

EXECUTIVE COMMITTEE MINUTES

MARCH 24, 1994

MARRIOTT GWINNETT PLACE
WALTON ROOM
ATLANTA, GEORGIA
7:45 P.M.

The meeting was called to order by Jerry Robertson at 7:45 p.m. on Thursday, March 24, 1994.

The following members were present:

Alabama: Gary Harrelson, R.T. Floyd
Florida: Jessica Ennis, Jim Terwilleger
Georgia: Billy Brooks, Jay Shoop, Arnold Gamber, Bud Cooper
Louisiana:
Kentucky: Tom Simmons, Sue Stanley
Mississippi: Andy Bryan
Tennessee: Bob Nevil, Jack Redgren
Immediate Past SEATA President: Doug May
Current SEATA Officers:
Jerry Robertson, Executive Director
Jim Gallaspy, President
Chuck Kimmel, Secretary/Treasurer

Mr. Robertson asked everyone in attendance to introduce themselves and then asked Mr. Kimmel to introduce the two guests of the committee. Mr. Kimmel introduced Mr. Roy Harris of the A.G. Edwards and Sons, and Mr. Michael Gathings from the Keystone Group. These two individuals were invited to discuss financial planning for the Southeast Athletic Trainers' Association, Inc.

Mr. Harris discussed bond markets and how they operate. He briefly discussed the recent history of the bond markets and the options available to the organization. Mr. Harris then discussed the Total Asset Account. He explained that this account was good for assets that need to remain liquid. Currently, the Total Asset Account is yielding slightly less than 3% that is accrued daily and compounded monthly. This money is backed by short term securities. He pointed out that this account is used by non-profit organizations. This account is available at \$10,000 initial deposit. Mr. Harris offered to waive the first year's payment of \$60. There is \$400,000 protection on securities and \$100,000 in cash. There is also an additional \$2,000,000 protection in insurance. Mr. Harris then discussed how interest rates effect bond prices and how they respond.

Mr. Harris introduced the Keystone mutual fund that would offer diversification but is divided into three categories. Mr. Harris then turned the floor over to Mr. Gathings. The Keystone

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Mutual Fund was chartered in 1932. With the fund, there is daily liquidity and is an open ended fund, which means shares can be purchased on any business day. Mr. Gathings discussed that you would want your fund to have a high yield relative to the risk involved, good total return, stability in your prices, diversification, and interest rate protection. Mr. Gathings discussed that the total return for 1993 was 29.62%. The dividend is the yield of the Fund. The yield was 7.5-8%. The total return is the yield plus the price appreciation. Last year the fund increased 22%. He stated that this strategic income fund for 1993 was the number one income fund.

Mr. Gathings then discussed the three different types of bonds. There are foreign bonds, high yield bonds, and U.S. Government securities. He stated that the investment is a blending of these three types of bonds. He stated that one would want to get the best possible return with the least possible risk.

Q. What would it cost SEATA if we entered today and wanted to withdraw in seven months?

Mr. Gathings explained that most people buy in a way that there is no sale charge to buy the product but there is an early withdrawal period. The early withdrawal penalty is 3%, 3%, 2%, 1%, 0% over four calendar years. If you bought it today and withdrew it in seven months, the penalty would be 3% of the original principal, not counting any appreciation or interest.

Q. Can take out as much as you want?

A. Yes. You can take out up to 18% without penalty if you take it out in a systematic basis. For example, if you put in \$100,000, you could take out up to \$1,500 a month and not pay any exit penalty. The withdrawal fee only applies to the principal.

Q. If you put in money how long does it have to stay in before you can take it out without a withdrawal penalty?

A. In four years you can get it without any penalty. With Keystone, it is a calendar year so your first year only goes until December 31st so if you purchased today your withdrawal penalties would only go for three years and nine months.

Mr. Harris invited all members to call him if they had any questions.

Q. What is the minimum investment?

A. Mr. Harris replied that he did not think there was a

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minimum.

Mr. Harris concluded his remarks and was excused from the meeting.

Mr. Robertson asked how much we had in the bank?

Mr. Kimmel responded that we have \$71,150 in savings and \$34.649 in checking cautioning that no bills for the SEATA meeting had been paid so the amount would be lower.

Q. What interest are we getting on our checking account?

A. Kimmel: None.

Q. On the Total Asset Account, can you write checks?

A. Kimmel: Yes. There is no charge for that.

Discussion followed concerning looking at other investment opportunities with a potential higher rate of return.

Q. Are we looking for a dollar figure to invest?

A. Robertson: We have not set a figure.

Discussion followed as to how to proportion the monies between the Total Asset and the Keystone accounts.

Q. How much money do we need to have to operate?

A. Kimmel: We started with \$20,000 in checking and the balance in savings. Since this initial outline, the account has never fallen below the initial amount.

Q. How was the \$20,000 figure arrived at?

A. Kimmel: It was an arbitrary figure.

Q. Is there not a checking account where we can get a 2.5% return?

A. Kimmel: There may be.

A motion was made by Mr. Redgren to transfer current checking to total asset minus the minimum needed for an interest bearing checking account. Invest one-half into the Keystone Mutual Fund and the other half in the Total Asset plus a minimum in the interest bearing local checking account. This motion was seconded by Mr. Shoop. The vote was unanimous to support the motion.

Mr. Simmons introduced the next item on the agenda: **Proposed revisions for the SEATA Constitution and By-Laws.**

He discussed the following rationale for 1) beginning the process and 2) for the amendments made. These rationale

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included:

1. It was written as though SEATA existed almost entirely without the existence of the NATA.
2. It was written so that SEATA would not have to depend on the NATA for its existence.
3. It was written to franchise as many members of the Association as possible.

Q. Could you point out any major changes?

A. Simmons: Yes, we did a couple of things. The office of Secretary/Treasurer was separated. It was set-up so that the President or Director would appoint election committee, a time table was set up so that the Director, President, Secretary, and Treasurer would not all be elected the same year and, consequently, would not lose continuity with the membership.

Q. Article 3, Section 1, Item 1 should be looked at because some states do not have credentialling. It should be changed to read NATA Certified/State Credentialed to reflect the differences in each state credentials its athletic trainers as opposed to delineating specifics (e.g. registered, certified, etc.).

Discussion followed regarding Article 3, Section 1, Item 1.

Q. Please explain the self-sufficient theory?

A. Mr. Simmons: The idea stemmed from our business of whether we should incorporated in the first place from the fear, and that was all it was, that the NATA would step in and dictate how SEATA was run and how SEATA would spend their money. Taking that step of independence we attempted to go a little further. In no way does this document imply that SEATA would want to break away. The intent is to protect SEATA's existence if something should happen to the NATA or if they choose to break away from us.

Q. By virtue of the fact that we have already incorporated, haven't we already done this?

A. Simmons: Yes, but to a certain extent, they felt like they wanted to be more forceful about it. The intent, though, is not to break away. In fact, it is stipulated that the District Director must be a member of the NATA.

Q. What about the President?

A. Simmons: The President is responsible for SEATA.

Q. Would it be Director-Elect?

A. Terwilliger: No, sir. It was done so that it was not an obligatory six years. You are running for a three year office and, if you wish to progress, you can but if not you are obligated for three years. This was done to answer the concerns

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regarding obligating someone for too long.

Q. What happens if the Director can not serve the full term of office?

A. Simmons: That is why it was suggested to have an election committee who will call for an election.

Discussion followed concerning the comparison between the current officer's duties and the proposed changes to duties. Currently, the Director handles, basically, all decisions as they concern the District. With the proposed changes, the Director would handle NATA matters while the President would handle all District business and report that to the Director as it relates to the NATA.

Simmons: The Director's election will take place one year prior to their taking office so they can learn the position prior to taking the office.

Q. Do we need to shift some of the responsibility to the President because the duties of Director are getting to be too much now?

A. Robertson: I wouldn't say it is too much, but I will say it is going to be growing. The Board has already gone from two to three meetings and they have talked about a fourth board meeting. They already have a conference call each month and I think you will see an increase in information, duties, and obligations of the Director. We have already seen it get bigger in the District. We have already discussed tonight what to do with \$100,000 when five years ago we were worrying about how we would make ends meet.

Discussion followed focusing on specific alterations in the Constitution and By-Laws as originally presented.

Q. Do we want non-NATA members voting on NATA matters?

A. Gallaspy: As presented, they would.

It was decided that the section should be changed to insure that only NATA Certified members can vote with non-members falling into the non-voting Associate category.

Q. Should the states of the District reflect Puerto Rico and the Virgin Islands?

A. Gallaspy: If the proposed changes with the NATA pass, then it would.

Q. When the mail votes are done, you will never two-thirds of the members voting. Are we talking about two-thirds of the members voting or are we talking about two-thirds of those

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members who voted?

A. Simmons: It would be two-thirds of the members who vote.

It was decided to change in all areas of the documents to change the wording to reflect that it would take "two-thirds majority vote of the ballots cast of the Southeast Athletic Trainers' Association, Inc. voting members."

Q. Do you think Puerto Rico and the Virgin Islands will become a member of District IX?

A. It is likely.

It was decided to change the wording to "membership boundaries of District IX will be defined by the NATA."

Q. Will the Executive Director appoint a new Executive Committee?

A. Robertson: Yes. That is how it has been done in the past with the State President and one at-large member from each state.

Q. Should Article 9, Section 1 read "time and site" of the Annual Meeting be "determined by the Executive Committee?"

A. Gallaspy: The Site Selection Committee would make a recommendation to the Executive Committee and the Executive Committee would make the determination.

A. Simmons: That was the intent.

It was decided that it would be changed to read "the Southeast Athletic Trainers' Association, Inc. Annual Clinical Symposium will be held each year at a time and site determined by the Executive Committee appointed by the President upon the recommendation by the Site Selection Committee."

Q. Who would appoint committees?

A. Robertson: In the past, the Director appointed all committees. With the new document, the President would appoint SEATA committees and the Director would appoint national committee members.

Q. Is the District always going to have a Business Meeting?

A. Gallaspy: No, not if you don't have a quorum.

Q. Do you want in this document to have each state, similar to the NATA, have one vote. When a vote was taken in the Executive Committee, each state would have only one vote.

Q. Should page one of the By-Laws be made consistent with the Constitution?

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A. Yes. Take out "State Licensed/State-Registered" and replace with "NATA BOC Certified." Make changes to reflect that non-NATA BOC Certified members will now fall into the Associate Member category.

A clarification was inserted to limit elected officers to two successive full terms.

It was decided that all elections would be completed one year prior to that person taking office.

Q. Who can repeat themselves? Can the current officers repeat themselves?

A. Simmons: That question did come up. Anyone that was elected prior to this becoming the new Constitution would not be able to succeed himself/herself.

Q. Technically, the first person who could run and then succeed himself/herself would be the person who runs at the end of Ms. Stanley's term as Executive Director?

A. Simmons: Yes.

Q. We are talking about elected officials, do we want to apply the same limitations to committees?

A. Gallaspy: They have in the NATA. They are limited to three years with only one additional term.

Q. Do we want to apply this to the SEATA?

A. Simmons: We thought that this would be the prerogative of the President and Director. We wanted the document to be as broad as possible.

Q. In Article VI (Committees), Section 2 do we need to spell out the composition of the Executive Committee? Will we have two Executive Committees?

A. Simmons: Yes, it would be possible. The Director can, but does not have to, appoint an Executive Committee.

Q. Should we have the member for the President's Executive Committee from each state be specified who that would be?

A. Gallaspy: It should be the state's President.

Q. A state may have so much going on that they would not want the President to serve on this committee?

A. It could be a representative from each state. It would seem that the President would automatically be appointed to the committee.

Q. Should you offer a state an option if the President can not attend an Executive Committee Meeting?

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A. Gallaspy: The President of a state who could not attend, would have an option to appoint a person to represent him/her at the Executive Committee Meeting.

Q. Do we want this to say one representative from each state or the President from each state?

A. The President or his/her designated representative.

The section was changed to read "The Executive Committee will consist of the President or his/her designated representative from each state. On voting matters, each state will have one vote with the President breaking any ties. A quorum of five must be present."

A motion was sought by Mr. Robertson to accept this document and present it to the membership. The motion was made by Mr. Redgren and seconded by Mr. May.

Discussion:

Discussion followed to insure that the Proposed changes would be provided to the membership in time for them to be voted on at the Dallas SEATA Meeting following the current Constitution and By-Laws.

The motion passed unanimously.

Mr. Robertson introduced the next item on the agenda:

Sponsorship: A Program of the NATA.

Mr. Robertson directed the Committee to direct him on how the District wants to handle this issue as he is required to sign a statement to send to the National Office.

Q. If this is how it reads, we (SEATA) can no longer solicit J & J for a contribution for our SEATA Symposium?

A. Gallaspy: If you are already in the business, then, yes you can continue to do this but you can not solicit new money from corporate sponsors.

Q. Not only the Districts but what committees are going to get some money?

A. Gallaspy: The high school committee, all the professional societies, the three practice settings, the Hall of Fame, Grants and Scholarships, and Education and Research will all get monies from this program.

Q. Are you talking about the National Level?

A. Gallaspy: Yes, the National Level.

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Q. Robertson: SEATA will receive \$5,315. What do you want to do with that? Do you want to divide it among the states? Do you want to put it in the scholarship fund or do you want to put it into our program to pay our speakers?

Gallaspy: Not only are they asking District IX to do this but they are also asking each state to do this. They are asking all the states not to go to the competitors of NATA Corporate Sponsors.

Q. Do you want to get obligated to the NATA?

Q. If we agree to this, as a representative of Georgia I can not go to J & J or Gatorade to get sponsorship?

A. Gallaspy: If you are doing it right now, then yes you can continue.

Q. What about tomorrow?

A. Gallaspy: If Gatorade wants to do it, they can do it but you won't go and solicit money.

Q. If we can't get any money from Gatorade, then I can't go to Powerade?

A. Robertson: Right.

Mr. Robertson cited from the NATA document, "Item 8: The districts will be asked not solicit additional funds from NATA official sponsors or solicit district sponsorships from the competitors of NATA official sponsors. For example, since Gatorade is an official sponsor, the district will not allow 10-K sports beverage to sponsor any district events."

Mr. Gallaspy further cited from the document that states "in return, districts will not sell sponsorships to NATA corporate sponsors or their competitors, however districts will have the option of soliciting sponsorships from firms that fall into a supplier category."

Q. Ken Young is a supplier and J & J is a corporate sponsor?

A. Gallaspy: Yes.

A motion was made by Mr. Gamber that we reject this sponsorship program, as written, and to instruct our Director not to sign. Mr. Bryan seconded the motion.

Discussion:

Q. You are making a motion not to take the money?

A. The way it is written.

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Q. When did you vote on this in the Board of Directors?

A. Robertson: It came up in December and was finalized in February.

A vote was taken with ten votes in favor of the motion with one abstention.

Mr. Simmons made a motion to adjourn and Mr. Shoop seconded with a unanimous vote following in favor of the motion.