

H.C.S.C. Alumni Club Annual Meeting

October 7, 2020

The meeting, via Zoom video conference, was called to order at 10:05 a.m. by Chairman Phil Esch.

The following National Directors participated:

Phil Esch, Karen Bell, Ellen Baker, Al Bell, Robin Caldwell, Tom Clarke, John Gresham, David Kloose, Larry Noble, Josh Norcross, Alan Rogers, Phil Shama, Jeannette Siegel, and Wynn Watkins. (Secretary Sharon Winkle also participated.)

Representing the H.C.S.C. Foundation:

Larry Noble and Ron Salzetti

Representing the Regional Meeting Groups:

Deep South	Karen Witt and Josh Norcross
Heart of America	Harry Rediger
Indiana	Deryl Benz
Mason Dixon	Harry Smart and Karen Bell
Mile High Denver/Rocky Mountain	Steve Strom and Royce Bervig
Northern CA/Nevada	David Kloose and Hal Monroe
North Central	Tom Clarke
Northwest	Phil Shama
Ohio	Ben Preston
Salt Lake City	-
Southern CA	Ron Salzetti
Southeastern	John Gresham
Southwest	John Caldwell and Al Bell
Valley of the Sun	Tom Putman

Approval of Minutes from October 9, 2019 Annual Meeting

The minutes from the October 9, 2019 Annual Meeting, which had been sent as a pre-read, were discussed. After a motion was made and seconded, the minutes were approved unanimously as submitted.

Approval of the August 2020 – July 2021 Budget

Treasurer Karen Bell reviewed the proposed August 2020 – July 2021 Budget which had been sent as a pre-read. There were no questions and a motion was made and seconded to approve the Budget as submitted. It was approved unanimously.

Chairman Phil Esch then discussed a question about Restricted Funds on the Balance Sheet that had been raised at the September 9, 2020 National At-Large Board meeting. After talking with former Treasurer, Bill Burns, Phil explained that after the 2002 National Convention's shortfall that was covered by the Company, the Club realized it could not rely on the Company's help with future Convention costs. The membership was asked to donate funds to be used only in the case of emergency regarding future National Convention penalties that might be incurred. The funds donated (along with some funds in a Money Market Account and CDs) were set up on the Balance Sheet as "Restricted Net Assets" to protect the Club and its Officers from any future penalties resulting from Convention commitments. Wynn Watkins suggested that the purpose of the Restricted Net Assets be changed so that these funds could be used for any financial "emergency" declared by the Board, not just restricted to Convention shortfalls or penalties, since National Conventions will no longer be held. After a motion was made and seconded, this motion was approved by the Board unanimously.

Approval of Bylaws Updates

Phil Esch discussed the updates to the Club's bylaws that had been sent as a pre-read explaining that they were mainly bringing the language into conformity with current practices that had been approved at previous Board meetings. There were no questions and after a motion was made and seconded, the updated bylaws were approved unanimously as submitted. The updated bylaws will be posted on the Club's website.

Membership Update

Tom Clarke reviewed the Membership Report that had been sent as a pre-read. There are currently 2,171 members as of 9/29/20 vs. 2,310 on 9/4/19, a decrease of 139 members. Of the current total, 1,710 are Annual Members. There are 32 "RMG Only" Members and Tom said that, in the future, they will be billed as National Members, too. While the total Honorary members has decreased by 15 since the June 2020 meeting (368 vs. 353 in September 2020), the total of Century Club members has increased by 32 in the same period. The latter is largely due to Tom Clarke's efforts to contact older members to obtain their Date of Birth in order to update the Century Club list (members who have at least attained the age of 90). Tom has received responses from 10 members or their families (5 are deceased). Ellen Baker will be assuming the responsibility for maintaining the Century Club membership.

Phil Esch mentioned that the NE RMG had merged with the Mason-Dixon RMG.

Regarding 50 Year Pins which are now awarded annually since National Conventions have been discontinued, Tom said that 69 pins have been awarded this year. The pins and accompanying letters have been mailed to the appropriate RMGs, or directly to the eligible members if they are not RMG members. Phil advised that Susan Dunseth will be taking over the 50 Year Pin process. Additionally, Jeannette Siegel will be assuming responsibility for Partners as Susan Dunseth steps down from that role which she has held for the last three years.

RMG and National Dues Paid Report

Tom Clarke reviewed this report which had been sent as a pre-read. Of the 1,710 Annual Members, 700 (58%) have not been paying their annual dues. Tom explained that the \$25 annual dues does not cover the General Management cost of \$16.10/member plus the \$11.24 Partners cost/member and that members not paying their dues is especially problematic. This report will be emailed to RMG Presidents, Treasurers, and Secretaries for RMGs to contact their members listed on the various rows of the report which indicate how many years behind they are on their annual dues, and to let Tom know the results. Phil thanked Tom and his son, Ed, who have spent many hours developing this report. Tom also thanked Karen Bell for her help on the report.

H.C.S.C. Foundation Report

Larry Noble reviewed the H.C.S.C. Foundation Report that had been sent as a pre-read and thanked the HCSC Club for supporting the mailing of the Foundation's outreach letter to members requesting donations and referrals for financial assistance. The mailing was sent to over 2,000 members and resulted in 132 members donating \$19,025 in donations (a 3% decrease versus last year's result). A mailing to about 18,000 retirees receiving some type of retirement benefits is scheduled for late October. This year a total of \$522,540 (8.1% increase over last year's \$483,488) was distributed to 81 recipients. Donations received in fiscal 2019 totaled \$48,740, a 1.8% decrease from the previous year's total donations of \$49,618. In response to a question at last year's Annual Meeting, the Foundation Board reviewed the idea of lowering the eligibility service requirement to 15 years from the current 20 years for those whose stores were being closed. The Board determined that this change is not feasible at this time if they are to assure that its funds remain available for those who meet the current eligibility requirement. Ron Salzetti commented that the Foundation had been receiving donations from the Company each year in December, but that they were not sure it would be received this year. Additionally, Larry said that a one-time \$30,000 donation is expected from a decedent in December. Steve Strom asked if the Club had ever considered a fund drive for the Foundation commenting that their RMG (Mile High Denver/Rocky Mountain RMG) always makes a contribution to the Foundation at Christmas time. Ron Salzetti said that the Foundation continues to encourage RMGs to make such donations. Phil Esch thanked Larry and Ron for the vital work that the Foundation does.

Recognition of Retiring HCSC Board Member

Chairman Phil Esch advised that Al Bell was retiring from the HCSC Board after 15 years of service. Phil reminded the Board that after Al retired from his JCPenney career in 2002, he joined the Southwest RMG and served as its President for 7 years. Al then joined the National HCSC Board and served for many years. In recognition of Al's many contributions, and in hopes that his counsel to the Board will continue, Phil recommended that the Board approve Al becoming an Emeritus Member of the Board, effective immediately. After a motion was made and seconded, the motion was approved unanimously.

Re-election of Board Members

Motions to re-elect the following Board members, elect new Board members, and appoint a Secretary were made and seconded, and the motions were approved unanimously:

For a four-year term as Board member:

Robin Caldwell, Josh Norcross, Jeannette Siegel, and Wynn Watkins

For a three-year term as Treasurer:

Karen Bell

Election of New Board Members for a four-year term:

Bill Kruder and Harry Smart

Appointment of National Secretary for a one-year term:

Sharon Winkle

One Year Extension of National Chairman's Term

Chairman Phil Esch, whose term was set to expire at this Annual Meeting, told the Board that he was willing to continue as National Chairman for an additional year if the Board requests that he do so due to the lack of additional candidates for this position. Phil also said that he wants to talk with a number of people about future succession planning. The Board was enthusiastic about Phil's offer. After a motion was made and seconded to re-elect Phil Esch as National Chairman for a one-year term, the motion was approved unanimously.

2021 Meeting Dates (Tentative)

At-Large Board Meetings: March 3, 2021; June 2, 2021; September 1, 2021; December 1, 2021

Annual Meeting: October 6, 2021

2021 "Partners" Due Dates

Spring: February 1, 2021; **Summer:** July 1, 2021; **Fall/Winter:** November 1, 2021

A motion was made and seconded to adjourn the meeting at 11:10 a.m. and the motion was approved unanimously.

Respectfully submitted,

Sharon Winkle

Secretary