

Special Board Meeting
15 September 2009

15 September Board Meeting Minutes

The MoNGA Board met Tuesday, 15 September 2009, in the Executive Conference Room, ISTS, Jefferson City, Missouri, and via teleconference.

1. Call to Order: LtCol Mark Bradley, President, called the meeting to order at 16:00. Motion to dispense with June Board Meeting minutes and Committee reports as this is a short-notice meeting. Second. Motion carried.

2. Roll Call: SFC Brenda Randles, Secretary
President, LtCol Mark Bradley Present
President-Elect, COL John Anderson Present
Immediate Past President, LTC Jay Banwell Present
Vice-President - Air, Col Ralph Schwader Proxy to LtCol Bradley
Vice-President - Army, CPT Barbara King Present
Secretary, SFC Brenda Randles Present
Treasurer, Capt Marcus Jackson Present
Enlisted Committee Chair, 1SG Lonnie Brandon Present
Retired Committee, COL (R) William Johnson Present
Auxiliary President, Mrs. Debbie Cheshire Present
Chaplain, CPT Dustin Kennedy Not present
Insurance Trust Board, Col Mike McEnulty Present
Administrative Assistant, Suzanne Hardy Present
Executive Director, Vernon James Present
131 FW 1Lt Josh Hoorman Not present
SSgt Molly Conrey Not present
139 AW Maj Byron Newell Present
MSgt Darla Denny Proxy to Maj Byron Newell
157 AOG Capt Wes Colebar Proxy to LtCol Bradley
MSgt Mark Smith Proxy to LtCol Bradley
JFHQ 1LT Mitch Passini Proxy to LtCol Bradley
MSgt Veronica Hoffman Present
70th TRP CMD CPT Joseph Schmitz Proxy to MSG Charlie Hinde
MSG Charlie Hinde Present
35 EN BDE CPT Scot Ratcliff Present
SFC Mark Crites Proxy to CPT Scot Ratcliff
35 CBT AVN BDE LTC Charlie Hausman Present
CSM Robert Maze Proxy to LTC Charlie Hausman
110 MEB MAJ Brett Cooper Present
1SG Ken Steinbeck Present

There were enough Board members present for a quorum.

3. A letter from President LtCol Bradley went out to Board members (see attachment at end) explaining the issues with and background of the current Insurance Trust. The current Insurance Trust agreement has been scrutinized and legal counsel has looked over it. Due to changes in legal and monetary environment, it is proposed to update the Insurance Trust.

In addition, members of the Insurance Trust Board are not currently protected should a legal situation arise; insurance for the Trust Board members would be very expensive.

Part of the proposal would also be to create a Limited Liability Company (LLC) to take the place of the Insurance Trust Board. An LLC would offer protection for the Insurance Board officers; create a partnership agreement with River Region Credit Union (RRCU); and replace the current Insurance Trust Board. RRCU would issue a Visa credit card that would pay 1% of spending back (estimated by RRCU to be \$8K-\$10K per month) and a 0.5% reduction on the interest rate charged.

Discussion:

a. Is there or could the Association Board members be provided a list of what the dissolution (of the Insurance Trust Board) would involve?

Missouri National Guard Association is structured as a not-for-profit with the Secretary of State. The Insurance Trust Board was created as a part of the Association for the purpose of administering money generated by the agreement with the Insurance Company. Restructuring would not affect business with the Insurance Company. The agreement was recently extended and is between the Insurance Company and the Insurance Trust Board and/or the Association.

b. Who currently sits on the Insurance Trust Board and what do the Trust Board members feel about restructuring?

The Insurance Trust Board is composed of 7 members: 3 of those are the current President, President-Elect, and Immediate Past-President; 4 members are elected (current elected members are Col Mike McEnulty, Capt Marcus Jackson, CMSgt Pat Jenkins, and SGM Sharon Belt). Those Insurance Trust Board members present were in agreement that the matter of liability for the Insurance Trust Board members is not currently sufficient; money the Association gets is not optimal at present; and the LLC would provide more flexibility.

c. Formation of an LLC would require new Insurance Board members. There is a question about possible conflict of interest for a federal employee to serve on a Board (or Committee) under an LLC and whether retired/non-federal employee members would be better on such Board or Committee. Legal counsel could answer those questions.

d. Who is the legal counsel involved so far?

Barnes Law Firm from Kansas City has reviewed the current Insurance Trust agreement, Association Bylaws, the Insurance Company (TGS), and the relationship of the Insurance Trust Board/Insurance Trust agreement with the Association. Their report was sent to Capt Marcus Jackson 27 Aug 2009 signed by P.K. Smith.

e. The recommendation was made several years ago for change(s) in the Insurance Trust agreement and the status of the relationship with the Association, particularly protecting the Insurance Trust Board members. Nothing was done at the time. Have required financial forms been completed?

The Association's financial documents are current. An extension was filed for the Insurance Trust Board for 2008. COL (ret) Willie Johnson has experience in the financial field and would like to help in the process of restructuring the Insurance Trust.

f. In order to make an informed decision, the Association Board would like to see a copy of the current Insurance Trust agreement, the report from Barnes Law Firm, and the benefits of an LLC.

g. An LLC can be started, the Insurance Trust would continue until it could be dissolved. Association Bylaws would have to be rewritten and proposed changes voted on at the next Association Conference. What needs to be done today?

A motion is on the floor to: create an LLC; the Insurance Trust Board would gift \$30,000 to the Association for creation process of the LLC (Insurance Trust Board would have to vote to gift the money). The Insurance Trust has a balance currently of \$230,000.

h. Instead of deciding for or against the creation of an LLC today, proposed amendment to the motion for a vote on the need for restructuring the Insurance Trust Board and/or Insurance Trust agreement, provide the requested items (see f.), and Association Board members could come back to scheduled Board meeting 6 October to discuss options. President, LtCol Bradley, will send out those items.

i. Motion withdrawn. Motion to empower the President with the authority, upon concurrence of the Insurance Trust Board, to hire legal counsel to help set up and give guidance on taking care of Insurance Trust Board liability. Motion seconded; no discussion; motion carried.

4. The Adjutant General has ideas on making the Association more financially stable, which will bring benefits to the Association as well as all Missouri National Guard members. He has also discussed a membership mailer that would be delivered to every Armory and Air Guard facility in the state for each Missouri National Guard member that would contain: Association membership form; letter from Stephen Danner; letter from the Association President; paper on the benefits resulting from military Associations' lobbying activity and membership. This will be discussed in depth at the October Board meeting.

5. The 15 September Board Meeting adjourned at 17:00.

(Next Board meeting scheduled for 6 October at 15:00.)



14 September 2009

Dear Board Members

Over the past several months we have been working diligently on correcting some fiscal issues for our association. And during the discovery process and while taking corrective measures we have learned many things. I wish to outline some of them here and ask for your support in the recommendations to help move the Missouri National Guard Association to the next tier of professional associations.

Our Insurance Company Partner pointed out that of the 17 states that are in the insurance partnership pool we are the only one left with an actual trust. They suggested we look at other ways to set up our finances so that we have more flexibility and less legal liability. That being said, we hired an Insurance Trust Lawyer to go over our trust agreement which by the way had not been updated since its inception in 1970. The lawyer made several recommendations to update the trust bylaws if we still wanted to keep a trust. In its current form it is not adequate and needs to be updated to reflect 39 years of legal and monetary changes.

We have also consulted with other states to see what they have done and not re-invent the wheel. After consultation with Lawyers, other State Associations, Insurance Companies I would like to propose to following changes for you to approve. These would have to be discussed and approved by the board at our next meeting. Which I would like to have as soon as possible, and I will outline why there is a sense of urgency.

1. Create a Limited Liability Company (LLC) to take the place of the trust. This would take more work with legal counsel make sure that we maintain our Tax Exempt status or if not then set it up so that we can function without extreme tax burdens. This would then relieve the Association from having to purchase Insurance Trust Board members "Trust Insurance" which is very expensive. Though we still have to purchase a form of insurance until this change will take place. As a result of the LLC creation allow the association in conjunction with River Region Credit Union to issue a Visa Credit card that would create an income stream for the association. River region has agreed in principle to issue a Missouri National Guard Visa that gives the association cash small percentage of the charges. Along with this credit card agreement the credit union would also offer more favorable terms on loans and bank accounts to members of the Missouri National Guard.

2. Hire a Tier one marketing firm that will work local issues such as fundraising, membership drives and annual renewal, annual conference set up, get sponsors for MONGA Golf Tournament (*we would have three tiers, with this being local. The top two would not have a cost to MONGA*) This tier one firm would need only seed money until they get the first mailing out.

With number one(1) above, the sooner we do this the easier it will be to work with the fundraising companies that we are looking at and receive funds as well as expend them with less legal risk. With near possibility of raising hundreds of thousands of dollars we need to position the association in the best possible way to move to the next level. We can and should be as effective as the Missouri Bar or the Missouri Teachers Association to name a few outstanding organizations. This would allow us to do more charity work for our members. And to bless the communities that we live and work in.

I have scheduled a teleconference to discuss and vote on this issue Tuesday (15 Sept 09) at 1600 hrs. It would be wonderful to be able to mention to the Commanders, Sergeant Majors, and First Sergeants that we have this agreement in place and that they can get this prior to the holiday season. (**Major Fundraiser for EANGUS**)

Our Executive Director would then have the role of directing these groups and coordinating their efforts for the betterment of the organization.

If you have any questions please contact me at (573) 694-7984 or the Executive Director of the Missouri National Guard Association, Colonel (ret) Vernon James at (816) 812-5364.

Sincerely,

Lieutenant Colonel Mark W. Bradley
President, Missouri National Guard Association