

Date: Sunday, March 23rd, 2012 <should be Saturday>

Time: 8:49 AM EDT

Meeting Type: Teleconference **(Digitally Recorded)**

Special Session: Board of Directors and Corporate Officers

Minutes Recorded by: George Jorochilov Assistant Secretary, REACT International Inc.

REACT INTL. Annual Board Meeting –March 23rd, 2012.
Atlanta, Georgia

¥ Pledge of Allegiance

¥ Moment of Silence – Observed.

Secretary - Roll:

Regional Directors:

Stan Walters - Region 1 - **PRESENT**

Norman Kaplan – 2 – **NOT PRESENT**

Roy Drury - Region 3 - **PRESENT**

Ed Kirby – Region 4 – **NOT PRESENT**

Laurence Fry – Region 5 – **NOT PRESENT**

Thomas Jenkins - Region 6 - **PRESENT**

Charlie Land - Region 7 – **PRESENT**

John Capodanno - Region 8 – **PRESENT**

NA – Region 9 – **NOT PRESENT**

Directors NOT Present:

R 2

R 4

R 5

R 9

¥ Quorum is established

Corporate Officers:

Present:

President – PRESENT <John Capodanno>

Executive VP – NOT PRESENT <John Mahon>

General Council VP – PRESENT <General Counsel – Charles A (Chuck) Thompson

Secretary – PRESENT <Mike Castiglioni>

Treasurer – RESENT <was absent><Dennis Luciani>

Asst. Treasurer – PRESENT <Frank Jennings>

Asst. Treasurer – PRESENT <Stan Walters>

Guests:

Julio Ruvalcaba – LACR 52

Webinar established

A.) Approval of Feb 12 – Feb 19 minutes

1.) Motion to approve Feb 12th-19th Minutes.

Motion: R8

Second: R6

MOTION: PASSES

For purposes of today's vote, will invoke 3 POSITIVE votes as a majority.

B.) Supplemental material received from Roy Drury for item 38 A. for purposes of this agenda.

C.) No. 7 Officer's Report

- 1.) President: Report submitted to the board.**
- 2.) Outline of President's agenda for the Officer's report.**
- 3.) EVP – Submitted a written report. Read to the board**
- 4.) Negative Feedback from the EVP report as read to the board.**
- 5.) VP Gen Council <Counsel> – Nothing to add**

D.) Treasurer's Report

- 1.) Brief Outline of the Treasurer's report and specifics....**

E.) Mr. Jennings - Investments – Explanation – 2009 invested - \$40,0000 Real Estate - currently valued @ \$46,265.82 - 840 Shares AMRN valued @ \$10,540.00 - Invested in Money Market Fund \$274.84.

F.) No. 8 Regional Director Reports:

- 1.) R1 – Working to get all 11 Affiliates renewed. One converting to as FULL member. Team renewals: 2647 will renew. 3521 undecided - 4942 renewing. 634 undecided. 6134 renewed. 6185 undecided. NEW TEAMS – None – open inquiry in NH. Working to get additional teams in NY, CT, NH, and PA.
- 2.) R2 – Not Present
- 3.) R3 – Working on leads –losing team in SC.
- 4.) R4 – Not Present
- 5.) R5 - Larry Fry - Resigned.
- 6.) R6 - Teams renewing – 100 % renewal.
- 7.) R7 - 14 Teams - 2 have not renewed.
- 8.) R8 – Reading reports from assistants of Region 8. Issues with CREST by other members and non-members.
- 9.) R9 - Letter of Resignation

G.) No.9 Committees of the Board

- 1.) Membership committee – Does not have report – No report

H.) No. 10 Awards and Recognition <Corporate Committee>

- 1.) Chair – No reports received.
- 2.) E-mail – Working – No Restrictions.
- 3.) IT – Data base – Infrastructure – Web.
- 4.) Office Equipment – Repairs and Up Keep.
- 5.) R8 – Radio Server. REACT. NET ...Echo Link.

I.) No. 11 Office Operation and Review <Board Committee>

- 1.) Office function – Equipment issues.
- 2.) New Equipment familiarity.
- 3.) Virtual Office discussion.

J.) No. 12 Team Membership Renewal Report <Corporate Committee>

- 1.) Renewal report on screen.
- 2.) Un-Renewed teams – Problem
- 3.) 1288 members - 779 Non-Renewed - Drop of 27 % in team membership.

K.) No. 13 No. 14 –PASS

10 Minute Break

L.) No. 15 R3 – Survey Conducted. Gauge the body of work. 714 recipients.

- 1.) Dues Increase - Negative response.
- 2.) REACTER – Most Prefer a Printed version
- 3.) Majority – The Board is Effective
- 4.) The board is probably running at about 80 % approval.

- 5.) 52 % are like to continue being participants.
- 6.) Better communication – Less Friction at the top.
- 7.) Better Publicity.
- 8.) Too Much controversy.
- 9.) Many Suggestions as to better the organization’s current and future promise.
- 10.) Why is there a perception that the board is affluent?

M.) No. 16 Strategic Planning – Vision-Mission- Core Value - Goals

- 1.) Reports sent to the board.
- 2.) Business plan – submitted by R8
- 3.) Sponsorships require a business plan, and mission statement, strategic goals.
- 4.) Do not currently have a vision statement.
- 5.) Statement: Recognized leader in citizen communication (All means of communication) across the nation.
- 6.) Mission Statement: Are relatively short and concise.
- 7.) We have a coherent mission statement.
- 8.) Currently no strategic goals.
- 9.) Exceed Expectations.
- 10.) Setting Realistic Priorities.

MOTION: R3 to adopt Current Vision Statement:

MOTION: R3

SECOND: R6

Discussion:

No Objections:

MOTION: PASSES

RECESS

N.) No. 18 Update Web Team Management Project

- 1.) No Update - All work scheduled will advise further at later time.

O.) No. 17 Discussion of Virtualization of the Organization / Office

- 1.) Item # I 17A – B Live Web based Library – File Server
- 2.) 500 G of storage across the board
- 3.) Windows ACL driven
- 4.) Unified Desktop
- 5.) Soft Phone – (Similar to Skype)
- 6.) Discussion on REACT membership calling into the organization, and finding the best way to accommodate that.
- 7.) Discussion on Board having access to Financials.
- 8.) Closing the Office – 1 Yr. lease still in place.
- 9.) Sending a box to John - Start scanning documents.

- 10.) Discussion on shipping of items and intake of \$ to do so.
- 11.) Discussing different terms and modes/ and or companies to take care of shipping and inventory.
- 12.) Discussion back to Virtualization of the REACT office.
- 13.) Insurance discussion for REACT members and for actual employees –if applicable –
- 14.) Communicate to members the reason for costs of insurance.
- 15.) Opposition to Virtual office in Chicago – Insurance Cost.

RECESS – 10 Minutes.

Back In session:

- 16.) Brenda Cutchin – Define Brenda’s employment (Month to Month).
- 17.) Making sure that when office is closed in June, there are no repercussions.
- 18.) Discussion on Brenda’s contract, some confusion as to the terms.
- 19.) Severance issue for Brenda addressed.
- 20.)

MOTION: TO Table Item # 17.

MOTION: R3

MOTION: Passes

P.) No. 19 - 2003 Renewal cycle planning and review

- 1.) Board wanted to start renewal for Sept.
- 2.) Full Conesus <consensus>. September renewal in place.

Q.) No. 20 – 2010 -2011 Finance Year End report

MOTION: To Discuss

MOTION: R8 - Table 2010 – Review Audit – till end of meeting

SECOND: R6

R1 – Y

R2 – NP

R3- Y

R4 - NP

R5 - NP

R6 – Y

R7 – Y

R8 - Y

MOTION: PASSES

R.) No. 21/25 2011 Finance Year End Report

- 1.) Dennis Luciani - Coordinated the report.
- 2.) PNL as of Dec 31st.
- 3.) Item 25. Status of 2011 review ---
- 4.) Quote for the 2011 Fiscal review by CPA.

R3: MOTION: President to authorize a contract to review the 2011 Fiscals. Does not exceed 2010 prices

MOTION: R3

SECOND: R8

No Objections:

MOTION: Passes

S.) No. 26 – Table

T.) No. 27 - Bank Account status

1.) President needs a list of Officers for the Bank Account. Signature cards.

2.) ETA - ASAP

Motion: * Executive Session *

MOTION: R3

SECOND: R8

MOTION: PASSES

Item: 20 & 24

Closed Session: 2010 Financial Review

U.) President – Everyone Received report and distributed to board.

1.) The report indicates unscrupulous actions.

2.) Reviewing the Audit for 2010.

3.) Mis-appropriation - \$13,000.00.... this was recognized by the organization.

4.) Why the review has taken so long.....

Motion: Approve recommended Footnote to the 2010 Audit.

MOTION: R3

SECOND: R6

MOTION: PASSES.

MOTION: To Exit Executive Review

MOTION: R3

SECOND: R6

MOTION: PASSES

V.) MOTION: To Authorize President to sign the 2010 review

MOTION: R6

SECOND: R3

R1 – Y
R2- NP
R3- Y
R4 – NP
R5 – NP
R6 –Y
R7 –Y
R8 –Y

MOTION: PASSES – Item No.20 and 24 complete

W.) No. 31 - Go payment solution.

- 1.) Go Payment – way to have CC software on your phone to take donations and other....
- 2.) Maybe Team Presidents can use for speed, accuracy and convenience.

X.) No. 29 – Financial Analysis Report

- 1.) Look at the overall health of the organization.
- 2.) Long Term Goals, and financial outlook – various options for the group.

Y.) No. 34

- 1.) Chuck Thompson – Documents were denied to Mr. Thompson.
- 2.) Any member can have access to a Non Profit's docs.
- 3.) Requested Team Charters – Denied access.
- 4.) Referencing the By-laws.
- 5.) Is General Council <Counsel> part of the Board of Directors? <Answer: No>
- 6.) FURTHER discussion on Gen. Council <Counsel> whether that position is concurrent with By-Laws of REACT. <Answer: Yes>

Motion: To Recess till tomorrow:

Reconvene 8:43 EST – Saturday <Sunday>

Z.) CONTINUE - No .17

- 1.) Part A – terms of employment for Brenda Cutchin.
- 2.) Insurance for a Virtual Business – Liability cost for Corp. 1 M – 2 M policy \$500.00 a year.
- 3.) Letter to the Office Manager – Explaining that she would not be under contract, but still employed AT WILL.
- 4.) GANT chart.
- 5.) Phone line – R8 – End of May – will be in place.
- 6.) Banker Boxes – Files – Scans-ALL can be sorted out by end of May.
- 7.) Discussing shipping of items back to the President.
- 8.) Current renewals active 2011 2012 teams, files will be shipped delivered, scanned – End of May. Barring acts of God!
- 9.) Discussing worst case scenarios.

MOTION: To ship everything out of the office within 60 days – and Closed - .

FURTHER DISCUSSION

**MOTION: R8
SECOND: R7**

**R1 – Y
R2- NP
R3- Y
R4 –NP
R5 –NP
R6 –Y
R7 –Y
R8 –Y
MOTION: PASSES**

**RECESS:
BACK IS SESSION:**

AA.) Brenda Cutchin’s Letter – Office employee.

- 1.) Chuck Thompson reviews letter to Brenda Cutchin.**
- 2.) Intent to have the employee stay till all is resolved.**
- 3.) Looking to engage the Landlord.**

MOTION: AMENDED - Director Walters to Engage the Landlord, to end lease or terminate effective Aug 1.

**Motion: R3
Second: R8**

Discussion:

- 1.) R1 – is R1 willing to negotiating with the Landlord.**
- 2.) R1 – Will negotiate.**

**R1 – Y
R2- NP
R3- Y
R4 –NP
R5 –NP
R6 –Y
R7 –Y
R8 –Y
MOTION: PASSES**

AB.) MOTION: Gen Council <Counsel> Completes letter with changes to Brenda’s Letter and forward to the President for approval.

**MOTION: R3
SECOND: R6**

**R1 – Y
R2- NP
R3- Y
R4 –NP
R5 –NP
R6 –Y
R7 –Y
R8 –Y
MOTION: PASSES**

AC.) MOTION: To table the following ITEMS: No. 23 – 32 33 35 37 38 39 43 45 50 till the next Regular board meeting.

**MOTION: R3
SECOND: R6**

**R1 – Y
R2- NP
R3- Y
R4 –NP
R5 –NP
R6 –Y
R7 –Y
R8 –Y
MOTION: PASSES**

AD.) No. 22 – Budget 2012

- 1.) Mr. Luciani has drawn up a budget for 2012.**
- 2.) Expenses are being decreased substantially across the board.**
- 3.) \$49,000.00 projected budget 2012.**
- 4.) Various discussions on expenses and validity.**

MOTION: To Approve Column 2012 Budget Specifically Column C.

**MOTION: R3
SECOND: R7**

Discussion:

**R7 – If the numbers are un-realistic why approve a budget.
R3 – Edit the Budget/ and amend.**

R1 –

R2- NP
R3-
R4 –NP
R5 –NP
R6 –
R7 –
R8 –

NO VOTE

MOTION: MOVE TO CLOSED SESSION

**MOTION: R3
SECOND: R8**

Discussion:

R1 – Y
R2- NP
R3- Y
R4 –NP
R5 –NP
R6 –Y
R7 –Y
R8 –Y
MOTION: PASSES

**MOTION: Provide Severance to Brenda Cutchin, stays on, till completion of the office closing.
\$1,500.00 severance.**

**MOTION: R7
SECOND: R6**

Discussion:

**R6 – Reviewing the old contract of the employee to determine the severance package.
R7 – Discussion on “Dora” ALSO receiving a severance package. Various amounts spoken about.**

R1 – Y
R2 - NP
R3 - N
R4 –NP
R5 –NP
R6 –Y
R7 –Y
R8 –N

MOTION: PASSES <Motion FAILS – requires 4 votes to pass>

MOTION: Exit Executive Session

**MOTION: R3
SECOND: R6
MOTION: PASSES**

Back in Open Session:

AE.) Re –Visit Item No. 22 – Budget 2012

- 1.) Mr. Luciani has drawn up a budget for 2012.
- 2.) Expenses are being decreased substantially across the board.
- 3.) \$49,000.00 projected budget 2012.
- 4.) Various discussions on expenses and validity.
- 5.) Discussion on Life member dues and total amount of.
- 6.) Net Income \$5,500.00.

MOTION: To Approve Column 2012 Budget Specifically Column C.

**MOTION: R3
SECOND: R7**

Discussion:

**R7 – If the numbers are un-realistic why approve a budget.
R3 – Edit the Budget/ and amend.**

**R1 – Y
R2- NP
R3- Y
R4 –NP
R5 –NP
R6 – Y
R7 – Y
R8 – Y
MOTION: PASSES**

AF.) No. 30 - 2013 Dues.

MOTION: Table till next board meeting.

**MOTION: R3
SECOND: R6**

**Discussion:
MOTION: PASSES**

DG.) No. 36 – Document retention policy

MOTION: To table till next regular meeting.

**MOTION: R3
SECOND: R6
MOTION: PASSES**

AG.) No. 40 Resource typing - NIMS Certification

- 1.) R3: Have the documents been reviewed.
- 2.) R1 – Discussing and reviewing NIMS categories and resources.

MOTION: To approve the NIMS certification Process as is:

**MOTION: R3
SECOND: R7**

Discussion:

**R1 – Y
R2- NP
R3- Y
R4 –NP
R5 –NP
R6 – Y
R7 – Y
R8 – Y
MOTION: PASSES**

AH.) *CLOSED SESSION*

- 1.) No. 44
- 2.) Pulling the Charter from CREST.
- 3.) Status on Membership committee – brought to the agenda by Mr. Drury.
- 4.) The committee has met recently.
- 5.) Various discussions on Mr. Mann <Mahon> and Mr. Greeney.

MOTION: To Exit Closed session

**Motion: R3
Second: R8
MOTION: PASSES**

AI.) No.46 – REACTER – MAG CLOUD

- 1.) Hard Copies of the REACTER.**
- 2.) Having a service to provide hard copies.**
- 3.) Negative reaction to REACT not providing hard copies of the REACTER.**

RECESS:

BACK IN SESSION:

- 4.) Does the board want to upload recent editions of the REACTER.**
- 5.) Members need options on buying hard copy editions.**
- 6.) Radio Grams have softened the blow to having a member not receiving a hard copy of the REACTER.**

MOTION: To move printed material to MAG CLOUD

7.) MOTION: R8

8.) SECOND: R7

9.) Discussion:

10.)R1 – Y

11.)R2- NP

12.)R3- Y

13.)R4 –NP

14.)R5 –NP

15.)R6 – Y

16.)R7 – Y

17.)R8 – Y

MOTION: PASSES

CAFE PRESS

MOTION: To Use Café Press – Publicized to members only

MOTION: R7

SECOND: R6

Discussion:

18.)R1 – Y

19.)R2- NP

20.)R3- Y

21.)R4 –NP

22.)R5 –NP

23.)R6 – Y

24.)R7 – Y

25.)R8 – Y

MOTION: PASSES

AJ.) No. 47 – Reinstitute the REACTER

TABLED as per the recommendation of R3

AK.) No. 49 – Membership Recognition Program.

- 1.) Discussion - recognition of the membership.
- 2.) There needs to be some recognition of members that go above and beyond the call of duty.
- 3.) Frank will handle the details on the recognition of team members.

AL.) No. 51 Proposed board meeting and workshop dates for the rest of the year.

- 1.) Board Meetings published for the rest of the year.
- 2.) Workshop dates also sent to the board.

MOTION: To approve dates for the Board Meetings and Workshop dates as published.

- 1.) MOTION: R6
- 2.) SECOND: R3

Discussion:

- 1.) R1 – Y
- 2.) R2- NP
- 3.) R3- Y
- 4.) R4 –NP
- 5.) R5 –NP
- 6.) R6 – Y
- 7.) R7 – Y
- 8.) R8 – Y

MOTION: PASSES

AM.) No. 52

- 1.) TABLE

AN.) No .54 Election of Officers

- 1.) Floor to open
- 2.) R6 – Nominates John Capodanno for President
- 3.) John Capodanno – President of REACT – 2 Year term.
- 4.) Chair – Nomination for EVP – 1 Yr term.
- 5.) R3 – Nominates Julio Ruvalcaba as EVP.
- 6.) Chair – Acclaims Julio Ruvalcaba asEVP.
- 7.) R6 – Nominates Chuck Thompson – VP Gen. Council <Counsel>– 1 Year term.
- 8.) Chair – Acclaims Chuck Thompson – VP Gen. Council <Counsel>
- 9.) Chair – Opens nominations for Secretary.

- 10.) President John Capodanno moves to nominate George Jorochilov as Secretary.
- 11.) Discussion on the move
- 12.) Interim Secretary designated – George Jorochilov.
- 13.) Acting Secretary appointed by President – George Jorochilov.
- 14.) R3 – to Gen. Council – Asst. Secretary appointed – George Jorochilov.
- 15.) The nomination for George J. is withdrawn.
- 16.) R7 – Nominate Lee Besing as secretary.
- 17.) Discussion
- 18.) Gen Council <Counsel>– Lee was secretary for 13 years, and the minutes were not approved for many months. The work is sub-par.
- 19.) Paper Vote
- 20.) All votes given to the EVP in paper form.
- 21.) Tally the Y and N's
- 22.) 2 - Y / 3 - N
- 23.) Mr. Besing is not confirmed as Secretary.
- 24.) Chair: Opens the nominations for Treasurer.
- 25.) R3 Nominates Mr. Luciani as Treasurer.
- 26.) VP Gen. Council <Counsel> questions the nominations. <Having 4 principal officers from same Team>
- 27.) Chair: Acclaims Mr. Luciani Treasurer.

AO.) No. 55 Election of Assistants

- 1.) R8- Nominate George Jorochilov as Asst. Secretary.
- 2.) R8 – Nominate Brenda Cutchin as Asst. Secretary.
- 3.) Chair: Set to Vote- paper vote on Asst. Secretary.
- 4.) Votes : 5 G (George) 3 B (Brenda).
- 5.) Chair: Acclaims Brenda and George Asst. Secretary.
- 6.) Chair: Open nominations for Asst. Treasurer.
- 7.) R3 – Nominates Frank Jennings as Asst. Treasurer.
- 8.) R6 – Nominates Stan Walters as Asst. Treasurer.
- 9.) Chair: Acclaims Frank Jennings and Stan Walters as Asst. Treasurer.

AP.) MOTION: To approve Brenda Cutchin as acting Agent in Virginia.

- 1.) MOTION: R1
- 2.) SECOND: R6

Discussion:

- 3.) R1 – Y
- 4.) R2- NP
- 5.) R3- Y
- 6.) R4 –NP

- 7.) R5 –NP
- 7.) R6 – Y
- 8.) R7 – Y
- 9.) R8 – Y

MOTION: PASSES

AP.) No. 56 Election of a new Chairman

- 1.) Chair: Opening the floor for nominations of Chair.
- 2.) R6 – Nominates R1 for Chairman – R1 - Declines.
- 3.) R6 – Nominate Mr. Drury R3 for Chairman –
- 4.) By-Laws indicate the board needs a Vice Chair.
- 5.) Chair: Acclaims R3 Roy Drury as Chairman.
- 6.) Chair: Open Nomination for Vice Chairman
- 7.) R3 Nominates R6 as Vice Chairman.
- 8.) R8 – Question – does the Chair person need to be a Director.
- 9.) VP Gen Council <Counsel>– Traditionally Chair and VP <Vice Chair> have come from board of directors.
- 10.) Chair: Acclaims R6 Tom Jenkins Vice Chairman.

AQ.) No. 57 - R3 will add report on the resignation of the Director of region 5

- 1.) R3 - No one at the moment wants to head region 5
- 2.) R8 – Spoke with Larry – will work with Larry to see if he recommends any individual.
- 3.) Will seek to find a replacement for R5

AR.) No. 58 – Discussion: Directors that miss 2 or more consecutive meetings. By-laws.5.5 Paragraph B

- 1.) By Laws state – 2 or more consecutive misses requires a resignation. <Bylaws state that Director missing two consecutive in-person meetings is deemed to have resigned>.
- 2.) Board may excuse the violation.
- 3.) No Action taken on Region 9 Director.

AS.) No. 53 – EXECUTIVE SESSION

MOTION: To allow Mr. Jennings, Mr. Thompson, and Mr. Ruvalcaba to stay for the Executive session.

- 1.) MOTION: R3
- 2.) SECOND: R6

Discussion:

- 3.) R1 – Y
- 4.) R2- NP

- 5.) R3- Y
 - 6.) R4 –NP
 - 7.) R5 –NP
 - 7.) R6 – Y
 - 8.) R7 – Y
 - 9.) R8 – Y
- MOTION: PASSES

Roy Drury has the floor – Recording Terminated.

AT.) No. 59 – ADJOURNMENT.

MOTION: ADJOURNMENT

MOTION: R6

CHAIR: ADJOURNS MARCH 23RD, DIRECTOR’S ANNUAL BOARD MEETING

MINTUES – TRANSCRIBED – ASST. SECRETARY GEORGE JOROCHILOV