

ASSOCIATION OF GRADUATES

UNITED STATES AIR FORCE ACADEMY



BOARD OF DIRECTORS MEETING 7 February 2014 APPROVED Meeting Minutes

Board Members Present: Roger Carleton,'67, Chair; Vic Andrews,'66, Vice Chair; Jack Fry,'67, Treasurer; Mike Torreano,'70; Bruce Wright,'73; Kathleen Rock, '98; Drew Miller,'80; Mark Rosenow,'03; Kevin Chilton,'76; Robert Munson, '73; Cathy McClain, '82; Dick Sexton,'60, President, Class Advisory Senate.

Board Members Attending via Teleconference: Bebe O'Neil,'83, Secretary; Larry Fariss,'75

Board Members not present: Steve Beasley,'93

AOG Staff Present: William 'T' Thompson, '73, President & CEO; Gary Howe, '69, Exec. VP; Alton Parrish, CFO and Senior Vice President for Finance; Marty Marcolongo, '88, Senior Vice President for Business Development; Bob McAllister, Senior VP for Communications; Corrie Grubbs, Vice President, Alumni Affairs; Jason Finkle, Systems Administrator; Hadassa Muñoz, Executive Assistant.

Members and Guests Present: Lt Gen Michelle D. Johnson'81, Superintendent USAFA; Gen Steve Lorenz, USAFA Endowment; Brian Binn,'72 USAFA Chief, Development and Alumni Affairs; Garry W. Dudley'68; Dick Rauschkolb'70; Terry Storm'61; Maj Abizer Tyabji, Superintendent's CAG; Col Evan M. Miller'88, Vice Superintendent, USAFA

I. Call to Order

The Chairman called the meeting to order at 0830 hours MDT, Friday, 7 February 2014. He introduced Col (Ret) Cathy McClain as the newest member on the Board of Directors. Her term will run through 1 May 2017.

II. Consent Agenda Approval

MOTION: Director Sexton moved, and Director Torreano seconded, that the Board approve the meeting minutes for 6 Dec 2013 (Atch 1) and 11 Dec 2013 (Atch 2).
Motion passed unanimously.

III. Approve Agenda

There were no changes offered by the Board to the Chair's agenda.

IV. Committee Updates

A. Finance & Investment Committee

Director Fry reported that the committee will move the review of the FMIP to the August meeting, to follow the end of the fiscal year and presentation of the new budget.

B. Audit Committee

Director Torreano announced that the committee has reviewed the IRS Form 990 (Atch 12). That form has been made available to Directors for review prior to submission.

C. Distinguished Graduate Award Committee

EVP Gary Howe reported that the Distinguished Graduates for 2014 would be Mr. Bart Holaday, '65 and Gen (Ret) William Looney, '72; they will be honored at the Founder's Day dinner on 4 April 2014.

D. Heritage and Traditions Committee

Director Wright informed the Board that the USAFA War Memorial will have the name of Capt. David Lyon, who was killed in Afghanistan, added to it.

The Board was next presented with the Committee's draft Operating Instruction that is intended to formalize the responsibilities, general procedures and provides general guidance that the Heritage and Traditions Committee uses to evaluate requests for memorials. Director Wright noted that the OI provided instruction that 'operationalizes' the intent of the Bylaws and is the result of quite a bit of graduate, USAFA, and AOG input.

MOTION: Director Sexton moved, and Director Rock seconded, that the Board approve the Heritage and Traditions Committee Instruction, dated 7 Feb 2014 (Atch 3).

Brian Binn noted that the new draft USAFA OI covering the USAFA Memorial Board will invite the AOG EVP as well as the head of the Heritage Committee to attend Memorial Board meetings. Director Munson asked if the committee really wanted to have the Board approve this OI, rather than have the committee approve it. If approved by the BOD, any change will have to be approved by the Board. Director Wright felt Board approval reflects the Board's interest and concurrence with these processes. Director Miller complained that this discussion on a committee OI is an example of this Board's concern with 'administrivia.' In response, Director Wright said that this guidance reflects the advice and input from a considerable number of very experienced graduates who took into account more detailed DOD, USAF, and USAFA instructions to put together this two page document. Director Munson added that this OI will provide continuity to a committee that over the past decade has been variable in its activity and processes. Chairman Carleton and Director Torreano gave examples of past problems that this OI will help.

The motion passed unanimously (Director Miller abstained).

Director Munson noted that the AOG was no longer in the business of executing heritage programs now that the Endowment has taken over fundraising. Brian Binn noted that the H&T Committee might work a relationship with the Endowment to help with initiating projects that support the Superintendents goals. Director Wright offered to start the conversation with the Endowment.

In closing, Director Wright informed the Board that he intended to walk them through the Heritage Trail at the next meeting with members of the Heritage Committee.

E. Awards and Recognition Committee

Director Rock reported a lack of interest within the graduate community with AOG awards; EVP Howe agreed. Director Andrews recommended that the award be annual with a deadline and that the Chapters be worked. EVP Howe said that they have a new staff person who could re-think the process and work the issue. CEO Thomson said that another aspect is how will this award be run: by the Board or by the AOG or both? Chairman Carleton agreed that the committee and staff should look into the award process and report back.

F. Nominating Committee

Director Munson asked the Board members whose terms are ending this cycle to decide whether they will run again in the 2015 election, and let him know no later than the May meeting. At that meeting the Board will charge the committee with search criteria for Directors and that by the December meeting the committee must have at least double the number of qualified candidates as positions to be filled, and should recommend a slate of candidates for the Board to approve.

EVP Howe briefed the Board on the election calendar and process (Atch 4 & Atch 5), and asked for a Board decision on two particular items.

MOTION: Director Munson moved, and Director Miller seconded, that the next Director election be held during 2 Feb 2015 to 2 Mar 2015, and that the election be held exclusively electronically.

In the last election, the memberships were offered the ability to vote on-line or to use paper ballots which were mailed on request. With one quarter of the membership voting, only two paper ballots were requested, (and then not used) and the rest voted electronically. Director Munson pointed out that not all members have computers or know how to use them. EVP Howe estimated it costs about \$1000 to provide paper ballots, which Director Munson agreed was too much. EVP Howe said that the AOG could provide some sort of assistance to whoever could not vote by computer.

The motion passed unanimously.

G. Governance Committee

1. Chapter 3 Policies

In a continuation of the last meeting's discussion on Director Chilton's proposed changes to chapter 3 of the Board Policy Manual (Atch 6) he asked the Board to consider the following changes to his proposal: 1) a change of lexicon from "Business Plan" to "Budget", 2) Board decision on whether it

will approve or 'review without authority to change' the AOG Strategy, and 3) involving the CEO in the process of determining Ends.

In a long and far-ranging discussion the majority of debate revolved around changing the boundary of responsibility between the CEO and the AOG Board, whether the Board should review or approve the CEO's 'plan'. The second part of the debate involved what the CEO should be presenting to the Board in terms of his 'plan' to achieve the Board's Ends; "AOG Strategy", or "Operational Plan", or "Business Plan", or "Annual Business Plan" or something else.

In the end the Chair asked that Director Chilton work with the CEO and other Directors to work the wording into an acceptable draft to be presented to the Board for consideration. These changes will be presented as motions at the next meeting and available to Directors at least three weeks in advance of that meeting for their review.

2. Chapter 4 Policies

MOTION: Director Andrews moved, and Director Fry seconded, that the Board approve the changes to Chapter 4 as presented (Atch 7). The motion passed unanimously.

3. Chapter 1 Policies: Ends

Director Munson reviewed the current Ends policies with the Board and then presented five changes to the Ends policies that he had gathered for consideration:

- a) The AOG is financially stable and economically viable in the long term
- b) Organizations that have the same mission as the AOG, in whole or part, rely on the leadership, resources and support of the AOG
- c) Graduates have an enduring commitment to integrity, excellence, and service to country
- d) Eliminate c. Graduates have loyalty to and camaraderie with each other
- e) Change e. to read 'The Academy community has a good working relationship with the AOG'

The consensus was that the Board wanted to consider five as motions (item b was not wanted, but is currently 'tabled' from a previous meeting and will be considered if only to remove it from further consideration) at the next meeting.

V. Director Submitted Topic

Director Miller gave his presentation "Leveraging USAFA Grads as mentors and advisors to improve the Academy and lower costs". There were three programs provided to the Board to consider as new business areas: Graduate mentor program, Focused Excellence Program, and AOG Cost Cutting Committee. The Graduate Mentor Program would use graduate volunteers to help cadets. The Focused Excellence Program would use graduates to coach cadets in executing an extracurricular activity. The AOG Cost Cutting Committee would solicit graduate ideas to cut costs at the Academy.

In the discussion that followed a number of Directors recognized that cadets often seemed to have little information about active duty topics, such as career field information. However, many of the Directors noted that mentoring programs had been tried by the Academy in the past, and that there had been many

problems. Also, the Academy often does not welcome ideas pushed from outside ‘their lane’ (their organization or chain of command). Next, it was not clear how much effort would be required from the AOG staff and how it would be resourced. Finally, there was insufficient detail to the presentation for the Board to make a decision. In the end, the Chair asked Director Miller to develop a more detailed plan for the cadet mentor initiative and have it reviewed for details with the AOG as well as USAFA/CWC.

VI. Senate Update

Director Sexton noted that the biennial Board schedule in the Policy Manual Section 4.4B schedules the CAS to provide ‘recommended changes’ at the August meeting, and he asked the Board for clarification as to what that meant. The Chair deferred answering that question until a later date.

VII. Guest Speaker – Lt Gen Michelle Johnson, ’81,

Lt Gen Johnson asked that the AOG help her build trust and support from the graduate community so as to, in turn, build support for USAFA outside the Academy gates. She cited examples of the community considering noise complaints generated from flight screening program and with the proposed visitors center. She also needed support for maturing the ability of USAFA to manage the memorialization process in a manner similar to USMA and USNA.

VIII. Endowment Update – Gen(ret) Stephen Lorenz

Gen Lorenz announced that the Endowment had again had another fund raising year in 2013 with \$18.4M in pledges and gifts. His staff is concentrating on building a culture of philanthropy and cited progress as 1200 gave at the Sabre Society level for the Academy Fund and the 13 classes were actively raising funds for class giving projects. He said that his new VP for Development, Jennifer Bateman, would meet the AOG Board at its next meeting and that she is charged with planning for the Endowment’s first Comprehensive Campaign.

IX. Staff Report

a. CEO Monitoring Report: Policies 2.2, 2.7, 2.11 (Atch 10, 9 & 8)

The CEO briefed the Board on the following quarterly monitoring items: Treatment of Staff, Emergency Executive Succession, Membership Dues & Fees summarizing that he remained within the Executive Limitations set by the Board in its Policy Manual.

b. Quarterly Financial Update

CFO Alton Parrish briefed the Board on the statement of financial position for the AOG as of 31 Dec 2013 (Atch 11).

X. Executive Session

MOTION: Director Munson moved, and Director Sexton seconded, that per the Bylaws Art V Sec 8c and 8d the Board go into Executive Session to discuss matters that would involve its agreement discussions with the Endowment, and to discuss its upcoming evaluation of the CEO. The motion passed unanimously.

XI. Other Board Items

a. Parking Lot

Director Munson reported that all items in the Board's "Parking Lot" had been addressed and resolved at this meeting except that the AOG is still looking into the possibility of obtaining, from the Academy, information on cadets who did not graduate for inclusion in the AOG Directory. Chairman Carleton said that the Parking Lot list would be updated for the Directors prior to the next meeting.

b. Presentation to Terry Storm, '61

The AOG and Board of Directors presented Terry Storm '61 with a large engraved piece of terrazzo to thank him for his four years of leadership as Chairman of the Board of Directors.

XII. Adjourn

The Chair thanked the Board directors and AOG staff for their efforts. The CEO, on behalf of the AOG staff, thanked the Chair for his service over the past year. The Board will next meet on May 2, 2014. The meeting adjourned at 5:30pm (MDT).

Note: Portions of the minutes have been rearranged from time sequence to topical sequence.

Respectfully submitted,

Hadassa Muñoz, Recorder

Bebe O'Neil, Secretary

12 Attachments:

1. [Minutes for 6 Dec 2013](#)
2. [Minutes for 11 Dec 2013](#)
3. [Nomination for War Memorial Inscription](#)
4. [Heritage & Traditions Draft Instruction](#)
5. [Elections Calendar](#)
6. [Director Chilton's Proposed changes to Chapter 3 Policies](#)
7. [Approved changes to Chapter 4 Policies](#)
8. [Monitoring Report 2.11](#)
9. [Monitoring Report 2.7](#)
10. [Monitoring Report 2.2](#)
11. [Quarterly Financials](#)
12. [2012 Form 990 Public Disclosure Copy](#)