

NEC MINUTES

**National Executive Committee
Meeting
13-14 May 2005**

Cincinnati OH

13-14 May 2005

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OPEN SESSION

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The minutes were approved at the National Executive Committee Meeting in November 2005.

Civil Air Patrol
National Executive Committee
13-14 May 2005
Cincinnati OH

OPEN SESSION

CALL TO ORDER	Maj Gen Dwight H. Wheless, CAP
INVOCATION.....	Ch, Col Charles E. Sharp, CAP
PLEDGE OF ALLEGIANCE	Col Larry D. Kauffman, CAP
SAFETY PLEDGE.....	Brig Gen Antonio J. Pineda, CAP
ROLL CALL.....	Mr. Al Allenback, HQ CAP/EX
NATIONAL COMMANDER REMARKS.....	Maj Gen Dwight H. Wheless, CAP
EXECUTIVE DIRECTOR UPDATE.....	Mr. Al Allenback, HQ CAP/EX
SENIOR AIR FORCE ADVISOR UPDATE	Col George C. Vogt, USAF
SAFETY BRIEFING	Col Davis Bonner, CAP

NATIONAL EXECUTIVE COMMITTEE

Maj Gen Dwight H. Wheless, CAP	National Commander
Brig Gen Antonio J. Pineda, CAP	National Vice Commander
Col George C. Vogt, USAF	Senior AF Advisor
Col Larry D. Kauffman, CAP.....	National Chief of Staff
Col Donald B. Angel, CAP	National Finance Officer
Col Theodore R. Chavez, CAP	National Legal Officer
Col George M. Boyd, CAP.....	National Controller
Col Richard A. Greenhut, CAP	Northeast Region Commander
Col Charles S. Glass, CAP	Middle East Region Commander
Col Robert Karton, CAP (proxy)	Great Lakes Region Vice Commander
Col Matthew R. Sharkey, CAP.....	Southeast Region Commander
Col Rex E. Glasgow, CAP	North Central Region Commander
Col Thomas L. Todd, CAP	Southwest Region Commander
Col Lynda C. Robinson, CAP	Rocky Mountain Region Commander
Col Merle V. Starr, CAP.....	Pacific Region Commander

Non-voting members:

Col William S. Charles, CAP.....	CAP Inspector General
Ch, Col Charles E. Sharp, CAP	Chief of Chaplain Services

CORPORATE TEAM

Mr. Al Allenback	Executive Director
Mr. Don R. Rowland	Senior Director, Strategic Comm. & Plans
Mr. Paul J. Capicik	Chief Information Officer
Mr. Ray Bean (acting)	Director, Leadership Dev. & Membership Services
Ms. Susan Easter	Chief Financial Officer
Mr. John A. Salvador	Director, Operations
Mr. Mark Richardson	Director, Logistics & Mission Support
Mr. Stanley Leibowitz	General Counsel
Mr. Jim Shea	Director, Strategic Partnerships

AGENDA ITEM - 1

XP

Action

**SUBJECT: Approval of the November 2004 NEC Minutes
CAP/CS – Col Kauffman**

INFORMATION BACKGROUND:

The minutes of the November 2004 National Executive Committee meeting were distributed in draft form. This allowed the National Board members a chance to review the minutes for any discrepancies.

PROPOSED NEC ACTION:

That the National Executive Committee vote to approve the November 2004 NEC minutes.

ESTIMATED FUNDING IMPACT:

None.

REGULATIONS AND FORMS AFFECTED:

None.

CAP NATIONAL HEADQUARTERS' COMMENTS:

None.

CAP-USAF HEADQUARTERS' COMMENTS:

None.

COMMITTEE RECOMMENDATION:

None.

NEC ACTION:

COL KAUFFMAN/CS MOVED and BRIG GEN PINEDA/CV seconded the PROPOSED NEC ACTION.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION: Remove the word "DRAFT" and add an approval page to the currently printed minutes.

**SUBJECT: Change in Chaplain Appointment Rank
CAP/CCS – Ch Col Sharp**

INFORMATION BACKGROUND:

About two years ago we changed CAPR 35-5, Section E, paragraph 25a (professional appointments of chaplains) so that chaplains would enter CAP as first lieutenants. Previously they joined as captains like other professional groups (medical, legal, etc) with comparable education. That change has created increased concern among denominational endorsers, CAP commanders, and newly appointed chaplains for two reasons. First, most chaplains possess advanced degrees just like other professionals who receive the grade of captain. Second, the lower rank is seen as a disincentive to recruiting. This proposal remedies these concerns and is an appropriate way for CAP to show it values its chaplains.

PROPOSED NEC ACTION:

That the National Executive Committee approve a change to CAPR 35-5, Section E, paragraph 25a, as follows:

- a. **Chaplains.** Concurrent with appointment as chaplain in CAP, chaplains may be appointed to an appropriate grade as outlined below. Requirements for appointment as CAP chaplains are outlined in CAPR 265-1, *The CAP Chaplain Program*.
 - 1) First Lieutenant. A clergyperson with a bachelors degree from a nationally accredited college (listed in the Higher Education Directory or recognized by the Armed Forces Chaplains Board), who meets the qualifications for a chaplain waiver appointment as outlined in CAPR 265-1.
 - 2) Captain. A clergyperson with a bachelors degree and seminary degree or a bachelors degree and more than seven years of ministry experience.
 - 3) Major. A clergyperson with an earned doctorate degree in a ministry related field and one year time-in grade as a captain.

ESTIMATED FUNDING IMPACT:

None.

CAP NATIONAL HEADQUARTERS' COMMENTS:

HQ fully supports the recommended change.

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CAP-USAF HEADQUARTERS' COMMENTS:

Concur.

COMMITTEE RECOMMENDATION:

The Development Committee has reviewed this item and has no objections.

REGULATIONS AND FORMS AFFECTED:

CAPR 35-5, CAP Officer and NCO Appointments and Promotions.

NEC ACTION:

COL TODD/SWR MOVED and COL GLASGOW/NCR seconded the PROPOSED NEC ACTION.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION: Staff implementation of policy, notification to the field, and change to CAPR 35-5, Section E, paragraph 25a.

AGENDA ITEM - 3

FM

Action

**SUBJECT: FY06 Corporate Budget
CAP/NFO – Col Angel**

INFORMATION BACKGROUND:

The proposed FY06 corporate budget requires NEC review and comment prior to forwarding to the June 2005 Board of Governors meeting. The final staff proposed budget will be sent to the NEC members in a separate mailing.

PROPOSED NEC ACTION:

That the National Executive Committee approve the FY06 corporate budget and forward it to the June 2005 Board of Governors meeting.

ESTIMATED FUNDING IMPACT:

To be determined.

CAP NATIONAL HEADQUARTERS' COMMENTS:

None.

CAP-USAF HEADQUARTERS' COMMENTS:

None.

COMMITTEE RECOMMENDATION:

The Finance Committee recommended approval.

REGULATIONS AND FORMS AFFECTED:

None.

NEC ACTION:

COL ANGEL/NFO MOVED and COL KAUFFMAN/CS seconded that the National Executive Committee approve the FY06 corporate budget and forward it to the June 2005 Board of Governors meeting for final approval.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION. Inclusion in the June 2005 BoG agenda.

AGENDA ITEM - 4	XP	Action
SUBJECT: 2006 NEC and National Board Meeting Dates		
CAP/CS – Col Kauffman		

INFORMATION BACKGROUND:

Proposed dates are:

<u>Event</u>	<u>Date</u>	<u>Location</u>
Winter National Board Meeting	3-4 Mar 06	Washington DC (Under Contract)
May 2006 NEC Meeting	5-6 May 06	Atlanta GA
August 2006 National Board Meeting	Aug 06	West Coast
November 2006 NEC Meeting	3-4 Nov 06	Montgomery AL

PROPOSED NEC ACTION:

That the National Executive Committee vote to approve the proposed NEC and National Board Meeting dates and sites for 2006.

ESTIMATED FUNDING IMPACT:

None.

CAP NATIONAL HEADQUARTERS' COMMENTS:

None.

CAP-USAF HEADQUARTERS' COMMENTS:

None.

COMMITTEE RECOMMENDATION:

None.

REGULATIONS AND FORMS AFFECTED:

None.

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NEC ACTION:

COL KAUFFMAN/CS MOVED and COL TODD/SWR seconded that the National Executive Committee vote to approve the proposed NEC dates and sites for 2006.

COL KAUFFMAN noted that the 4-5 Nov 05 NEC meeting has been moved from Atlanta to Maxwell AFB AL.

MOTION CARRIED WITH NO DISSENTING VOTES

NOTE: Several proposals were presented for consideration for the Aug 06 National Conference. A decision on the Aug 06 National Conference was delayed until later in the meeting

Later in the meeting, **COL KAUFFMAN/CS MOVED and COL GLASS/MER seconded that the National Executive Committee vote to approve holding the Aug 06 National Conference the week of 7 – 13 August, at the Nugget, in Reno (Sparks), NV.**

MOTION CARRIED BY MAJORITY VOTE

FOLLOW-ON ACTION. National Headquarters calendar updates and planning.

NOTE: HQ CAP/XP announced that the 2007 National Board meeting will be held in Atlanta because CAP had an adjustment performance clause in the NCASE contract. CAP did not meet the performance and had a penalty. The hotel accepted our proposal, a part of which was that we would book a meeting there in 2007.

COL GLASS/MER added that for an East Coast National Board, he would like to make a serious request to the national staff to consider the feasibility of a cruise.

AGENDA ITEM - 5

XP

Action

**SUBJECT: FY08-12 CAP Program Objective Memorandum (POM)
CAP/CS – Col Kauffman**

Presented by HQ CAP/XP – Don Rowland

INFORMATION BACKGROUND:

Each year the May NEC reviews CAP's proposed POM submission. Air University, our POM input level, typically begins their review in August. This is our opportunity to review our submission, identify potential deficiencies in funding and validate new requirements as submitted to Air University.

The June 2005 Board of Governors (BoG) will review the NEC recommended POM inputs.

PROPOSED NEC ACTION:

That the National Executive Committee vote to approve the FY08-12 POM and forward to the BoG for final approval.

ESTIMATED FUNDING IMPACT:

To be determined.

CAP NATIONAL HEADQUARTERS' COMMENTS:

None.

CAP-USAF HEADQUARTERS' COMMENTS:

To be determined once the final POM input numbers are known.

COMMITTEE RECOMMENDATION:

None.

REGULATIONS AND FORMS AFFECTED:

None.

NEC ACTION:

COL ANGEL/NFO MOVED and COL GREENHUT/NER seconded that the National Executive Committee accept the figures presented by HQ CAP/XP as a target for the next phase of the POM process.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION. Inclusion in the June 2005 BoG agenda for endorsement of the FY08-12 POM.

AGENDA ITEM - 6

DO

Action

**SUBJECT: VHF Repeater Requirements Study
CAP/CS – Col Kauffman**

Presented by committee chair - Lt Col Moe Thomas

INFORMATION BACKGROUND:

STUDY OF CAP's VHF REPEATER REQUIREMENTS: A major effort has been underway in the communications community to document CAP's future repeater requirements in the 2008 narrowband era. All the wings have studied their requirements and filed applications for future repeater needs. The region communications staffs have reviewed those applications and forwarded them to the National Repeater Coordination Group (NRCG). The NRCG is composed of two representatives from each region appointed by the region commander. The NRCG has completed a final review of the wing applications and assembled a national repeater requirements plan which will be briefed to the NEC. With the NEC's approval, this new repeater requirement plan will go forward to the AF for their review/approval. Once the AF approves the repeater plan, CAP will amend the Communications Table of Allowances and develop a funding plan for this project.

PROPOSED NEC ACTION:

That the National Executive Committee vote to approve the repeater plan proposed by the National Repeater Coordination Group.

ESTIMATED FUNDING IMPACT:

The Air Force has appropriated \$5.8 M for CAP's VHF Repeater requirements.

REGULATIONS AND FORMS AFFECTED:

None.

CAP NATIONAL HEADQUARTERS' COMMENTS:

Recommend approval.

CAP-USAF HEADQUARTERS' COMMENTS:

Comments depending review of repeater study.

COMMITTEE RECOMMENDATION:

This is a committee agenda input.

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NEC ACTION:

COL KAUFFMAN/CS MOVED and COL STARR/PCR seconded that the National Executive Committee approve the repeater plan proposed by the National Repeater Coordination Group (NRCG), EXCEPT as the NRCG revises it prior to June 2005.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION: After CAP-USAF coordination, action as appropriate.

**SUBJECT: Committee Reports
NCS – Col Kauffman**

Committees

1. Finance Committee

Col Angel

COL ANGEL distributed the minutes of the Finance Committee Meeting, 12 May 2005 (Atch 1).

COL ANGEL corrected the minutes on page 2 in that the picture ID card process is not complete due to the on-going formal Air Force coordination process.

Cash Reserves:

MAJ GEN WHELESS agreed that the Investment Policy has already been approved by the NEC and stated that it needs to go to the BoG as a recommendation for final approval.

FOLLOW-ON ACTION: Inclusion in the Jun 05 BoG agenda.

Unqualified Audit Opinion Analysis:

MAJ GEN WHELESS commented that with the approval (inclusive with the NEC approving the budget) of the proposed support for squadrons no later than 1 Oct 05, the region commanders would need to emphasize the mandatory requirement (to use Quicken to manage cash accounts) to the wing commanders and the wing commanders to all units.

FOLLOW-ON ACTIONS:

1. Provide Quicken to each squadron.
2. Re-write CAPR 173-1 to standardize the chart of accounts
3. Visit squadrons (by WFA) to develop an understanding of squadron activity.

Fundraising Issues:

1. Percentage fundraising:

There were numerous cited violations in the field, and questions were asked as to whether, even if better regulated, “the percentage type fundraising activity represent CAP appropriately?” It was pointed out that the regulation may not be clear as to what kind of percentage fundraising is prohibited. As a part of some of these endeavors, checking accounts were opened in the name of CAP by outside interests.

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MAJ GEN WHELESS summarized that, since it is clear to him that the region commanders want to continue to prohibit percentage fundraising, he will discuss this matter with legal counsel and region commanders in order to find the best solution and will consider the suggestion for a reminder to all unit commanders that it is forbidden. He agreed that the checking account violation was an even more serious point.

2. Update of Profitability of Corporate Strategic Partnership Program—Agenda 8, Old Business, Item 3)

The Finance Committee made the following proposal to the NEC:

“The Finance Committee recognizes that the Strategic Partnership Program has been somewhat successful with value in-kind; however, cash on cash alone has not been successful. Therefore, we recommend to the NEC that the program be restructured.”

MR. ALLENBACK was invited to address this issue. He distributed (1) a statement of income to date; (2) the current job description (3) HQ CAP/EXP MEMORANDUM FOR HQ CAP-EX, 25 April 2005, Subject: Strategic Partnerships/Current Projects, and (4) Copy of slide briefing, Strategic Partnerships. Mr. Allenback also presented a slide briefing. He stated that this kind of program takes some vision and some ability to take risks to make some great progress.

COL ANGEL/NFO proposed that, pursuant to the recommendation of the Finance Committee vis-à-vis a restructure, he will ask the National Commander to allow a focus group or sub-committee to research this in conjunction with staff and develop more definitive ways on how to proceed, realizing that this may include a recommendation on numbers of people to hire or numbers of volunteers to get involved.

MAJ GEN WHELESS agreed with the recommendation of the National Finance Officer.

FOLLOW-ON ACTION: National Commander appointment of a study group to assist the Executive Director in restructuring this position to ensure the desires of the NEC were incorporated.

National Board Travel:

MAJ GEN WHELESS encouraged wings that do not need reimbursement in order to be able to attend National Board meetings to refrain from asking for these funds, thereby providing more funds for wings that cannot afford the expense.

MAJ GEN WHELESS stated there was no objection to the Finance Committee action from NEC members.

FOLLOW-ON ACTION: Clarification of policy and notification to wing commanders.

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Ethics Policy

MAJ GEN WHELESS suggested that region commanders carefully read the proposed CAP Ethics Policy. He stated that there were several things in the policy that he will object to and believes that it needs to be more succinct.

FOLLOW-ON ACTION: National Commander action to rework the Ethics Policy and inclusion in the Jun 05 BoG Agenda

NOTE: Col Charles mentioned that it needs to go to the Audit Committee

CAPMart Update

MAJ GEN WHELESS asked if there were any questions about the policy adopted by the Finance Committee. There were none.

FY06 Appropriated Financial Plan

The Finance Committee endorsed the action taken by the Financial Management Board and recommended that option #3, as presented, be adopted by the NEC in order to absorb a current shortfall of \$233, 215.

COL ANGEL/NFO MOVED and COL KAUFFMAN/CS seconded that the National Executive Committee vote to approve Option 3, as presented, to meet the CAP deficit and balance the budget. (NOTE: Option 3 reads: "Combination of IT connectivity package and personnel = \$234,000)

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION: National Headquarters staff action.

2. Safety Sub-Committee

Col Bonner

COL BONNER reported that the committee is working on the safety pledge cards. The cards will include the safety pledge and bullets for the National Commander's safety initiatives. The committee is continuing to develop safety checklists; and working on CAP safety happenings, which, without punitive action, would allow a person to tell something he/she saw that was wrong as long as there was no serious accident or incident involved. This would also be posted on the web site. The committee also has developed a draft safety contract.

3. Development Committee

Col Robinson

COL ROBINSON presented a slide briefing (Atch 2). The Development Committee has established six sub-committees; recommended a change to Frank G. Brewer Awards; recommended NEC not authorize a leather jacket with grade insignia and CAP

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distinctive patches; and noted other uniform items under consideration that will be presented at the 2006 Winter National Board for consideration.

MAJ GEN WHELESS asked Col Karton to call Col Webb with reference to the recommendation of the Development Committee concerning the leather jacket proposal since the jacket was Col Webb's idea. Gen Wheless did not want a vote by the NEC without Col Webb's input and delayed all action on this item.

Later in the meeting, **COL ROBINSON/RMR MOVED and COL TODD/SWR seconded the Development Committee recommendation to change the Frank G. Brewer Awards as recommended by the family: (1) Combine the Individual/Organizational category (could be either/or), and (2) change the "anniversary" category to "lifetime achievement" and require winner to be a CAP member. (NOTE: These changes would result in four Brewer awards each year).**

MOTION CARRIED WITH NO DISENTING VOTES

FOLLOW-ON ACTION: Implementation of policy change, notification to the Brewer family and the field, and change to CAPR 280-2.

Later in the meeting, Col Karton reported on his call to Col Webb with regard to the leather jacket and suggested that CAPM 39-1 be amended because the sub-committee has already approved a black leather jacket. He stated that the committee's recommendation was based on some faulty premises—(1) that it was mandatory (it is not and never was intended to be); (2) that it was the Air Force A-2 (it is not). He further stated that this is a civilian leather jacket (Coopers); it is different from the Air Force jacket—it is black; it would only be authorized with distinctive CAP uniforms as an option—not mandatory, and if worn with a CAP uniform just as the blue flight jacket is allowed now, CAP could have a name plate and a patch on the breast pocket and the region commander could authorize a region patch as opposed to the national MAJCOM.

There was further discussion on the description and intended wear of black leather jackets, and concerns were expressed about misinterpretation in the field.

COL KARTON/GLR PROXY MOVED and COL ROBINSON/RMR seconded that the National Executive Committee vote to amend CAPM39-1 by authorizing a leather jacket with grade insignia and CAP distinctive patches.

COL GREENHUT/NER MOVED and COL TODD/SWR moved to table and refer to committee.

MOTION TO TABLE CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION: Referral to development committee

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**4. Professional Development Committee
(Report given by Col Glasgow)**

Col Courter

COL GLASGOW presented a slide briefing (Atch 3). A concept for a Great Start optional program was presented.

Gen Wheless delayed action on this proposal until after the report of the Recruiting and Retention Sub-Committee.

Later in the meeting, **COL GLASGOW/NCR MOVED and COL KAUFFMAN/CS seconded** that the National Executive Committee approve the concept of the proposed Great Start program with a field test and a report back to the Aug 05 National Board.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTIONS:

1. Proceed with field testing Great Start program
2. Inclusion in the Aug 05 National Board agenda

5. Cadet Programs Sub-Committee

Col Glasgow

COL GLASGOW reported that the committee would bring CAPR 52-16 to the National Board in August 2005.

There was clarification that if after a field study the proposed optional Great Start program is approved, the committee would like to make reference to it in CAPR 52-16.

FOLLOW-ON ACTION: If appropriate, develop a change to CAPR 52-16 or implement otherwise.

6. Ad-Hoc Committee on CAPR 900-6, Hull Repair Program Col Robinson

COL ROBINSON distributed a proposed (DRAFT 3) CAP REGULATION 900-6, Hull Recovery Program (HRP).

MR. LEIBOWITZ/GC responded to a question as to why the hull self-insurance motion at the Nov 2004 NEC meeting had not been implemented and the charges collected. He said, "in NEC in the May 2004 meeting changing the premium and assigned the NHQ staff to rewrite CAPR 900-6 to conform with that change that the regulation was changed to reflect the premium and to update the method of collecting the premium from the regions and wings. Some region commanders questioned some of the policy issues that were in the regulation. Instead of issuing the revised regulation MAJ GEN WHELESS sent the regulation to an ad-hoc committee for further study.

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committee. That is why it has not been implemented yet and why the regulation change is necessary.”

MR. LEIBOWITZ/GC also addressed a question relating to member-owned rented aircraft insurance. He stated that, “in order for that insurance to pay there has to be a claim against the member. Normally it is an FBO whose plane gets damaged and they try to charge it against the person who rented it. So, for us to be able to collect that money from the member there has to be a claim against the member and he/she then assigns it to the insurance company and that is how they pay. If all we are doing is charging the \$500 that the insurance company is going to pay because that is all the member is liable for. On the other hand, if we have a determination that the member was negligent and we charge the member \$5,000, then the insurance company can step in and pay the \$5,000.”

MAJ GEN WHELESS concluded that since this was a report from committee without recommended action, and that new information surfaced during the discussion, it would be appropriate to set it aside and let the committee work this issue and get the information back to us.

FOLLOW-ON ACTION: Ad-Hoc Committee directed to continue developing the hull repair program and return information as quickly as is convenient.

7. Recruiting and Retention Sub-Committee

Ms. Robin Hunt

MS. HUNT presented a slide briefing (Atch 4) and distributed EXIT SURVEY RESULTS conducted during the period January – February 2005. Also, charts depicting individual region membership trends for the last five years were distributed to each region commander.

AGENDA ITEM - 8

Action

SUBJECT: Old Business

1. ITEM: Insurance Issues, Nov 04 NEC (page 41).

The issue of insurance and Air Force assigned missions was brought up. Gen Wheless tasked Col Glass and Col Todd to get with Col Chavez and Mr. Leibowitz to discuss and bring back a proposal for the May 05 NEC meeting.

COL GLASS/MER briefed that at the Nov 04 NEC meeting he was tasked to investigate the opportunity to buy commercial insurance to replace FECA/FTCA for CAP corporate missions. He provided a status report but stated that he was not prepared to make a recommendation at this time. Status: "We have been in contact with General Counsel who is in contact with our current insurer. Mr. Leibowitz has received a quote from our current insurer who is well aware of our accident history and rate.

Option 1. The quotes for \$50,000 accidental death or dismemberment with a maximum of \$150,000 per accident would cost \$272,000. It would not cover us on any Air Force-assigned missions.

Option 2. From the same carrier, \$100,000 coverage would double the cost. \$300,000 per accident, \$100,000 per person would cost \$545,000 annually for the premium.

Option 3. Mutual of Omaha has asked for our demographics and our accident history. Col Glass is in the process of giving them the demographics, at which they will look at and respond. They were particularly interested in the age and sex of our people. We talked about the possibility of Mutual of Omaha, if they insure these people, also like AOPA, invite them to sell additional coverage. For example, if we covered them at \$50,000 would Mutual of Omaha be authorized to solicit the individual for \$250,000 at the member's expense. It appeared in early discussions that it would be very expensive to buy a group premium for our people. We talked about the possibility of CAP insuring them at a lower level and the members could optionally buy at their own cost a higher level. I told the Mutual of Omaha representative that I thought this would be an acceptable option, and that is the direction we are going."

COL GLASS added information on the statistics of pilots. He counted only the pilots with 101 cards as mission pilots; there are only about 2,900, which is less than 10 percent of our senior strength that are active, card-carrying, ready-to-go mission pilots. This doesn't say whether they have a current Form 5. If you look at the total number of people who fly on corporate missions with a CAP 101 card, this would pick up everybody that would be covered except those few who don't have 101 cards and happen to be cadet orientation pilots. That number is 7,900. So the population that we would be covering is only 7,900 out of some 35,000 nationally.

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COL GLASS will provide statistical information to Mutual of Omaha so the company can evaluate and then discuss a policy. The initial pass is \$100,000 accidental death and the equivalent amount of long-term disability payable over the lifetime of the individual.

COL GLASS also found a third carrier—the Armed Forces Benefit Association—that does the servicemen’s group life insurance for the reservists. They are familiar with military-type people and say they insure first-responders. He has had no contact with them yet, but they may be interested in offering CAP a group policy.

COL GLASS summarized that he has an open quote from the current insurer; he will be getting a quote from Mutual of Omaha; and he hopes to get a quote from the Armed Forces Benefit Association prior to the summer National Board.

COL KARTON stated that the current discussion has to do with life insurance. He understood that the charge was to provide coverage to those who don’t have FECA/FTCA anymore. That isn’t life insurance; that is only while you are engaged in the mission. AOPA’s policy is when you are flying, if you get killed as a result of an accident, and then it is far less expensive. You are talking about large numbers here for the coverage. If it were limited to replace the FECA coverage that we are no longer getting, he asked if the premium would be substantially less.

MAJ GEN WHELESS stated he was interested in knowing whether Gen Searock is going to bring up something at the Board of Governors. (Reference Col Kauffman’s statement that he believes Gen Searock may bring it up as a funding issue because he wants to get it in the POM.) Gen Wheless concluded that he didn’t believe there is any action that CAP can take right now. He added, “with the information provided and questions asked, we may need to change the scope and come back with some other alternatives and I will work with Col Glass.

FOLLOW-ON ACTION: National Commander action.

2. ITEM: CAP Magazine, Nov 04 NEC.

This issue is covered under an informational item.

3. ITEM: Contract for CAP Strategic Partnership program position.

Item was covered under the Finance Committee Report.

AGENDA ITEM - 9

Action

SUBJECT: Additional New Business

ITEM 1. North Carolina Wing Headquarters Advance

COL GLASS/MER distributed an agenda handout on this item (Atch 5)

COL GLASS/MER MOVED and COL KAUFFMAN/CS seconded that the National Executive Committee approve the advance of up to \$20,000 to the North Carolina Wing for the purpose of preventing and repairing damage to its headquarters building. This advance is to be offset in equal annual installments from the NC Wing dues rebate over a period of five years.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION: National Headquarters staff action to implement

ITEM 2. Minnesota Wing Maintenance Facility

COL GLASGOW/NCR distributed an agenda handout (with attached May 2003 NEC minutes, Agenda 14.2) on this item (Atch 6)

COL GLASGOW/NCR MOVED and COL GREENHUT/NER seconded that the National Executive Committee allow the Minnesota Wing to continue building this maintenance facility by securing a bank loan of up to \$126,000.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION: Approval notification to the Minnesota Wing.

ITEM 3. HQCAP-USAF/XO and HQ CAP/DO Interim Guidance for CAP SAR/DR/HLS/CD and GTE

LT COL MATHIS, HQ CAP-USAF/XO distributed a DRAFT MEMORANDUM FOR CAP-USAF LIAISON REGION COMMANDERS, CAP REGION COMMANDERS, CAP WING COMMANDERS, AND CAP-USAF STATE DIRECTORS FROM HQ CAP-USAF/XO AND HQ CAP/DO, SUBJECT: Interim Guidance for CAP Biennial Search and Rescue/Disaster Relief/Homeland Security/Counterdrug (SAR/DR/HLS/CD) Evaluation and Guided training Exercises (GTE) with attached DRAFT EVALUATION GUIDANCE.

LT COL MATHIS presented a briefing on this interim policy guidance, which applies to both CAP and CAP-USAF and supersedes the CAP-USAF Pamphlet 12 Evaluation Guide dated Mar 1999 and the related guidance in CAP-USAFI 10-802 and CAPR 60-3.

**SUBJECT: Wing Administrators
HQ CAP/XPH – Don Reckart**

BACKGROUND

Issue

Wing Administrator Program

Background

- ❖ CAP lacks paid employees at the wing level to work day-to-day tasks required to satisfy DoDGARs accountability and perform tasked Air Force missions.
- ❖ SECAF-directed manpower reductions in December 2002 eliminated the Deputy State Director positions which, in some cases, had assisted with these tasks through the CAP – USAF Liaison structure.
- ❖ CAP/CC identified need for additional support and addressed this issue in writing to General Foglesong.
- ❖ Lt Gen Keys, AF/XO, in May 23, 2003 letter, pledged “good-faith effort” to identify potential funding sources for CAP Corporate employees to transact day-to-day administration.
- ❖ SECAF, in Nov 04, approved funding for 50 Wing Administrators in FY06 and leaves open the possibility of funding “up to half” of the positions in FY05.

Solution

Place qualified administrators with those Wings requiring assistance in accordance with local and federal employment laws and in cooperation with respective wing commanders.

Implementation

- ❖ Position Description
 - Reviewed at Winter 2005 National Board
 - Approved by CAP–USAF
 - Approved by Corporate Working Group
- ❖ Timeline
- ❖ Employment Process
 - Watchword = Consistency
 - HQ/HR & Wing Commander partnership
- ❖ Workload Demand – Part Time v. Full Time

MR. DON RECKART/HQ CAP/HR presented a slide briefing (Atch 7)

COL GLASS clarified that the wing administrators may not hold a CAPR 20-1 position in CAP. If they choose to serve as a volunteer it must be completely removed from their normal duties and they may not do volunteer work on their standard workday. If there is a search and rescue mission (SAR), the wing administrator, as a volunteer, may fly the SAR mission, but not on company time. The wing administrator should not be involved in administrative functions of any kind, as a volunteer. COL GLASS briefed the financial sheet (Atch 8) and hiring plan (Atch 9).

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COL GLASS MOVED and COL KAUFFMAN/CS seconded that the National Executive Committee vote to adopt the hiring plan for the wing administrators as presented.

COL CHAVEZ/NLO advised that both federal and state labor laws apply. He stated that it is vital that each wing commander be informed of the implications of the state wage and hour law. Col Glass added that he was dealing only with federal law and the state legal officers must check to make sure the employment practice used by the wing commander does not violate state laws. There was a request for the headquarters to consider sending to the wing commanders the available summary of wage and hour laws for each state.

MR. ALLENBACK/EX stated that he would like to present an update on this program to the August 2005 National Board. Gen Wheless agreed that it would be good for Mr. Reckart to appear and become known to the wing commanders.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTIONS:

1. Implementation of the hiring plan.
2. Forwarding summary of state wage and hour laws to wing commanders
3. Inclusion in Aug 05 National Board agenda.

**SUBJECT: CAP Magazine
HQ CAP/XP – Don Rowland**

BACKGROUND

Issue:

Transition the CAP News to a glossy magazine format

Transition to new glossy 4 Color CAP Magazine:

Current CAP News will be phased out / New concept magazine begins

Concept/Purpose:

Timing: January '06

Design:

Cost: - to be determined based on format and frequency of issues
Unfunded for '06

Advertising Considerations:

Working on possible solutions to this – may present limited possibilities

Frequency: Bimonthly

Format/Makeup:

of pgs. / Editorial coverage/slant
Printing
Distribution

Next Steps:

Secure funding / Reviews/approvals

OTHER SC STRATEGIC INITIATIVES

- Reorganization
- Priorities
- Focus on Customer/Volunteer
- PAO Program
- Crisis Communications Program
- Branding
 - . Perception
 - . Image
 - . Identity
 - . Awareness

MR. DON ROWLAND/HQ CAP/XP presented a slide briefing (Atch 10)

He briefed the transition of the CAP News to a bimonthly glossy magazine format, effective January 2006.

**SUBJECT: XOS-HA Update
Maj Wessels**

BACKGROUND

MAJ WESSELS presented a slide briefing. By request, a copy of the briefing will be provided NEC members.

During the briefing, Col Vogt stated that in a meeting with Mr. Dominguez and Gen Keys, he (Col Vogt) proposed that all the items, e.g. the Chaplains program, be taken out of AFI 65-601 (budgeting) and included in AFI 10-2701 with other CAP activities, which would facilitate making changes, when necessary. Maj Wessels agreed this should be done. They will look at whether this is feasible as AFI 10-2701 proceeds through coordination.

During the briefing, the CAP ID card was discussed extensively. Col Karton/GLR raised a question regarding Air Force approval of the CAP ID card. He stated that the NEC had no question but that the Air Force approval was final and has proceeded accordingly. Col Vogt explained approval of the CAP ID card was verbal at the action officer level and on good faith Col Sciss came to CAP and briefed that acceptance by that action officer. When the final CAP ID card was presented and Col Sciss again presented it for final approval, the action officer again indicated that he had no problem with it but said they had better get it staffed so CAP would have something in writing that would be an approval for eternity. The staff summary package was then generated to get that formal coordination process so it will be codified. Currently CAP has an informal approval even though it is from a reliable source. Col Vogt added, "We need to do a better job of delineating to you exactly who 'the Air Force' is in every situation. There is common perception in the field, if a TSgt says something or if it is the SECAF saying something, it is 'the Air Force' says. Within every organization there are certain levels that have to buy off on something before it is official. What we are doing now is correcting a misstep that happened before and making sure the proper person in 'the Air Force' approves it once and for all. These things take time. I think this one, in the exuberance of rushing to get it done for you, might have been a misstep. I wish, in hindsight, the question had been asked, or that person had volunteered, 'Yes, I think it will go through, but the staff summary sheet is the actual final coordination process so that it is officially blessed.'" Maj Wessels added that if the formal coordination had preceded the give-and-take discussions and the informal approval, the Air Force answer probably would have been "no" and more work and time would have been wasted.

Concerns were voiced regarding expenditure of CAP funds on a program without final Air Force approval. Col Vogt stated he would call the Air Staff on Monday morning and get a status of the staff summary coordination, including an estimate of time, regarding the CAP ID card.

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GEN WHELESS suggested that he make a call after he hears from Col Vogt and after discussions with Col Allenback and Ms. Parker about the rapidity with which CAP proceeds. He stated that he understands the concerns and appreciated the number of apologies from Col Vogt.

GEN WHELESS expressed appreciation to Maj Wessels for the briefing.

Later in the meeting, Gen Wheless emphasized that if in the Air Force formal coordination there is ANY change, the CAP ID card will come back to the NEC.

Also later in the meeting, Col Karton reported on his phone call to Col Webb regarding the CAP ID card (and leather jacket). He stated that Col Webb reiterated that "we have acted in good faith with approval from the Air Force" and more is the point from his point of view, "this is the Civil Air Patrol's card, which is distinctive from the DoD card by the addition of the band which the Air Force requested and under the circumstances there is no reason why we shouldn't proceed to produce the card and distribute it."

MAJ GEN WHELESS stated his intent on how to handle the ID card issue, unless the NEC feels it would be inappropriate. He gave an example, "it is possible that a region commander in good faith would tell someone that CAP is willing to do something, and it is possible that if that issue came to the level of the National Commander, that the National Commander, based on other considerations, might need to say, 'as much as the region commander committed in good faith, we cannot do that. We have to do it a different way.'" Gen Wheless added, "I think that is the very nature of command and when command is not exercised in a reasonable way then you will provide corrective action to your commander so that reasonable correction goes up and down. If Col Vogt reports to me on Monday that there is some difficulty about the ID cards and he has identified where that problem lies, then my suggestion to the staff is going to be 'don't spend money yet.' I would want Col Vogt to press as hard as he could in order to conclude this issue, but if we still come up with non-approval, I would want to get notice to the NEC as quickly as possible. But, I do not think this issue is worth falling on our sword for. I do not want this issue to cloud our negotiations about control. That is the single most important issue that is before Civil Air Patrol, and how we act on collateral issues may affect that outcome. That is why I suggest to you that we will leave the NEC action where it was, where it was taken in good faith, but if I find that exigencies require some delay in the implementation or that the NEC reconsider it, then I will bring it to you."

COL KARTON expressed concern about drawing the line between smaller issues of control (conceding) and larger issues of control (not conceding) and stated that either the Air Force has control of CAP corporate activity or it does not. He added that if the Air Force does not have control over the big corporate activities, it doesn't have control over the little ones either.

MAJ GEN WHELESS stated that he doesn't believe the Air Force has control over CAP corporate uniforms. He added, "If you wanted to pick a card that is green or orange that does not look almost identically like an official Air Force card, then we would control it. But when you get too close, when we start wearing the Air Force blues, I am not going to dispute the fact that the Air Force controls the wear of that uniform. And I think

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the issue is the same with the present card. I think it is important that we lay this on the table. If I am off-base, then I need to get re-directed.”

MR. ALLENBACK/EX stated that Col Karton may not be aware, but there is a lot of important national security issues involved in this issue. The President has appointed a commission on ID cards. There is an Air Force executive agency to work that for us. He added, “I think it is important to stay on the path that you have decided that there has to be some official coordination, which should be resolved soon. There are some national-level security issues with the card looking like a real Air Force card and that is what is being worked out.”

MAJ GEN WHELESS stated that he understands that Col Karton is an excellent advocate for his commander just as he was an excellent advocate for the National Commander when he was the National Legal Officer, and he appreciated it.

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Administrative Announcements

Maj Gen Wheless recognized the attendance by past National Commanders Maj Gen Rick Bowling and Brig Gen Paul Bergman who are members of CAP's Board of Governors. He also welcomed the region commanders and national staff.

1. Maj Gen Wheless expressed his appreciation to the region commanders, specifically for their cooperation in identifying aircraft and gliders available for national use. He also noted that through outstanding leadership of the region commanders, all unit reports have been received. He added that additional management will be needed for those wings that do not have a wing financial officer and in the area of logistics for accountability across the board.
2. Maj Gen Wheless reported that a number of big issues are pending for the organization, including:
 - (a) The interpretation of CAP's congressional act; the meaning of it; to what degree the Secretary of the Air Force retain control; to what degree does that control include corporate activities funded by the Air Force, if to any degree. The General Counsel of the Air Force has submitted an opinion to which CAP's legal team has responded, and discussions will follow regarding these issues. There is great hope there will be a meeting of minds with a resolution acceptable to CAP and the Air Force. The outcome of this issue will determine the direction of CAP for years to come.
 - (b) The second big issue is the FAA. Great efforts are being made to prepare appropriate language to deal with issues that CAP has with FAA and the direction that CAP will take in an attempt to resolve these issues.
 - (c) A letter signed by the National Commander to the Acting Secretary of the Air Force asking that he declare the glider program be an integral part of the CAP support provided to the Air Force. This action was taken so that CAP could move ahead on the glider program, including maintenance, while negotiations continue on the language in the congressional act that the Air Force will adopt it in its Air Force Policy Directives (AFPD) and the Air Force Instruction (AFI). In the proposed AFPD and AFI the glider program will become an integral part of the program with coverage. The glider issue will be weighed with the importance of the control issue.
3. Maj Gen Wheless announced that Col Greenhut completes his term of office as NER commander in August. He outlined a selection process (nonpolitical) for replacement and asked for input to this proposal from the region commanders. He asked Col Glass to chair a review committee (three to five members—composition to be determined) to review the applications. The committee will advise all wing commanders in the NER and all region commanders of those who have self-nominated themselves as candidates for the office. The

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committee will accept written comments, oral comments, or any recommendations from any of the wing commanders or the current sitting commander. The committee will review all the self-nomination submissions and prepare a first cut list, if necessary due to the number of submissions, for personal interview—probably no less than three and no more than five candidates. The committee would vote by successive secret ballots until a majority is achieved, deleting those candidates receiving no votes in each balloting. That will conclude the activity of the committee. The chairman will NOT announce the name of that person. The name will then be submitted to the National Commander who will confer with the committee chairman and confer directly with the sitting commander before a final decision is made. The National Commander will then announce the name of the successor. These actions will be taken prior to the date of departure of the current commander.

4. Brig Gen Pineda's remarks included four items:
 - (a) He will be working with headquarters staff and committees to support the recruiting and retention efforts.
 - (b) He is meeting and working with Homeland Security, Domestic Security and Task Force 7, which handles the southern part of Florida. This effort may result in a nationwide program.
 - (c) He also is working with U. S. Customs air branch officials in the area of investigations (observation flights only), which should open doors across the country.
 - (d) He was invited and represented CAP at a Domestic Security National Plan rollout in south Florida, which was attended by federal, state, and local officials. Hopefully this effort will result in making other connections and opening other doors.
5. Mr. Al Allenback/EX reported that CAP is prominently featured in a new edition of a handbook, "AIRMAN," which is given to all personnel entering the Air Force. Also, CAP is prominently featured in the 2005 Almanac issue of the Air Force Magazine as a part of the total Air Force team. He also provided an update of National Headquarters activities and a status of tasking from the November 2004 NEC. He noted that the headquarters had processed four staff packages of fairly complex issues in the last month. Col Allenback also offered congratulations to CAP-USAF for an EXCELLENT rating in a recent AETC IG inspection. He added that the inspector praised the coordination and cooperation between corporate and Air Force staffs.
6. Col Vogt, USAF, Senior AF Advisor, commented on the busy couple of months leading to the 2-week compliance inspection combined with readiness and chemical warfare gear. He noted that Operations and Safety received an OUTSTANDING rating; FM, JA, and IM were rated EXCELLENT; resulting in overall rating of EXCELLENT. He emphasized that the cooperation and working together to work through issues identified in past DoD IG inspections and Air

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Force Inspection Agency special review of 2002 were noted by the inspectors. He introduced his staff as well as Major Ken Wessels, USAF/XOS-HA, representing Col Sciss who is TDY to the 1st Air Force. Col Vogt stated that he brought greetings from Lt Gen Regni, AU/CC, who is a staunch supporter of CAP and stays current on all CAP operations. With reference to the AFPD and AFI discussions with SAF General Counsel mentioned earlier by Gen Wheless, he further stated that he had the honor of sitting in a teleconference with Lt Gen Keys, AF/XO, and Mr. Dominguez. Mr. Dominguez, as a BoG member and Secretary of the Air Force, was able to give Col Vogt some insights on the way ahead with the AFPD and AFI and he added that, in his role as Senior AF Advisor, he would like to be involved in the future discussions in this matter. He announced that the money for wing administrators is available for this fiscal year, based on 12 hires in July and 13 in August. At the same time, the Air Force, including AU and AETC, is going through an exercise to decide where cuts can be made to make ends meet this year. Col Vogt stated that he is cutting wherever possible and if there is fallout at the end of the fiscal year, it will go to CAP programs. He suggested that Headquarters CAP go through the same cost-cutting exercise to help with unfunded requirements. He further reported that Mr. Dominguez is signing a letter directing a review of CAP-USAF manning and structure to see how CAP-USAF can better support CAP and all its new missions. Once AETC and Air Staff teams are looking at CAP-USAF, they will also look at the whole operations support—what we need to support 1st Air Force and the commitments to that organization.

7. Col Davis Bonner presented a slide briefing on Safety, in the absence of Mr. Woodsmall. There was discussion on the age of CAP pilots and the emphasis placed by insurance companies. Mr. Leibowitz/GC stated that AOPA is engaging in a major study of the effects of aging on pilot abilities and insurance. Col Bonner also reported that the FY05 Paul W. Turner Award was earned by the Rhode Island Wing, and the Safety Officer of the Year Award was earned by Capt Lawrence Mattiello of the Nighthawk Composite Squadron, Texas Wing.
8. Maj Gen Wheless announced the winner of the 2005 Norm Edwards Counterdrug Officer of the Year Award—Lt Col Paul Falavolito of the Pennsylvania Wing. The NER/CC has been notified so that he can pass it down.
9. Appreciation was expressed to the Finance Committee and all the staff that worked with the committee for their hard work and cooperation.
10. Maj Gen Wheless thanked everyone at the NEC table for dealing with some difficult issues in a fashion that intelligent people can deal with issues.
11. Maj Gen Wheless announced that, in addition to Col Greenhut—mentioned earlier—this is also Col Robinson's last NEC meeting as a region commander. She will depart about a month later than Col Greenhut.

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THE NATIONAL EXECUTIVE COMMITTEE WENT INTO EXECUTIVE SESSION AT 3:15 PM ON FRIDAY, 13 MAY 2005

THE NEC ADJOURNED AT 12:37 PM, SATURDAY, 14 MAY 2005.

Finance Committee Meeting
12 May 2005
Cincinnati, Ohio

A meeting of the Civil Air Patrol Finance Committee was held Thursday, 12 March 2005 in Cincinnati, Ohio. The meeting was called to order at 4:00 p.m. by Col Don Angel, committee chair.

Col Boyd, National Controller, called the role. Members present were:

Col Don Angel – Chair
Col George Boyd
Col Merle Starr
Col Tom Todd
Col Kauffman - Advisor
Ms. Susan Easter - Advisor
Mr. Don Rowland - Advisor

Absent member: Col Bill Webb

Others Present:

Brig Gen Paul Bergman
Brig Gen Tony Pineda
Col Charles Glass
Col Lynda Robinson
Mr. Al Allenback
Mr. Stan Leibowitz
Ms. Deborah Lowtharp
Col William Charles

Mr. John Salvador
Col Rex Glasgow
Mr. Mark Richardson
Mr. Chuck Mullin
Ms. Susie Parker
Ms. Michelle Yost
Ms. Rita Pickette
Chaplain Charles Sharp

Opening Comments - Col Angel welcomed the committee members and asked those who were not members to please hold comments until later. This would help expedite this meeting and make sure all items were covered in a timely manner. The number of members who sit on the Finance Committee was discussed and noted that five was a good representation. The National Commander has not appointed a proxy in Col Webb's absence. Col Angel withdrew his voting rights since only four of the five voting members were present. An odd number of voting members would prevent a tie situation.

Minutes from the last meeting were distributed. Col Angel reviewed that status of several items. E-accounting allows wing staff members to access financial data on the internet. Arizona and New Mexico are interested in using e-accounting but have not been able to sign up for the service due to the firewall restrictions of the military bases they are located on. They are working to see if this can be resolved.

Membership continues to decline. It will be discussed at the NEC.

The picture ID card process was completed.

The corporation now receives appropriated advance payments and no longer utilizes a line-of-credit. Mr. Allenback was asked and agreed that it would be worth initiating an appeal to recover corporate interest charges incurred on the line-of-credit. The Finance Committee recommends that the NEC endorse actions of the Executive Director to appeal for reimbursement of the most recent interest paid by CAP since it was necessary to borrow funds instead of draw against the Cooperative Agreement. (Starr/Todd) Passed

Col Boyd made the motion to accept the minutes from the 3 March 2005 meeting and Col Todd seconded the motion. The minutes were unanimously approved.

FM Support for Region Commanders - Col Angel proceeded with this agenda item explanation. Ms. Deborah Lowtharp, WFA, distributed to the Region Commanders a package of financial analysis information on the wings within their region. Each Region Commander will receive a quarterly analysis regarding wing financial evaluation and internal controls for each of their wings. Ms. Lowtharp briefed that she would be the point of contact and financial analyst for all accounting issues and would send each Region Commander quarterly reports similar to the one distributed. This would give instant knowledge of any wing issues that should be addressed and help with wing accountability. The National Commander, Vice Commander, Chief of Staff, National Finance Officer, National Controller, and Audit Committee members will receive a consolidated report of all regions. Col Angel noted that commanders should use this information as a tool to help make necessary changes to help those wings with troubled situations.

2005 FM Summit – The focus of the summit was to develop financial training for Wing Commanders. Ms. Easter explained that the Wing Financial Analyst visit checklist was revised to develop standard reporting that is more comprehensive. Other items included development of a financial checklist for Wing Commanders, standard procedures for tail number accounting, and an accountability matrix. Wing Commanders will now have a “toolkit” to help with financial controls and accountability.

Cash Reserves – Col Angel briefed the committee that CAP now receives advanced funding for operating expenses which reduces our corporate cash requirements. The FY05 corporate budget includes cash reserves in the amount of \$97,479, and we are now in a position to transfer funds from the operating account to investments. It was mentioned that the new Investment Policy has not been approved by the Board of Governors and this would be brought up in New Business at the NEC. Col Starr recommended that the NEC approve a transfer of funds in the amount of \$97,479 from cash reserves to be invested in accordance with CAP’s Investment Policy. Proposal voted and passed unanimously. (Starr/Todd) Passed

Squadron Analysis Update - Ms. Easter thanked Region Commanders for their support with the squadron questionnaire and indicated that without their help it would have been impossible to obtain a 100% response. The results of the questionnaire disclosed that

there were items such as land, buildings, trailers, and vehicles not currently listed as CAP fixed assets. FM is now in the process of establishing values to record these assets.

Unqualified Audit Opinion Analysis – Col Angel went through a series of slides that described what it may take to achieve an unqualified audit opinion. Squadron annual reporting was evaluated to determine materiality based upon annual expenditures and year end cash balance. This data was derived from the FY04 173-2c reports. In order to maintain accountability at the squadron level, there is a need for at least one or more squadron financial analysts per wing. The projected cost to each wing for the salary, benefits, travel, increased workman’s compensation, and vehicle would be at least \$100,000 per wing. Each squadron Finance Officer would need a computer, accounting software such as QuickBooks or Quicken, and training to move from a cash basis to accrual basis of accounting. Ms. Easter indicated that it was not feasible to move to the accrual basis. There would also be a requirement to change the finance regulation. Col Starr suggested that the following proposal be made to the NEC:

The following support be approved for squadrons no later than 1 October 2005:

- Provide Quicken to each squadron;
- Re-write CAPR 173-1 to standardize the chart of accounts;
- Visit squadrons to develop an understanding of squadron activity and financial controls. (Starr/Todd) Passed

Fund Raising Issues –

1. Col Angel mentioned that Civil Air Patrol has several wings involved in unauthorized fund raising activities. The Wing Commander is violating CAPR 173-4 Section 12, Percentage Professional Fundraising, and Section 14, Prohibited Fundraising Activities. The fund raisers are not portraying CAP funding accurately when indicating in some cases that CAP receives no federal funding. The “Do Not Call List” is also being violated. Mr. Leibowitz gave examples of unallowable funding activities and approved activities. There was further discussion of types of unallowable fund raising occurring within the wings. It was suggested that this was a command issue since the regulation specifically states the types of allowable and allowable activities. Col Angel stated this goes back to internal controls. The Finance Committee recommends to the NEC that the committee has concerns with lax enforcement of CAPR 173-4, Fund Raising, and recommends that immediate and stern command action be taken against those in violation through the normal change of command. (Todd/Starr) Passed

2. The second fund raising issue was to, at the bequest of the NEC, update the profitability of the Strategic Partnership Program that is now at its two year mark. Mr. Allenback gave a briefing that pointed out non-profit fundamentals, benefits other than cash, goals to secure additional funding for initiatives and programs with priority on non-dues funding streams. He reviewed Corporate Partnership growth within the last two years with its various corporate partners to date. His submission revealed total income

derived from Strategic Partnerships of \$180,000, and total cash expenses of \$226,771, revealing a deficit of \$46,771. It also revealed in-kind contributions to date valued at \$156,000 (see attached CAP Strategic Partnerships). He also mentioned that wings had generated \$478,000 through grants. Mr. Allenback announced in his briefing that a new directorate within CAP had been created for partnerships and development to handle community grants, corporate sponsorships, and foundation fund raising.

Col Angel indicated surprise that this directorate had been created, that he had no previous knowledge of such, and stated that our task was to decide as to whether to continue the Strategic Partnerships in its current form, discontinue the program, or come up with something else. Col Angel stated that the program may or may not be profitable in the next five or six years as claimed, but that the present format needed to change. The program is operating at a cash deficit and is now being tied to programs already in use. After further discussion, Col Todd suggested that the following proposal be made to the NEC:

The Finance Committee recognizes that the Strategic Partnership Program has been somewhat successful with value in-kind; however, cash on cash alone has not been successful. Therefore, we recommend to the NEC that the program be restructured.

(Todd/Starr) Passed

National Board Travel – The FY05 Corporate budget includes a \$39,000 allowance for Wing Commander travel to the National Board. This provides \$750 per wing and must be approved by that wing's Region Commander prior to use. This is also based upon the financial need of a wing. There has been confusion as to reimbursement. Therefore, the method of reimbursement needs to be clarified. The Finance Committee recommends that the NEC approve the following:

- \$375 per National Board meeting
- Reimbursement directly to the Wing
- All requests must be received by NHQ NLT 1 November

This relieves Wing Commanders from having to file for reimbursement with the wing and also with NHQ. Any remaining funds not reimbursed at the Winter National Board can be used toward reimbursement at the Summer National Board for a total not to exceed \$750 per wing in a fiscal year. (Starr/Todd) Passed

Ethics Policy – The Board of Governors Audit Committee tasked CAP to develop an Ethics Policy. The policy was drafted at the recent Financial Management (FM) Summit in coordination with the CAP/IG to address accountability to all board members, staff, and volunteers. The Finance Committee recommends that the NEC recommend to the Board of Governors approval of the CAP Ethics Policy as presented (see attached Ethics Policy). (Boyd/Starr) Passed

CAPMart Update – Col Angel stated that CAPMart has an FY05 fiscal year to date profit of \$30,897 and has current cash available of \$100,000. Per study provided by DuCharme, McMullen and Associates, it has been determined that CAPMart has a requirement to collect sales tax. Additionally, the current software must be replaced since website support will be withdrawn by 31 December 2005. The current software has been evaluated and a determination made that the NetSuite web based accounting software would provide the functionality required to manage CAPMart. TaxWare software will integrate to manage and collect sales tax reporting. Mr. Rowland mentioned the initial cost to implement new software of \$100,000 with an annual fee of \$38,000 is reasonable. Col Boyd suggested that we adopt a motion to advise the NEC that the FinCom has documented the fact that CAP was made aware of a probable liability regarding sales tax and that CAP has taken immediate steps to rectify the situation. The Finance Committee will report actions taken and options available to rectify the situation prior to the August National Board meeting. (Boyd/Todd) Passed

FY05 Budget Execution Review - Ms. Pickette briefed an overview of the FY05 budgets. The Corporate spending is at 49% of the budget as of 30 April 05. The Appropriated O&M is 52% spent with aircraft procurement at 95% spent. No vehicle or communication procurement funds have been spent this fiscal year.

FY06 Corporate Financial Plan -- Ms. Pickette briefed slides that showed a conservative projection on membership and other sources of revenue. A 7% decrease in senior and cadet dues has been carried forward from FY05 into FY06 to keep the budget at a conservative level. The Finance Committee recommends that the NEC approve this financial plan and forward to the BoG for its approval.

FY06 Appropriated Financial Plan -- Ms. Pickette addressed funding issues since previous approval of the appropriated financial plan by the NEC and Board of Governors and presented options to overcome the problem. A current shortfall of \$233,215 was generated from a combination of an additional baseline reduction, salary shortfall, and by glider orientation flights transferred to the appropriated budget. The Finance Committee endorsed the action taken by the Financial Management Board and recommends that option #3, as presented, be adopted. (Starr/Boyd) Passed

POM Review – Col Angel explained that the CAP volunteer leadership is now participating in the POM process. This provides an opportunity for volunteers to impact planning and funding for the future and provides a forum for CAP leadership to prioritize future needs through the regular chain of command. Mr. Rowland distributed the FY08 – FY12 POM input to committee members.

Old Business – Col Todd formally withdrew his motion from the previous meeting since it was incomplete at that time and mentioned that the issue would be brought up as Old Business at this NEC.

New Business -- Assistance to North Carolina Wing - Col Charles Glass, MER/CC, briefed slides that showed that the NC Wing Headquarters building was in disarray due to

flooding resulting in mold and severe water damage. The wing must repair or vacate the building. The wing cannot afford to fix the building and looked for other sources of funding which have not developed. Col Angel advised of the possibility of advancing funds against future dues rebates. Col Angel stated that a plan could be put in place to withhold a portion of dues rebates reimbursement for a period of time to offset the advance. Whereas the FinCom agrees in principal to this transaction, it was suggested that Col Glass present his request to the NEC to be offset by future dues rebates over a five year period. Col Todd so moved. Passed

NEC Finance Committee endorsed a requirement for wings to utilize e-Accounting or QuickBooks online - After discussion concerning Finance Officer computer availability, the committee recommends to the NEC that it be a mandatory requirement for each wing to use e-Accounting or QuickBooks online by 1 July 2005 or be actively engaged with NHQ to make arrangements to go online. (Todd/Starr) Passed

Col Angel mentioned that Maj Gen Wheless, on behalf of the membership, had requested an additional \$200,000 be made available for training funds. Through budget reviews, the money needed was made available. Col Angel indicated that through a combination of efforts among CAP-USAF, the volunteer command staff, operations and finance, a plan was rapidly put into place. It was suggested that the funds would be allocated among training for Cessna-182T glass cockpit, Gippsland, and other training needs. (As a side note, Mr. Salvador is announcing, as of this briefing, that the funding coordination with CAP-USAF has been accomplished.)

The meeting adjourned at 8:15 pm.

Respectfully submitted,

Don Angel
Colonel
Finance Committee Chairman

Attachments:

CAP Strategic Partnerships
Ethics Policy

CAP Strategic Partnerships

Last updated: 11 May 2005

	8 months			
Income	<u>2003</u>	<u>2004</u>	<u>2005</u>	
Cash		\$ 90,000.00	\$ 90,000.00	\$ 180,000.00
Inventory - Goodyear		\$ 20,000.00	\$ 20,000.00	Total Cash To Date
Inventory - Flight Schedule Pro		\$ 100,000.00		
Inventory - VTS			\$ 16,000.00	\$ 156,000.00
Total		\$ 210,000.00	\$ 126,000.00	Total Inventory To Date
				<u>\$ 336,000.00</u>
				Total Income to Date

Salary/Benefits/Expenses	<u>2003</u>	<u>2004</u>	<u>2005</u>
	\$ 60,542.00	\$ 111,241.00	\$ 54,988.00

Net Benefit To CAP	\$ 98,759.00	\$ 71,012.00
ROI	89%	129%

Total Income	\$ 336,000.00
Total Expenses	\$ 226,771.00
Net to CAP	\$ 109,229.00
ROI	48%

CIVIL AIR PATROL ETHICS POLICY

Scope

As a matter of fundamental principle, Civil Air Patrol (CAP) should adhere to the highest ethical standards because it is the right thing to do. This policy tasks all CAP members and employees to perform their missions in a manner that brings credit to the organization and themselves.

Statement of Ethics

CAP Ethics are built on a foundation of accountability, integrity, fairness and excellence. This means more than simple honesty. It embraces other attributes such as courage, responsibility, justice, openness, self-respect, humility, and excellence in each and every task we face. Your ethical conduct is a representation of Civil Air Patrol. Adherence to this statement of ethics is mandatory for all staff, board members and volunteers of CAP.

Ethical Standards

The Standards of Ethics include, but are not limited to:

1. Responsible stewardship of CAP's resources and assets
All financial, organizational and program documentation and reporting will be complete, timely and accurate.
We will strive for effective accounting/reporting systems, internal controls and competent staff
Only fair and inclusive hiring and promotional policies and practices will be used for all board, staff and volunteer positions.
Integrity and honesty must be utilized in all transactions and dealings.
2. Avoidance of any conflicts of interest
No board member, staff or volunteer may use corporate property, information or position for improper personal gain or benefit.
Any individual who becomes aware of a conflict of interest or potential conflict of interest must report it appropriately.
3. Working relationships based on mutual respect, fairness and openness.
Board members, staff and volunteers will behave honestly and ethically at all times and with all people. Individuals will not take unfair advantage of anyone through manipulation, intimidation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.
4. Fair dealing in all external business relationships.
In order to preserve public perception of CAP, board members, staff and volunteers will act in good faith, with due care, and shall engage only in fair and open competition, by treating ethically all competitors, suppliers, customers, and colleagues. No gift or entertainment will be accepted by board members, staff, volunteers or family members of board members, staff and volunteers, that is not consistent with customary business practices or is excessive in nature.
5. Confidentiality
Board members, staff and volunteers must protect all sensitive and confidential information entrusted to them.

Compliance

Civil Air Patrol takes adherence to this policy very seriously. It is the responsibility of every member and/or employee to immediately report suspected violations through their respective chain of command. Any commander/supervisor within CAP who becomes aware of an allegation of a CAP Standard of Ethics violation must report it in accordance with the appropriate CAP directive. Violation of this policy may result in corporate, civil or criminal penalties. Board members, staff and volunteers will comply with all governing laws, regulations, directives, rules and policies.

Acceptance

I, the undersigned, acknowledge that I have read, understand and accept my responsibility to adhere to this CAP Ethics Policy.

Name, Grade and Title _____

Signature _____ Date _____



Development Committee

Col Lynda Robinson



Development Committee

- Sub-Committees established
 - Recruiting and Retention
 - Membership/Personnel
 - Public Relations
 - Uniforms
 - Regulations
 - Fund Raising and Partnering



Development Committee

- Change to Frank G. Brewer Awards
 - Brewer family sponsors these awards
 - Currently 5 categories (covered in CAPR 280-2)
 - Cadet
 - Senior
 - Individual
 - Organization
 - Anniversary (every 5 years)
 - Family wishes to change categories
 - Combine Individual/Organization
 - Change "anniversary" category to "lifetime achievement" and require winner to be CAP member
 - Recommend the NEC approve this change



Development Committee

- National Commander asked Committee to consider CAP distinctive leather jacket
 - Jacket to be worn with CAP distinctive uniforms only
 - Grade insignia and CAP distinctive patches
- Committee had some concerns
 - Confusion with AF jacket and wear policy with AF-style uniforms
 - Civilian leather jackets already authorized with CAP distinctive uniforms
 - Cost could be prohibitive if required item
- Recommend NEC not authorize a leather jacket with grade insignia and CAP distinctive patches



Development Committee

- Other uniform items under consideration
 - Gortex parka
 - CAP distinctive flight suit
 - T-shirts with CAP distinctive uniforms
- Uniform items to be presented at Winter Board for consideration

Great Start

-- A Concept --

Col Rex Glasgow, CAP
National Executive Committee
13 May 2005

A Concept Only

This is just an idea!

- Not ready for implementing
- No deadlines have been established
- Your feedback is important

Background



Maj Gen Wheless

- Feb 6 email sent to EX
- New Member outline/calendar idea
 - Checklist for new members
 - Arranged monthly
- Advantages
 - Establishes steps for new members to complete
 - Recognizes the value that new members add to our organization
 - Influences retention

Considerations

A balanced approach

- Welcoming new members
- Values our members' time
- Sensitive to squadron workload
- Not another program!

Primary reasons

- Over 70% of our first year **cadets** do not renew
- Almost 50% of our first year **seniors** do not renew

Considerations

Why members quit

- Lack of training
- "Lack of meaningful duties"
- "Time commitment too great"
- "Expectations not met"
- "Not enough flying"
- "No one talked to me"

What this means

- Our new members deserve a great start in CAP
- Members need to be assimilated quickly
 - Need meaningful duties
 - Value our members
- Leadership is key

Considerations

Collaborative effort involving these great teams:

- Professional Development Committee
- Development Committee
- Operations Committee
- Finance Committee
- Suggestions from volunteers across America
- Recruiting & Retention Sub-Committee
- Cadet Programs Sub-Committee
- National Cadet Advisory Council
- Chaplain Service Advisory Council
- National Headquarters

Master Plan

Great Start Booklet

- Establishes one-to-one relationships
- Provides squadrons with easy checklists
 - Guides prospective members
 - Can be tailored for specific groups
 - Adults, Youth, Pilots
 - Clergy, Parents, Teachers, etc.



Great Start Booklet

Contents

- Brief history and organization of CAP
- Expectations CAP has for its members
- Requirements for initial membership
 - Including time and dollars
- Benefits of membership
 - Including why you should be a part of CAP
 - Answer the question, "What's in it for me?"
- FAQs
 - "Can I get a free pilot's license?"
 - "Is there a military service obligation?" etc.
- Checklists

Cycle 1

Checklist ideas (first 3 months):

- Meet with Mentor
- Meet with Squadron Commander
- Start new member orientation
- Review "CAP careers"
- Participate in at least one squadron activity
- Complete three-month evaluation
- Turn in checklist

Cycle 2

Checklist ideas (next 3 months):

- Meet with Mentor
- Begin "CAP career" exploration
- Participate in at least one squadron activity
- Complete new member orientation
- Become a greeter
- Participate in bi-annual gathering of new members
- Complete six-month evaluation
- Turn in checklist

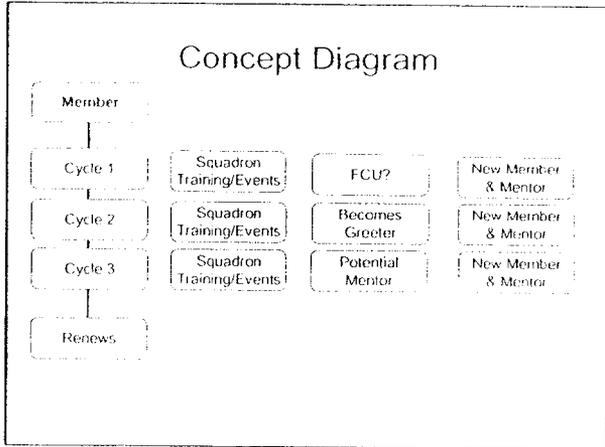
Cycle 3

Checklist ideas (next 6 months):

- Meet with Mentor
- Continue "CAP career" exploration
- Participate in at least one squadron activity
- Continue as a greeter or potential mentor
- Participate in bi-annual gathering of new members
- Complete one-year evaluation
- Turn in checklist
- Turn in membership renewal

Concept Diagram



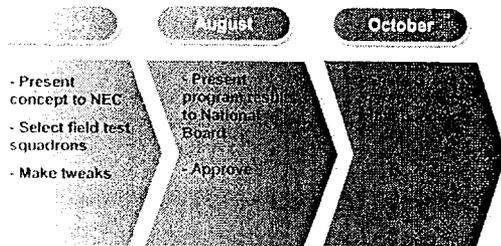


- ### Squadron Checklist
- | | |
|---|---|
| <p>Squadron</p> <ul style="list-style-type: none"> - Should already have: <ul style="list-style-type: none"> • Meaningful training • A plan for growth | <p>New tasks</p> <ul style="list-style-type: none"> - Assign a greeter - Assign a mentor - A gathering of new members every six months - Review feedback |
|---|---|

- ### Greeter Checklist
- Greeters**
- Valuable role
 - A good first impression is important
 - Assigned greeters can enhance a newcomer's initial experience
 - New members may serve in this role after their initial three months
 - Easy-to-use checklist with clear guidance
 - New members are most enthusiastic

- ### Mentor Checklist
- Mentor**
- Establishes a one-on-one partnership
 - Checklist makes it easy!
 - New members may serve in this role after their initial six months
- 
- "If I hadn't had a mentor, I would not be sitting in the commander's chair today."
 - Wayne H. Kilcollins (MF-033)

Great Start Timeline



Recommendations for NEC

Costs

- None or little
 - Reprogram "Squadron Visitor Guide" printing

Approve

- Concept
- Field test
 - Track feedback and retention
- Report back to August National Board

Great Start

Our members deserve a great start in CAP!

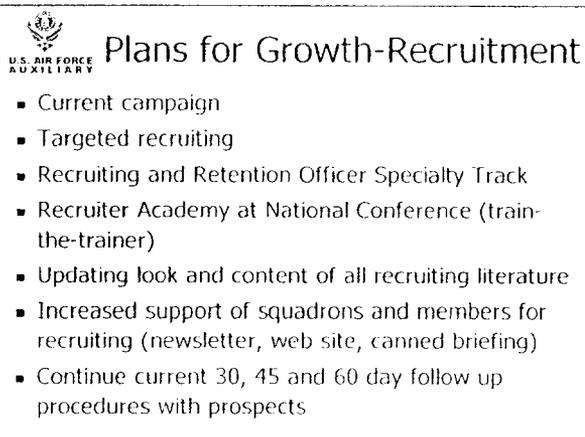
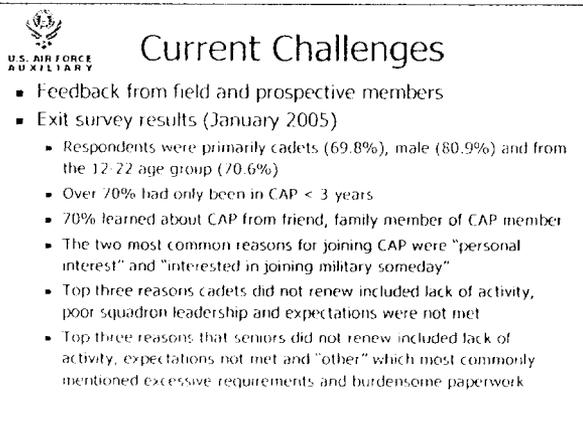
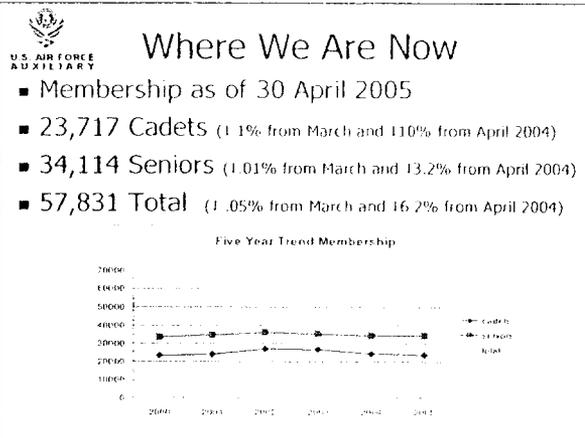


Great Start Feedback

- *Why do you think our members deserve a great start in CAP?*
- *How easy or difficult would this be accomplished in your squadron?*
- *What would you add or change?*

Recruiting and Retention Sub-Committee

Ms. Robin Hunt





Plans for Growth-Retention

- Renewal lists to squadron commanders at 30, 60, 90 days
- Member satisfaction surveys
- Follow up with parents of non-renewing cadets
- Project Great Start

NEW BUSINESS -

ACTION

SUBJECT: North Carolina Wing Headquarters Advance
MER/CC – Col. Glass

INFORMATION BACKGROUND

North Carolina Wing headquarters is based at Burlington Airport (BUY) near Burlington, North Carolina. It is housed in a metal structure fabricated in 1994 by the NC Air National Guard when MGen Dwight Wheless was the NC Wing Commander. Recently the building has experienced considerable water encroachment problems at the front, and there may be mold and mildew problems in several areas.

The wing has solicited the advice of a local contractor in trying to determine how to stop the surface water incursion. The plan of action includes re-grading around the front of the structure, re-installing some roof drain piping, and treating some areas with waterproofing applications. This portion of the plan has been estimated to cost \$14,000. In addition, the wing anticipates discovery of some areas of mold and mildew currently hidden from view. After removal of sheet rock to inspect these hidden areas, mitigation of the infected areas will be required. It is estimated that an additional \$6,000 may be required to correct the contaminated areas. This estimate is very rough because of the unknown extent of the required repairs.

The wing is concerned about the legal ramifications of possible exposure of its members to harmful mold and mildew spores. In the long term, if repairs are not made quickly the conditions will continue to deteriorate and there is a definite risk of having the facility condemned and abandoned.

The North Carolina Wing does not currently have the financial resources to cover the estimated \$20,000 cost of these building repairs. In order to allow repairs to be completed this summer, the wing requests approval of an advance of wing dues from the Civil Air Patrol Corporation to be offset by annual installments for a term of five years.

PROPOSED NEC ACTION

That the National Executive Committee approve the advance of up to \$20,000 to the North Carolina Wing for the purpose of preventing and repairing water damage. This advance is to be offset in equal annual installments from the NC Wing dues rebate over a period of five years.

ESTIMATED FUNDING IMPACT

CAP operating account.

May 2005 NEC Agenda

AGENDA ITEM - 9

NEW BUSINESS

**SUBJECT: Minnesota wing maintenance facility
Col Glasgow, NCR/CC**

INFORMATION BACKGROUND:

In Nov 03 the NEC approved a request from the Minnesota wing to proceed with bids, design and construction of a wing maintenance facility. During that meeting you were briefed that the wing had earlier sold a property providing revenue of \$180,000, and were awarded \$200,000 state funding totaling \$380,000. At that time it was believed that this amount would cover the entire cost of the facility. Bids have now increased, primarily due to raising prices of steel and other building materials. Projected costs are now totaling \$526,000. Additional funding (\$400,000) was sought through the State Aviation Department and it appeared that this money would be approved until a new governor realigned the budget.

Approval of this agenda item from May 03 NEC meeting is attached.

At this time the Minnesota commander is requesting to proceed with a bank loan for the remaining \$126,000, in the name of MN CAP. This note would be for a period of 20 years, obligating the wing to roughly \$900 per month payments (\$10,800 per year). Presently the wing receives \$65,000 per year from the state and this line item has not been removed from the state budget for future years. Further, the wing has started raising funds through donations and receives approximately \$18,200 per year in membership dues, (1300 members @ \$14 ea). There is also an office which the State Director will utilize, paying rent of approximately \$350 per month (\$4,200 per year).

The intention is to pay off this loan entirely within a two to three year period. In a worst case scenario, membership dues alone will allow the repayment of this loan without considering the present state funding, additional rent or fund raising in process. There is no indicated appearance that the wing will have difficulty with repayment of this loan.

PROPOSED NEC ACTION:

The NEC vote to allow the Minnesota wing to continue building this maintenance facility by securing a bank loan of up to \$126,000.

AGENDA ITEM - 14

Action

SUBJECT: Additional New Business

2. ITEM: Minnesota Wing Building

COL GLASGOW/NCR stated that 3 years ago the NEC gave Minnesota wing permission to sell Holman Field. They completed that sale and have revenues of \$180,000. Just in the last couple of days the State Aviation Department has awarded Civil Air Patrol in Minnesota \$200,000 to help build a new maintenance facility for the wing. Minnesota wing is ready to proceed to build a new maintenance building. They have some designs and want to build a new complex in two phases. The first phase would total up to \$400,000 of which they have \$380,000 between the sale of the field and the state appropriation, and they would like permission to go ahead and build the first phase. They will be building an additional facility on the same property for about \$200,000 later on, and permission for that will be sought later.

COL GLASGOW/NCR MOVED and COL GROSHONG/PCR seconded that the NEC vote to allow the Minnesota wing to proceed with building a wing maintenance facility, as briefed.

MOTION CARRIED WITH NO DISSENTING VOTES

FOLLOW-ON ACTION. Notification to Minnesota wing to proceed with bids, design, and construction.



Agenda Item 10

Wing Administrators

Don Reckart



Program Status

- SecAF approved funding
- WG/CC approved Position Description
- WG/CC assessed need for FT vs PT
- Await funding



Hiring Process

- HR announces jobs
 - CAP website
 - Local State Employment Service
 - Veterans' Representatives
- Candidates must apply on-line at website
- HR collects apps & reviews qualifications



Hiring Process (cont'd)

- HR forwards qualified candidates' apps to appropriate WG/CC
- WG/CC interviews candidates
- WG/CC selects best qualified candidate
 - Notifies Corp HR
 - Advises HR of desired start date



Corporate HR Support

- Contacts selected candidate
- Extends verbal conditional offer
- Prepares and mails formal written offer
- Initiates background check
- Arranges drug screen
- Notifies WG/CC of process completion



Challenges

- CAP pay & benefit programs funded with O&M money not MILPay or CIVPay money
- O&M funds indexed at much lower inflation factor
- Not funded for 100% full time
- Must use part time to meet future funding



Employment Issues

- Workspace identified
- Phone/computer available & compatible
- Team members can't supervise relatives
- Administrator must perform duties identified in Position Description
- Remain sensitive to pay/benefit differences with other wing employees



Initial Placement

- **Northeast**
New York
New Jersey
Pennsylvania
- **Middle East**
Delaware
Nat Cap
West Virginia
- **Southeast**
Alabama
Georgia
Puerto Rico
- **Great Lakes**
Illinois
Indiana
Michigan
- **North Central**
Iowa
Kansas
Missouri
- **Rocky Mount**
Idaho
Montana
Wyoming
- **Southwest**
Arizona
Louisiana
New Mexico
- **Pacific**
Hawaii
Nevada
Oregon
Washington

Full Time Employees 35
 Part Time Employees 17
 Avg Hours/week/part time employee 25

WING ADMINISTRATORS		FY06	FY07	FY08	FY09	FY10	FY11
Category	4A	4B	4C	4D	4E	4F	
Annual Salary	\$30,359	\$31,118	\$31,896	\$32,693	\$33,511	\$34,348	
Hourly Salary	\$14.60	\$14.96	\$15.33	\$15.72	\$16.11	\$16.51	
Salary	\$1,385,225	\$1,419,745	\$1,455,150	\$1,491,678	\$1,528,904	\$1,567,066	
FICA	\$105,970	\$108,611	\$111,319	\$114,113	\$116,961	\$119,881	
401K	\$53,128	\$54,456	\$55,818	\$57,213	\$58,644	\$60,110	
Health	\$284,426	\$318,780	\$356,895	\$399,735	\$447,615	\$501,165	
Life	\$1,925	\$1,960	\$1,995	\$2,030	\$2,065	\$2,100	
State Unemployment	\$5,408	\$5,408	\$5,408	\$5,408	\$5,408	\$5,408	
* COLA = 2.5% (9 mos)	\$28,879	\$29,599	\$30,337	\$31,098	\$31,874	\$32,670	
* Step Increase = 3%		\$47,484	\$48,669	\$49,890	\$51,135	\$52,410	
* Incentive = 2%	\$30,886	\$31,656	\$32,446	\$33,260	\$34,090	\$34,941	
TOTAL COST FOR ADMINISTRATORS	\$1,895,847	\$2,017,699	\$2,098,036	\$2,184,426	\$2,276,696	\$2,323,340	
FUNDING	\$2,100,000	\$2,154,000	\$2,208,000	\$2,263,000	\$2,319,000	\$2,377,000	
SURPLUS (SHORTFALL)	\$204,153	\$136,301	\$109,964	\$78,574	\$42,304	\$53,660	

* Note: COLA, Step Increase, and Incentive include associated expenses for FICA, and401(k)

NORTHEAST				
	MEMBERS	T' ACTIONS	PART TIME	COMMENTS
1. New York	2501	2104		
2. New Jersey	1300	1500		
3. Pennsylvania	2360	3483		#
4. Massachusetts	947	1168		
5. Maine	1429	1235		#
6. Connecticut	513	365	YES	#
7. Vermont	267	39	YES	
8. New Hampshire	551	1512		#
9. Rhode Island	236	449	YES	

MIDDLE EAST				
	MEMBERS	T' ACTIONS	PART TIME	COMMENTS
1. Delaware	347	1101		Very High Ops Tempo
2. National Capital	666	449	YES	
3. West Virginia	653	---	?	
4. Maryland	1313	790		
5. South Carolina	1017	1133		
6. Virginia	1575	4303		#
7. North Carolina	1447	3033		#

SOUTHEAST				
	MEMBERS	T' ACTIONS	PART TIME	COMMENTS
1. Puerto Rico	1164	189		Troubled Wing
2. Georgia	1639	769		
3. Florida	3882	6150		
4. Alabama	1028	1155		
5. Mississippi	484	2188	YES	Wing CC Volunteered P/T
6. Tennessee	1233	2292		#

Currently has state or wing paid employee.

GREAT LAKES					
	MEMBERS	T' ACTIONS	PART TIME	COMMENTS	
1. Illinois	1523	2016			
2. Indiana	852	630	YES		
3. Michigan	1159	1519			
4. Wisconsin	1182	1151			
5. Ohio	1363	526			
6. Kentucky	656	78	YES		

NORTH CENTRAL					
	MEMBERS	T' ACTIONS	PART TIME	COMMENTS	
1. Missouri	848	118			Troubled Wing
2. Iowa	392	21	YES		
3. Kansas	558	818	YES		
4. South Dakota	320	737	YES		
5. Nebraska	566	1843			
6. North Dakota	318	720	YES		
7. Minnesota	1325	---			

ROCKY MOUNT					
	MEMBERS	T' ACTIONS	PART TIME	COMMENTS	
1. Idaho	457	---	YES		
2. Montana	337	---	YES		
3. Wyoming	298	409	YES		
4. Utah	552	2746			#
5. Colorado	1618	1861			#

Currently has state or wing paid employee.

SOUTHWEST					
	MEMBERS	T' ACTIONS	PART TIME		COMMENTS
1. Louisiana	665	1996			
2. New Mexico	935	---	YES		
3. Texas	3118	3678		#	
4. Arizona	1473	---			
5. Oklahoma	748	2795			
6. Arkansas	515	924	YES		

PACIFIC					
	MEMBERS	T' ACTIONS	PART TIME		COMMENTS
1. Hawaii	493	---	YES		
2. Oregon	719	1168			
3. Washington	1524	2494			
4. Nevada	861	1100		#	
5. California	3335	---		#	
6. Alaska	1097	6784		#	

Currently has state or wing paid employee.



Agenda Item 11

CAP Magazine

Don Rowland



Civil Air Patrol Magazine

- Previous NEC decision in support of *Civil Air Patrol News* conversion from bimonthly newspaper to bimonthly magazine
- Concern was NHQ's ability to offset projected \$45,600 budget increase with increased advertising revenue
 - Magazine's projected annual budget was \$189,600
 - Present proposed increase is almost half projected amount
 - Pre Banta Publications Group magazine bid
 - Pre USPS mailing audit, permit (first class) versus periodical (nonprofit)



Civil Air Patrol Magazine

- Magazine Specs
 - Debut issue - January 2006
 - 48-pages plus cover
 - Published bimonthly
 - Processed 4-color throughout
 - 70# high-gloss cover/40# text
 - 8 x 10.5 trim size
 - Web offset, saddle-stitched, trimmed
- FY06 Costs - \$168,000
 - Based on 60k press run, 6 issues per year
 - Printing - \$102,000 (\$17,000 per issue)
 - Labeling - \$6,000 (\$1,000 per issue)
 - Sorting - \$3,000 (\$500 per issue)
 - USPS Mailing - \$57,000 (\$9,500 per issue)



Civil Air Patrol Magazine

- Advantages
 - Enhanced organizational image
 - Ultimate high-end print quality
 - More attractive format for advertisers
- Disadvantages
 - Increase in cost
 - Offset by projected advertising revenues
 - Offset by non-member subscription rate increase of approx \$10 or about \$1,000 per year
 - 15% decrease in column inches/page space
 - Offset by *CAP News Online* and other e-initiatives, such as broadcasting e-mails to membership



Civil Air Patrol Magazine

- Budget increase - \$24,000
 - Present CAP News Annual Budget - \$144,000

- Advertising revenues
 - Projected revenue \$5,000-\$10,000
 - ▶ Advent of aggressive advertising sales campaign
 - ▶ Increase in advertising rates based on mag format, ad quality
 - ▶ Working with ad houses to procure advertising (e.g., Dennison Publications)