



BOARD OF DIRECTORS MEETING

21 February 2024 Meeting Minutes

APPROVED

Board Members Present Via Videoconference: Brian Bishop '83, Chair; Cathy Almand '90, Vice Chair; Ginny Caine Tonneson '80, Secretary; Glenn Strebe '87, Treasurer; Hank Hoffman '63; Hans Mueh '66; Garry Dudley '68; Bob Lowe '71; Lee Krauth '72; William Carpenter '73; Randy Helms '79, President, Class Advisory Senate; Christian Evans '08; Emma Przybyslawski '10; Nathan Dial '10; Joseph Bledsoe III '11; Jennifer Walters '11.

Advisor to the Board: Mike Gould '76, Executive Vice Chair.

AOG Staff Present Via Videoconference: Mark Hille '97, AOG/AFAF President/CEO; Katie Willemarck, AOG/AFAF CFO; Naviere Walkewicz '99, SVP, Alumni Relations and Business Development; Kelly Banet, SVP Development; Wyatt Hornsby, AOG/AFAF VP of Marketing and Communications; Jillian Wood, Chief of Staff and Special Assistant to the Boards; Emma Ross, Executive Assistant and Board Support.

I. Call to Order/Chairman's Welcome

Chair Bishop called the meeting to order at 1:06 p.m. MST on Wednesday, 21 February 2024.

II. Consent Agenda

The consent agenda included the 13 October 2023 Meeting Minutes (Attachment 1); 29 November 2023 E-Vote Minutes (Attachment 2); 21 December 2023 Special Meeting Minutes (Attachment 3); 1 February 2024 E-Vote Minutes (Attachment 4); and CEO Monitoring Reports 2.2 Treatments of Staff, 2.3 Financial Planning and Budgeting, 2.4 Financial Conditions and Activities, and 2.7 Emergency Executive Succession (Attachment 5).

MOTION: Director Bishop moved and Director Mueh seconded to approve the consent agenda. The motion was unanimously approved.

III. Agenda Approval

MOTION: Director Bishop moved and Director Strebe seconded to approve the agenda. The motion was unanimously approved. The approved agenda is in Attachment 6.

IV. Committee Updates (Attachment 7)

a. Governance Committee

Committee Chair Almand explained that the committee reviewed Governance Policies Category 2 and Bylaws Articles V, VI, and VII. The changes to the Governance Policies and Bylaws are shown below. (Changes are annotated with strikethroughs and new wording is in italics).

Governance Committee Category 2: Administrative change to add U.S. Space Forces, where applicable.

ARTICLE V. Board of Directors

Section 4. Duties of Directors: As a minimum, all candidates must agree to fulfill the requirements of AOG Director as listed below:

b. ~~Attend~~ ~~Be capable of attending~~ all meetings of the AOG Board, and meetings of any committees to which he/she is assigned, and commit the time required to discharge Board and committee duties. ~~The term “capable of attending” means being able and willing to travel to and from the designated Board meeting site at least two times each year for in-person quarterly meetings, to attend virtual quarterly meetings at least twice a year, and to be able to afford the time away from his/her profession to attend these meetings and for related work.~~ The AOG shall not pay compensation to directors for services rendered as a Director. Directors may be reimbursed for expenses incurred in the performance of their duties to the AOG in reasonable amounts approved by the Board.

Section 7. Regular and Special Board Meetings:

a. Regular meetings of the Board ~~will shall~~ be held at least four times each ~~fiscal~~ year at such times and places as the Board may prescribe and may include telephonic or video conferencing. Additional regular meetings may be scheduled by the Board.

b. Special meetings of the Board may be called at any time by the Chair or by not less than one-third of the Board. Special meetings shall be held at such times and places as specified in the notices for the meetings and may include telephonic or video conferencing. *Special meetings are not considered open meetings.*

d. ~~The Board may permit any director (or any member of a committee designated by the Board) to participate in a meeting of the Board or committee thereof through the use of any means of communication by which all directors participating in the meeting can hear one another during the meeting. (Delete as redundant.)~~

Section 8. Access to Board Meetings:

All Board meetings shall be open to all members who are able to attend in person. This does not include attendance at committee meetings *or special meetings*. Board meetings, or specified sessions of such meetings, may be held in executive session as specified below. When a particular session of a Board meeting is expected to be held in executive session, it will be noted on the meeting agenda. An Executive Session of the Board generally includes only Board Directors but may include other invited attendees as identified by the Chair unless a majority of Board Directors present object to their presence.

Section 10. Voting by Directors:

a. A quorum of ~~more than half~~ *two-thirds* of the total number of Directors must be present for the Board to act on any issue.

d. iii. Motions for Honorary Membership require ~~80%~~ *unanimous* acceptance of all Directors (~~13 of 16 Directors~~).

Discussion: A discussion took place about whether the vote should be unanimous, as it was in the past, or whether it should remain at 80%. The discussion also touched on whether we should increase the number beyond 25 members. Because of time constraints, Chair Bishop suggested discussing it more thoroughly at the April Board meeting. In the meantime, Director Mueh will lead a group to examine both issues in detail. For the current time, the percentage vote will remain at 80%.

ARTICLE VI. Nominations and Elections

Section 1. Nominations for Director:

e. *The Board desires a structure with a Director representing each decade (1959-60s, 70s, 80s, etc.) of the graduate community.*

Discussion: A short discussion ensued about whether this would be “shaping the Board.” It was clarified that this Bylaws statement only meant that we desired to have representatives from each decade, but that it was not a requirement, nor would it bar anyone from running for a Director position. It was noted that we also have the opportunity to appoint Directors to the Board.

Section 4. Election and Ballot Requirements:

c. Voting may be conducted by electronic means *and/or paper ballot if necessary*. Ballots must be completed according to instructions accompanying the ballot. Election management may be contracted to a private firm or may be conducted by the AOG.

e. Voting-eligible members may cast one vote for each director vacancy and one vote for each question put on the ballot. Cumulative voting (*applying multiple votes to a single candidate*) may not be used. Members may not give their vote to be cast by another member.

Article VII: Class Advisory Senate

Section 2. Meetings and Role:

The CAS shall meet at least annually, pursuant to procedures approved by the Board. It shall act as an outreach arm of the AOG leadership, seeking members' views and attempting to resolve differences among those views. ~~The CAS will be an ex-officio director of the Board and will be considered a director with voting rights. The CAS will be advisory to the Board and will inform the Board on relevant issues.~~

MOTION: The Governance Committee moved that the Board approve the changes to Bylaws Articles V, VI, and VII as presented with the exception of changing Article V, Section 10, d. iii. (honorary membership). The motion was unanimously approved.

Discussion on Hail/Farewell:

Chair Bishop noted the importance of recognizing outgoing Directors while being a good steward of AOG funds. Options for the most appropriate time to recognize our outgoing Directors included recognizing them in October, the last in-person meeting prior to the election; waiting to seat the new Directors until July so the April meeting would be the final meeting for the current Board and they could be recognized there; or having a short farewell for the outgoing Directors at the beginning of the April meeting with the new Directors. Several Directors pointed out the benefit of the new Board members forming a relationship with former Board members for the mentorship opportunities and the fact that this could be facilitated by having them together at the April meeting.

MOTION: Director Lowe moved and Director Tonneson seconded that the April meeting will be used as a farewell for outgoing Directors and a mentorship opportunity for incoming Directors. The motion was unanimously approved.

Board Support Policy Discussion

Chair Bishop led a short discussion on the Board Support Policy. He noted that we need some sort of accountability process in place to justify the expenses and this ensures we have a travel policy in place for reimbursements for Director attendance at various events. The proposed policy states that reimbursement for travel expenses other than Board meeting attendance (e.g., AOG Leadership Conference, USAFA Parents Club President Conference) may be approved by a majority vote of the Board Officers and CEO to allow the Directors to engage with the membership. These additional travel expenses must meet a strategic need for the organization and a sufficient budget must be available per the CFO. Directors will complete a travel

request form available on Basecamp prior to the trip, and the Audit Committee will audit Director travel reimbursements annually.

Some Directors thought the policy was an added layer of bureaucracy for such a limited amount of money. However, others noted that we must sometimes cover things that were not budgeted (e.g., lawyers), and that as an organization gets larger, the more formal the process of stewardship of membership dollars needs to be. Chair Bishop tabled the issue and Director Strebe will lead a small group to come up with the policy. We will discuss this again at the April Board meeting.

b. Nominating Committee

Committee Chair Przybyslawski began by talking about the Distinguished Graduate Award. There will be two awardees for 2024. There were three in 2023 because the ratings were so close. She noted that the committee is planning to readdress the criteria to ensure they are distinct. The Distinguished Graduate Award ceremony will continue to be a stand-alone event.

MOTION: The Nominating Committee moved that the Board approve the 2024 Distinguished Graduate Award winners. The motion was unanimously approved.

Director Dial then spoke about the Young Alumni Excellence Award and that the committee plans to review the nomination process as far as self-nominations go. There are three winners this year and the banquet will be held on 26 July along with the new Leadership Achievement Award and Jabara Award.

MOTION: The Nominating Committee moved that the Board approve the three 2024 awardees for the Young Alumni Excellence Award. The motion was unanimously approved.

c. Finance and Investment Committee

Committee Chair Strebe discussed the request to spend the \$8,739 Quasi Endowment that was formed in memorialization of 1st Lt Joseph Helton '07 who was killed during Operation Iraqi Freedom. The Large Vehicle Inspection Site is being renamed in his honor and the recommendation is to spend the entire amount of the Quasi Endowment toward providing financial support for both the dedication event and a memorial plaque or display case honoring Lt Helton's life. The ceremony is scheduled to take place on 21 May 2024.

MOTION: The Finance and Investment Committee moved to approve the use of this Quasi Endowment fund beyond the preapproved distribution amount, up to and including the entire amount of the fund as described. The motion was unanimously approved.

d. NextGen Task Force

Task Force Lead Dial began by reminding the group that the AOG Board created the task force to address the low participation of 21st Century graduates with new ideas on how to engage them. He talked about the problems and solutions. For example, the overall five-year financial participation among USAFA graduates from the classes of 2000-2023 is under 9%. He then discussed three different ideas, to include an altimeter check, a class color campaign, and purposeful network cultivation, all designed to spur engagement and raise money.

A question arose concerning whether these ideas would pose a problem if the AOG was asking for money while the individual classes were also asking their members for donations. There was also a question about whether the AOG was now doing fund-raising versus friend-raising. Chair Bishop noted the importance of keeping the two entities in the proper lanes. Director Dial reminded the group that this was a joint task force with the AFA Foundation. SVP Banet commented that we are raising funds for an organization as a whole. The AOG does the friend-raising while the AFA Foundation does the fundraising.

V. Board Directors DFW Meeting

Directors Almand and Evans discussed the meeting they had with Keturi DeLong, Director of Development for the George Bush Center at SMU. She formerly worked at Texas A&M Commerce as VP for Philanthropy and Engagement. Director Almand reached out to her because Texas A&M has a young alumni group and she wanted to get ideas for engaging younger graduates. Ms. DeLong noted that younger graduate involvement is difficult, and she suggested that everything we do should tie back to core values, even as far as having the quarterly meetings and elections tie back to a core value theme. She talked about the importance of interacting with cadets before they graduate and recommended a more formal mentorship with cadets and younger graduates. She also pointed out that we are following best practices by having separate AOG and AFA Foundation Boards.

A discussion ensued about our interaction with cadets. Although there are still legal challenges, we are engaged with cadets at all key events through the Legacy program as well as via many other programs. CEO Hille noted that from the day cadets get appointed, we can engage them, but that we are still working on getting more robust Special Status Legislation approved.

VI. Class Advisory Senate Update

Director Helms discussed the 16 January Class Advisory Senate (CAS) meeting, noting that the comments by the Commandant were outstanding. The Commandant wants to improve the way cadets interact with each other and to emphasize standards and accountability. He is bringing back CCQs in the squadrons and a dorm duty officer on

weekends. To better inform graduates about the CAS, Steve Simon '77 is writing an article for the June issue of *Checkpoints*.

VII. Staff Update (also in Attachment 7)

a. CEO Report

CEO Hille began by covering the high points of 2023. The CEO and Executive Vice Chair (EVC) transition took place on 1 January 2024. There were several elevated organizational events in 2023 to include 12 reunions, the first Long Blue Line Weekend, and five Young Alumni networking events. A podcast was launched in January 2024, and they have modified *Checkpoints* submissions. He also noted that the AFA Foundation had a strong fundraising year in 2023 (\$46 million). He then talked about the upcoming 2025 elections and the issue of releasing email addresses of AOG members. The Board voted last fall to not release the emails and the law does not require us to do so.

Next, he discussed the 2024 Operating Goals which include increasing graduate membership, increasing pride and engagements, growing the number of Long Blue Line Portal users, executing the first All Academy Awards concept, designing the Distinguished Graduate Award Monument, completing the initial design of the Heritage Trail expansion, increasing revenue, delivering a new shared website, rebranding, and conducting supervisor training and a compensation survey. The complete list can be found in the Operating Plan.

b. Potential Director Engagement Activities

SVP Walkewicz discussed the AOG interactions with the Cadet Wing. The AOG is now having a twice monthly snack shop in Arnold Hall where cadets can learn about the AOG. They are working with cadets on a capstone project about how the AOG can help get involved with cadets while they are at the Academy and when they are Young Alumni. They will debrief us at the April Board meeting.

c. End-of-Year Update

CFO Willemarck noted that the audit is scheduled at the end of March. She then talked about the total operating revenue. This year we have exceeded our budgeted revenue by 3%. Most of this is from merchandise sales. Operating expenses for 2023 were almost \$7.5 million, which is 13% over budget. This is due to three main factors: 1) personnel costs were higher because they allowed the staff to have a Personal Time Off (PTO) buyout as part of the single employer changeover; 2) merchandise costs were higher – we sold a large quantity, but we also bought a large quantity that was of higher quality; and 3) there were increased costs on the events side. They have hired a new events person, and they negotiate contracts for the 2024 events.

The net income loss in 2022 was \$10.7 million, but in 2023 we had an almost \$4.0 million benefit due to investments. Looking at the balance sheet, we are up 12.5% in total assets. CFO Willemarck commented that they have a good plan in place to make 2024 a good year. She noted that they have fine-tuned the events and will be proactive on monitoring expenses that were not in the 2023 budget, such as attorney fees and the CEO bonus.

VIII. Chair's Comments

Chair Bishop would like us to have a two-hour meeting in March to focus totally on the election issues which the Nominating Committee did not have time to discuss during this meeting. He then turned the floor over to Director Krauth, who had requested a few minutes to speak to the group. He shared several examples of the negative Diversity, Equity, and Inclusion (DEI) situations his son, a cadet, had experienced. These included being addressed as “Cadet White Boy 2” by an instructor (the department later apologized), being asked to talk about his “white privilege” by another instructor, and being told that there is scientific proof that there are multiple genders by a speaker. Director Krauth noted that diversity is good, but we need to be able to debate it, not indoctrinate it.

IX. Adjournment

CEO Bishop reiterated that we have asked the Nominating Committee to take on the very difficult task of getting more graduates engaged in the election and putting the word out about the attributes the Board is seeking. He asked the Directors to think about this prior to the March meeting. The meeting was adjourned at 3:51 p.m. MST.

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

Respectfully submitted,
Virginia Caine Tonneson, Secretary

Atch:

1. 13 October 2023 Approved Meeting Minutes
2. 29 November 2023 Approved E-Vote Minutes
3. 21 December 2023 Approved Special Meeting Minutes
4. 1 February 2023 Approved E-Vote Minutes
5. CEO Monitoring Reports
6. Approved Agenda
7. Board Meeting Slide Deck