

Strategic Affairs Committee Minutes

January 20, 2011

St. Pete Beach, Florida

Motion to accept Minutes of January 20th, 2011 Strategic Affairs Committee – Ken Bowers, second Ben Jones: **Motion Passed**

General comments were given to pass on to the Board for future meeting planning. A more strategic approach to the Committee meeting order was suggested. Putting Committees with less member participation at the end of the meeting contributes to early departures. Committee meeting order rotation and focus on placing high participation Committees at the beginning and end will help promote attendance for the full meeting. Additionally, identifying meetings that can occur simultaneously, without impacting attendance, was advised to minimize total meeting time requirements. Consideration should be given to longer meeting days to minimize meeting duration as well. Lastly, meeting evaluations should be regularized to provide feedback and foster continuous improvement. These comments were passed on at the Board of Directors meeting January 21, 2011.

Additional members for the Committee were requested. No volunteers came forth.

Committee Amalgamation – Organization

- a. Sub-Committee roles, activities and procedures for working SAC
Both By-Laws and Finance were affirmed as Sub-Committees. To minimize procedural time delays it was agreed that the sub-committees would put work products together for full Committee discussion and single vote. The Committee received clarification that the Alternative Revenue Task Force had been disbanded. Identification of future revenue for the Association will be the role of the Finance Sub-Committee.
- b. Sub-Committee membership
By-Laws: Ken Bowers continues as Chair; other members are Ricky Schroeder, April Hunt and Chad Linton
Finance: Bob Waltz Acting Chair (as interim Secretary Treasurer); other members Kent Kitade and Anita (DFSR) will look to identify FDA representative; Industry Advisors are Richard Sellers, Randy Gordon and Dave Ailor
- c. Review of draft Committee Purpose Statement and General Operating Procedures (Appendix 1)

Strategic Affairs (Long Range) Purpose Statement

Proposed:

○ Provide advice and support to the Board regarding strategic direction, planning, tracking and implementation of related Association activities and stability including oversight of [financial planning for strategic advice and financial stability](#); advise and maintain the By-Laws to best serve the Board and needs of AAFCO.

Motion to accept Purpose Statement Nancy Thiex, second Shannon Jordre; [Motion Passed](#)

Linda suggested she would integrate the General Operating Procedures as a draft for Committee consideration (see Appendix 1)

Combined activities from By-Laws, Finance and Long Range

| Responsible | Item | Action | Timing / Status |
|---|--|---|---|
| By-Laws | By-Laws need to be fully reviewed and updated | Ken to work with Richard Sellers, to obtain a cost estimate to use the AFIA lawyer. SAC will then present the estimate to the Board for approval before proceeding. | |
| Chair of Nominating Committee (Ricky) in consultation with Chair of By-Laws (Ken) | Procedures Manual needs to be updated and clarified for the new Board structure (also Board charge) (Appendix 2) | Edited document reviewed; no additional edits made during the meeting. Revised text will be forwarded to Sharon, Assistant Secretary Treasurer update the Procedures Manual. | COMPLETE |
| By-Laws | Review By-Laws voting procedures to allow electronic proxy for those unable to attend meetings to vote. | SAC discussion concluded that the Board of Directors establish voting procedures; they have already put electronic voting in place. By-Laws amendments were considered unnecessary. | COMPLETE |
| Working Group: Roger, Shannon and Bob | Phase 1: Review terms and conditions of Committees, Sub-Committees, Working Groups, Task Forces and Investigators, for more efficient effective work flow (Appendix 4). | WG submitted draft revisions January 4, 2011. These were presented at the Committee Chairperson meeting January 16, 2011 for discussion. The revised version (January 19, 2011) was presented for SAC review. | Comments due by February 28, 2011 |
| | Phase 2: general review of the Procedures Manual to ensure timely work flow between Committees (e.g. increased engagement with related Committees such as Model Bill and Regulation to minimize movement between Committees and the Board, minimize double voting with sub-Committees and Committees). | | Draft revisions for the August annual meeting |

| | | | |
|--|---|--|---------------------|
| <p>Working Group: Andy, Randy, Dave, Ricky, Kent, Linda, Richard</p> | <p>Review the duties of the Secretary Treasurer (ST) position (Appendix 3) to determine if restructuring the duties will better serve the association. This includes consideration of possibly hiring a ST.</p> | <p>Committee meeting comments below. Working Group formed to:</p> <ol style="list-style-type: none"> 1. Prepare a vision and work description of key activities to initiate the position. It was recognized that it wasn't practical to try to address everything. 2. Identify the financial needs for the position and hiring process. Provide this for board review and action. <p>Initial organizational conference call Feb. 23, 2011 at 11 am</p> | <p>Seminar 2011</p> |
| <p>Strategic Affairs</p> | <p>Schedule review of Committee structure two years after implementation to make sure re-organization has been of value.</p> | | <p>January 2014</p> |

Secretary Treasurer – Executive Director / Operations Manager discussion

It was generally accepted that the current purpose and operating procedures in the Procedures Manual are superficial. There are many possible considerations for the future, including splitting the position into two again, hiring one or both due to member work load challenges etc. The ST position could be eliminated and made part of the Board progression. This led back to a discussion of hiring an Executive Director / Operations Manager (ED / OM). This could be a Chief Operating Officer that oversees actions of the Board and Committees as well as finances. It could also convert to a limited term position (e.g. 3-5 yr.). It was concluded that until such time as that was resolved, the ST position review could not be addressed. It was recommended that the board fill the position on a temporary basis.

The meeting was well attended, notably by all Board members, save Kevin Armbrust. It was suggested that the ED/OM position initially focus on select key activities. Select participants (e.g. Board members, past Presidents) were asked to provide two key activities they felt were particularly important. Their comments relative to an ED / OM as well as those of industry advisors follow:

Andy: need trackability of meetings, actions, projects and continuity between meetings / flow of information; need continual oversight of money and budget; need forward vision for AAFCO

Megan: need OM or ED support and need to move it forward

Doug: most effective has been paid executive in his experience with volunteer associations; didn't have good experience with executive management firm; members have too much work from substantive jobs to adequately support AAFCO work too

Chad: need help with finances (budget harder and harder to keep track); need constant contact for industry; ED could research and develop options then present for Board decision)

Sharon B.: see topics recycled because no one person carries it forward – an ED would fill this need. AAFCO needs to determine where they want to go. AAFCO can have a big role. Current structure will not meet this need.

Bob: Critical need to better monitor and handle issues. Tremendous opportunities and challenges to consistently deal with activities. Evolving to be more engaged in federal laws. BOD needs culture to address vision and keep on track. Position would be keeper of messages/vision. Funding needs to be identified. The activities identified are functions and not a position.

Shannon: AAFCO is too risk averse; need to take a leap of faith; think have sufficient funds so try ED / OM for a year or two; first define job and be realistic – Shannon gave permission to be bold!!

Kent: Need to manage day to day including finances; Consistent voice at National level; relieve Board of minutiae

Ricky: AAFCO will soon be in a huge state of transition (Federal laws, ingredient definitions); need vision – what will AAFCO's role be in the future – where does it need to be; AAFCO is not there, too much running day to day; too responsive (and not

responding fast enough), not preventive; can't base financial stability on OP; need to be a leader for where States go. Need to make a bold move and move forward.

Ben: Need a leader; President for one year does not provide for this. Membership is complacent.

Dave: There are risks of moving forward – also risk on not moving forward. Suggested management firm in past. Need early warning system of risk to organization. Need paid staff person to monitor federal activities; being responsive is not leading.

Richard: Need ED to keep up with mass of change coming; already missing many meetings in Washington. Paid executive will find money to keep job. Association should be member led and staff managed

Andy: Excellent comments but this is restating what has been said over and over. Move forward, build job description, identify financial needs, hire. Need to identify actions.

Given the extensive Board attendance, Board support and guidance was obtained.

It was agreed that a small work group would be formed to address this:

| | |
|-------------------|-----------------|
| Andy Gray (Chair) | Linda Morrison |
| Randy Gordon | Kent Kitade |
| Dave Ailor | Richard Sellers |
| Ricky Schroeder | |

Linda will circulate last version of ED / OM that contained key activities (email February 4, 2011); Randy will revise it based on key points from this meeting.

Future Items

- Strategic Plan Priorities – review and tracking progress – The Association leaders have prioritized the key items from the Strategic Plan that will be addressed first. This information was posted on the web site January 21, 2011. These activities need to be tracked. SAC will develop a tracking document, monitor actions and post the information on the web site.

Appendix 1

Proposed Procedures Manual Text for Strategic Affairs Committee (version 1, February 4, 2011)

STRATEGIC AFFAIRS COMMITTEE

Purpose

Provide advice and support to the Board regarding strategic direction, planning, tracking and implementation of related Association activities and stability including oversight of [financial planning for strategic advice and financial stability](#); advise and maintain the By-Laws to best serve the Board and needs of AAFCO.

Membership

Membership is comprised primarily of AAFCO past presidents, Board and Committee Chairpersons. Industry representatives may serve as advisors to this committee.

General Operating Procedures

- Provide input regarding the strategic plan and monitor AAFCO progress in achieving identified objectives within the plan.
- Suggest modifications or additions to the plan periodically at the request of the Board.
- The committee responds to the directions of the President in whatever form received. All other requests for action should be in writing. All requests must meet the guidelines as set forth in the "Committee Guidelines".
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BY-LAWS SUB-COMMITTEE (for clarity suggest their GOP be delineated separately)

General Operating Procedures

- Consider changes suggested from members, including those who are not able to attend committee meetings. Any AAFCO member may propose a change in the by-laws by submitting it in writing to the committee chair.
- Receive suggestions, recommendations and directions from the Board.
- Notify the Assistant Secretary-Treasurer pursuant to meeting deadlines so that required notification can be made to the members.

FINANCE SUB-COMMITTEE

General Operating Procedures

- To develop and maintain procedures and protocols that allows the association to monitor its financial assets and ensure its financial stability.
- Actively consider, evaluate and recommend funding opportunities to improve revenue for the Association

LONG-RANGE PLANNING COMMITTEE (Reference: Current Procedures Manual Text (May 2009))

Purpose

Provide recommendations to the Board as to emerging trends affecting the feed industry and AAFCO.

Membership

Membership is comprised primarily of AAFCO past presidents. Industry representatives may serve as advisors to this committee.

General Operating Procedures

- Provide input regarding the strategic plan and monitor AAFCO progress in achieving identified objectives within the plan.
- Suggest modifications or additions to the plan periodically at the request of the Board.
- The committee responds to the directions of the President in whatever form received. All other requests for action should be in writing. All requests must meet the guidelines as set forth in the "Committee Guidelines".
- Meet during the Mid-Year and Annual Meetings.
- Submit committee report for Annual Meeting.

BY-LAWS COMMITTEE

Purpose

Receive, review and suggest changes in the AAFCO By-Laws in order to maintain the by-laws to best serve the needs of AAFCO.

Membership

The committee is composed of a chair and two or three AAFCO members. No industry representatives serve as advisors to this committee.

General Operating Procedures

- Meet during the Mid-Year and Annual meetings, if there is business to conduct.
- Receive written correspondence to communicate suggested changes from members, including those who are not able to attend committee meetings. Any AAFCO member may propose a change in the by-laws by submitting it in writing to the committee chair. Although not required, it is recommended that copies of the proposed changes be sent to the AAFCO President by the persons suggesting the changes.
- Receive suggestions and recommendations from the Board.
- Submit committee report for Annual meeting.
- Notify the Assistant Secretary-Treasurer well in advance of the Annual Meeting of any proposed changes so that required notification can be made to the members.

FINANCE COMMITTEE

Purpose

To develop and maintain procedures and protocols that allows the association to monitor its financial assets and ensure its financial stability.

Appendix 2

Procedures Manual revisions to reflect Board of Directors structure change*

BOARD OF DIRECTORS

There are ~~three~~ five members designated as directors. Two Senior Directors (Tier 1) and three Junior Directors (Tier 2). New directors ~~is~~ are elected at each Annual Meeting. Generally, the selection is made by the nominating committee after a thorough review of qualified individuals; however, nominations may be made from the floor. Each director is expected to attend all scheduled Board meetings. The other members of the Board of Directors are the President, President-Elect, Secretary-Treasurer and Immediate Past President.

General Operating Procedures (no change)

- Hold a regular meeting during and immediately following the Annual Meeting. Provide the time and place of any additional regular meetings of the Board.
- Call a special meeting of the Board by or at the request of the President or any two directors.
- Review and present together with recommendations to members of the Association for action, any proposed new definitions or changes (except editorial changes), new legislation, regulatory principles, or amendments which have been referred.
- Authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by the By-Laws, to enter into any contract or to execute and deliver any instrument in the name of the Association.
- Determine the manner of Association payments and determine who shall sign all checks, etc.
- On the recommendation of the Assistant Secretary-Treasurer, select banks or other depositories in which to deposit Association funds.
- Fill vacancies on the Board of Directors, for the balance of the term.
- Any action which may be taken at a meeting of the Board may be taken without a meeting if consent is in writing, setting forth the action so taken, shall be signed by all members of the Board.

* By-Laws proposal received from Ken Bowers (email Jan. 4, 2011)

Appendix 3

SECRETARY-TREASURER (2009 Procedures Manual)

The Secretary-Treasurer is an Officer and serves as a member of the Board of Directors. The Secretary-Treasurer is expected to attend all scheduled Board meetings and is responsible for continual contact with the Board.

General Operating Procedures

- Maintain close communication with the President, President-Elect and Assistant Secretary-Treasurer.
- Receive and refer requests for information to the appropriate officer, director, committee chair or investigator.
- Perpetuate a trustworthy and sound rapport with the Association's Board of Directors and members, regulated industry, consumers and other stakeholders.
- Maintain a current website for the Association as directed by the Board.
- Perform other duties as assigned by the President or Board.

ASSISTANT SECRETARY-TREASURER (2009 Procedures Manual, for reference)

The Assistant Secretary-Treasurer is responsible for continual contact with the Board and the Association members. Essential information must be collected, disseminated, and recorded. It is important that the Assistant Secretary-Treasurer is aware of all activities of the Association and be prepared to respond to inquiries and requests for referral.

General Operating Procedures

- Maintain close communication with the President, President-Elect and Secretary-Treasurer.
- Receive and refer requests for information to the appropriate officer, director, committee chair, or investigator.
- Perpetuate a trustworthy and sound rapport with the Association Board of Directors and members, regulated industry, consumers and other stakeholders.
- Record and distribute minutes of Board meetings to the Board in a timely manner and publish a summary of Board activities from each meeting on the AAFCO website.
- Prepare and have posted to the AAFCO website, to inform members, the regulated industries and related associations and consumer groups of proposed and completed actions for the Association, regulatory issues, committee involvements and other news of interest.
- Facilitate collection of information, to be posted to the Secure Section of the AAFCO website, to inform members of regulatory activities and Association endeavours.
- Participate in planning, organizing and conducting the Midyear and Annual meetings. This includes selecting sites, scheduling committee and other meetings, negotiating room rates and food and beverage needs with hotels and assisting hosts of the Annual meeting in creating successful meetings.
- Order the presidential plaque and Distinguished Service Awards so as to have them available for the annual meeting; check for accuracy and correct if necessary.
- See that members notices are duly given in accordance with the provisions of the By-Laws or as required by law.

- Receive committee and investigator reports to be presented to the Board and confer with the President-Elect to assure these are available to the members and related industries prior to final review by the Board for recommendation to Association members.
- Schedule items to be considered by the Board.
- The headquarters' office of the Association shall be maintained at the office of the Assistant Secretary-Treasurer. Retain pertinent records of the Association (e.g. bound copies of the Official Publication, history, etc.) Have these documents microfilmed as necessary and/or placed in secure storage at Association expense.
- Serve as custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which is duly authorized in accordance with the provisions of the By-Laws. Corporate records should be maintained in secure storage at Association expense.
- Serve as editor of the Official Publication. This includes a Board of Directors report, committee recommendations, amendments, Board actions and Association member actions. Send sections of the publication to section editors for their review.
- Receive and distribute the Official Publication, QA/QC Manual, Laboratory Manual and Pet Food & Specialty Pet food Labelling Guide. This includes processing all orders, collecting payment and following up on delinquent accounts, maintaining a list of purchasers, mailing order forms, extending credit, maintaining appropriate inventories of supplies, dealing with foreign establishments, arranging for storage space for the Official Publication, replacing books lost in the mail and sending complimentary copies to life members and other requested by AAFCO members or other interested parties, when it is deemed to be in the best interest of the Association.
- Prepare, forward statements and collect payment for AAFCO Annual membership dues from the designated official in each state, province or federal agency.
- Receive AAFCO check sample program fees and provide a copy of the completed list of program participants to the chair of the Collaborative Check Sample Committee.
- Periodically review receipts and project expenditures in order to maintain maximum funds in interest-bearing accounts while providing an adequate balance in the Association's regular checking account.
- Receive and promptly pay all bills incurred by the Association. Obtain approval from the Board, President, or committee chair prior to payment when such approval is required.
- Receive travel expense vouchers which have been approved by the President and promptly reimburse the traveler. Maintain an ongoing summary of travel expenses incurred by the Association and present copies of the summary to the Board at scheduled meetings.
- Maintain all fiscal records pertaining to the Association, including ledgers, bank records, receipt records, deposit and expenditure records, correspondences, various corporation reports and tax reports.
- Prepare quarterly reports summarizing the Association finances for review by the Secretary-Treasurer and presentation by the Assistant Secretary-Treasurer at Board meetings for deliberation of necessary action. Prepare an annual summary of the Association finances for review and presentation to the Board at the Annual Meeting.

- Prepare all Association reports and forms as necessary, such as corporation registration forms, income tax reports, quarterly withholding reports (income tax, FICA, Employment Security) and other applicable state and federal reports as required.
- Perform other duties as assigned by the President or Board of Directors

Appendix 4

DRAFT Functional collective terms for AAFCO working structure (version 2, edited January 19, 2011 (Roger Hoestenbach)):

Working Groups - May include AAFCO Members, Industry Advisors, Academia or others as needed to function within its charge. The Working Groups are “task specific” and are appointed by the committee chair to address a specific issue. Working Groups have a limited life span which should be identified at the time of appointment. Working Groups may be created by a Committee chair, Coordinator, or Investigator, and serve at the discretion of the appointing individual. (e.g., this group)

Subcommittees - Are made up of AAFCO committee members, Advisors may be asked to provide input. Subcommittees are “Task/Topic specific” and are used to divide responsibilities or focus work into more manageable groups of interest or expertise. There are not generally time restraints and the work tends to be a subset of the standing committee charge(s). Subcommittees may be created by a Committee chair, as needed, to address the needs of the committee function. (e.g., E-Commerce, subcommittee of Enforcement Issues)

Task Forces - Are utilized to fulfill a need for specific expertise that exceeds that addressed within a standing committee. Task Forces address “specific charges”, within specific and limited time, established at the time of appointment. Task Forces serve at the discretion of either the Board of Directors, the President, President-elect (AAFCO Committee Coordinator), or a Committee chair. Membership of Task Force(s) focuses on expertise in the area to be addressed and may include AAFCO Members, Industry Advisors, Academia or others as needed to function within its charge. (e.g., the Canine and Feline Nutrition Expert Task Force)

Coordinators - Are generally individuals or small groups that serve in place of a standing committee when the role that needs to be filled is either very limited in scope or would function less effectively as a larger committee. (e.g., Audit, Necrology/Life Member, etc.)

Investigators - Are generally individuals that serve in place of a committee within the limited scope of a category of ingredients (e.g., alfalfa products, mineral products, vitamins, etc.) for the purpose of coordinating the development or modification official definitions. Investigators are generally appointed by the chair of the Ingredient Definition Committee (IDC) and also serve as de facto members of the IDC.

DRAFT version 1, January 4, 2011

Working Groups - Are made up of AAFCO committee members and when appropriate, Advisors may be asked to provide input. The Working Groups are “task specific” and are appointed by the committee chair to address a specific issue. Working Groups have a limited life span which should be identified at the time of appointment. Working Groups may be created by a Committee chair, Coordinator, or Investigator, and serve at the discretion of the appointing individual. (e.g., this group)

Subcommittees - Are made up of AAFCO committee members and when appropriate, Advisors may be asked to provide input. Subcommittees are “Task/Topic specific” and are used to divide responsibilities or focus work into more manageable groups of interest or expertise. There are not generally time restraints and the work tends to be a subset of the standing committee charge(s). (e.g., E-Commerce, subcommittee of Enforcement Issues)

Task Forces - Are utilized to fulfill a need for specific expertise that exceeds that addressed within a standing committee. Task Forces address “specific charges”, within specific and limited time, established at the time of appointment. Task Forces serve at the discretion of the Board of Directors, but may initially be appointed by either the President or President-elect (AAFCO Committee Coordinator). Membership of Task Force(s) focuses on expertise in the area to be addressed and may include AAFCO Members, Industry Advisors, Academia or others as needed to function within its charge. (e.g., the Canine and Feline Nutrition Expert Task Force)

Coordinators - Are generally individuals or small groups that serve in place of a standing committee when the role that needs to be filled is either very limited in scope or would function less effectively as a larger committee. (e.g., Audit, Necrology/Life Member, Nominating, etc.)

Investigators - Are generally individuals that serve in place of a committee within the limited scope of a category of ingredients (e.g., alfalfa products, mineral products, vitamins, etc.) for the purpose of investigating the development official definitions.