



## Virtual Board Meeting Minutes

13 August 2020

1400-1636 Eastern

ATTENDING		
Hal Rosen (Chair)	Tony Leketa (Vice-Chair)	Tim Byers (Secretary)
Suzanne DiGeronimo	Gary Engle	Angie Goral
Gene Lupia	Dave Nash	John Peabody (Treasurer)
Jane Penny	Bob Schlesinger	Susan Thames
Roger Wozny** (invited)	Heather Wishart-Smith (SAME President)** (invited; part time)	Mark Handley (SAME President-Elect)**(invited; part time)
Joe Schroedel (Executive Director)**	Eddie Gonzalez (SAME staff)**	
Stephen Karl (SAME staff)**	Will Hoffman (SAME staff)**	

\*\*Non-voting

The meeting was called to order at 1403. The Agenda for the meeting is attached. Following the Pledge of Allegiance, roll was taken; a quorum was in attendance.

Heather Wishart-Smith, Society President, was invited to give opening comments. She particularly expressed appreciation for the agenda meeting time to be devoted to fundraising.

**Fundraising Strategic Plan:** Hal Rosen led off a discussion of an overall “strategic” fundraising plan covering (1) the continuing annual fund drive to SAME membership that the Board earlier agreed to extend from the planned past JETC to the end of the calendar year, (2) the planned giving campaign, (3) the corporate fundraising plan from outside the corporate membership of SAME and focused on “the military-industrial complex” leading companies, and (4) a corporate fund drive directed at SAME sustaining member firms. The overall plan contemplates corporate fundraising first from non-member corporations and later to solicit donations from Society sustaining member firms. A fifth component of (5) grants was also referenced in the strategic plan, but with a focus arising a couple of years later. Each of the fundraising efforts are stepped-in over time to the overall strategic plan. The strategic plan was presented with “critical” activities to be undertaken on a calendar quarter basis from the present through 2022 with estimated fundraising revenues projected on an annual basis. There was comment by a few Board members to the effect that the Foundation should not take on too many fundraising efforts at one time.

Hal Rosen closed the presentation with recognition that the strategic fundraising plan itself contemplates a high level review of the plan by year’s end to be undertaken by a hired consultant selected by the Board on a short term assignment to review and provide comment to the Board. Gene Lupia raised the possibility of whether the Society may have a member that might be able to voluntarily perform this review, and Joe Schroedel offered to investigate that for the Board. Hal Rosen informed that he had the resumes of two candidates that might undertake the review but was seeking other candidates. The candidates will be presented to the Board for discussion which may lead to interviews by the Board. Joe Schroedel offered that the Society may be willing to underwrite the cost of the review.

The discussion of the overall fundraising strategic plan then led to a more detailed presentation by Bob Schlesinger of the status of the on-going but extended annual fund drive and then to more specifics by Suzanne DiGeronimo on the status of planning for the planned giving campaign.

**Action: Recruit a consultant to review advise on the fundraising strategy. POC: Hal Rosen working with Joe Schroedel**

**Annual Fund Drive:** Bob Schlesinger gave a report on the status of efforts to renew the extended Founding Donor campaign which the Board previously decided to extend until the close of the 2020 calendar year. The work to update the plan is being undertaken by a group including Bob Schlesinger, chair of the annual fund subcommittee, Jane Penny, chair of the communications and marketing committee, with a focus on the one page “flyer” update that is to be included with mailings, Stephen Karl, with a focus on the flyer design and production and mailing logistics, Natasha Rocheleau, with a focus on developing mailing lists, and Eddie Gonzalez, with overall coordination. It was reported that the one-page front and back “flyer” has been revised from the earlier version and that the multiple categories of “giving” recognized in the Foundation Stewardship Policy were now incorporated into the updated flyer. Bob Schlesinger reported that Natasha Rocheleau was in the process of finalizing two mailing lists, one covering individual members that previously contributed to the fundraiser and the second going to members that have not contributed. The two sets will receive slightly varied letters, with the first group letter thanking those members for their earlier donations. It was reported that both letters are now in final form. Overall, Bob Schlesinger reported that approximately 20,000 individual members would be receiving mailings requesting contributions, in contrast to the 7,000 in the earlier “test run,” and that the first set of mailings to those that have already contributed going out in the Postal Service mail early to mid-September.

**Planned Giving:** Suzanne DiGeronimo reviewed her previously presented concepts for a planned giving campaign but with a particular emphasis on the efforts this first year. She confirmed that the first-year effort is to be focused on individuals who have shown a financial interest in supporting the Society and Foundation by already having made significant contributions to the Foundation through last year’s earlier portion of the annual fund drive. She has developed a list of those individuals with help from Natasha Rocheleau and the accounting department from the membership records maintained by the Society national office. The first-year plan contemplates connecting with these previous donors on a continuing basis through the year. The question raised by Ms. DiGeronimo was whether these connections should be undertaken by hired staff or by volunteers. The consensus of the Board was to utilize volunteers. Suzanne DiGeronimo offered to put 6 or more volunteers together to carry out this first year effort.

**ACTION: Decide on a Year 1 implementation plan. Move forward in a measured way on planned giving. Need more clarification from Suzanne. POC: Suzanne DiGeronimo**

**Operational Relationship Between Society and Foundation:** Hal Rosen reviewed the status of the effort proposed by the Society Board to task a joint group of Foundation Board members and Society Executive Committee members to study the operations of the relationship between the two bodies. The Foundation and Society Presidents had agreed upon a revised process for reviewing Board member vacancy nominations, the approval of which are subject to the authority of appointment placed by the Foundation Bylaws with the Society Executive Committee. The thinking of the Society

President is that the governance of the relationships should be reviewed by a joint task force and that the task force concept should be presented to the Society Executive Committee at its upcoming meeting on 18 August. The suggested topics proposed for task force consideration include (1) the engagement of the Society to more proactively support the Foundation, (2) communications between the Society and Foundation, (3) the process for determining program financial support by the Foundation, (4) how the Society might better support fundraising efforts of the Foundation, and (5) administrative matters including such things as record keeping important to the Foundation, support

by Society staff and finance and accounting matters of the Society and Foundation combined. While initially received as an effort by the Society to manage the operations of the Foundation, assurances were provided by the Executive Director of the Society and Foundation and the President of the Society that there is no intent of the Society to manage the Foundation and that the Foundation is fully authorized to manage itself.

Discussion took place regarding the management prerogatives of the Foundation Board. All recognize that the Foundation Board manages the Foundation. There are areas of interface between the Foundation and the Society that call for management of the Foundation side of the interface by the Foundation Board and Society management of its side of the interface. Comment was made that neither entity should usurp the other entity's management.

Prior to the Board meeting, Joe Schroedel had put into writing his "reflections" of the roles and interfaces of the Society and Foundation. His reflections were included in the record of the Board meeting. Joe Schroedel offered comment on his views of the connection of the two bodies. Essentially, Joe reported that in his view all donors must have full confidence in the Foundation and its Board and also that the Society needed to be energized to fully understand and support the purposes and operations of the Foundation.

[Since the Board meeting on 13 August, the Society Executive Committee agreed at its 18 August meeting with the joint task force concept and subject matter. The joint task force is co-chaired by Dave Nash for the Foundation (and includes Tony Leketa and John Peabody for the Foundation) and Mark Handley for the Society Executive Committee (and includes Mike Darrow and Chris Knutson for the Society Executive Committee), and its review is underway. The task force is to report back to the Foundation Board and to the Society Board at their next meetings being scheduled in November.]

**Criteria for New Board Member Selections:** The Board previously decided to fill 3 Board member vacancies in order to bring the Board to its maximum size of 15 allowed by the Foundation Bylaws. With Board terms on a calendar year, efforts to achieve this for terms starting 1 January 2021 were becoming critical. Dave Nash, as chair of the Board's governance committee, presented a draft list of qualifications. There was substantial discussion. Tony Leketa made the point that any criteria or qualifications should not be taken as a form of checklist. It was also suggested by Angie Goral that percentage weightings should be removed from the criteria to leave wider range of judged acceptability of candidates. Consensus agreed with both points. Dave Nash noted and since made modifications to the qualifications in line with the discussions. Finally, it was noted that nominations were due to be received at Society offices by 1 September. [That date was subsequently extended to 15 September.]

**Financial Framework Status:** As Treasurer of the Foundation, John Peabody has begun an effort to develop and propose an operating financial framework for the Foundation. As previously reported, the

framework will include policies on (1) budget management, (2) funds management, and (3) funds growth. John Peabody asked for confirmation of participation from across the Board committees for investment, fundraising, stewardship, and marketing-communications to assist with the development of the policies. He reported that he would like the group to be organized and underway shortly to first scope out the financial framework and then to begin policies within that framework. He has already given much thought to the issues and structure and has gained insight from his involvement on the board of the Culver School.

John Peabody also informed the Board that the final audit review of the Foundation (combined with Society) had been delayed by the pandemic but was reaching its closing point. He informed the Board that he will be a part of the final audit review team serving the Foundation's interests and that he will review the annual Internal Revenue Service form 990 filing prior to its filing.

**Action: Define composition of the Financial Framework committee. POC: John Peabody**

**Action: Review Foundation 990 submission. POC: John Peabody**

**LDP Update:** Angie Goral and Susan Thames provided an update on the first Leader Development Program class and the incoming second class. Angie Goral reported that the first class remained engaged both with the class group itself and with their individual SAME activities. The in-person graduation of the first class was postponed from JETC due to the pandemic. She reported that the graduation would take place virtually the following day, 14 August starting at 1600. All Board members were invited to attend the virtual graduation. Angie Goral reported that General Semonite had recorded a keynote address for the graduation. Following his speech, there was to be a "happy hour" with toasts to the graduates. John Mogge was President of the Foundation and Chair of the Board at the time the LDP class was selected and was asked to give a "toast" to the graduates on behalf of the Foundation. The decision was made that the Foundation underwrite the program, was to give a toast to the graduates on behalf of the Foundation. [Since the meeting, the graduation went off very successfully, for which both Angie Goral and Susan Thames are to be congratulated for their efforts.]

Susan Thames then gave a report on the second LDP class. She reported that there are 19 students in the class, all assigned with their individual mentors and that they had completed the reading and discussion of their first textbook. Over a half of the class members are junior officers serving in uniform. She reported great excitement with the program from the students. Susan Thames coordinates the mentors and mentees with their students for the program.

**Investment Update:** Gary Engle, chair of the Board's investment committee, reviewed the investment portfolio results as of 11 July 2020, the latest date investment information was available. He reported that the Foundation portfolio was continuing its positive results with a return on investment in the past quarter and to 11 July of 11.25%.

Gary Engle reported that the 6 posts that had funds invested through the Foundation had received individualized letters signed by himself, John Peabody and Hal Rosen explaining the investment downturn, efforts taken by the investment committee to address it with the financial advisors, and the return to gains. He further reported to the Board that all the Posts whose funds are invested through the Foundation recouped their earlier losses due to the economic upheaval associated with the pandemic and that returns on post funds were continuing to increase into July.

It was further reported that two additional posts, Huntsville and Hampton Roads, have decided to invest funds through the Foundation. Past Board member Roger Wozny has volunteered to continue his efforts on behalf of the Foundation Board to educate posts on the operation and benefits of the post funds policy and was recognized and thanked specifically for his dialogue with the Huntsville Post resulting in that post's decision to invest through the Foundation.

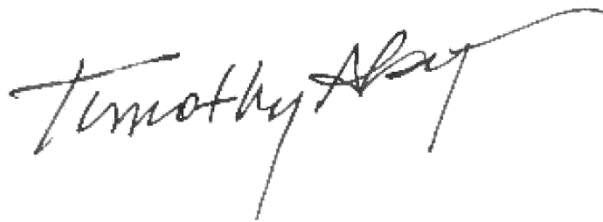
**Financial Update:** Will Hoffman then provided an overview of the 2020 finances of the Foundation as of 30 June. He reported revenue of \$36,399, the largest income amount being \$35,000 from the Carl Baswell estate. He also reported that there was an additional \$26,561 of income from continuing donations from the earlier fund drive. Dividends and interest from the investment account produced an additional \$7,633 in income. Offsetting the revenue income was the booked entry of an unrealized loss in the investment portfolio of \$33,171. [That loss has since been reversed with the market gains.] On the expense side, Will Hoffman reported a total of \$16,251, the largest expense account being \$11,110 for professional services fees for accounting services largely pertaining to the close-out of the 2019 books and records and preparation of the annual tax return. The expenses were reported to be significantly lower than they would have been had JETC proceeded in-person.

On the balance sheet side, Will Hoffman reported that as of 30 June 2020, assets were \$2,398,853, including \$1,084,134 in the Foundation investment account and \$1,105,045 under investment for the posts. This latter amount is also carried as an offsetting liability in the balance sheet since the post funds remain post funds not owned by the Foundation and therefore not a "net asset" of the Foundation. The total liabilities, including this offsetting account for post funds, total \$1,161,923. The net assets (assets less liabilities) then were reported by Will Hoffman to be \$1,236,930, broken down as \$953,784 in unrestricted donations and \$274,226 in restricted donations. Will Hoffman reported that the Foundation overall (as well as the Society) is in sound financial position.

**Other Business:** By motion of Jane Penny, seconded by Gene Lupia, the minutes of the previous Board meetings held on 26 May 2020 and 24 June 2020 were unanimously approved by the Board.

**ACTION: Send out doodle poll to select November BOD dates. POC: Eddie Gonzalez**

That closed discussion of the agenda items. No further business was presented to the Board, and the meeting was adjourned at 1636.



Date: 15 Sep 20

Timothy Byers, Secretary