

Minutes of the January 7, 2016 Board of Directors Meeting, Fairfield Inn, Irving, Texas

Attendees:

President: Melanie Jarvi
First Vice-President: Charlie Morton
Second Vice- President: Peter Eschauzier
Secretary: Bob Hoch
Treasurer: Steve Brooks
Northeast Area Director: Ed Cook
Western Area Director: Joe Perito
Central Area Deputy Director: Fred Landbeck
Southeastern Area Director: Rich Maurer (late arrival)
Southwestern Area Director: Micky Mellerski (late arrival)
Scribe: Jock Bethune
WebMaster: Dale Johnson
Site Selection Committee Chairman: Bruce Ott (late arrival)
Former Presidents: Bill Rose & Gary Yudell (late arrival)
Convention Manager: Vicki McGowen
Grey Eagle Foundation Representative: Steve Fryer

The meeting was called to order by President Melanie Jarvi at 0901. The pledge of allegiance was recited and a quorum was confirmed by the Secretary. The names of the deceased Grey Eagles and the names of the deceased wives and widows of Grey Eagles were read and a moment of silence was observed in their memory.

President Jarvi introduced Steve Fryer from the Grey Eagles Foundation gave a brief report on the Foundation and a lengthy report on the APA Supplemental Medical program. The Foundation had a surplus in 2015 and one of the beneficiaries has passed away leaving three recipients. Donations from The Grey Eagles treasury should be suspended for 2016. Individual donations from Grey Eagles are sufficient at the moment to keep the foundation solvent and the web site donation link is operating properly. The foundation will sunset in the not too distant future and the hope is that any remaining funds can be returned to The Grey Eagles organization.

The APA Supplemental Medical program was set up in 1993-94 as a Voluntary Employee Benefit Association (VEBA) a 501,C,9 program. The APA became the plan sponsor and the seed money came from the APA insurance programs this was designed to replace. It was set up as a medical welfare trust which is mainly not under Obamacare and to which contributions, not premiums, are made by the participants.

In 2014 there were over 7000 members with slightly over 3000 (or nearly 40%) who were retirees or retiree spouses. Since the APA Board of Directors manages the program, these retirees and spouses, who do not have a vote for APA representatives, have no voice in the management of the program. Plus, many of those APA Board Members, who are elected by active pilot APA members, have no realization that they are responsible for managing the Supplemental Medical program. Also, many of the Board and many of those voting for the Board are not members of

the Supplemental Medical program. While membership is not required to be a member of the group overseeing the program, it would make that management more relevant.

Steve Fryer reported on three problem areas:

First, the problems with the Representation/Governance of the program which he had just summarized should be corrected by the establishment of a separate Board of Directors.

Second, the Administration of the program, which is handled by APA benefits, is suffering from benign neglect. The staff of three (going to four) at APA is overwhelmed.

Third, the Service from WebTPA and Welldyne has been unsatisfactory.

There were valid reasons to increase the contributions from the members when it appeared that the \$50000 retiree health care benefit would disappear as a bankruptcy result, and when it did not, to promise increased benefits to plan members. Those increased benefits have not materialized but retiree contributions have accounted for 70% of all contributions to the plan. The plan was opened to active USAir pilots in 2105 without announcing it to other plan members or seeking approval.

Steve Fryer continued with a report on the finances of the Supplemental Medical plan at the end of 2014. The plan had assets in excess of \$63 million dollars and had undergone an increase in asset of nearly 7.5 million dollars during the year. Income was 12 million dollars while participant contributions were nearly 7.5 million dollars and benefits paid to beneficiaries were just under 3.5 million dollars. Expenses were 4.6 million and, if you estimate that 70% of the contributions were from retirees, that amount paid all the expenses and contributed to the reserves. The required reserves were 27.5 million dollars. Excess reserves were 36.4 million dollars. The plan is in excellent financial shape and can easily afford to give the service the members deserve, but it is not doing so.

APA called a meeting on September 22 to discuss the plan. Grey Eagles President Fred Lanbeck appointed Steve Fryer to attend and he took Frank Walley and John Wilkes along. Keith Wilson spoke but did not stay for the entire meeting. The BRAB members were there, as was Mike Knoerr.

There are six different categories of claimants:

1. A retired pilot on Medicare who has not yet exhausted the \$50000 United Health Care benefit.
2. A retired pilot on Medicare who has exhausted the \$50000 United Health Care benefit.
3. A pre-bankruptcy retiree who is not yet on Medicare and has the United Health Care benefit.
4. A pre-bankruptcy retiree who is not yet on Medicare but has exhausted his United Health Care benefit.

5. A post-bankruptcy retiree who is not yet on Medicare but has purchased the required COBRA benefit from American Airlines

6. The 65 year old retiree who goes immediately on Medicare and will have Supp Med as his supplemental.

Steve Fryer has had a number of meetings with Keith Wilson, APA President on the representation issue and APA's lawyers consider that APA is acting correctly. BRAB membership was discussed and a non-voting membership was discussed but Steve Fryer could not accept a non-voting membership.

WebTPA is improving their service but too many plan participants fail to file because it is too complicated or give up after being denied. WebTPA has designed a new form and increased the minimum from \$250 to \$1000 below above which no procedure code is required. Welldyne should soon have a new prescription drug form which should simplify that process.

Retirees must be involved in the governance of the plan to represent the retirees and the spouses. Steve Fryer met with Keith Wilson and understood that Keith would put before the APA Board of Directors a recommendation that the Supplemental Medical plan be administered by a five man board with three members appointed by The Grey Eagles and two appointed by APA. That did not happen.

Over the next ten years, 1000 pilots will retire each year. The plan will get bigger as most of the pilots retire at age 65 and go immediately onto Medicare with this as their supplemental plan. APA has no plan to deal with this. Steve Fryer has two options: First, there are outside administrative companies locally who can do all the administrative tasks. Second, there could be an administrative person inside APA whose sole responsibility would be to administer the plan. This person would not work for APA Benefits but would be responsible to the five person board and be paid by the plan.

Service: WebTPA has solved many of their problems. Welldyne can handle electronic claims but fails on the paper claims. 40% of the claims from APA members are paper. Some claimants are waiting 9 months for their checks. Electronic claims can only be filed by those who no longer have United Health Care. Welldyne's contract has been renewed by APA and they are promising a 30 day turnaround on claims.

Retirees need an advocate and Steve Fryer volunteered to chair a committee if The Grey Eagles would create one. Legal action is not out of the question. A motion was made and seconded that Steve Fryer draft a letter for Melanie Jarvi's signature addressed to Keith Wilson and the APA Board of Directors recommending the creation of a five person board to be responsible for the VEBA (Supplemental Medical plan) and that Steve Fryer, John Wilkes and Frank Walley be assigned as three members representing the retirees. The motion passed unanimously. (1:09:01)

The Second Vice President thanked Steve Fryer for the immense amount of work he had done and the Board concurred in expressing its gratitude.

The minutes of the August 25, 2015 Executive Board meeting were approved unanimously.

The minutes of the December 29, 2015 Conference Call were approved unanimously.

A discussion took place regarding the retirement dinners and whether non-APA members and/or non-Grey Eagles had to pay for their retirement dinners.

A discussion took place as to whether pilots formerly with TWA or USAir who join as Grey Eagles should be identified differently in the database.

The Secretary reported on the new members who have joined since the Las Vegas convention. There were 25 between then and the Bermuda cruise and 7 since the latter. Of the 25, two have not paid their dues and their numbers will be reissued if they do not pay.

The Treasurer reported on the finances of the Grey Eagles and the budgets for the year and the convention. Board Member and Committee member expenses were not a part of the convention budget and Vicki McGowen agreed she would create the budget. A discussion took place regarding attendance at the banquet on the last night of the convention. Also discussed was a different registration fee for non-Grey Eagles. A new bank account has been opened because Bank of America's transaction restriction was too limiting. A discussion took place regarding the IRS form 990. If assets exceed \$500,000.00, the Form 990N postcard filing is not allowed. Grey Eagles assets are too close to that number and a discussion took place on that subject. A motion was made and seconded to allow the Treasurer to subsidize the hotel rooms to encourage convention attendance. After discussion, the motion was withdrawn.

Area Directors Reports:

Northeastern: Ed Cook - Retirement Dinner May 21, 2016 at Tarrytown Marriott. Gary Yudell will be honored as Pilot of the Year. USAir retirees have been approached.

Southeastern: Richard Maurer - Christmas luncheon was a success. He will resign as Area Director after the next retirement dinner.

Central Area Director: Fred Landbeck - Chicago international flying has decreased and many pilots have left to chase it. April 21 retirement dinner may have to be canceled. Only 3 have expressed interest in attending. Rick Butler had a heart attack on a layover in London last summer. Fred Strauss younger son Bill flies for AA and may be available to replace Rick as Area Director.

Western Area Director: Joe Perito - Finalizing a date in April for the first retirement dinner in two years. Ray Seymour was recommended as a possible Deputy Director. USAir pilot retirement dinner would likely be in Phoenix.

WEBMASTER REPORT

Dale Johnson reported that he began in 2010. The web site was updated in November. Home page has a direct link to Facebook which Jock Bethune keeps up and a link directly to the Jetnet sign-in page. Hotline phone line number is on the home page, Attempting to get a web counting application to determine how many hits on each page. 5000 to 6000 hits per month but this is not necessarily all from Grey Eagle members. Roster and links to health care options are on the home page as is a survivor checklist. Dale asked that the Area Directors notify him of scheduled retirement dinners and other activities. Dale thanked Gary Yudell, Herb Dabelow and Jock Bethune for their newsletter activities. All are posted on the website. Link to make Grey Eagle Foundation donation is working. Convention application form and Membership application form are online. If desired, the membership application and pay link could all be on one web page. This would eliminate some of the membership chairman responsibilities. The store link is not ideal for the purchaser; he wants his merchandise and doesn't care about what takes place behind the scenes. The paperwork separated from the money causes a delay. Only four orders between cruises. The credit card link will allow only one e-mail address for automatic notification of payment. A discussion took place regarding the store and ordering procedures. Dale requested that items for the web site be sent in pdf format. There will be links to register at convention hotels. "Who's Coming" to the convention link will be established on the web site. Photos should be in .jpg format. Gary and Dale have been working to combine the Grey Eagle database with the database on the web site so that a correction to either would automatically take place in both. Gary Yudell will research this with Gene Allen.

SCRIBE REPORT

Content on 2014-2015 Newsletter was discussed by Jock Bethune. Distribution was electronic with postcards to those without e-mail addresses. Stacey Hull got 30 requests for printed copies. The restaurant gift certificate was presented to her at Christmas. The cost to print was discussed and Vicki McGowen showed the TARPA Topics magazine. They print 800 copies at about \$8.00 per copy. TARPA has hired an editor to put the magazine together and many stories come from pilot members. The Soaring Eagles send out a black and white document four times a year. A discussion took place about the lack of valid e-mails on the part of many Grey Eagle members. Another discussion took place as to whether a monthly e-mail update in addition to or in place of the Newsletter would be preferable. Further discussion took place regarding the format and frequency of the publication. Vicki can provide the name and contact information of the TARPA editor to Jock. June would be good for a printing date and the convention form could be included. A budget figure and color versus black and white were discussed. A motion was made and seconded to produce and mail by July 1 a black and white newsletter. An amendment to the motion was made to budget up to \$20000.00 for this project. The amendment passed unanimously. An amendment was made and seconded to strike the words "black and white". The amendment passed unanimously. The twice amended motion was to publish and mail by July 1 a newsletter with a budget cap of \$20000.00. The amendment passed unanimously. Jock announced that the deadline for articles and information to be received by him would be March 1, 2016.

Store Report: Fred Landbeck - Looking for vendor to special order shirts on a case by case basis. If such a company can be located, the present stock of shirts will be liquidated. Shirts and hats are the items that sell. Plenty of coffee cups and beer mugs are available.

Mickey Mellerski - Retirement dinner will be scheduled before June. Christmas luncheon had about 100 people and just about broke even. Luncheon in February with Keith Wilson to speak on Supp Med program.

BRAB - Bruce Ott. D-1 passes went from 4 to 6 but have been no further changes. 20% discount or retirees is not in TRIP book but that was an oversight. No 20% discount on AAdvantage miles for retirees. Bruce wrote letters to AAL and there was no response. D2R's are here to stay. Flight attendants' law suit still ongoing. Their contract said that in retirement they would have the same passes as actives

Vicki McGowen asked for input regarding Board input on convention matters. The changes to the San Diego contract requested during the December 29 conference call were made. A provision was inserted to provide that a last minute cancellation would incur a one day hotel room penalty. A motion was made and seconded to accept the contract as changed. The motion passed unanimously.

The New Orleans convention was announced via e-mail in November and December with an encouragement to book rooms. 40 Reservations were made. Vicki would like to do things earlier than the previous Grey Eagles time line. The New President's letter will highlight the convention.

The Treasurer, Second Vice-President and the Western Area Director left the meeting. The Secretary determined that a quorum still existed.

Hospitality suite availability and hours were discussed. The Grey Eagle Area Directors will make the schedule and staff the room. Ed Cook will coordinate for Grey Eagles with Gene York from TWA. Registration will be staffed by Grey Eagles as usual. Membership meetings are scheduled separately to allow for attendance at both. Tours and times were discussed. The idea of a Halloween Party in the hospitality room on October 31 was discussed and a decision was made to do so and to have entertainment between 8 and 10 in the hospitality suite. Mardi Gras World and the World War II venues were discussed as site for Grey Eagles Night. Bus size limitation was discussed. 29 passenger bus is the largest allowed in the French Quarter. Welcome reception will be in the hospitality suite. A discussion took place regarding a means to retaining members in the hotel through the banquet night. Another discussion took place about the Barbeque restaurant on the Bayou tour. Discussion took place regarding the registration hours. The capacity of the banquet room is 300 people and one area has limited visibility of the dais. Another ballroom is available that holds about 150. It was decided that the Welcome Reception should be combined with the Halloween Party the first night with food from 6 till 8. Banquet speaker invitations to Parker, Campbell and Crandall were discussed. Vicki needs information regarding convention mailing. Discussion took place regarding the registration form and lines on the form about food allergies and handicapped transportation requirements. The American Airlines print shop and Credit Union involvement will be investigated and a June 1 deadline for the mailing was discussed. Dale Johnson has been getting the "Who's Coming" list from the hotel directly rather than from Vicki.

Policy Manual Changes: - Bob Hoch

A motion made and seconded to change the policy manual as follows to reflect the actual practice.

Section 4.04 Secretary

- 1. The specific duties of the Secretary are delineated in the Bylaws.**
- 2. ~~The Secretary should provide American Airlines with any additions, address changes, or deletions from the current mailing list.~~**
- 3. ~~Coordinate the annual domicile retirement dates with Area Directors to avoid conflicts of dates with other retirement banquets; the Grey Eagle, Three Diamond, Kiwi and Vanguard conventions; APA Board of Directors and the AA Stockholder's meetings. Once the dates are established, distribute the pertinent information to the appropriate Grey Eagles members including the Webmaster so that the information can be posted on the Web Site.~~**
- 4. 2. Maintain, preferably in electronic database form with regular backups, the following: (All databases should be backed up monthly with the webmaster)**
 - A. A master roster of every member by Grey Eagles number. This should include employee number, status (active/retired/died) and any remarks that would provide historical information. (Data base categories: 0 = deceased; 1 = active annual dues payer; 2 = retired dues payer; 3.2 soon to be life member who has paid the initial \$200.00; 3.3= soon to be life member, who has paid the initial \$200.00 plus the yearly follow on \$100.00; 3 = full life member; 4 = annual dues payer who has reached 80; and, 5 = an honorary or associate member.)**
 - B. ~~A roster of~~This master roster shall include living Grey Eagles ~~containing~~ current address, phone number, second address and phone number, e-mail address and any information that might be used to contact the member. This database is used for mailings, dues notices to annual members, convention information and newsletters. (Copies of this roster should be furnished to the EXB ~~each month.~~ regularly.)**
 - C. ~~A roster of the~~ This master roster shall include deceased Grey Eagles, obtaining death information from other Grey Eagles, APA and American Airlines. Coordinate with the Flight Engineers and TWA and USAir pilot organizations to ensure that Grey Eagles know of the deaths of those aviators.**
 - D. ~~A roster of~~ This master roster shall include a table of Auxiliary Members with contact information, forwarding each entry with any additional pertinent information to the Treasurer and Auxiliary Member Coordinator. (Amended Nov. 14, 2012)**
 - E. ~~A roster of~~ This master roster shall include Grey Eagles who have been dropped listing the reason for the drop.**
- 5. 3. Publish via e-mail, notifications of deaths of Grey Eagles and spouses/widows. These notifications should go to American Airlines, APA, the BOD, the Webmaster and any other interested Grey Eagles.**
- 6. 4. Provide the Treasurer with all current membership information including that of all Auxiliary and deceased members. (Amended Nov. 14, 2014)**
- 7. 5. The Secretary's signature should be on file on all Grey Eagle bank accounts and the Secretary may back up the Treasurer for the handling of Grey Eagle funds.**
- 8. 6. Establish and maintain the Secretary's location in the registration line at all Conventions.**

9: 7. Act as the communications link between the Grey Eagles and the APA and American Airlines.

10: 8. The Secretary's term of office shall normally be greater than one year.

Section 4.26 Regional Retirement Banquets

1. ADs are responsible for the planning and execution of a regional retirement banquets. Retirement banquets are a major endeavor. This official function honors pilots retiring from American Airlines service. It is often the final official act of an AA pilot commemorating decades of flying. It is an important night for the honorees. It is their celebration and the AD makes it happen. Don't hesitate to ask for help. There are many pilots who are willing to pitch in. At many bases, the Flight Office staff provide valuable assistance.

2. Planning begins early. Hotels often open their scheduling books on January 1st for the following year. Desirable weekends fill up quickly, so start early. Consider the arrival of out of town attendees. ~~The AD should coordinate with other ADs, the EXB, Kiwis, TARPA, APA and AA to avoid scheduling conflicts.~~ Be aware of religious holidays. Coordinate the annual domicile retirement dates with other Area Directors and the EXB to avoid conflicts of dates with other retirement banquets. Once the dates are established, distribute the pertinent information to the appropriate Grey Eagles members including the Webmaster so that the information can be posted on the Web Site. Once a date has been selected and a contract signed with the hotel, the AD should coordinate with the Second VP, Webmaster, Scribe, AA and the APA for dissemination and publication of the information

Bill Rose suggested that in 4.04,2,B "regularly" be replaced by "at least quarterly". An amendment to that effect was made and seconded. The amendment passed unanimously. The changes as amended were approved unanimously.

A discussion took place as to whether the meeting notification restrictions in the Bylaws applied to conference calls. The sense of the board was that the restrictions did not apply to conference calls and that a quorum was all that was necessary

Nominating Committee Report - Fred Landbeck

Dave Pakiz, J. C. Farrell, Fred Landbeck, Bill Rose, Bruce Ott were approved by the board.

Old Business - Bruce Ott. United Health Care does not tell you when the \$50,000 is used up. Bill Rose reported that after his wife used up the \$50,000, doctors visited were told that there was coverage but there were no benefits.

New business- approaches to other APA base representatives have been unanswered. The seniority integration is an issue which must be dealt with before anything can be accomplished.. Gary Yudell plans to attend USAir pilot luncheon.

A motion was made and seconded that the expenses be paid for those invited by the president to this board meeting. Motion passed unanimously.

The meeting was adjourned at 1641.