



BOARD OF DIRECTORS MEETING

22 February 2023 Meeting Minutes

FINAL

Board Members Present: Bob Lowe '71, Chair; Will Gunn '80, Vice Chair; Ginny Caine Tonneson '80, Secretary; Glenn Strebe '87, Treasurer; Hans Mueh '66; Garry Dudley '68; Mark Volcheff '75; Randy Helms '79, President, Class Advisory Senate.

Board Members Present via Videoconference: Mark Mavity '84; Dennis Dabney '89; Kendra Lowe '01; Andrew Hendel '09; Emma Przybyslawski '10; Joseph Bledsoe III '11.

Board Members Absent: Brian Bishop '83; Nancy Taylor '01.

AOG Staff Present: Mike Gould '76, AOG/AFAF CEO; Mark Hille '97, AOG/AFAF President; Katie Willemarck, Joint CFO; Corrie Grubbs, SVP for Operations; Naviere Walkewicz '99, SVP, Alumni Relations and Business Development; Wyatt Hornsby, AOG/AFAF VP of Marketing and Communication; Paul Ackerman '82, VP of Academy and Community Relations; Emma Ross, Executive Assistant and Board Support; Tony Capistrano, IT Support Specialist; Jillian Wood, Special Assistant to the President and Board.

Guests Present: Hank Hoffman '63; Roy Miller '67 (only for Vice Superintendent presentation).

I. Call to Order/Chairman's Welcome

Chair Lowe called the meeting to order at 8:30 a.m. MDT on Wednesday, 22 February 2023.

II. Chair's Comments

Chair Lowe thanked the members of the former Distinguished Graduate Committee and recognized Director Mueh as a Distinguished Graduate. He welcomed Hank Hoffman and noted a change in the timing of an agenda item. He commented that our goal is to get all Board briefings posted on Basecamp at least one week prior to the meeting. Ms. Wood does an excellent job; it's the Directors who are late sending in our presentations.

III. Consent Agenda

The consent agenda included the 21 October 2022 Meeting Minutes (Attachment 1), 8 December 2022 Special Meeting Minutes (Attachment 2), 16 December 2022 Special Meeting Minutes (Attachment 3), and 2 January 2023 E-Vote Minutes (Attachment 4).

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

IV. Agenda

MOTION: Director Tonneson moved and Director Gunn seconded to approve the agenda. The motion was unanimously approved. The approved agenda is in Attachment 5.

MOTION: Director Dudley moved and Director Gunn seconded to move into executive session. The motion was unanimously approved.

V. Executive Session

The Board went into executive session IAW Bylaws Article V Section 8 at 8:37 a.m. MDT to discuss two honorary memberships, the potential addition of a name to the Graduate Memorial Wall, and CEO compensation.

MOTION: Director Tonneson moved and Director Dudley seconded that we come out of executive session. The motion was unanimously approved.

VI. Open Session

The Board went into open session at 9:37 a.m. MDT.

MOTION: Director K. Lowe moved and Director Dudley seconded to add the name of CMDR Job Price, Class of 1993, to the Graduate War Memorial. The motion was unanimously approved.

MOTION: Director Mueh moved and Director Dudley seconded to add the name of Major Max Marom, Class of 1964, to the Graduate War Memorial. The motion was unanimously approved.

MOTION: Director Mueh moved and Director Dudley seconded that BGen (Ret) Erlind G. Royer be named an Honorary AOG Member. The motion was unanimously approved by all Directors in attendance, as well as the two Directors who were not at the meeting and were subsequently contacted.

MOTION: Director Mueh moved and Director Dudley seconded that BGen (Ret) James H. Head be named an Honorary AOG Member. The motion was unanimously approved by all Directors in attendance, as well as the two Directors who were not at the meeting and were subsequently contacted.

VII. AOG Update

a. CEO Briefing

CEO Gould discussed the strategic objectives and the specific objectives under each with a stoplight chart to indicate progress (Attachment 6).

- Engagement (*cultivate lifelong relationships and provide valued service to the Academy and our graduates*): Specific objectives dealt with increasing membership, creating sustainable recognition for Distinguished Graduates, developing a USAFA graduate portal, and establishing a young alumni strategy.
- Philanthropy (*enhance financial strength and stability to advance the Academy and sustain our mission*): Specific objectives dealt with raising \$270 million by 2025, increasing the graduate giving participation rate, launching and growing the Giving Day initiative, and providing roadshow resources for the Board and senior staff.
- Stewardship (*responsibly seek and manage gifted time, talent, treasure and relationships*): Specific objectives dealt with developing mechanisms to ensure proper use of gifts, receiving unqualified annual financial statement audits and filing Forms 990, concluding Memorandums of Understanding with the Academy Research and Development Institute (ARDI) and the Falcon Foundation, and securing special status in 2022.
- Communication (*tell the story of our Academy, our graduates and our mission with our words and actions*): Specific objectives dealt with exploring benefits of re-branding the AOG/AFAF, creating a constituent relations front office, developing tailored communication strategies for six decades of graduates, and reviewing/updating the crisis communications plan.
- Organizational Excellence (*align our values, our culture and our commitment as a team to drive overall effectiveness of our mission*): Specific objectives dealt with ensuring the Board/staff represent the diversity of the Long Blue Line, completing the Doolittle campus lease and design of the new administrative building, conducting supervisor training, and updating employee performance evaluation forms.

b. CEO Monitoring Reports

CEO Gould reported compliance with the required monitoring reports: 2.2 Treatment of Staff, 2.3 Financial Planning/Budgeting, 2.4 Financial Condition and Activities, and 2.7 Emergency Executive Succession.

c. President's Report

President Hille discussed the tough personnel choices they have needed to make over the past year and how they are focused on elevating talents. They have assembled a

key leadership team and the staff is gaining strength as they make individual moves. He discussed the differences between a successful versus excellent organization, noting that excellence makes success inevitable. He commented briefly on the AOG's financial performance noting that the AOG is far more dependent on investment returns today than it was 10-15 year ago. The AFAF Campaign has raised \$256 million of the \$270 million goal. They do not plan to shorten the campaign, but may raise the goal. He noted that some projects have fallen short in funding including Falcon Stadium, the new administration building outside Doolittle Hall, and the Institute for Future Conflict. Additionally, the participation of our graduates lags behind that of the other service academies. He concluded by commenting that stewardship remains a challenge, to include the complicated but important work of receiving timely reports from Academy departments on the use and impact of certain gifts.

SVP Walkewicz then talked how membership is up 9.3% since the inception of the Membership for All Graduates program. They have a focused effort on surviving spouse and legacy parent memberships and are using the survey results to determine how the AOG can be more relevant. She discussed alumni programs and the fact that they have prioritized an early connection between young alumni and the AOG. The first-ever Young Alumni Conference will immediately follow the Firstie Departure Program. Reunions are getting a program facelift to improve the graduate experience and to tailor them to the specific class. Reunions will be held over three weekends in 2023. A short discussion ensued with Director Helms noting that SVP Walkewicz had addressed concerns about the reunions at the January Class Advisory Senate (CAS) meeting. Finally, she talked about alumni engagement and events. They have mapped out 2023 events for awareness, planning, and engagement. The Long Blue Line portal will be ready for pilot groups in March. In response to a question about ZoomieLink, she noted that this will become part of the portal.

d. Quarterly Financial Update

CFO Willemarck provided the quarterly financial update (Attachment 6). The total operating revenue is currently 3% under budget and total operating expenses are 3% over budget. Areas that contributed to the operating expenses included professional expenses, the survey, digital archiving, and the legal fees for the new administrative space. The net operating revenue is \$2.36 million compared to \$2.05 million budgeted. Investment income was down by \$8.22 million (20%) in 2022, although the 3- and 5-year historical investment totals are up 2% and 3%, respectively, so we are still doing well in regard to our long-term portfolio. Our total net assets are down significantly (\$102.72 million in 2022 compared to \$128.33 million in 2021), mostly because of the investments. The good news is that the liabilities are down. Note: The committee list has been updated (Attachment 7) to add Ms. Willemarck as the new CFO.

e. Communications Mission Brief

VP Hornsby provided the communications mission brief (Attachment 6). He meets quarterly with the other service academies to share information about crisis communications. The communications mission is to tell the story of our Academy, our graduates and the Leader of Character mission with our words and actions. He talked about the Communications Department's organizational structure and their areas of focus, as well as the three main principals of consistency of message, engaging storytelling, and brand alignment. He then discussed the critical outcomes to expand awareness, increase engagement, deepen pride, boost participation, and communicate impact. They use a four-question test to determine whether to act. He talked about how they work with the Academy when there is a crisis communication situation and how they have used their channels strategically to foster a healthy dialogue. He concluded by talking about challenges including timelines, speed, and feedback. Chair Lowe requested a one-page summary for the Directors and CAS members on the sexual assault report that is coming out in March so we have background information before the report is released.

VIII. Class Advisory Senate Update

Director Helms provided the CAS update. At their January meeting there was discussion about how they want to proceed in 2023. They debated whether to keep their normal guest speaker format, which does not leave much time to discuss issues or to simply do away with the speaker to focus on issues. They voted to do a hybrid. The executive committee will invite guest speakers, but will leave time to discuss the issues. As noted earlier, at the January CAS meeting the AOG provided a presentation on reunions which clarified the changes that had been made. The 50-year reunion class receives priority in scheduling, and the 10-year class gets the next priority. The AOG looks at the other classes to try to best fit their requests, but if two classes want exactly the same thing (e.g., a certain weekend or hotel), there is a lottery to decide which class would get what they wanted. With fewer weekends and many more reunion classes, there is much more competition for the time and space. President Hille requested that the Directors help our classes to understand these limitations. Director Helms noted that the CAS had an excellent discussion about this and that the AOG presentation brought the temperature down. He also noted that although we do have a senator for each class, it is difficult to get every senator to participate, especially the younger classes. Another challenge is the communication from the senator to their own class. Some classes have a Facebook page, email, or other ways to contact their classmates, but many classes do not have connectivity with the entire class without the assistance of the AOG.

IX. Distinguished Graduate Selection Process

Director Przybyslawski gave a presentation on the Distinguished Graduate selection process. There were six members on the committee to include two Distinguished Graduates, a USAFA staff member, the AOG CEO, an AOG staff member, and an AOG Board member. The committee scored the 22 nominees against a rubric in three

categories. She noted that they continue to struggle with submissions and that not all submissions are created equally. As a team, they have written tips for the candidate nomination process. There will be a new and improved online system next year to facilitate the process and to eventually allow the committee to score the candidates electronically. The award recipients were Dr. Hans Mueh '66, Maj Gen (Ret) Susan Desjardins '80, and Gen (Ret) David Goldfein '83. The nominees who were not selected can recompile for a total of three years. A short discussion ensued about how on one hand, we have fewer winners than the other service academies, but on the other hand, limiting the number speaks to the prestige of the award. President Hille discussed the fact that the AOG is coming up with a list of the various awards and there may be other ways to highlight graduates in beyond the Distinguished Graduate Award.

X. Committee Update

a. Nominating Committee

SVP Grubbs provided an election update. There are 35,640 eligible voters and as of 21 February, 11.3% had voted. She then reviewed the election timeline. The election ends on 6 March and the results will be posted on the AOG website on 13 March. She recommended that the Vice Chair notify the new Board directors as Chair Lowe is on the slate. Director Volcheff will reach out to those candidates who were not selected. The Nominating Committee will contact the non-selected individuals to ascertain their interest in the pool for appointed positions and for other committees. They will also contact those graduates currently on the list to reconfirm their interest.

b. Governance Committee

Committee Chair Gunn discussed the bi-annual review of Governance Policies Category 4 and the Board calendar. The committee believes we have reached the point where there is a disconnect between the Governance Policies, which were written when the Board used the Carver Model, and how the Board actually operates today. Additionally, at the time the policies were written, we did not have a Single CEO. The committee recommended that the next Board should assign the Governance Committee or a separate task force to conduct a “fresh look” comprehensive review of the Governance Policies document with a deeper focus on creating policies as the Board governs today as well as melding AFAF policies to create simpler, common guidance for the Single CEO. He does not think the Board has the bandwidth to undertake this endeavor and wondered whether the AOG staff could assist or whether it would make more sense to hire an outside consultant to do the work. CEO Gould indicated that a consultant might be the way to go as they could match the AFAF policies as well. The discussion then turned to two other recommendations relating to Article VIII and the Board calendar.

MOTION: The Governance Committee moved that the Board delete Article VIII, Section 6e of the Bylaws to eliminate references to the Heritage and Traditions Committee. The motion was unanimously approved.

MOTION: The Governance Committee moved that the Board accept the revised Board calendar as presented (Attachment 8). The motion was unanimously approved.

Chair Lowe and Director K. Lowe departed the meeting due to a potential conflict of interest about Board member sabbaticals.

MOTION: Director Dudley moved and Director Volcheff seconded that we move into executive session. The motion was unanimously approved.

XI. Executive Session

The Board moved into executive session at 1:22 p.m. MDT IAW Bylaws Article V Section 8.

MOTION: Director Tonneson moved and Director Volcheff seconded that we come out of Executive Session. The motion was unanimously approved.

XII. Open Session:

The Board went into open session at 1:54 p.m. MDT.

MOTION: The Ad Hoc Sabbatical Committee moved that the AOG Bylaws be changed to allow elected Directors to take a sabbatical from an elected term of office. The motion failed by a vote of 0-11 (Directors Dudley, Much, Gunn, Tonneson, Strebe, Volcheff, Przybyslawski, Mavity, Dabney, Bledsoe, and Hendel against; Directors Lowe and K. Lowe recused).

XIII. Finance and Investment Committee

Committee Chair Strebe had nothing to report.

XIV. Board Training

Director K. Lowe provided an update on the planning for future Board training (Attachment 6). Directors Bishop and Lowe have identified gaps in the current Board training and have recommended a way ahead to include better initial Director training and continued development. The initial Director training, which would be conducted the day prior to the first Board meeting in May, would include National Association for Corporate Directors (NACD) material and the AOG BOD Bylaws. It would also include a reading list and continuity with a trained Director to facilitate training. There would be three on-line training courses during the Directors' first year. The management

responsibilities would be under one of our committees. Current Directors would be expected to complete on-line training. Speakers on Board-relevant topics would be invited for training in the second and fourth year of a Director's term. Director Lowe noted that they have built a slide deck and are looking at an on-line course library. There was a short discussion on how to train appointed Board members and how to identify which courses are needed.

XV. Graduate Voice Representation Discussion

During the 22 October 2022 meeting, Col (Ret) Lucky Ekman '63 asked the Directors to think about what an appropriate role might be for the Board as a voice for the graduate community. Chair Lowe had asked Director Gunn to chair a group to look into this issue. Directors Gunn, Dudley, and Przybyslawski made up the task force. VP Hornsby presented the communication briefing to the group and Col (Ret) Ekman. The task force concluded that the communication team is more proactive than they previously were, and that trying to serve as the single voice on policy issues for a very diverse graduate community was impossible. In addition, there is an AOG and AFAF policy specifying that they will not take positions on Air Force or USAFA policies. The task force noted that the AOG is very proactive on issues that we can all unite on and that the AOG staff has been doing an exceptional job of funneling graduate feedback to the USAFA leadership on tough issues. The task force was unanimous in their opinion that we should not take a position on divisive issues. They outlined the above thoughts in a Communications Task Force memo which the AOG will send to Col (Ret) Ekman.

XVI. Chair's Comments

Chair Lowe discussed the May Board meeting and how he was not comfortable with the process for our departing Board members. He proposed having a social on 11 May following the new Director training which would involve the CAS members, newly-elected Directors, and departing Directors. He would like to pair the departing and buddy Directors with the new Directors. He foresees the departing Directors attending the first part of the 12 May meeting so that we can acknowledge their contributions and thank them for their service. The group discussed different ideas related to the departing Directors.

CEO Gould asked whether we are seeing visible changes based on some of the AOG's communications and new initiatives. A few Directors complimented the AOG on their communication efforts and the recent Chapter and Affinity Group Conference, but another said he only receives feedback about negative things at the Academy. One of the guests suggested that there needed to be a way to better facilitate the participation of local graduates who are eager to be more engaged with the Academy. Chair Lowe asked the AOG to look into this.

XVII. Col Benjamin R. Jonsson '99, Vice Superintendent, U.S. Air Force Academy

Col Jonsson provided an update on the Superintendent's priorities: 1) developing leaders of character; 2) preparing our cadets for future conflict; and 3) fostering a culture of dignity and respect. He gave examples of Academy initiatives under each area. Of note, he indicated that on 2 March, they are expecting the next sexual assault and violence numbers to be released, which will likely garner significant media coverage. Gen Clark has started a redesign on the sexual assault prevention efforts. The Academy conducted over 100 interviews and hosted a 3-day solving session based on the qualitative analysis. Col Jonsson then commented on the low application numbers for 2026. There were 8,400 applicants compared to the 5-year average of 10,260. Numbers for the Class of 2027 are back up. He entertained several questions from the staff and a short discussion ensued related to survival training, the initiatives to increase the number of African American candidates, and sexual assault prevention.

XVIII. Adjournment

The meeting was adjourned at 3:52 p.m. MDT.

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

Respectfully submitted,
Virginia Caine Tonneson, Secretary

Atch:

1. 21 October 2022 Approved Meeting Minutes
2. 8 December 2022 Approved Special Meeting Minutes
3. 16 December 2022 Approved Special Meeting Minutes
4. 2 January 2023 Approved E-Vote Minutes
5. Approved Agenda
6. Board Meeting Slide Deck
7. Committees of the Board
8. Board Calendar