj. Gen. C.J. Wax (ret.) – Unified Exchange Task Force, discussed the task force charter and change in emphasis to shared services. It was an impressive gathering of support for AAFES remaining in Oak Cliff. Earlier in the day, Larry Phillips and Chuck interview Gen Wax in the lobby of his hotel in downtown Dallas. The interview appeared in the October Newsletter.
2. This reception reminded us of the need for someone in AREA to monitor these and other political activities and events so we can be assured of being on top of the constantly changing political environment. Duane Walsh has agreed to take on the responsibility of Community Affairs Advisor to the board.
3. AAFES obtained a copy of the August 12th videotape from the Dallas Morning News and mailed it to all chapters in mid-September.
4. At the last board meeting, we discussed updating the AREA letter going to retiring AAFES Associates. Duane re-wrote the letter and it was passed on to Pat Weaver for her use on August 17th.
5. Also on the 17th, Chuck sent an AREA letter to Ron Compton, AAFES-HR, for forwarding on to Human Resources Managers (HRMs). HRMs will give this letter to retiring AAFES Associates to inform them of AREA and its chapters, and the free AREA membership. Duane wrote this letter, also.
6. HR also mentioned this letter and AREA in general in their September HR Connection e/Newsletter sent to all HRMs. A reminder will be sent twice-a-year.
7. The updated constitution and bylaws were posted to the website in late August. They are both dated August 16th, as the closing date for voting was August 15th.
8. The term of office for the four Officers of the Association (President, President elect, Treasurer and Secretary) began June 1, 2004 and ends on May 31, 2007. After that, the term reverts to a two-year cycle.

9. At our last meeting, we discussed putting the Newsletter on our website. Someone sent Chuck a suggestion last month along the same line but with a twist. He stated why not put the Newsletters on the website in an Archive section? It's a good idea so we'll keep the last four Newsletters, other than the current one, in a Newsletter Archive file on our website. When the next Newsletter comes out, i.e., January, 2005, we will add October, 2004 and drop October, 2003.
10. Chuck asked Kav Kavanaugh if we could have a small section in his Whatchamacallit for AREA business. He agreed to do so and a text has been sent to him.
11. The Gulf Coast Chapter (Betty Kenyon) sent an e/Newsletter to chapter members on September 27th. It was nicely done, so it was sent to all board members, chapter

presidents and Glance CCs. Hopefully, e-mail as a communications tool is catching on in AREA. It's the only way we'll be able to afford to distribute information about our programs in the future.

12. A schedule conflict developed with the command section on the convention date for the General Meeting. Seems there is a Senior NCO Conference scheduled for Friday, June 3rd, so command personnel wouldn't be able to attend the General Membership Meeting on Thursday, June 2nd. We switched the date to Tuesday, May 31st, and made the changes to the registration package on the website. We'll also note this change in the January Newsletter and Exchange Post.

13. Duane, Tom Gallagher and Chuck attended the ALA DFW Chapter luncheon (following their golf tournament) on Monday, October 18th and accepted a \$5k check for the scholarship fund. Additionally, we received a \$5.5k check the same week from the proceeds of the Dan Daniel Golf Tournament in June.

14. Duane agreed to write a ½ page column in the Newsletter each quarter on subjects of interest to members.

MEMBERSHIP DIRECTORS REPORT:

Pat Weaver reported that current active members are 2,470.

TREASURERS REPORT:

Gerry Peterson presented the treasurer's report to include the financial status of both the General Fund and the Scholarship/Emergency Relief Fund. Gerry reported there is still a general fund shortfall. The cost for printing and mailing the quarterly Newsletter and Member Directory every-two-years about equals dues income. After considerable discussion, we agreed to look for an internet provider who could provide us with a secure website at a reasonable price so we can place the Newsletter and Directory online. We will then encourage members with internet access to go there for their information rather than receiving it in the mail.

INFORMATION DIRECTORS REPORT:

Larry Phillips indicated that the deadline for the January 2005 newsletter is December 1st.

30 July Board Meeting (Bylaws)

The meeting was called to order at 1300 hours, 30 July 2004 in the Board Room, Headquarters, AAFES by Charles Poffenbarger, President.

NEW BUSINESS:

The President called a special meeting for the purpose of approving the revised AREA Bylaws. The constitution requires the AREA Executive Board to hold a separate meeting to approve the Bylaws, and a 2/3 vote is required for passage.

Motion: Bob Haver made a motion to approve the Bylaws, subject to the passage of the revised Constitution by AREA members. Gerry Peterson seconded the motion.

Discussion: Chuck Poffenbarger discussed the major changes in the Bylaws, which include appointing directors, who previously served 2 year-terms, for indefinite periods; holding the AREA Convention every two years instead of annually; including a Code of Conduct in the By-Laws; and changing the quorum for an Executive Board meeting from six to five voting members. After clarification of points raised during the discussion, the President called for a vote.

Voting: The Bylaws were approved by unanimous vote of the six voting members present.

30 July Board Meeting (Reg)

The meeting was called to order at 1300 hours, 30 July 2004 in the Board Room, Headquarters, AAFES by Charles Poffenbarger, President.

PRESIDENT'S REPORT:

The President welcomed Gene Miller, incoming auditor, to the board. Also attending was Paul Monda, who is considering the secretary position, and was taking a "look-see" visit to the board meeting.

Minutes of the 22 May 2004 meeting were approved out of session and published to Board members via e-mail.

Benefits: AAFES-Benefits invited 10 AREA members to attend a luncheon and review revisions to the Long Term Care Plan (LTC). An update to the plan will be implemented on April 1, 2005, with many improvements and no change in cost. This will be the first change since 1989.

Communications: New features have been added to the AREA website: The Annual Report for 2003, listing financial statements and financial data; Community Recognition and Scholarship Programs. A "Know your Board Member" article will be included in each AREA Newsletter, beginning in October. Pat Weaver will write the first article. The October issue will also include the 2005 Convention invitation.

Exchange Integration: The President has been invited to attend a presentation by C.J. Wax, Director of the Unified Exchange Task Force, at the Top O' Cliff Club in Dallas for state, county and local officials. Chuck will report on the meeting in his September AREA/Chapters At a Glance eNewsletter. He invited another board member to attend, and Duane Walsh accepted.

Convention: Plans were reviewed, and the Board discussed the need to find someone to act as focal point for the 2007 Convention. If no one comes forward, the future for holding conventions is in danger. The Board discussed the President's request to invite AAFES employees to attend the convention as his guests. After discussion, he was given the go-ahead to issue the invitation in an ad in the Exchange Post.

COMMUNITY SERVICE REPORT:

In his report, Dick Fregoe stated that the first year of incorporating AAFES associates in the Community Service Awards program “worked very well.” The Community Service Awards committee of Dick Fregoe, Chuck Poffenbarger and Don Streeter met on May 27 and selected 27 recipients—11 AAFES retirees and 16 actives AAFES associates. Each awardee got a framed award and a letter of appreciation. Mr. Fregoe said the revised program had received good publicity and no negative feedback. The new format will continue next year.

He then proposed identifying the recipients 1½ months ahead of the convention so that they can be invited to attend the convention to receive their awards. This would require getting nominations made earlier and on time so the committee could process the nominations. After discussion, the Board agreed to adopt this procedure and also suggested expanding it to include scholarship recipients.

MEMBERSHIP DIRECTORS REPORT:

Pat Weaver reported current active members number 2,238, down from the 2,432 members reported in May. The mailing list includes 2,436 mailable members.

Means to welcome the new member were discussed. Pat read the current letter, and Duane Walsh suggested that it be shortened, with a tone that paints AREA as a wonderful organization and makes the new member feel welcome. Marty Handel and Tom Harmon suggested that Duane rewrite the letter, and he accepted. Tom also said AREA needs to attach something of value to renewing memberships, such as an AAFES catalog. Chuck said he would ask HR what could be done. Also, what can we do to encourage people to join when they retire? With the number of chapters dwindling, and their attendant social value declining, the potential for AREA is at the national level. Tom Gallagher commented that AREA has fresh information that’s of great value, and the organization is a lifeline for members to their benefits program.

TREASURERS REPORT:

Gerry Peterson presented the treasurer’s report to include the financial status of both the General Fund and the Scholarship/Emergency Relief Fund. Gerry reported there’s a budgeted a deficit of \$8,000 for this year; however this could be reduced if pre-convention expenses are held down. Originally \$10,000 was budgeted for the convention, but Jerry Saperstein has requested only \$5,000 to be used as a flow-through. Gerry said if these pre-convention expenses don’t exceed the \$5,000 level, the budget deficit will be reduced.

FRIENDS ‘N NEIGHBORS PROGRAMS

We’re still getting a fair amount of money from the Friends and Neighbors Programs (F&N) for the general fund and the scholarship program. Here’s a quick view for this year:

- Hampton Roads ALA: Two luncheons for the F& N – May and Dec: \$4k each luncheon Money goes to the General Fund
- Dan Daniels Golf Tournament: \$5.5 for the scholarship fund. Check received in October at the ALA convention in Dallas.

- ALA North Texas Chapter. Two events for the scholarship fund: golf tournament in October and Christmas luncheon in December. We receive \$5k at each event for the scholarship program.

INVESTMENT REPORT:

Marty Handel said the market has continued its “sideways run” for the last 3-4 months. The health of the AREA investment funds will depend on how the market performs.

SCHOLARSHIP PROGRAM:

Tom Gallagher reported he was getting settled into his new position and was reviewing the materials he’d received from Otha Atherton. He has a template for proceeding with the scholarship program and indicated he’s looking forward to his new duties. Chuck welcomed Tom to the board and thanked him for helping in this important position.

Bob Haver noted that the contributions for the Scholarship Program from the Friends and Neighbors Program was greatly reduced and should be considered in determining how much money is available for scholarships. It was decided we’ll consider the number of scholarships and the dollars to be awarded at the October 2004 Executive Board meeting.

INFORMATION DIRECTORS REPORT:

Larry Phillips indicated that the deadline for the next newsletter is last week in August. It will go to the printer in September. A 36-page issue is planned, which will include the Convention Invitation as part of the “double issue” (which we did for the 2003 convention).

6 May Board Meeting

The meeting was called to order at 1300 hours in the Accounting Multipurpose Room of Headquarters, AAFES by Charles Poffenbarger, President.

APPOINTMENT OF BOARD MEMBERS:

The President announced that Gene Miller accepted the position of Auditor.

OLD BUSINESS:

The President stated that he had met with Commander AAFES on the 27th of February concerning the proposal of last meeting to include the Active AAFES associates for consideration in AREA’s Community Service Award. She approved. The announcement of the Community Service Award went to all AAFES associates in the “Hot Mail” program. During the meeting with the Commander, a video tape was shown of AAFES’ Mission which depicted the current efforts in Iraq. Chuck requested that copies be sent to each AREA Chapter. It was received in late April by the chapters with enthusiasm.

NEW BUSINESS:

The President reviewed suggested changes to the Constitution and Bylaws. The Board agreed that the suggested changes to the Constitution be proposed in the next AREA Newsletter with a ballot, with some minor modifications. The Bylaws will be voted on in the Third Quarterly Meeting of AREA. A Motion was made by the President to combine

the two reports of (1) The AREA History File and; and (2) The AREA Policy File into one combined file for ease of maintenance and to avoid repeated effort. The motion was seconded and passed. The Board recognized the need to extend the terms of present elected Board Officers to coincide with the conventions, the next in 2005. The proposed extension will be placed in the next AREA Newsletter with a ballot for members since this in a one time change not in compliance with the Constitution as terms now exist.

Chuck announced that the Secretary's Board position is not yet filled and the current secretary's resignation is effective the 30th of May. Requested any suggestions and efforts to find a Candidate by Board members.

Chuck Poffenbarger announced that Duane Walsh agreed to be a candidate for the office of President Elect.

CONVENTION 2005 UPDATE

Chuck Poffenbarger announced that the preparations were proceeding very well and that the October Newsletter would carry registration materials, with a reminder in the January Newsletter.

SCHOLARSHIP PROGRAM:

Otha Atherton announced that the Committee selected 12 scholarship recipients from 40 applications with 24 qualifying. The awards total \$25,000. The recipient's letters will be mailed out in several days and the announcement will be in the Exchange Post.

A motion to include graduate students in the program was made. It was not seconded.

A motion was made by Gerry Peterson to maintain the current qualification for candidates for scholarship as is, namely that they be graduating High School seniors applying for freshmen status in a qualifying collage or university. The motion was seconded and passed.

TREASURERS REPORT:

Gerry Peterson presented the treasurers report to include the financial status of both the General Fund and the Scholarship/Emergency Relief Fund. Copies of the reports are attached.

INVESTMENT REPORT:

Marty Handel discussed the reasons that he sought Out of Session changes to the investments of both the General Fund and the Scholarship Fund. The Market was moving very fast to the disadvantage of AREA Investments and he needed to act quickly. (Note: he did receive authority from a majority of the board voting membership via the internet.) A motion was made by the President to permit the AREA Treasurer and the AREA Financial Advisor to make a joint investment decisions Out-Of-Session in order to take advantage of market movements to both reduce losses and to maximize returns. Notice to the board to be by E-mail of the action taken. The motion was seconded and passed.

MEMBERSHIP DIRECTORS REPORT:

Pat Weaver reported that as of this date, there are currently 2432 active members on the books up 116 from the last report. . She has sent out 322 reminder cards to pay dues. Due Dates on the mailing labels of the recent AREA Newsletter did not print, it will be corrected on the next mailing. The reply to a request of the Austin, Texas chapter requesting admission of AREA membership of non-retired ex AAFES employees was answered to the affirmative.

COMMUNITY SERVICE REPORT:

Dick Fregoe noted that he is already getting responses to the Active AAFES. Deadline for nominations is May 14th.

INFORMATION DIRECTORS REPORT:

Larry Phillips indicated that the deadline for the next newsletter is last week in May. It will go to the printer in June.

29 January Board Meeting

The meeting was called to order at 1300 hours in the boardroom of Headquarters, AAFES by Charles Poffenbarger, President.

MINUTES:

Chuck Poffenbarger began by discussing the items in a meeting handout he had prepared for the meeting.

- Brought the members attention to the listing of AREA Executive Board and AD HOC Committee members for continued reference and correction.
- Next he referred to an 11 point listing for members to review on the status of projects and actions taken recently. Topics included: The AREA Policy file; Corporate Mailing recently accomplished produced no results for the Friends and Neighbors program and will be dropped. The AREA website is much improved and much more information available. Carlson Wagonlit contract will terminate on 19 February. CONUS-HRO offices are added to the Newsletter mailing list. Reviewed upcoming Scholarship Program, President's quarterly message in the Newsletter and North Texas chapter concerns.

One member noted that recently the payment for the Membership Chairman was raised to \$300.00 and since the policy File noted the motion to reimburse \$200.00 the increase to the higher level should be noted. The Secretary will find the approved motion and insert it into the file. It was further noted that AREA no longer issues Membership cards an a notation should be made next to that old policy noting that fact,

Dennis Daniel, Secretary made the motion to follow the guide lines contained in Robert's Rules of Order that allow for the approval of meeting minutes to be accomplished by the President after the draft copy is reviewed by members via E-mail. Motion was seconded and approved. This will allow for faster approval (as apposed to approval at the next meeting) so that reviews can be published in a timelier manner.

SCHOLARSHIP PROGRAM:

The current Scholarship Program was discussed at length using a summary of suggested changes and updating of the program provided by the President. The following Motion was made by Chuck Poffenbarger, President; (1) That the reserve contingency fund amount to two (2) years of the annual scholarship grants; (2) That the awards, as determined by the Scholarship Committee, every year be flexible in both number and amounts based on caliber of the applicants, however not to exceed 12 grants totaling \$25,000 without the Boards approval. (3) That a period of 5-10 years be established to bring the award levels and investment fund goals in line; (4) That the lower grant be changed to \$1500, which is more realistic with today's cost; and (5) That the highest award every year be granted as the Bunny O'Neill Scholarship Award recognizing her idea to have AREA sponsor this program. The motion was seconded and approved by the Board.

AREA CONVENTION 2005:

John Ellis announced that the 2005 Convention coordinator Jerry Saperstein would be requiring his "seed money" of \$5,000 on 1 June and "set up" monies of \$5,000 for reservations by 1 Sept. "Seed Money" will be returned to the Treasurer after the convention. The Treasurer will issue the checks to the convention coordinator.

TREASURERS REPORT:

Gerry Peterson reviewed the 2003 AREA General Fund the Scholarship Fund and AREA Emergency Relief Fund income and operating statement and balance sheet. He also presented a suggested general fund proposed budget for the year 2004. Copies are attached. Gerry also informed the Board of his findings as to the AREA financial position and IRS rules governing Tax Exempt organizations. The most important factor is that no more than 35% of AREA's General Fund gross receipts can come from sources outside the membership. The Treasurer will monitor the Friends & Neighbors contributions to ensure the amount booked to the General Fund doesn't exceed the 35% threshold. The remainder will be booked directly to the Scholarship Fund. The organization must be very careful as to how monies are spent and how the Reunions are handled financially. Gerry further stated that since the IRS already considers the Scholarship and Emergency Relief (ER) as one entity, the AREA should for accounting purposes merge the Scholarship and ER accounts. The balance in the Emergency Relief account will be booked as a liability in the merged account so the ER balance will always be known. Gerry also asked approval to merge the Scholarship and ER accounts at the AAFES Federal Credit Union and open a checking account within the merged accounts to handle disbursements. Gerry Peterson made a motion to (1) Establish a checking account within the Scholarship Fund; (2) transfer the balance of the Emergency Relief savings account into the newly formed Scholarship Fund checking account; (3) Rename the Scholarship Fund the Scholarship/Emergency Relief Fund (keep the Tax Identification Number associated with the Scholarship Fund); and (4) Close the Emergency Relief savings account. The motion was seconded and approved.

Gerry Peterson made a motion that the AREA donate \$7,000 from the General Fund to the Scholarship Fund. The motion was seconded and approved.

INVESTMENT REPORT

Marty Handel discussed the status of the AREA investments and copies of the portfolios. Marty again indicated that the fluctuating stock market has affected the Funds with some improvements. Marty recommended that some changes be made to improve the earnings posture of the invented funds of both the General Fund and the Scholarship fund. After discussion, Chuck Poffenbarger, President, made a motion that Scholarship fund investments be re-distributed. The motion was seconded and was approved.

INFORMATION DIRECTORS REPORT

Larry Philips announced that he needed all the input for the 1st Quarter AREA Newsletter by February 15th to get it to the printer. A recent review of printing cost was made and the present printer is very competitive, no change contemplated. A hand out was distributed to members on news letter and Directory cost; copy attached. An article will appear in the letter about kidney donations.

MEMBERSHIP DIRECTORS REPORT:

Members: currently 2316; with 529 delinquent in dues since December - they will receive a post card reminder. Pat Weaver announced that the membership directory is ready to go to press. Cost saving measures to reduce the pages will be to have a triple column page instead of double column as in the past and to list the E-mail addresses separately to eliminate unnecessary spaces.

Marty Handel raised the issue of elected board member terms of office since there will be no Convention in 2004 at the normal rotation period and the traditional swearing in at the convention general meeting. The President said he would review the Constitution and have a recommendation at the next Board meeting.

COMMUNITY SERVICE:

Dick Fregoe made a proposal that the Board consider extending the program of recognizing community service to the active members of AAFES. Members felt this was a good idea. The current deadline for nominations for this year is 15 April.

The meeting was adjourned at 1542 hours.

2003

We continue to receive substantial support from several American Logistics Association (ALA) chapters. The North Texas Chapter contributes to our Scholarship Program twice-a-year. The Hampton Roads Chapter supports twice-a-year AREA Benefit Luncheons for our Friends & Neighbors Programs. We are fortunate to have these ALA chapters as friends of AREA.

AREA Board Meeting: October 31st

✓ Chuck Poffenbarger (President Elect) announced that he had received an e-mail from AREA's President that morning tendering his resignation effective immediately. The

AREA constitution and bylaws provide for the President Elect to assume the position of President. After it was confirmed by the Board that rules designated Chuck as President on October 31st, he was asked to set up a selection committee for elected positions.

- ✓ b. Convention survey results were reviewed. Member input suggested several considerations. (1) Every other year is quite satisfactory, given the costs of attending a convention. Many members feel that every year is a bit much. (2) Probably the best place for reasonable cost these days is at gaming locations. Gaming companies go out of their way to entertain their guests at little or no additional cost. There are other desirable locations, but they are normally more expensive. (3) Keep it short, to about four days. Six day conventions are just too long.
- ✓ A motion was made to (1) Cancel any 2004 convention planning, (2) Proceed with a 2005 convention at Las Vegas in May, 2005, with Jerry Saperstein as the Convention Coordinator, and (3) Only have conventions every other year, corresponding with the installation of the AREA Board President and President Elect. The motion was seconded and passed unanimously.
- ✓ A motion was made to provide the AAFES Human Resources Managers (HRMs) in CONUS with a copy of the AREA Newsletter each quarter so they could use it as a recruitment tool to get retiring associates to become interested in AREA and its Chapters. Motion was seconded and passed unanimously.
- ✓ The Board reconfirmed the desire to publish and distribute an AREA wide membership directory in early 2004. A motion to do so carried unanimously.

The October Newsletter contained the results of our July 03 convention survey. Here's how the 102 completed surveys that we received sorted out:

- ✓ Of those responding to the survey, 70% had attended one or more of the last three conventions. Sixty of the respondents (63%) said they'd likely attend a future convention.
- ✓ When should we hold our conventions? May led with 43% of the votes followed by October at 34%. One comment highlighted the May preference: "Not yet high season and mild weather."
- ✓ How many days for the convention? The general opinion was that conventions are too long. Most (57%) preferred 4 days, followed by 6 days (24%). The prevailing comment: Keep it short – don't drag it out.
- ✓ Where should we go? The best value would be at one of the gaming locations that America offers – Las Vegas was the most popular of all locations, with 32 responses. Gaming companies go out of their way to entertain their guests at little or no additional cost. There are other desirable locations, but they are normally more expensive. In all, 28% of all preferences leaned toward gaming locations. Next came Seattle, San Francisco, Chicago, Washington, D.C., Branson and Boston, all gathering more than ten votes each.

AAFES held a Town Hall Meeting in August on the consolidation of Exchange Services. The consolidation is a five-year process, with Major General (Ret) C.J. Wax heading the Exchange Integration Task Force. No change in retiree benefits are foreseen in the consolidation process. General Wax, former AAFES Commander, provided his insight into the consolidation process in a story in the October AREA Newsletter.

The New England Chapter held its final meeting July 17 and was inactivated on August 30, 2003. Robert Barlow, who has served as the chapter's president since 1985, said the decision to close the chapter was made because he received no volunteers to fill the chapter positions, and our attendance has been poor at July and October meetings.

Cheno Rodela of the Alamo Chapter was honored with a Community Service Award from AREA in May, and two months later he received a National Award from the American Association of Kidney Patients (AAKP) at their national convention in New Orleans.

The Commander, AAFES and Chief Operating Officer began writing messages to AAFES retirees in the July 2003 AREA Newsletter. In the first of her twice yearly columns, Major General Kathryn G. Frost discussed the AREA Convention and thanked retirees for their prior service "that set AAFES on the road to success." Marilyn Iverson, will write a quarterly COO's Corner column. She discussed the tremendous changes AAFES has undergone and the recently announced Exchange Consolidation/Integration.

AAFES pensions will now be paid by State Street, which bought Deutsche Bank. State Street is affiliated with Citistreet and will move pension processing offices to Jacksonville, FL.

The AREA retiree web page at <http://www.aafes.com/area> has been updated with new layouts, graphics and categories of information, including a listing of all 33 chapters with e-mail and mailing addresses.

The 28th Annual Convention was held at the Le Meridian Hotel in Dallas. Although turnout was small, those who attended the convention enjoyed the Welcome Reception, European Reunion Dinner and Dinner/Dance. A good turnout for the Business and General meetings brought everyone up to date on AREA and AAFES information. Seven scholarships totaling \$15,000 were announced by new Scholarship Committee Chairman, Otha Atherton. Dick Fregoe presented Community Service Awards to two chapters and 12 members. In the 9-page convention section of the July 2003 AREA newsletter, AREA asked members were asked to complete a 10-question survey to assist in determining the format and locations of future conventions.

The North Texas Chapter of ALA presented AREA a check for \$5,000 for the AREA Scholarship Fund following the chapter's golf tournament on April 7.

Against a background of bad news reported by the New York Times that many pension programs in the private sector were underfunded, the AAFES pension plan was described as "well funded" by AAFES. The Post Retirement Medical (PRM) trust is again being funded by AAFES to ensure funding remains at the desired level.

President Bill Barnes reported in his column that DOD had rejected an AAFES proposal to reconsider the DOD position on the congressional mandate for a uniform health care plan for NAF employees and retirees. AAFES had proposed creating a "core" plan that

would be uniform and affordable for all NAF employees and retirees. The proposal would also have allowed the NAF agencies to offer supplemental benefits based on what the agency could afford and the level of compensation policy the agency feels is necessary to attract and retain quality associates. DOD did not address AAFES request to be given the swing vote when the various agencies have a tie vote on benefits changes. DOD currently has the tie-breaking vote; AAFES feels that since they have more than half the people covered by the plan, AAFES is entitled to the swing vote based on the one man, one vote concept.

The April issue of the AREA Newsletter printed president's names, addresses, telephone numbers and e-mail addresses for the 33 AREA Chapters.

In the same issue, Gisela Fregoe's 22-year love affair with Purple Martins was featured in a two-page article originally published by the Purple Martin Update.

The January 2003 issue of the AREA Newsletter served double duty, with the regular issue on one side of the publication and a 16-page AREA convention invitation on the other. The issue also reported that AREA members and AAFES associates donated \$2,000 to the Guam typhoon Emergency Relief Fund.

President Elect, Chuck Poffenbarger, began writing an e-mail eNewsletter to AREA chapters in December 2002. A copy of his "At a Glance" message was reprinted in the January issue to acquaint members at large with the type of information being offered eight times a year.

Scholarship Program results: This year: 7 awarded for a total of \$15,000. Since 1985: 125 scholarships have been awarded for a program total of \$165,795.

2002

In December, the Hampton Roads ALA chapter presented Marilyn Iverson, AAFES COO, a check for \$11,000 to benefit the AREA Friends and Neighbors Programs, and the DFW chapter presented a check for \$5,000 to the AREA Scholarship Program. Kav Kavanaugh, AREA Scholarship Program Director, accepted the check from the DFW chapter's Ken Stapp and Bob Link.

In January 2002, AAFES announced that health care program costs would increase. The major impacts would be increases in copays to primary care physicians and specialists, increase in emergency room copays, increase in deductibles and copays for hospital stays and increases in copays for prescription drugs. AREA President Tom Harmon urged members to write their Congressman and address their dissatisfaction with the increases and the inequity of AAFS representation on the DODNAF Committee.

A story in the January newsletter told about the cost of prescription drugs increasing 25% to \$14 million.

A two-page layout featured the AREA Friends and Neighbors Programs, detailing the five community and social functions of AREA and the logos of companies who sponsored the AREA Benefits Luncheon Dec. 12 at Norfolk, VA.

AREA announced a dues increase in April 2002. The need to raise dues to \$15 came after AREA reduced its contingency fund to under \$10,000. AREA had held off increasing dues from 1997-2002 by reducing the contingency fund from \$40,000 to the \$10,000 level. With annual expenses of \$22,000, the dues increase was necessary to maintain the financial stability of the organization.

AAFES COO Mike Beverly wrote retirees concerning rumors of AAFES paying dividends to services using retirement trust assets. "I want to assure you this has not occurred," he said. "AAFES is prohibited by law from using assets from the trusts except to pay plan benefits and certain plan administration expenses. At no time in the past or present, has AAFES used trust assets to pay dividends to the Services." He reported the AAFES Retirement Program is in excellent financial condition and well funded to meet all its future obligations.

The AREA Executive Board selected Dallas as the convention city for 2003. The Board also approved a Privacy Policy, which was published in the April 2002 newsletter.

In July 2002, the AREA Convention went to sea, and the change of officers was held shipboard on the Carnival Cruise ship *Sensation*. Bill Barnes succeeded Tom Harmon as President and Chuck Poffenbarger took office as President-Elect.

The seven-day cruise from Tampa, took 95 AREA members to the Grand Cayman Islands, Playa del Carmen and Cancun, Mexico, New Orleans and back to Tampa.

AREA scholarship winners for 2002 were Matthew Peterson, Brittany Palmer, Richard Jackson, Jeffery MadHott, Thomas Waters, Harold Damo and Lakeisha Buckner.

AREA Community Service Awards for 2002 were given to the Southern Nevada and Tidewater Chapters. Individual awards were presented to Sarah Greenberg, Jean Huwyler, Rosel M. Fredericksen, Jane P. Cutler, Ernestine T. Gibson, Ursula Foust, Mary Ebron, Marvin L. Krushen, Jose Diaz, Harlan W. Tucker, Norma McNair, Claze and Sarah Washington, Winston Kavanaugh, Richard Fregoe, Kenneth Weaver, Larry Phillips and Larry Grewelle.

Another activation of the Emergency Relief Fund was sounded after a typhoon struck Guam in July 2002. Initial contributions reached \$1,520.

AREA and AAFES launched a new Retired Associates Benefits Home Page in the AREA Newsletter in October 2002. The first home page featured the TRICARE Program for associates who are also retired military.

AAFES announced a new website called AAFES eBenefits. The website allows 24/7 access to medical, dental and basic life insurance benefits options.

World War II veteran and AAFES retiree John Manning published his memoirs of World War II in a book, “As I Remember it—The War Years 1940-1945”. He printed 250 copies of the history and distributed them to his family and men of Battery C of the 62d AAA Gun Battallion.

Scholarship Program results: This year: 7 awarded for a total of \$15,000. Since 1985: 118 awarded for a total of \$150,795.

➤ We have incorporated a separate AREA Policy File into this Milestones History of AREA File. The information listed below is from that Policy File. (Beginning 2003, Policy info will be included in the History narrative and not listed separately.)

Jan 2002, EXECUTIVE MEETING

*Dues: AREA Dues structure changed: 5-year extended plan eliminated; current participants grandfathered. Raised annual dues to \$15.00, effective 1 April,
*2002.Travel Service: Board approved a Leisure Travel and Convention Services Program as an added benefit of AREA Membership.

2001

The Augusta Chapter celebrated its 25th anniversary on Nov. 16, 2001 with a banquet at the Gordon Club at Fort Gordon. Charter members Florine Belcher, Della Bunch, Frances Clark, James Davis, Alice Martin, Veta Messer and Leon Sandefur were guests of honor, as were living past presidents, Clarence Price, Christine Kennedy, Leo Sandefur. Three past (deceased) presidents, James Davis, Gloria Bruce, and Richard Walsh were remembered for their contributions to the chapter. Homer Armitage, current president, presided over the special meeting.

AREA collected more than \$38,000 in Emergency Relief Funds to benefit the Pentagon Victim’s Relief Fund, making this the largest amount ever received by the ERF. Else Horosko, fund administrator, was overwhelmed by the response from associates and AREA members, many of whom included notes, condolence cards and letters with their contributions. The final total reached \$39,500.

In November, the Executive Board approved a corporate sponsorship program and launched the Friends and Neighbors Programs. The programs benefit five community and social functions of AAFES—Scholarships, Emergency Relief Fund, Community Service Awards, social/fund raising activities and membership support. The corporate sponsorship program works to building and maintain relationships between AREA members and the resale community, enhance the Friends and Neighbors Programs, assist sponsors through the convention marking program and increase their visibility in the AREA community and ensure the continued growth and success of AREA.

In the wake of the 911 attacks on the U.S., associates and AREA members around the world began answering the question “What can I do?” by contributing to the Pentagon Victims’ Relief Fund through AREA. In the first few weeks of the drive, donations topped \$21,000. AREA President Tom Harmon devoted his November 2001 message to the responsiveness of the AAFES community to the fund drive and other causes that can help America.

The DoD NAF Health Benefits program announced changes would take effect in January 2002: A reduction for in-network hospital coverage from 100% to 90% for in-network; higher copays for specialist office and emergency room visits; and a three-tier prescription copay program. A new Dental Preferred Provider Organization (PPO) also went into effect.

AAFES Chief Operating Officer reaffirmed the value of AREA in a 1 August 2001 letter to AAFES retirees asking them to continue their AAFES service by supporting and joining AREA “or by becoming more active if you are already a member.” He said members “enjoy the common bonds that our lifelong service has created” and that “there are some very important roles to be played in working issues that face us from time to time, and preserving what’s important to us for many years to come.” His letter was met with strong endorsements from AREA members whose letters were published in the November 2001 AREA Newsletter.

For the first time, the AREA Convention Invitation (for the 2002 Caribbean cruise was distributed to all members as a wrap-around to the November 2002 AREA Newsletter. The new format allowed AREA to reach all members and save publication and distribution of a separate invitation. In his August 2001 President’s Message, Tom Harmon also presented details of the cruise, scheduled for April 21, 2002.

Dallas was selected as the convention city for the 2003 AREA convention.

A total of 473 AREA members descended on Las Vegas for the 26th Annual Convention. Jerry Saperstein served as convention coordinator, and the Southern Nevada Chapter was the host chapter for the week-long event at the Flamingo Hotel. Community Service Awards were presented to 13 individuals and 3 chapters. Seven scholarships, totaling \$15,395, were announced. One student was awarded the \$3,395 Margaret Ellis Scholarship in honor of the late wife of John Ellis, long-time convention coordinator, Mohawk Marketing and seven corporate sponsors contributed 70 items valued at \$3,010 for the drawings.

For the second time in its existence, the Emergency Relief Fund was activated to collect funds for associates’ homes and property damaged by a tornado at Columbus AFB, MS.

AREA Board members approved a change to the publication schedule of the AREA Newsletter to allow more time to compile information for the convention issue. The publication schedule was set back one month, from January to February, April to May, July to August and October to November. After only two issues were published on the

new schedule, August and November, the editor asked the board to change back to the original schedule, saying “retirees had become too accustomed to the tried and true schedule to make the change permanent.”

The DFW chapter of ALA presented AREA a check for \$5,000 in December 2000. That plus the \$14,744 contributed by members in the year 2000 (a total of \$3,444 was donated in memory of Bob Malinowski) prompted AREA President Tom Harmon to spotlight the scholarship fund in his quarterly message. He said, “I don’t know of a better way to insure a bright future for our young people and future leaders than to help them with their education.”

Scholarship Program results: This year: 7 awarded for a total of \$15,395. Since 1985: 111 awarded for a total of \$135,795.

➤ We have incorporated a separate AREA Policy File into this Milestones History of AREA File. The information listed below is from that Policy File.

Nov 2001, EXECUTIVE MEETING

New AREA Program: The AREA “Friends and Neighbors Program” was approved by Board. Corporate sponsorship program will provide for additional funding for AREA.

2000

AREA assumes responsibility from AAFES of managing the Emergency Relief Fund program to assist AAFES associates and their families when disaster strikes. They will announce the situation, collect donations, and dispense monies to those who have suffered. In the event of disasters, AAFES will advise all elements to send donations to AREA...AREA Fund Manager, Else Horosko, will deposit in a special account...when advised to by the Sr. Vice President, Human Resources, collected funds will be send to AAFES representatives on site to distribute funds and report to the AREA president.

The Board surveyed members on their opinions of annual conventions...54 responded from the 3,000 requests sent out...as a result, no changes are proposed to the length, number of days, month, frequency, or customary schedule of events at future conventions.

Las Vegas NV selected as location of 2001 AREA convention...Southern Nevada Chapter to host...Tom Harmon appointed President-elect, vacated by James McKinney...Larry Phillips appointed Information Director, vacated by Tom Harmon...approved general liability insurance coverage for special events, Directors and officers, and crime bond.

Revision to AREA logo, suggested by Ernest Merlino was approved by Board...the Investment and Insurance Committee reported on market value gains of 18% for the Scholarship Fund, to \$92,927, and 10% for the General Account to \$58,672...the AREA Emergency Relief Fund was activated, for the first time, to aid Seymour Johnson AFB Associates who sustained losses from Hurricane Floyd.

100th issue of AREA Newsletter published...editors were Robert Gold (15 years), John Ellis, Otha Atherton, Tom Harmon and Larry Phillips.

2000 First activation of the Emergency Relief Fund raised \$8,000 for Seymour Johnson AFB Exchange associates whose property was destroyed or damaged by Hurricane Floyd in September 1999...North Carolina Chapter member presented checks to Ron Thompson, general manager of Seymour Johnson AFB Exchange...Board voted to change the AREA Constitution and By-Laws and called a vote of members to approve the changes to the May 1997 editions of the documents. The changes were approved by members voting by mail or at the Denver Convention.

AAFES Human Resources Directorate announced the AAFES Employee Assistance Program (EAP) was now available to retirees at no cost...Magellan Behavioral Health provides the confidential counseling and referral service and legal service advice through 24-hour a day, 7 day a week toll free telephone services...

New officers were elected for the 2000-2002 term: Tom Harmon, president; Bill Barnes, president-elect; Dennis Daniel, secretary; and Charles Brashears, treasurer...The new president announced that one of his main goals as over the next two years would be to come up with some ways to encourage newer retirees to join the AREA and be active in the activities of the national organization and those of the local chapters.

Scholarship Program results: This year: 7 awarded for a total of \$15,000. Since 1985: 104 awarded for a total of \$120,400.

➤ We have incorporated a separate AREA Policy File into this Milestones History of AREA File. The information listed below is from that Policy File.

Jan 2000, EXECUTIVE MEETING

✓ BY-Law Changes:

1. Article II. Deleted references to Life Membership, added extend plan dues option.
2. Article III. Deleted ...spouse not eligible to be President and Vice President.
3. Article IV. Clarifies committee responsibilities; added Save and hold harmless clause.
4. Article IX. New quorum defined as six (6) voting members.
Article X. New Cause; Status of Association.