

ASSOCIATION OF GRADUATES

UNITED STATES AIR FORCE ACADEMY



BOARD OF DIRECTORS MEETING October 24-25, 2008 PROVISIONAL MINUTES

Board Members Present: Jim Wheeler '64, Chair; Pat Rosenow '76, Vice Chair; Bill Stealey '70, Treasurer; Kevin Carmichael '77; Steve Dotson '63; Steve Finch '65; Mike Flynn '95; Bob Munson '73, Terry Storm '61; George Van Wagenen '67

Board Members Absent: Mike Banks '92, Secretary; Bill Boisture '67; Allison Hickey '80

AOG Staff Present: William "T" Thompson '73, President & CEO; Gary Howe '69, Sr. Vice President; Teri DeBellis, Executive Assistant, Ruth Reichert, Executive Assistant, Jack Mueller '70, Director IT

Members and Invited Guests Present: Jack Fry '67; Dick Rauschkolb '70; George Pollard '72; Ron Scott '73

I. Call to Order/Welcome and Remarks by Chairman

Jim Wheeler called to order the meeting of the Association of Graduates Board of Directors at 0900, Friday, 24 October 2008. Jim asked the Board three questions to keep in mind during the Board meetings.

1. What are the three most important challenges facing the AOG currently?
2. What are reasonable goals that can be achieved by 30 June 2009?
3. What will the legacy of this Board be?

Jim Wheeler announced that the Superintendent, Lt Gen Regni '73, would be addressing the Board later in the meeting in closed session. He also announced that although Bill Boisture, Allison Hickey, and Mike Banks were absent from this meeting, it would not count against them in allowable number of meetings missed due to the late change in the meeting date.

II. Pledge of Allegiance

Terry Storm led the Board in reciting the Pledge of Allegiance

III. Approval of Consent Agenda

Jim Wheeler asked that the Board Resolutions authorizing William Thompson as a signatory be added to the Consent Agenda.

MOTION: Steve Finch moved that the Board Resolutions authorizing William Thompson as a signatory be accepted as presented. Terry Storm seconded the motion. The motion passed unanimously.

- A. August 8-9, 2008 Meeting minutes were accepted as presented.
- B. September 14, 2008 Teleconference minutes were accepted as presented.
- C. Board Meeting Schedule – Next Two Years
The Board discussed striking the December meeting date from the calendar and replacing it with “TBD”. The fall meeting will be determined after release of the football schedule and establishment of reunion dates.
- D. Components of Strategic Planning Committee
Because of the impending approval of the Board Governance Manual, Terry Storm suggested that the Strategic Planning Committee be changed to Strategic Planning Task Force.

MOTION: Terry Storm moved that the Board Meeting Schedule and the Components of Strategic Planning Committee be removed from the Consent Agenda for further discussion. Kevin Carmichael seconded the motion. The motion passed unanimously.

MOTION: Terry Storm moved to accept the Board Meeting Schedule the fourth quarter meeting date listed as “TBD”. Bob Munson seconded the motion. The motion passed unanimously.

IV. Approve Agenda

The Agenda was approved as presented.

V. Carver Model Training Session

The Board watched a training DVD on the John Carver model of Board Governance. The Board members each received a book on the Carver model previous to this Board meeting. “T” Thompson explained that the training DVD was a supplement to the information in the book.

VI. Guest Speaker – Lt Gen John F. Regni, Superintendent

The meeting moved to Closed Session for the presentation from the Superintendent as requested by the Superintendent.

VII. CEO Report

Jim Wheeler re-opened the meeting and continued in open session.

- A. “T” Thompson gave his CEO Report to the Board. He discussed how much he has learned in the two months in the position as President and CEO of the AOG. He showed the Board a list of services that the AOG offers to the Air Force Academy and the graduate community. He then compared that with the number of those same services that the US Naval Academy and the US Military Academy offer to their graduates. The Air Force Academy AOG offers almost twice the number of services that the other two service academies offer, and with considerably fewer people. “T” praised the AOG staff for their outstanding work and dedication.

- B. "T" then discussed challenges that the AOG is currently facing, including strategic governance, development, fundraising, and other fundraising issues regarding the USAFA Endowment and athletics.

There is an issue with financial tracking and reporting. The AOG is currently undergoing a transfer to a new tracking and reporting system, which should rectify the problem

- C. "T" asked Marty Marcolongo, Director of Alumni Relations, to brief the Board on products and services. Marty reviewed for the Board what his staff is doing with products and services including current and new ideas for revenue, services the AOG offers, and advertising avenues, for additional revenue.
- D. "T" asked Leslie Frank, CFO, to give the Financial Report. She gave the Board the Financial Summary for the quarter ending 30 September 2008. She showed the original operating budget compared to a revised operating plan.
- E. "T" moved on to Key Strategic Issues. He stated that collaboration with the USAFA Endowment is critical and that the AOG cannot expect to conduct effective major giving fund raising without donors of a certain level. He reviewed the status of all known major donors and demonstrated that almost all of the top 40 donors are now allied with the UE or otherwise disinterested in making further donations. He showed a decline in annual fund dollars raised.

After the CEO Report, Jim Wheeler asked for a motion to move into closed session to continue the discussion that began in the Superintendent's session.

MOTION: Steve Finch moved that the meeting move to closed session to continue the discussion that began in the Superintendent's session. Steve Dotson seconded the motion. There were six votes in favor of moving to closed session: Steve Finch, Steve Dotson, Mike Flynn, Bob Munson, and George Van Wagenen. There were four votes against moving to closed session: Kevin Carmichael, Terry Storm, Bill Stealey, and Pat Rosenow. The motion passed.

VIII. Strategic Issues

A. Adoption of Board Governance Policy Manual

MOTION: Bob Munson moved to adopt the Carver Model Board Governance Policy Manual. Terry Storm seconded the motion. The motion passed with a vote of nine votes for and one vote against. Steve Finch voted not to adopt the policy manual.

B. Approve addition to War Memorial (Major Rodolfo Ivan "Rod" Rodriguez '98)

MOTION: Pat Rosenow moves to approve the addition of Major Rodolfo Ivan “Rod” Rodriguez to the War Memorial. Terry Storm seconded the motion. The motion passed unanimously.

C. Nominating Committee/2009 Election Update

George Van Wagenen presented two motions regarding elections.

MOTION: George Van Wagenen moved that the Nominating Committee Chair be allowed to submit the slate of candidates for the 2009 election to the Board by email and that the Board approve the slate by email.

[The deadline for approval of the slate is 30 November, which comes after the October Board meeting.]

Terry Storm seconded the motion. The motion passed unanimously contingent upon approval by the Board at the next Board meeting.

MOTION: George Van Wagenen moved that the Nominating Committee Chair be allowed to submit committee names to the Board for approval by email as an ongoing procedure, and that the Board can approve the names by email. [This procedure would allow any committee chair to submit a name for approval through the Nominating Committee. It would save time at Board meetings, and it would provide for more timely approval of committee members.]

Terry Storm seconded the motion.

Steve Dotson asked that the motion be changed to allow all Committee Chairs to submit committee names to the Board for approval by email as an ongoing procedure, and that the Board can approve the names by email. [This procedure would allow any committee chair to submit a name for approval through the Nominating Committee. It would save time at Board meetings, and it would provide for more timely approval of committee members.]

Bill Stealey seconded the amendment. The amendment passed unanimously, and the amended motion passed unanimously.

Terry Storm noted that under Carver, there are very few “committees” which are replaced by “task forces” whose composition does not require board approval. Committees exist only to help the Board do its job better.

D. Travel Reimbursement for Board Members

MOTION: Terry Storm moves that effective immediately, any newly elected or appointed Director shall be eligible for reimbursement of not more than \$500, with completed travel reimbursement form and receipts, for travel to each Board of Directors and Board Committee Meeting. Those Directors who do not choose actual reimbursement may apply those funds to the AOG Annual Fund.

Bill Stealey seconded the motion. The motion failed.

E. Comprehensive Campaign Status

MOTION: Kevin Carmichael moves that the Capital Campaign be declared closed as of December 31, 2008 and that a fair and accurate accounting and analysis of the results of the campaign be completed by the staff and reported to the Board and the membership as soon as practical following December 31, 2008 and that the AOG continue to collect on outstanding campaign pledges. Terry Storm seconded the motion. The motion passed unanimously.

F. USAFA Endowment Collaboration/Joint Working Group

MOTION: Bob Munson moved to give the CEO the authority to negotiate with the USAFA Endowment (UE) and other non-profit groups at the Academy, in an effort to obtain strategic alliances that are in the best interests of the AOG, other groups and the Academy. Terry Storm seconded the motion. The motion passed unanimously.

MOTION: Kevin Carmichael moved that the Board suspend participation in the Joint Working Group with the USAFA Endowment (UE) while the CEO negotiates with the UE. Pat Rosenow seconded the motion. The motion passed unanimously.

G. Financial Management

MOTION: Bill Stealey moves that the Board will direct the CEO to produce an analysis of current AOG reserves; a plan and expectation of reserves for the next three years, a recommended level of minimum reserves to be maintained during that period, and a plan to assure those reserves are maintained. The Board directs the CEO to use very conservative assumptions for revenues during this period for this analysis.

The Board requests this analysis be available by 1 December 2008 to the Finance Committee and updated to the Board by 15 January 2009.

Steve Dotson seconded the motion. Terry Storm asked for an amendment to the motion removing the dates. There was no second to the amendment, the amendment failed. The motion passed unanimously

IX. Class Advisory Senate Update

Dick Sexton, Class Advisory Senate President, gave a brief update to the Board. The overall message that the Senators have been getting from the graduate community is that the graduates just want to be kept informed. He reminded the Board that the Senate is a communications tool to keep connected with the graduate community.

X. Closing Comments from the Chair

Jim Wheeler reviewed again the three questions he asked the Board to keep in mind at the beginning of the meeting and discussed some of his thoughts on those questions.

“T” Thompson thanked the Board for all their work.

Jim Wheeler complimented “T” and the staff on the CEO transition.

XI. Adjournment

The meeting adjourned at 1120.