

**OFFICIAL MINUTES OF THE
APFA SPECIAL BOARD OF DIRECTORS MEETING
CROWNE PLAZA HOTEL
ADDISON, TEXAS**

MAY 4 – 5, 2004

1020 Call to Order

President Ward calls the special meeting of the APFA Board of Directors to order. This meeting is a continuation of old business from the prior meeting and the original agenda for the meeting held April 14 – 17, 2004 shall be followed.

1021 Roll Call

Secretary Hildreth took roll call. All Board Members, or their designated representatives, were present. A gallery was present. Legal counsel, Steven Moldof was also in attendance.

1025 Agenda Approval

Resolution #1 is introduced. (Maker – Secretary Hildreth, Second – SFOI Chair LeWinter) President Ward asks if there are any comments or amendments (attached).

Several members of the Board request specific topics amending the agenda.

Resolution #1A is put forth amending the agenda. (Maker - DCA Chair Horan, Second - IDF Chair Watson). Amending the agenda to include:

| | |
|---------------------------|------------|
| Article VII Charges | (Horan) |
| <i>Skyword</i> | (Weston) |
| Insurance | (Edwards) |
| Hotel Location | (Mitchell) |
| <i>Skyword Express</i> | (Washbish) |
| APFA Voicemail Extensions | (Syracuse) |
| APFA Press Release | (Ward) |
| SBA | (Nikides) |
| APFA Press Release | (Nikides) |

Resolution #1A is unanimously approved (attached).

Resolution #1 approving the agenda as amended is presented. (Maker Secretary Hildreth, Second SFOI Chair LeWinter). This resolution is passed unanimously.

AGENDA ITEMS

1032 Insurance Coverage

LGA Chair Edwards speaks to the item; however, no resolution put forth. There is much concern regarding the current policy covering Directors & Officer's liability as it stands. Ms. Edwards asks for an outline of the current policy. Steve Moldof responds to this question and fills the Board in on the current policy provisions, as he understands them. He is concerned about the current policy and stated that it is difficult to obtain this type of insurance for unions. There are very few companies offering this coverage. He outlines the coverage utilized by APA including the huge difference in premium costs and deductible amounts. Due to the lack of companies offering this particular coverage, many larger unions choose to self- insure.

Treasurer Lukensmeyer has met with the insurance underwriters concerning two insurance issues pending at APFA. Two policies are currently expiring with very near expiration dates. Several non-compliance issues were involved and this created a very difficult situation for the incoming Treasurer. All insurance issues are being addressed and coverage secured.

Vice President Durkin directs several questions to Steve Moldof concerning officers' liability coverage and the options Mr. Moldof feels are available.

There was an inquiry concerning insurance for APFA issued laptops. Treasurer Lukensmeyer will look at the contract to determine what type of damage/accident coverage there is.

President Ward suggests that the Board move on to the next item on the agenda, which is the continuation of a presentation by the Constitution Review Committee. A break is suggested to give the Committee an opportunity to set-up for presentation.

BREAK

This portion of the meeting will be off the record. The gallery may remain. They cannot participate in the formal discussion. The Board Members will be the only attendees to address questions to the Constitution Review Committee. The gallery may funnel their questions through their chairperson.

Meeting Off The Record

1542 Meeting back on record

1542 Constitution Review Committee

Resolution #2 (attached) is put forth. (Maker – IDF Chair Watson, Second SFOI LeWinter) Resolution #2 states the Board of Directors recommends and approves changes the APFA Constitution. President Ward asks for discussion on Resolution #2.

Resolution #2 is presented for vote. This resolution is passed. (17 - Yes, 1 No)

President Ward thanks the Constitution Review Committee for all their hard work and thanks the Board of Directors for embracing the changes suggested. This will now be submitted to the membership for a vote.

Tabled Resolution #2 (Temporary Dues Decreases)

Resolution #3 (attached) is introduced by LGA Chair Edwards and read into the record. Ms. Edwards informs the Board that she has a substitute resolution that supersedes the previous wording of Resolution #3. (Maker – LGA Chair Edwards, Second Vice President Durkin).

This resolution addresses a possible temporary dues decrease. There is discussion concerning the wording and dates involved within this resolution. Steve Moldof requests that the discussion go off the record.

1556 Meeting off the record

1615 Meeting back on record

Resolution #3 is presented for vote. This resolution is passed unanimously.

Reduced Rest Provision

Resolution #4 is read into the record by ORD Chair Mallon. (Maker - ORD Chair Mallon, Second – BOSI Carrigan). Resolution #4 states that the APFA continue its actions on Capital Hill regarding crew fatigue. President Ward asks for discussion on this resolution.

IDF Chair Watson understands that the Board needs to establish a long- term plan to build upon – and we should begin with a framework. The issue of all expenses coming out of the IMA budget and the concern of this base is understood.

IMA Chair Trautman states that this effort by Rick Musica is very important and successful at this point, but the expense of this should be charged elsewhere. The current response to this issue and the support we are receiving is very good. We should not let the momentum subside.

ORD Chair Mallon would like mandatory updates of the issue/project included in the resolution. It was acknowledged that the communication regarding this project has been excellent since Rick has become involved.

Treasurer Lukensmeyer suggested two or three areas that could absorb the expense of this project more appropriately than IMA or the General and Administrative Account.

Resolution #4 (attached) is put forth for a vote. This resolution is unanimously passed.

Proposed Company Training

This discussion is initiated concerning the Company attempting to develop customer strategy meetings. All Chairpersons need to remain vigilant to the Company's attempts to schedule these sessions. Also, of concern, are advisory boards being set up by the Company. Other employees throughout the Company attend these meetings during their workday, thereby, receiving full pay. LAX Chair Nikides will determine what compensation flight attendants who participate on these advisory boards are receiving.

It is the consensus of the Board that no training shall be scheduled until our salary and benefits are restored.

Officer on Duty

Resolution #5 (attached) is read into the record. (Maker – ORD Chair Mallon, Second - BOSI – Carrigan). President Ward asks for discussion on this resolution (attached).

Much discussion takes place concerning this issue focusing on the rotation and ability to trade and drop rotation. This is first established as a training tool and is not being utilized as such. It is suggested that perhaps this system should be changed whereby the OOD would become a more permanent position.

The question of the resolution is called and all debate ceases. President Ward asks that the vote proceed on this resolution.

Resolution #5 is presented for vote. This resolution fails (6 – yes, 12 – no)

Election Complaints

There is no resolution put forth. ORD Chair Mallon is concerned that she was not advised by the National Ballot Committee that election complaints had been filed. Ms. Mallon was asked by flight attendants at her base why the NBC was calling them. Ms. Mallon feels the Board of Directors should be immediately advised of such complaints.

President Ward responded to this citing Article 6, Sec. 6, Page 36. He stated that there is no role for the Board in the contest of an election. Only the candidates can contest through the Secretary's office who then forwards to the National Ballot Committee. The

National Ballot Committee investigates, makes its decision and informs the Executive Committee. At that point, the Board has a role.

Secretary Hildreth responded that when the Executive Committee meets on these items, the Board receives copies of the complaints, the NBC investigative response, and the individual complainant's response back to the Executive Committee.

Legal advice was asked of Steve Moldof. The meeting is taken off the record.

18:05 Meeting back on record

President Ward asks to move the meeting on to the next agenda item.

Chicago Base Update

Discussion begins with the staffing of charter flights. American Airlines is doing many more charters than they have previously. There needs to be a reiteration of agreement and/or contract language concerning this. The question also was asked that if, under the current staffing by the Company of these charters, a seniority violation occurs. The Board requested a copy of the current procedures for manning these charters. President Ward will request that these be disseminated to the Board by Jena Hopkins.

President Ward then requests the Board direct its attention to the next agenda item.

Dues Decrease

This agenda item, Dues Decrease – ORD Chair Mallon, was withdrawn.

Hotel Location

Resolution #6 was brought forth and read into the record by LAXI Chair Mitchell. (Maker – LAXI Chair Mitchell, Second – SFOI Chair LeWinter)

President Ward asks for discussion concerning this resolution.

LAXI Chair Mitchell states that during previous administrations, attempts were made to have as many meetings as possible at Headquarters. It is not possible, however, to host the Board of Directors' Meetings at Headquarters because of size constraints. This resolution speaks to location of meetings.

There was much discussion about this issue and the reason for the change from the Radisson. Secretary Hildreth responds to the questions asked. It was his intention to save money by utilizing this hotel. It was a cost savings move. However, due to the transportation costs, the savings were not as large as anticipated. The Board agreed to set guidelines and requirements for future meetings which will include cost savings and convenience for the membership attendance.

Resolution #6 is withdrawn.

At this time, adjournment was discussed. It is determined that the meeting would reconvene at 9:00 am, May 5, 2004.

18:45 pm **Meeting Adjourned**

MAY 5, 2004

0922 **Call to Order**

President Ward calls the APFA Special Board of Directors Meeting to order and asks that roll call be taken.

0923 **Roll Call**

Secretary Hildreth proceeds with roll call. All Board Members are present. There is also a gallery present.

0925 **President Ward Comments**

President Ward asks that before the Board proceeds, he would like to cover two items. One item will need only a consensus of the Board. The other item for discussion was received by his office this morning.

President Ward reads into the record, a letter signed by seven Senators, members of the Congress of the United States, to Gerald Arpey, President and Chief Executive Officer of American Airlines concerning crew rest and provision of food. (Letter attached)

0930 **Meeting off record**

President Ward asks to go off the record briefly for a lawsuit legal update.

0935 **Meeting back on record**

President Ward asks the Board to direct its attention to the next agenda item.

Company Meetings

Resolution #6 is read into the record by SFOI Chair LeWinter. (Maker – SFOI Chair LeWinter, Second – DCA Chair Weston)

President Ward asks for discussion on this resolution.

Extensive, spirited, and often heated debate ensues.

Most Board members that are not in favor of the resolution feels this to be a totally political act and perpetrates the current atmosphere at APFA limiting the abilities of the Vice President, Secretary and Treasurer to do their jobs. Whether or not you supported these three officers in the election, your flight attendants did. You therefore owe it to your base - the members that you represent - to continue the business of APFA and support those who were elected. These three officers were elected by the membership, just as John Ward was elected to his office. Those not in favor of this resolution also expressed concern about the lack of cooperation by the President to work with the other three national officers.

Those in favor feel that this resolution would force communication within APFA and the Board. By John Ward only being able to talk to or sign something from the Company, no "back door" issues will occur. President Ward states he is in full support of this resolution. He feels it sends a strong message to the Company that the President is in charge of the Union and only he speaks for the Union. He feels this demonstrates to the company that they are not going to be able to interject themselves into the inner politics of the APFA.

The issue of outside influences and opinions is also extensively discussed as well as the past practice concerning which officers attend what meetings.

The maker of the resolution is formally asked by several members of the Board to withdraw the resolution. The answer to these requests is denied.

Prior to the request for a vote on Resolution #6, the maker is again asked to withdraw this resolution. Once again, the maker refuses.

President Ward asks for a vote on Resolution #6.

10:54 am **Meeting Quorum**

At this time, the meeting quorum is broken by the base chairpersons from ORD, BOS, IOR, STL, JFK, LGA, RDU, IMA, the Vice President, Secretary and Treasurer leaving the meeting room.

10:55 am **Meeting has gone off record**

11:09 pm **Meeting is back on record**

President Ward states, that Resolution #6 has been withdrawn by SFOI Chair LeWinter.

A motion is made to adjourn this meeting. (Maker – ORD Chair Mallon, Second IDF Chair Watson)

11:10 pm

Meeting adjourned