

Class Advisory Senate (CAS) Meeting Minutes
Monday, January 9, 2012
6:00 p.m.
Doolittle Hall

Members in Attendance: See Attachment

Others in Attendance: “T” Thompson, ’73, President & Chief Executive Officer CEO of the Association of Graduates (AOG); Gary Howe, ’69, Executive Vice President of the AOG; General Steven Lorenz, ’73, President & CEO for the United States Air Force Academy Endowment, Jack Mueller, ’70, Director of Information Technology for the AOG, Terry Storm, ’61, AOG CEO, and Roger Carleton, ’67, AOG Board Director were in attendance.

I. Call to Order:

Dick Sexton, ’60, President of the CAS, called the meeting to order at 6:00 p.m. at Doolittle Hall.

II. Approval of Minutes:

The November 2011 minutes were not read.

III. General Lorenz, ’73, Update on the Endowment

General Lorenz gave an end-of-year snapshot of how the Endowment had performed compared to their goals. It was a very good year. They have divided their fundraising goals into five distinct areas:

- Air Force Academy Fund/Sabre Society—achieved 104% of their goal.
- Founding Director Fund—achieved 71% of their goal.
- Center for Character and Leadership Development (CCLD)—achieved 230% of their annual goal.
- USAFA Endowment Fund—achieved 273% of their goal.
- Other Designated Academy Programs—achieved 469% of their goal.

Total Outright Giving through the Endowment was 196% of the goal. New Deferred Commitments through the Endowment was 111% of their annual goal.

Total Outright Giving through both the Endowment and the AOG when added together amounted to \$20,167,066

Endowment fundraising for 2012 has the following set of goals:

- CCLD--\$3,000,000
- Air Force Academy Fund--\$2,750,000
- Founding Director Fund--\$1,000,000
- Long Blue Line Endowment--\$150,000
- USAFA Endowment--\$400,000
- Other Designated Programs--\$1,700,000
- Deferred Gifts--\$4,000,000

Participation goals for 2012

- Total alumni—5,500--Encourage 5,500 more graduates to actively contribute to the Endowments' fundraising efforts
- Total "Cash" Sabre Society—950--Have 950 join the Sabre Society. The membership fee to become a member of the Sabre Society has not changed since its inception back in the early 1990s--\$1,000 annually or \$50,000 lifetime. General Lorenz is thinking that we could use another society with an entrance fee of \$10,000, but that thought process is in the early stages of development.
- New Deferred Gifts—25

General Lorenz gave a recent example of a successful fundraising project. Mr. Ross Perot called last Friday to say he was contributing \$3,500,000 over the next 10 years for an endowment chair in the CCLD.

With respect to the CCLD, General Lorenz is very confident that the \$24,500,000 approved for military construction is on firm ground. The Endowment has the moneys and/or pledges to complete the project. As it stands now, the CCLD bids are due in this spring. They hope to be under contract by mid-summer for an early fall construction start and have the project completed by 2014.

IV. "T" Thompson, '73, Update on the AOG

"T" gave a review of the AOG's accomplishments over the last year; many of which have been discussed at previous CAS meetings. Some of the highlights were:

- There are 11 new chapters and 3 restarts for chapters that had ceased to function.
- Forty ambassadors or points of contact in areas, which did not have active chapters. The hopes are that these ambassadors will be able to start new chapters in some of these locations.
- There are 180 new life members, 827 new annual members, and 616 life members at graduation.

- The AOG participated in 210 events across the country. It conducted four Service Academy Career Conferences (SACCs) along with instituting an active series of webinars to assist graduates in obtaining employment after their military careers.
- The AOG has established a formal policy for the Heritage Trail.
- And, the AOG has accumulated more than \$1,000,000 in its reserve account.

Next “T” discussed his new 20-page Operations Strategic Plan, which they refer to at the staff meeting every week. In other words, this strategic plan is a working tool rather than something that sits on the shelf for a year at a time. You can find it on the website.

The plan has five major themes: Member Engagement, Communications, Academy/Cadet Connections, External Outreach, and Financial Sustainment. “T” went through one example of how this plan works its way down through several tiers of detail. For example, the Membership Engagement section has a subsection on the growth of AOG chapters, which has a subset that was incorporated into the goal section of a Five-Year Strategic Plan. Each section has goals that are measurable, and the staff is held accountable for accomplishment.

V. Terry Storm, '61, Update on the AOG Board

Terry reported the AOG Board also has a strategic plan, but it is not as detailed as “T’s” Operations Strategic Plan. One of the accomplishments this year was establishing a policy for the Heritage Trail.

Gary Dudley, '68, went to the last AOG Board meeting. He was impressed with the professionalism he observed, and how well Terry Storm kept the meeting on track. Almost all of the meeting is open for any one to attend.

Terry complimented the CAS for the Moving Forward input to the Board process.

VI. Roger Carleton, '67, Update on the Memorandum of Understanding (MOU)

Roger began his presentation with a historical review on how the MOU was developed in the August –December 2009 timeframe and how it has evolved since then. The first MOU encompassed a two year period, 1 January 2010-31 December 2011. This new MOU is also for two years, 1 January 2012-31 December 2013. In time it is expected that five years will be the normal review cycle. Roger felt the cooperation among the two organizations has improved markedly over the past couple of years due in large part to the excellent working relationship between the two CEOs and their respective staffs.

There are six members on the Joint Coordinating Committee (JCC), who have worked on the MOUs: Roger Carleton, T. Thompson., and Bob Munson, '73, (alternate), represented the AOG, and Bart Holaday, '65, (for the first MOU), Erv Rokke, '62, (first MOU), Terry Drabant, '65, (current MOU), Steve Lorenz (current MOU), and Dennis Scruggs, (CFO) represented the Endowment. Other individuals have assisted to provide the necessary expertise. Jack Fry, '67, who is the AOG Board Treasurer, and Alton Parrish, AOG CFO, have contributed immeasurably to this MOU.

Roger addressed four main points:

- The MOU has two new attachments: Vision and Mission Statements for both organizations. There is a new Branding Matrix Guidelines for both CEOs to use for external correspondence.
- The old MOU split the funds that were greater than \$1,900,000 with 25% going to the AOG, 25% to the Endowment, 25% to the Academy, and 25% to the JCC. The MOU that was just signed has 45% going to the AOG, 45% to the Endowment, and 10% to the Academy. These new allocations reflect the equal partnership between the AOG and the Endowment. The JCC will meet shortly to decide how to allocate their portion of the excess funds under the old MOU, which was in effect through December 31, 2011. Of note, the Academy is a non-voting member of the JCC, but the Vice Superintendent, Colonel Tamra Rank, '83, chairs the JCC and can present any requirements for the Academy.
- The new Joint Finance Committee (JFC) has several issues to resolve. Some are administrative, like the fact that the AOG and the Endowment operate using different fiscal years. This Committee is working to establish a process for determining the AOG's annual budget requirements for the AOG for which the Endowment should raise funds. The Joint Finance Committee needs to complete its work by 1 January 2013.
- The MOU established an endowment called The Long Blue Line, which will over time as the endowment grows, maintain the operational capability of the AOG and hopefully allow an expansion of programs and services to the graduate community and cadets. This endowment will be managed by the Endowment, but the assets will accrue to the AOG. (Note: This is a similar arrangement that the AOG has with the Falcon Foundation in that the AOG invests their funds, but the assets belong to the Falcon Foundation.) The Endowment will solicit funds to support the AOG. These funds may be restricted by donors for the direct support of the AOG or it could come from annual fund receipts.

Subsequent discussions addressed several questions from the CAS. Among these discussion items were: classes that contribute directly to the Endowment encounter no transaction fees. However, the Endowment cannot operate unless there are some contributions to their operations, because their Founding Directors endowment is not

large enough to cover costs. Even when a donor contributes restricted funds, they are asked if a portion of that gift or an additional contribution could be made to offset the cost associated with fundraising. Again, it is the donor's decision whether or not to honor this request.

The current MOU baseline is \$1,900,000, which has \$1,000,000 going to the Endowment, \$600,000 to the AOG, and \$300,000 to USAFA. Regardless of how the funds are distributed, all in effect go to support the Academy in one way or another.

The current, signed MOU is not on the website yet, but it should be there shortly.

VII. Dick Sexton, '60, Update on CAS Matters

Dick received several emails asking how various classes went about networking. Most of the classes said that Facebook was mostly used for social intercourse, which is good, but not as good as LinkedIn for networking. For older classes, emails were preferred to Twitter, Facebook, LinkedIn, etc. The four SACC events were helpful. In Denver and Colorado Springs, there are networking groups comprised of graduates from all the service academies that can be helpful in finding referrals. These two networking groups meet weekly. Some classes have expanded their networks to include non-graduate classmates as well as those candidates from the prep schools who did not attend the Academy.

VIII. Mike Mosier, '73, Updated the CAS on the National Character and Leadership Symposium (NCLS)

The next symposium will be conducted on February 23 and 24. If this symposium is attended as well as the last one, they expect to see over 6,000 attend with 40 speakers. The NCLS needs graduate support as there will be 70 tables for the breakout sessions in Arnold Hall. They hope to have a graduate at every table to moderate the discussions on the afternoon of the 23rd of February. The Consortium has traditionally been on the second day of the NCLS, but it is hoped that the conversation will be a lot less about "what did you hear from the speakers that impacted you, to more about personal experiences/reflections related to the overall theme of the NCLS (Walking the Walk) and best practices they've seen at their schools/hometowns/squadrons/etc. If a graduate would like to attend the NCLS, he or she can register by the end of January at <http://ncls1012.net>. For local graduates, who would like to assist in any capacity, they can contact Mike at 719-302-0928 or mikemosier@comcast.net. He will place that graduate in contact with the appropriate officer in charge.

The final discussion topic was the transition of the Legacy Classes from the 40 year class to the 50 year class. Legacy Classes currently provide the graduating classes with their second lieutenant bars. Depending upon the classes and the graduates, many Legacy Classes participate in other activities like the Ring Dance.

IX. Close/Adjournment: The meeting was adjourned at 7:38 p.m.

Minutes approved by: Dick Sexton, '60

[Atch 1: Endowment 2011 year end results](#)

[Atch 2: Endowment 2012 projections/goals](#)

[Atch 3: Endowment Programs](#)

[Atch 4: CEO Brief to the Senate](#)

[Atch 5: AOG Program for graduates](#)

[Atch 6: AOG Programs for cadets](#)

[Atch 7: MOU briefing](#)