



NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

2014 Spring Executive Board Meeting

NAPS Headquarters * March 12-15, 2014

Official Board Minutes

The 2014 Spring NAPS Executive Board meeting was called to order by Chairman Larry Ewing at 8:31 a.m. on Wednesday, March 12, 2014. Ivan Butts, Eastern Region Vice President gave the invocation. Brian Wagner, Secretary/Treasurer, conducted the Roll Call of Officers; Atkins, Killackey, Wagner, Roma, Butts, Johnson, Ford, Walton, Warden, Aglidian, Dumas, Mulidore, R. Green, Moreno, Trayer, Baker, Ewing, Sebastian, Beaudoin, S. Green, Elizondo, McCracken, Aceves, and Cherry were present.

Welcoming remarks were made by the three resident officers. President Louis Atkins welcomed the board and thanked them and their members for making the 2014 NAPS Legislative Training Seminar (LTS) a great success. Louis stated NAPS HQ meetings with Postal Headquarters have been very good. It is unfortunate, that our members in the field are not experiencing better treatment. Louis stated that the board meeting can and should be very productive with a focus on protecting our members' careers. Atkins encouraged everyone to work together to better the NAPS organization.

Executive Vice President, James F. Killackey III, welcomed the board and stated that 99% of the 2014 LTS surveys report an excellent or very good rating. Jay further commented that the new caucus room scheduling worked well, too. As for SPAC, NAPS did away with the 50/50 raffles and had a raffle for door prizes, raising approximately \$16,000 for SPAC.

Secretary/Treasurer Brian Wagner thanked the board for their commitment to the NAPS membership. Wagner commented that it will be another tough budget year due to declining membership, but and NAPS needs to focus on more membership ideas.

The next order of business was the adoption of the agenda and program. Craig Johnson, Central Region Vice President moved and Tommy Roma, Northeast Regional Vice President, seconded to adopt the NAPS agenda and program. Motion passed. Since the previous board minutes were sent to the executive board last fall and were published in *The Postal Supervisor* magazine, John Aceves, Rocky Mountain Area Vice President moved and seconded by Jerry Sebastian, Southeast Area Vice President, to accept the board minutes. Motioned passed.

Larry Ewing, MINK Area Vice President and Chairman of the Board reminded the board to make the meeting respectful and professional. He encouraged board members, when bringing up new business, to propose recommendations and motions to resolve the issue and all issues



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should be addressed to the Chair. Chairman Ewing stated that the board should not bring up old business that cannot be changed or resolved.

Secretary/Treasurer Brian Wagner gave his report on NAPS finances. The 2nd quarter of NAPS' Fiscal Year (September 1, 2013 – November 30, 2013) had Revenue in Excess of Expenses of \$785,637.31. NAPS's total asset value as of November 30, 2013 was \$18,061,378.00.

At the start of NAPS' fiscal year (June 1, 2013) the value of NAPS' total investment portfolio was \$12,402,444, which includes the PNC Preferred Stock Sweep Account. As of March 1, 2014, NAPS' total investment portfolio market value was \$13,367,141. This is an overall value increase of \$964,697 since June 1. From June 1, 2013 through March 1, 2014, the NAPS Sweep Account has generated approximately \$94,900 in total dividends which are deposited into NAPS' general PNC Bank checking account (General Fund) to cover operating expenses. As of March 1, 2014, NAPS general fund was \$549,733.87, consisting of \$153,976.84 in the NAPS PNC checking account and \$395,757.03 in its sweep account.

Wagner continued to brief the board on NAPS Property Inc. (NPI) for the calendar year 2013. Total rent and other income for NPI was \$1,003,263. Total expenses were \$574,607. This resulted in Gross Net Operating Income of \$428,656. After subtracting costs of NPI Other Projects, amortization & depreciation, and Owner Distributions, NPI's 2013 net income was \$8,530. As of December 1, 2013, the NAPS building has been 100% leased. BB&T Bank vacated their storage space in which NAPS property management company, Stoladi, had the area renovated and converted to rentable parking places. This project has been completed.

The next order of business was the first reading of the preliminary NAPS national budget. Tim Ford, Southern Region Vice President made a recommendation that the board forego the reading of the preliminary budget line-by-line. When the final budget is presented line-by-line any questions can be addressed at that time, this was second by Tommy Roma, Northeast Region Vice President. It was discussed that the board received the proposed budget at least two weeks in advance for review so questions can be raised at the final reading. Recommendation passed.

Charlie Scialla, Scialla Associates and NAPS DDF Provider, and Jay Killackey reported on the NAPS Disciplinary Defense Fund (DDF). Charlie reported 35 cases are awaiting a decision and 25



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cases are waiting to be scheduled. NAPS continues to have a favorable win rate. Charlie commented on various issues related to DDF, discipline and ELM changes.

First, members are getting into trouble using the USPS credit card when not on official travel or for official USPS business. Members are being removed for this abuse and it is being upheld at MSPB. Charlie reiterated that you can't use a government credit card for any personal use. This includes buying gas, groceries, or pay your child's college tuition.

Second, members are using their USPS computer to go on pornographic websites. Members receiving adverse action are claiming someone else is using their postal computer and going to such sites. Charlie stated that members need to lock their postal computers when leaving their workstation to avoid someone else using their postal computer.

Third, Scialla Associates has saved members approximately \$8 million in debt collection cases. NAPS has had good judges and judgments. DDF cost per debt collection case is about \$1,500 to \$2,000. However, an MSPB case involves 60-80 hours of time to prepare, travel to, and present the case. Travel is expensive where one airline ticket cost \$1,500. Training is easy, but it is harder to tell people to do the right thing, but they don't.

Fourth, Scialla stated that the NAPS executive board is doing a good job representing the members and so are Scialla's representatives. However, the cost to represent members is higher than the amount of the annual DDF set aside. There are some members that have used DDF funds at least two or three times in a year. The \$3,500 threshold is per case not per member and that does not include travel or evidentiary expenses for depositions.

There was an in-depth discussion by the board and Charlie as to whether depositions are worth doing for adverse action cases. NAPS will pay up to \$1,000 for depositions. A concern is that when the cost goes above the \$1,000, it has been difficult for the NAPS representative to collect from the member. Charlie experienced depositions costing more than the \$1,000 limit and member failed to pay the difference. Therefore, Scialla ended up paying the additional amount, which does not out of the DDF. Depositions require witnesses to tell the truth which can be beneficial for the NAPS member during an MSPB case.

It was suggested that the member sign a separate contract with court reporter to perform the deposition. Then the member pays the court reporter and then submits for reimbursement



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to the NAPS DDF for the amount up to the \$1,000 limit. The NAPS constitution states depositions must be approved by the resident officers before NAPS will agree to pay up to the \$1,000 limit. Board members believe depositions are a good idea but NAPS must ensure that depositions are done for the right reasons and not just because a member wants one. It was expressed the process to request evidentiary expenses as referenced in the NAPS national constitution must be followed before approving such an expense.

Fifth, Charlie stated there is a NAPS Officer's Training Manual (OTM) on the website that members may access for more information on their rights. Also, the DDF card has been updated and will soon be available to the members.

Sixth, Charlie Scialla also provided comments on numerous memos NAPS received from USPS HQ and that were forwarded to members in the field. These issues included conflict of interest, emergency placement and hiring EAS from the outside. The USPS is proposing that another manager may issue adverse action than a supervisor's immediate manager. Also, the deciding official can be someone different. However, this requires higher-level approval from the USPS HQ or Area office and only pertains to adverse action. Also, no EAS can represent a craft employee.

Charlie discussed when an EAS is placed on emergency placement that it must now be in writing and presented to the employee before they are placed on emergency placement. Charlie brief the board of a new probationary period for EAS hired from the outside will now be one year.

Board comments included that members claim they have not had training and that is why they are getting into trouble. However, NAPS officers are also discovering that members did receive training maybe six months earlier or even yearly. This forgotten training by the member has a negative impact on the case and the member's appeal. USPS trains EAS, but many do not want to follow the training and therefore get into disciplinary trouble.

Secretary/Treasurer Wagner reported on NAPS membership, website and social media. As of January 2014, NAPS had 25,986 members (24,634 active and 1,352 associate). Total membership from a year ago was 26,871 (25,536 active and 1,335 associate); an overall one-year decline of 885 members or 3.406%. The projected future annualized net loss in national per capita dues to NAPS HQ is approximately \$81,309.



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NAPS continues encouraging membership growth through its incentive of providing every sponsor of a new member with a \$25 NAPS gift card. NAPS' current incentive is to provide an additional \$25 gift card each month to a sponsor, whose name is randomly drawn from 1187's received during that month. In addition, a grand prize winner will be randomly drawn after May 31 from all 1187's submitted from June 1, 2013 through May 31, 2014. The winning sponsor will receive \$100 in NAPS gift cards and the sponsor's branch will receive from NAPS HQ a free 2014 national convention registration to San Diego and their hotel room paid for one room for 6-days during the convention. This includes the base room rate plus appropriate taxes.

Branches continue to receive their NAPS non-member and Change Summary Report on a monthly basis along with their Dues Check-Off (DCO) Report. NAPS HQ stopped mailing letters and 1187-A's to retiring NAPS members encouraging them to remain a member as an Associate. This mailing was not generating the expected return of members staying as associates. NAPS encourages local branches to personally contact their NAPS retirees and ask them to join NAPS as an associate member. As NAPS membership continues to trend lower, it may be in NAPS' best interest to form an Executive Board Membership Committee to address ways to reverse the trend.

As of March 1, 2014, NAPS has 3,384 members registered on our www.naps.org website. *NAPSHQ2U* continues to provide a bi-weekly issue and special issues when necessary. NAPS Facebook page is being regularly updated and "tweets" made on NAPS' *Twitter* account. As of March 1, 2014, NAPS HQ Social Media results are as follows; *NAPSHQ2U* –7,331 member subscriptions with an average "open rate" of 35%; NAPS *Facebook* "Likes" are over 518 and NAPS has over 255 *Twitter* followers.

The board discussed membership in length suggested NAPS HQ make individual membership recruitment packets already labeled with a non-member's name, branch number, and USPS finance number and send them to the respective branches to personally handout to the non-members. Secretary/Treasurer asked regional and area vice presidents to review the USPS finance number list linked to each state branch to determine if a particular finance number should be affiliated with a local branch.



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There was discussion on getting a report showing what the membership percentage is of each branch. Secretary/Treasurer Wagner stated it could become very costly to program a membership percentage report. Wagner stated that when branches receive their monthly DCO and non-member report they can use those two reports to calculate the membership percentage. Board members commented the need to push the USPS to fill EAS vacancies, coach and mentor craft employees wanting to become new supervisors, sign up new members immediately after they have been promoted to an EAS position and notify them of branch meetings. Also, until EAS start being treated with dignity and respect, employees won't be stepping up to become supervisors.

During the SPAC Report & LTS review Executive Vice President, Jay Killackey; Bruce Moyer, NAPS Legislative Counsel; and Elliot Friedman, NAPS PAC Manager & Legislative Representative, and Seth Lennon, Communications Director, provided an overview of NAPS' legislative activities for the 2014 LTS. Jay remarked that NAPS just concluded a highly successful LTS with fewer delegates, but raised almost \$16000 in SPAC contributions. Jay reported that good responses from LTS surveys including a good response on NAPS' social media concept.

Bruce Moyer thanked the executive board for their visits and their feedback. Bruce stated he received very positive responses about LTS, including NAPS legislative material was the best on the Hill pertaining to postal reform. Bruce commented that everyone supports postal reform but what flavor. The tablet/iPad concept with a PowerPoint presentation had not been done before, but was very well received on the Hill. NAPS also needs to speak to the unions and other management associations about their positions on S 1486.

Bruce stated that Senator Rand Paul's amendment regarding guns on postal premises is serious issue regarding S 1486. There is still resistance from the NALC on 5-day delivery. The USPS Health Plan is a silver bullet with some resistance from federal employees on the plan, especially with retirees. Bruce elaborated that if the Senate were to change to Republican control it could be worse for the USPS, forcing them to do more cost cutting and reduce service (six to five day delivery, closing offices, doing health benefits, etc.). Also, the Issa Bill HR 2309 remains very unpopular. NAPS' pre-existing relationships helped our members reconnect to their



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Congressional offices. In the last 2-days more Congressional leaders are following NAPS on its social media feeds.

The board commented they liked the iPad/table PowerPoint idea and would like to see it used at future LTS events. It was stated that we need to remind members to be aware of who has co-sponsored what bills and not to talk negatively of a respective political party if the aid you are speaking to represents that party.

A board member asked if it would be better to have LTS start later in the week so we have a chance to see our legislatures. Bruce stated that is an option but understands that will cost members an additional day of vacation. There was an idea to come up with a media awareness campaign called "MSPB for Me", where members hold a "MSPB for Me" sign and tweet it out. Bruce, Elliot and Seth stated they were in de-briefings most of Tuesday and Wednesday of LTS and received very positive feedback.

The next order of business was the approval of the final NAPS national budget. The executive board reviewed the national budget and sub-budgets for the 2015 LTS and 2014 national convention. The budget per capita revenue was based on 24,000 active and 1,300 associate members and all respective investment income and revenues received from the NAPS building leases. Each expense budget line item was reviewed. There was discussion on various budget items and categories that included *The Postal Supervisor* magazine, Legislative and SPAC expenses, Disciplinary Defense Fund (DDF), NAPS insurance, IT support and furnishings for NAPS headquarters.

The board discussed how to budget for the DDF when the current set aside of \$10.60 per active member is insufficient to cover actual annual costs. Board discussed that DDF should be budgeted at actual cost and not the set aside amount. NAPS will represent members even if there is a shortfall in the DDF set aside. The additional funds would come from the general fund to cover the shortage.

The board discussed whether or not SPAC related expenses in line item # 8150 Legislative Expenses should come from the national budget or the SPAC account. The SPAC account is separate is not factored into the national budget. The two expenses were the accounting software called VOCUS that is required to track SPAC donations and make required FEC reports



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and the cost of SPAC pins. The reasoning to expense the items from the SPAC fund was if NAPS did not have a SPAC fund, would the expenses still exist. The answer was no. John Aceves made a recommendation that budget line #8150 as presented in the budget be accepted and it was second by Roy Beaudoin, Central Gulf Area Vice President. Recommendation passed.

Jay Killackey made a motion to accept the final budget as presented and it was second by Jerry Sebastian. Voting: Yes (22) Atkins, Killackey, Wagner, Roma, Butts, Johnson, Ford, Walton, Warden, Dumas, Mulidore, R. Green, Moreno, Trayer, Baker, Sebastian, Beaudoin, S. Green, Elizondo, McCracken, Aceves, and Cherry. Absent (1) Aglidian. Chairman not voting. Motion Passed.

The NAPS board heard from the auxiliary and various vendors and contractors. Sharon Matthews, National Auxiliary President, addressed the board and thanked them for the courtesy extended to her and the auxiliary. Sharon asked the executive board to support the auxiliary in attending their luncheon at the national convention. Sharon mentioned the auxiliary is committed to raising money for SPAC and will assist any way it can. Board members also thanked the auxiliary for all they do for NAPS. Executive Vice President Killackey thanked Sharon and auxiliary for their efforts to make the changes necessary to ensure SPAC is handled in accordance with Federal Election Commission (FEC) rules.

Prior to hearing from Ray Martin, NAPS Convention Planner, Jay Killackey and Brian Wagner briefed the executive board on their national convention planning meeting trip with Louis Atkins to the NAPS host hotel, Town & Country Resort, this past February and provided their perspective of the hotel and results of the meeting.

Ray Martin then addressed the board on the upcoming national convention in San Diego. Ray reported that half the room block is already full and explained the various sleeping room types available. Mr. Martin showed the board the NAPS convention logo and informed the board that the convention bags are ordered and delegates will receive two-round luggage tags as souvenirs. There will be an entertainment night on Tuesday with a group called "Decade of Soul" which will perform in the exhibit hall where the general business session will occur.

Ray was asked as convention planner what does his duties entail. Ray explained he lines up all site visits, sleeping rooms, contract negotiations, meeting space, development and



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production of convention material, AV, food arrangements, etc. Ray stated that most properties cannot handle all delegates at once for meals, but the Town & Country Resort will set up “cash and carry” meals similar to what was done at the Reno convention. There will be discounts for food at the convention hotel. There is also a trolley that can take delegates to places to eat, plus there is a mall close by for delegates to visit and eat.

There were concerns that the Town & Country Resort would not have enough bathrooms to accommodate our large NAPS group. Ray stated the resort is accustomed to handling large groups. A few board members commented that in 1990 NAPS had over 2,200 in delegates and guests in attendance at the Town & Country. Recently, the Town & Country hosted a group of 3,500 over a weekend and served 18,000 meals. Also, California has strict OSHA laws so if there was an issue about the Town & Country not having enough bathrooms, OSHA would shut them down. Another concern was transportation to the Town & Country from the airport since there is no complimentary shuttle service. It was stated that delegates can rent a car, use an airport shuttle service or take a cab from the airport.

Other concerns pertained to having pillars in the center of the exhibit hall where the convention business and entertainment will be. The Town & Country audio visual (AV) department has large projection screens that will be placed on the pillars to and will be broadcasting and recording the NAPS business sessions for delegates in the back of the exhibit hall to view what is happening at the podium during the business session.

Ray also addressed board housing at the national convention and what rooms were available to board members. The NAPS contract with the Town & Country provided for some complimentary rooms and other concessions, such amenities, food and AV. Louis stated he would handle any board housing issues and get them resolved through Ray.

Sheri Davies, Director of Global Accounts, Conference Direct gave a presentation to the board with a review of the 2014 LTS, cities under consideration for the 2018 national convention, and new executive board housing with the Residence Inn in Old Town Alexandria. Ms. Davies stated the Marriott Crystal Gateway elected to reduce the room rate by \$10 to the 2014 LTS room rate, a savings to NAPS and its members.



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Ms. Davies cautioned the executive board that when delegates go outside the room block to get less expense rooms at other hotels for LTS that can adversely affect NAPS financially. This could create an attrition issue, where NAPS does not meet its room commitment and NAPS may be charged for meeting rooms or higher sleeping room rates. Ms. Davies encouraged the executive board to inform their members of this issue and recommended an earlier registration cut-off date for LTS and no onsite registration in the future to avoid issues of not having enough food when the count for food must be in the week prior to the hotel.

Ms. Davies informed the executive board that the new contract with the Residence Inn for board housing starting this October 2014 will save NAPS approximately \$110,000 over seven years. Sheri briefly mentioned that the cities or states currently interested in hosting the national convention in 2018 are Honolulu, Denver, Las Vegas, and Mohegan Suns, CT.

Karen Young, who assists Martin Communications with *The Postal Supervisor* (TPS) magazine, addressed the board about TPS. Karen thought LTS went very well. She is preparing the May TPS issue to feature the 2014 LTS with lots of pictures, but asks that names are associated with the pictures. She thanked the resident officers for their assistance in proofing magazine articles. She stated that TPS should be under budget this year. The Postal Service has delayed implementation of the intelligent mail barcode (IMB), but NAPS is already compliant. NAPS is doing co-mailing of the magazine saving about 10% in postage costs, but this does add a few extra days to the delivery time of the magazine.

NAPS PNC Investment Advisor, Phil Brown, informed the board that NAPS' investment allocation was meeting its objective and NAPS's experienced a good year in 2013 with a one year return of 16.45%. Phil stated when the news is good the report is short. Mr. Brown suggests NAPS keep the same diversity of stocks, bonds and cash at 55%, 40%, and 5%, respectively. Fortunately, NAPS fixed income was only down .59% for the one year, while the Barclays Index was down 2% in comparison. NAPS did better on its fixed income.

The board heard from its property management company, Stoladi Property Group, where Jim Stokes, President; Ray George, Director of Commercial Property Management; and Linda Taggart, Property Manager, gave a brief review of NAPS Property Inc. (NPI). Jim introduced Ray as the new Director of Commercial Property, who took over for Stephanie who left Stoladi last



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November. Jim stated NPI missed its snow budget this year, but then again everyone did. The building is 100% leased, but NPI was off on income from 2012 by 5% due to a longer vacancy period on the third floor. NAPS had unexpected repairs on its elevators, fixing the fire alarm system to sink with the buildings connected to NAPS, and a flood on the first floor through the building's planter resulting in NPI being over budget on expenses by \$22,000.

Jim Stokes stated 2014 should be better now that the building is 100% leased and he took over as the president of the King Street Metro Property Owners Association (KSMPOA), which is the condominium association NAPS belongs to because the NAPS building is connected to two other buildings in the complex. KSMPOA takes care of the common area around the NAPS building and NAPS has partial responsibility. Jim stated that the previous president let things go so we have a class A type building with class B grounds. It will take some work to get the grounds to a Class A standards.

Linda Taggart explained upcoming 2014 budget projects which include an upgraded fire panel in the NAPS building, remodeling the NAPS restrooms on the fourth floor and replacing three HVACs. There is only one tenant up for a lease renewal and that is in January 2015. Stoladi expects them to renew. Secretary/Treasurer Wagner stated that Stoladi provides NAPS with a detailed monthly report on income and expenses, including comments and YTD figures regarding NPI.

During the official board meeting, NAPS and USPS headquarters held its monthly consultative meeting. The minutes to the consultative were published separately. In addition to the consultative meeting, the following USPS officials addressed the executive board, Postmaster General (PMG) Patrick Donahoe; Ed Phelan, Vice President Delivery and Post Office Operations; and Rosemarie Fernandez, Vice President, Employee Resource Management.

Postmaster General Patrick Donahoe gave his regrets that USPS Chief Operating Officer, Megan Brennan, had to cancel speaking to the board due to being called to Senate hearing. The PMG thanked NAPS for its excellent job on leadership. He spoke about a positive revenue perspective for the USPS, where package volume has started to improve and the USPS has made progress on improved service and scanning. USPS scanning has earned us increased business from Amazon and eBay.



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The PMG praised EAS in the field for a job well done job. He stated customers want scanning and the Postal Service is trying its best to give customers what they want. As long as customers have scans they are happy and the revenue continues to come in.

On a communication standpoint, the PMG appreciates the efforts of EAS in showing the USPS videos to help move the USPS in right direction. This is reflected in mail volume and revenue finishing on a positive trend this past fiscal year. Since 2008, USPS has lost revenue. The USPS made revenue in 2013 and 2014 is projected to be positive, too. First-Class mail was only down 2% from last year.

PMG stated the Postal Service Sales group is focused on outreach by talking one-on-one with credit card companies and banks that make up about \$3 billion in postal revenue and have a big impact on the postal service. As large USPS customers go, so goes the USPS. First-Class single piece mail continues to drop by about 8% a year, but the good news that the 8% is off a smaller base. Bills and invoices will settle, but USPS won't know where the bottom will be, yet.

PMG Donahoe stated package volume is booming. In the last four years, the USPS has seen an 8-11% compounded growth in package volume. There has been giant growth in DDU's, and volume is now shifting from UPS/FedEx to USPS. By the end of year, Amazon will be in 2,000 offices with seven day a week delivery. Amazon is growing and that brings packages to USPS, plus Amazon is taking from UPS/FedEx and diverting that volume to the Postal Service. Plus, Priority Mail is booming.

The PMG commented that legislation is so important to get funds to improve the USPS infrastructure. The USPS has 10-days of cash on hand. PMG informed the board that Every Door Direct Mail (EDDM) is a billion dollar a year product now.

Mr. Donahoe discussed USPS operations including the need to work on the 24-hour clock. USPS is too thin on carriers. He expects career and non-career hiring to be about 10,000 this year. There is a need to convert PSE clerks to career positions, too. He explained there is a need to hire to reduce overtime. The PMG does not want to lay anyone off, which is one reason for not hiring for a while. He told the board that NAPS members can blame him for that decision.

When hiring, the PMG stated the USPS needs to have a good entry level wage for career employees, who want to stay at the USPS, because turnover has been a problem. The PMG



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stated he is holding his position on not closing plants right now. USPS is looking at revenue opportunities so the USPS needs to be careful not to close facilities that the USPS may need in the near future. USPS has the best network in the field and is in discussions with companies to deliver directly from the manufacturer.

As for centralized delivery – USPS owns the NDCBU, plus centralized delivery is safe. It is critical to get out first to keep market share and get new business, by doing the scanning, and making timely deliveries, etc. If the USPS doesn't, its competitors will take customers from the USPS. The PMG stated that a new USPS initiative includes digital vaulting.

The PMG continued about legislation and the need to resolve the USPS health care issue, FERS, reduce its debt, and improve infrastructure. Legislation needs to be passed. PMG Donahoe stated he does not want to privatize the USPS. He is worried about the younger workforce in the USPS and is trying to make sure there is a USPS for them in the future. Mr. Donahoe again thanked NAPS and its members for doing an excellent job.

Board members discussed with the PMG the issue that the consolidation of station and branches has eliminated many Manager, Customer Services Operation (MSCO) positions. Board stated that having these positions will cover their salary costs by actually saving the USPS with increased employee performance in reduced work hours. The PMG stated he would like to move towards an evaluation of both city and rural routes and tie it into scanning. The idea is to manage in the office and then manage on the street with a GPS type tracking system.

The PMG was asked about using the USPS brand to get into banking and possible pre-paid cards, since the USPS is already doing money orders. PMG stated that the banking lobby is very powerful and the banking industry and legislatures do not believe USPS should be in banking.

The board is concerned about the poor treatment EAS are experiencing in the field. The treatment of EAS is not good and neither is the messaging to EAS. PMG Donahoe does not approve of employee mistreatment. He requested specifics of those not being treated properly and claimed he would not mistreat anyone. The board commented that the message in the field is to write people up on minor issues. The PMG wanted to know names and places this is happening so it can be fixed. The PMG commented that there is no reason for a person who is doing a good job to be treated poorly.



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Mr. Donahoe stated that when a manager, who is creating the mistreatment, is talked to about their actions they get better for a while but then go back to bad behavior. The board commented that the USPS needs to be a 21st century company that does not use baseball bat type of treatment and needs to treat EAS with dignity and respect. The PMG again reiterated to let NAPS HQ know where mistreatment is happening.

The board had concerns about the new load leveling concept. The PMG stated that flats are a major part of the load leveling. USPS is figuring load leveling out and most have been fixed for Mondays, but some offices are still working on load leveling volume for the entire week.

The board informed the PMG about the excessive telecons being held in the field, including on weekends. Mr. Donahoe stated that each telecon needs to be managed and should only be about 15-40 minutes long and not hours.

The PMG finished his comments by informing the executive board that he will go back and tell his leadership to treat with dignity and respect EAS and don't telecon people to death.

Mr. Phelan provided the executive board with an overview of service and other USPS initiatives to improve operations. He stated that service dropped slightly due to the severe winter weather.

Mr. Phelan mentioned the USPS is looking for continuous improvement in delivery and operations with a focus on; Lean Mail, driving daily compliance, leveraging IMB, load-leveling and implementing processes and technology that aligns with the USPS 24-hour clock. He provided an overview of the USPS peak season that resulted in cancellations being down by 1.4%, cumulative delivered packages increased by 8% to SPLY, there was double digit percentage increases in total alternate access and online and scanning performance continues to increase.

Mr. Phelan noted that there are more positive financial trends than negative, with an increase in revenue. He also addressed USPS revenue growth initiatives that include; Enhanced Mail – mail becoming a marketing portal, EDDM reaching local customers, growing the package business, E-commerce, employee engagement, Sunday delivery, and Parcel Select DDU Same Day delivery to 9,800 additional Zip codes in 2014. The USPS goal is to be the exclusive shipper for Amazon, but we have to earn this through performance.



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Mr. Phelan continued to talk about Network Optimization, POSTPlan where all conversions will be completed by September 2014. Village Post Office have increased to 531 locations and USPS has a retail partnership with Staples. The mPOS devices utilized in the retail lobbies are testing well with a goal to deploy 3,000 by the fall.

Going forward the USPS wants to have a flawless execution of getting carriers off the streets by 1800. There are CSV changes where there is a recast AAU scans, carryover and on-hand options for parcels in CSAW, additional scan credits, and Administrative Post Office credits for AMPOS, DOIS and parcel credit has some glitches but USPS HQ is working on it. The USPS plans to purchase 3,500 new postal vehicles.

Jay Killackey mentioned NAPS has a Scanning Committee with three Board members and three non-board members who provide feedback to Mr. Phelan regarding scanning issues in the field.

The board brought up the issue of EAS working Sundays for Sunday delivery. The USPS right now is using EAS to supervisor Sunday delivery, but that may change when the need is to have only supervision on Sundays for only 4-6 hours. The board stated that MCSO positions should be evaluated on total routes in stations and branches, not on total stations & branches especially with consolidations. In some locations EAS vacancy rate is as high as 20%. Mr. Phelan said the USPS needs to fill the jobs and staff the units, because he understands what is happening in the field. Board stated that Premier post offices are required to staff every hour for lobby coverage but they don't have the staffing. Mr. Phelan said that is not supposed to be that way the lobby director process is to work, you only staff during peak times.

Rosemarie Fernandez, Vice President, Employee Resource Management, addressed the board and explained her background is operations, and that helps her understand what work needs to be done in the field and with what staff. She stated the USPS is making good progress placing employees during the RIF. As of February 28, less than 163 EAS employees remained impacted and she is working with NAPS to get members placed.

Ms. Fernandez stated currently there are 8,065 EAS vacancies. The breakdown is as follows: SDO - 592, SCS - 2,593, Level 23 and below - 4,662, level 24 and above – 218. USPS HQ



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knows there an issue in the field in filling EAS positions. USPS HQ is starting to track these positions, because nothing is being held back in filling jobs and these jobs are here to be filled.

Ms. Fernandez understands that the New Supervisor Program (NSP) has issues and is not being properly implemented, but her department is working on fixing the problems. It is expected that a newly promoted supervisor will receive training outlined in the NSP.

Headquarters intends to monitor field compliance. Headquarters is looking at streamlining the training. Ms. Fernandez explained the USPS needs to consider a blend of classroom and computer training. NSP is being revamped to reduce time and provide clarification of the program when a person completes it. USPS is also developing courses for EAS 18+ for additional learning.

NAPS board stated that NAPS is already representing members who have received discipline but the member has not yet had the proper NSP training.

Board members brought issues to Ms. Fernandez that included many districts that are not accepting EAS laterals and many USPS managers are looking for the perfect EAS or someone they can manipulate. Many members want a lateral to be closer to home, and are being denied the opportunity and newly promoted supervisors are getting the better work schedules as it relates to hours and those with experience are not given a chance. Also, there are computer lock out issues when a new supervisor is training and is called away to supervise. Ms. Fernandez commented that there is a push/pull on doing work and doing training.

The board also stated that in eCareer a selecting official can see in an applicant's eCareer file previous EAS positions for which the applicant applied and did not receive. NAPS has addressed this issue with USPS HQ before and it has not been corrected. Many selecting officials are using this against candidates for EAS positions when they should not be a factor. Ms. Fernandez stated she would look into this issue.



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There was no Old Business. Under ***New Business*** the following topics, recommendations and motions were discussed and voted upon.

As a point of personal privilege, Craig Johnson, Central Region Vice President, congratulated Kevin Trayer, Michiana Area Vice President on his new USPS promotion to Manager, Maintenance. Jaime Elizondo, Texas Area Vice President thanked Ivan Butts, Eastern Region Vice President for attending to and staying with Hans Aglidian, Mideast Area Vice President, who required medical assistance during the board meeting.

The executive board discussed the newly updated Disciplinary Defense Fund (DDF) card. It was suggested that the DDF card also have a reference to Miranda, Kalkine and Garrity rights. NAPS headquarters will discuss the additional information with Charlie Scialla to see if it is necessary.

The board discussed whether or not to make Conference Direct the "Agent of Record" for the 2020 and 2022 national conventions. The board agreed Conference Direct does a great job for NAPS, but much of the board was not in favor of signing an agreement now as it was too far out in time. Board members commented they would rather wait until after the 2014 national convention and discuss this issue at the fall board meeting. Since the Agent of Record document appears to be a contract it should be run by NAPS' legal counsel. The board took no action on this issue.

Executive Vice President Killackey developed and presented a job description for NAPS to hire a Director of Communications. The objective is to insource NAPS communications including the development of *The Postal Supervisor* magazine to help save money. The board discussed that insourcing requires more benefits, not just health care. The board was concerned as to what happens if the person quits or has a long-term illness, how the magazine would get completed. Doing the magazine in-house may save money there but there is also big risks. The board believes NAPS has a good magazine and will it remain that quality if NAPS does it in-house with a new position. The board has discussed dollars and cents all day and this is an opportunity to save money and have more control of NAPS' communications. The content is the fault of the officers not the magazine editor. A comment was made that the proposal was exactly what was asked of



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the board to have an RFP for the magazine. Another comment was that the magazine was not broke, so why change it. There is also going to be some software increases, too. If a person is hired and can do all these things in the proposal, most likely they won't be long with NAPS. The proposal is a good start and option. The board did not act at this time on the proposal.

Board members brought up the ongoing issue of members receiving discipline for Wait-Time-In-Line (WTIL) failures. Some postal areas are requiring WTIL be 2.5 minutes where the USPS HQ goal is five minutes. The board discussed that craft cannot be held accountable for WTIL failures but EAS are being charged. Members need to close the circle on what the USPS can charge them on, like doing 4000 A's and 4000 B's when instructed. The board noticed that the language for LOWs for WTIL failures were almost identical throughout the USPS. The LOW charges are "Failure to Perform" or "Failure to follow instructions" as a way to get around giving LOWs for WTIL failures. A comment was made that it was a shame that the USPS is pushing customers out the door before they even get in. NAPS also heard from USPS officials that there is no need to have a lobby director all day, but only during peak times. The WOS Report will provide peak times at the retail window. Louis stated he will address the WTIL at the USPS HQ level and wants the board to send their specifics to him. NAPS needs to get the letter rewritten, updating the issue that EAS should not be disciplined for WTIL failures.

The executive board drew for convention floor and banquet seating. The convention floor seating selection was in the following region order; 1-Southern, 2-Northeast, 3-Central, 4-Eastern, and 5-Western. For banquet seating selection was in the following region order; 1-Western, 2-Central, 3-Northeast, 4-Eastern, and 5-Southern.

Jaime Elizondo made a recommendation that NAPS headquarters refurbish and/or fix all the broken Executive Board Room chairs, which was second by Tommy Roma. Recommendation passed.

Marilyn Walton, Western Region Vice President, made a recommendation that the substitution pay amount for retired national NAPS board members be raised from \$200.00 per day to \$250.00 per day and was second by Kevin Trayer. Discussion included that the \$200 a day amount has not been increased since implementation in 2004. Retired board members have the



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option to take substation pay or not required and are not required to take the full amount when requested. Recommendation passed.

Jaime Elizondo made a recommendation that at every Spring and Fall board meeting, all expiring contracts be discussed so the executive board may vote on whether to renew the contract or send out for bidding per NAPS HQ contract policy. Craig Johnson second the recommendation. Discussion include that NAPS' current contract policy is good. There are checks and balances on the vendor contracts and the policy. This is an exception to the contract policy to allow NAPS, if satisfied with a current vendor; the board can decide to renew a contract without requiring other bids or quotes. If the board is not satisfied with a vendor, the resident officers can be instructed to seek bids or quotes. Recommendation passed.

Motion 1: Cy Dumas, New England Area Vice President and seconded by Tommy Roma. *That NAPS executive board order and direct, through the passage of this motion, that no candidate for any NAPS office can have access to the printing their image, picture, campaign ad, or messaging of any kind on the room keys for the Town and Country Resort. Furthermore, there can be no alteration of the key cards from what the hotel would ordinarily provide to guests for entrance into their sleeping rooms.* Discussion included that the Town and Country contract specifically called for the NAPS president to have first choice to print on the key cards which appears to be an ethics violation. This contract provision provides an unfair benefit and advantage for one person. It is a bias to have an exclusive right for one person should have a contractual advantage on this board. There were comments that agreed with the concept to print on the room key cards to promote NAPS but not for the use for campaign purposes. The provision should not have been in a NAPS contract, but a separate personal contract with the Town and Country should have been signed. It was a creative idea and the Town and Country suggested the provision be placed in the contract. The contract was signed in September 2010; therefore it was not certain who was going to be the NAPS president in 2014. In the contract it says NAPS has control of the keycards. NAPS should try to capitalize on the keycard to print its own message, the NAPS logo, or sell the rights to the highest bidder. The motion limits an opportunity for NAPS to raise funds. The Town and Country contract supersedes any board motion as the content of the motion is unenforceable. A contract is a contract, for the future this particular clause should not



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be in NAPS contract. The contract was not reviewed by the two other resident officers before it was signed as it was not made available for review at the time. Jerry Sebastian called for the question and Roy Beaudoin second. Voting: Yes: (4) Killackey, Roma, Dumas and Trayer. No (18) Atkins, Wagner, Butts, Johnson, Ford, Walton, Warden, Mulidore, R. Green, Moreno, Baker, Sebastian, Beaudoin, S. Green, Elizondo, McCracken, Aceves, and Cherry. Absent (1) Aglidian, Chairman Ewing not voting. Motion failed.

Motion 2: Tim Ford, Southern Region Vice President motioned and Jerry Sebastian second. *No political advertisement be accepted/published for The Postal Supervisor.* Discussion not in favor of the motion because it would eliminate income for NAPS. NAPS has a provision in the magazine that says an ad is not an endorsement by NAPS and the membership is smart enough to know the difference. NAPS has had political ads in the magazine since 2010. In favor of the motion because political ads only add minimal income to NAPS. There was concern about who is going to police ads to ensure they are appropriate for the NAPS magazine. NAPS should not broadcast our NAPS political messaging to those outside the organization. Richard Green, Capitol-Atlantic Area Vice President called for the question and Kevin Trayer second. Voting: Yes: (8) Atkins, Ford, Walton, Warden, Sebastian, Beaudoin, Aceves, and Cherry. No (14) Killackey, Wagner, Roma, Butts, Johnson, Dumas, R. Green, Mulidore, Trayer, Moreno, Baker, S. Green, Elizondo, McCracken. Absent (1) Aglidian, Chairman Ewing not voting. Motion failed.

Motion 3: Brian Wagner, Secretary/Treasurer submitted a motion and seconded by Jay Killackey. *That the amount of the annual per capita set aside for the Disciplinary Defense Fund be set at a minimum of \$300,000 per year, and Article XIII, Section 7, paragraph 4 of the NAPS national constitution be changed to the following language; The amount of \$13.00 of the annual per capita of each active member, shall be set aside for the Disciplinary Defense Fund, with the minimum set aside to be \$300,000 annually, to be administered by the Executive Board.*

Discussion was that the motion would not increase the per capita membership dues, but provide for better budgeting of actual expenses of the DDF. Voting Yes (22): Atkins, Killackey, Wagner, Roma, Butts, Johnson, Ford, Walton, Warden, Dumas, Mulidore, R. Green, Moreno, Trayer, Baker, Sebastian, Beaudoin, S. Green, Elizondo, McCracken, Aceves, and Cherry. Absent (1) Aglidian. Chairman Ewing not voting. Motion passed.



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Motion 4: Brian Wagner, Secretary/Treasurer made a motion and second by Tim Ford. *NAPS refrain from entering into a credit card royalty program contract with the Carolina Postal Credit Union (CPCU).* Discussion included the CPCU is a very good credit union, but the contract was reviewed by NAPS legal counsel who discovered that NAPS must adhere to many CPCU affinity card requirements, including providing NAPS member information including home addresses to CPCU to market the NAPS affinity card. In addition, NAPS members must join the CPCU and open a minimum \$25 savings account in order to receive the affinity credit card. NAPS will only receive a three-cent royalty for every \$100 in credit card sales less any returns. Members would have to spend \$10 million a year for NAPS to receive a \$3,000 in royalties. The amount of work involved and information that must be provided for the value received is not in the best interest of NAPS and its members. Voting Yes (22): Atkins, Killackey, Wagner, Roma, Butts, Johnson, Ford, Walton, Warden, Dumas, Mulidore, R. Green, Moreno, Trayer, Baker, Sebastian, Beaudoin, S. Green, Elizondo, McCracken, Aceves, and Cherry. Absent (1) Aglidian. Chairman Ewing not voting. Motion passed.

The executive board members declared their intentions for election at the 2014 national convention in San Diego. Louis Atkins and Jay Killackey declared they are running for the office of National President, Ivan Butts and Jaime Elizondo will seek the position of Executive Vice President. Brian Wagner is seeking re-election as Secretary/Treasurer. Chuck Mulidore announced is seeking the position of Eastern Region Vice President. The following executive board members; Tommy Roma, Tim Ford, Craig Johnson, Marilyn Walton, Cy Dumas, Jim Warden, Hans Aglidian, Richard Green, Kevin Trayer, Luz Moreno, Larry Ewing, Shri Green, Cindy McCracken, John Aceves and Hayes Cherry are all seeking re-election to their current NAPS national office position. Neil Baker, Jerry Sebastian, and Roy Beaudoin stated they would not seek re-election and will retire from the executive board. The retiring board members thanked the board for their support and they all have appreciated the opportunity to serve NAPS and its membership at the national office level.

The dates for 2014 Fall Executive Board meeting is scheduled for October 18-23, 2014. For the Good of the Association Cy Dumas thanked everyone for the cards and prayers for when he experienced a medical issue at the last board meeting. Chuck Mulidore said that whomever



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comes back in the fall, whether you agree or disagree with the results, it is an honor to be elected to these positions and is proud to serve with the members on the board. Craig Johnson stated we can agree to disagree, but hoped we can be respectful of one another. Board members thanked and appreciated the work of the retiring board members.

In final remarks, President Atkins appreciated the friendship and wished the best to the executive board members who would not be seeking re-election. Louis reminded the board to always keep the members best interest at hand and wished everyone safe travels. Executive Vice President Killackey remarked that the board has experienced a lot of issues and reiterated to best represent NAPS members. Jay stressed that the stress on our members is tough and we need to be there for the membership. Secretary/Treasurer Wagner, thanked Jerry, Neil and Roy for their service and thanked the entire executive board for their service and appreciates everything they do for the members.

Kevin Trayer, Michiana Area Vice President motioned and second by Roy Beaudoin, Central Gulf Area Vice President, to adjourn the board meeting. Motion carried. Meeting adjourned at 5:19 p.m. on Friday, March 14, 2014.

Respectfully submitted,
Brian J. Wagner
NAPS National Secretary/Treasurer