

Sigma Phi Epsilon Fraternity
Minutes of the Meeting of the National Board of Directors
April 4 - 5, 2014
Chicago, Illinois – W Hotel City Center

National Directors in attendance:

Phillip A. Cox, Indiana '84	Grand President	2015
Christopher L. Bittman, Colorado '85	Grand Treasurer	2015
Richard W. Bennet III, Central Missouri '74	National Director	2017
Billy D. Maddalon, North Carolina State '90	National Director	2015
Daniel W. McVeigh, Texas Wesleyan '90	National Director	2017
Thomas B. Jelke, Ph.D., Florida International '90	National Director	2019
Garry C. Kief, Southern California '70	National Director	2019
Sawyer J. Hicks, Davidson '14	Student Director	2015
Erik D. Mikkelsen, Utah State '14	Student Director	2015
Marshall Miller, Valparaiso '14	Student Director	2015

National Directors in attendance via phone:

Shawn McKenna, Maine '77	National Director	2015
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Headquarters staff present:

Brian C. Warren Jr., Virginia '04	Chief Executive Officer
Julie Ross	Finance Director
Patrick Murphy, Northeastern '10	Managing Director, Sig Ep National Housing
Seth D. Irby, Louisiana State '11	Fraternity Operations Director
Beaux M. Carriere, Charleston '10	Marketing and Communications Director
Brady D. Wolfe, Drake '09	Director of Advancement
Matthew S. Parrish, Georgia '08	Senior Advancement Officer & Campaign Consultant
Kyle F. Sutton, Cincinnati '12	Balanced Man Program Director

Guests in attendance:

Jake Orville, Massachusetts '95	Past Regional Director, 1995-1996
David T. Bertorello, Evansville '89	District Governor, District 15
Stephen B. Shanklin, Murray State '70	Educational Foundation Trustee and Past Grand President

Call to order

The meeting was called to order by Grand President Phillip A. Cox on Friday, April 4, 2014 at 1:41 p.m. Central Daylight Time.

Adoption of meeting minutes

National Director Richard W. Bennet III identified a misspelling of his name and asked that it be corrected.

National Director Richard W. Bennet moved the Board to approve the minutes from the October 2013 meeting as amended.

Seconded by National Director Thomas B. Jelke.

Unanimously approved.

Special announcements

Before providing his report, Warren recognized Student Director Marshall Miller for being selected as a 2014 recipient of the North-American Interfraternity Conference Award of Distinction.

Warren also recognized Jake Orville, CEO of Cleveland HeartLab and a past regional director, as a special guest of the weekend. Warren explained Grand President Cox's desire to incorporate Sound Mind and Sound Body into the Board's regular meetings and model the way for SigEp chapters across the country. Warren asked Brother Orville to summarize the health screening that he and his team would be conducting later in the afternoon.

State of the Fraternity

Grand President Cox called on Chief Executive Officer Brian C. Warren Jr. to discuss the State of the Fraternity.

Chief Executive Officer Warren emphasized the staff's focus on bringing the recently adopted strategic plan to life and making the SigEp experience the most empowering and transformative part of a college male's life. He highlighted the staff's efforts to improve regional and national programs that compliment enhanced Balanced Man Program (BMP) support services; plans to build and expand a fundraising operation that supports those programs and services; and, the ongoing work to more frequently and effectively communicate with undergraduate members, volunteers, alumni, and other stakeholders.

Warren introduced the staff's annual operating plan and reporting framework as a vehicle to summarize the staff's approach to achieving the objectives of the strategic plan. He asked the Directors to provide feedback on structure and presentation, metrics, strategies and tactics, and ways to use the report to facilitate discussion at future meetings.

The Directors requested that the staff:

- More clearly connect tactics in the operating plan to the objectives of the strategic plan.
- Prioritize assessment and evaluation work in order to better understand chapter and Alumni and Volunteer (AVC) performance, trends, and progress; specifically, relative chapter performance, BMP proficiency, and volunteer engagement.
- Include an Advancement activities report – calls made, visits made, asks made, pledges not fulfilled, new donors, retained donors, etc.
- Update the performance metrics and report to the Board twice each fiscal year.
- Include internal documents and resources associated with tactics of the operating plan in future board books instead of one-time reports with a short lifespan.

Before concluding the report, Fraternity Operations Director Seth Irby delivered a membership update. He announced that new membership in the current fiscal year is on pace to match the prior year and that the staff is projecting to recruit a total of just over 6,150 new members in the 2013-2014 fiscal year.

Irby went on to deliver initial Periodic Membership Report numbers, noting that, once again, despite the decrease in total chapters, total membership and average chapter size continue to increase. He noted that three chapters intend to surrender their charter by the end of the fiscal year:

- Washington and Lee SEC, Washington and Lee University
- Arkansas Beta, Henderson State University
- Tennessee Theta, Middle Tennessee State University

Grand President Cox called for a recess at 3:45 p.m. Central Daylight Time in order for Brother Orville to conduct health screenings for those interested.

Grand President Cox reconvened the Directors and called the meeting back to order at 4:20 p.m. Central Daylight Time.

Balanced Man Program

Fraternity Operations Director Irby delivered the staff's report on the state of the Balanced Man Program and recommended plan to achieve total organizational alignment under the BMP.

Irby noted that BMP chapters currently boast a more impressive GPA, manpower, and member retention than their Pledge Model peers. BMP chapters also win more awards within SigEp and on their campus. He recalled that, of the 40 Buchanan Cups awarded in 2013, only one was awarded to a Pledge Model chapter; and, not surprisingly, this Pledge Model chapter has excelled on its campus because it has intentionally embraced many of the BMP philosophies and best practices.

Irby suggested the data speaks for itself and called the fact that SigEp alumni still argue against the BMP after 20 years of implementation concerning and embarrassing. He committed the staff to improving the job it does championing the BMP's benefits, celebrating chapter achievements made possible because of the BMP, and supporting implementation of the BMP across the country. He also suggested that a mandate in a manner similar to SAE will not address the issues of misinformation, buy-in, inconsistent service, or inadequate support that SigEp currently see across the country.

Irby presented the six components of the staff's proposed plan:

- Marketing and storytelling
- BMP resources and technology
- Volunteer services and support
- Chapter services and support
- Data analysis and reporting
- Conclave legislation

National Director Thomas B. Jelke moved the Board to approve the staff's proposed plan as amended to include at least six pledge model chapters converted to BMP by the 2015 Grand Chapter Conclave.

Seconded by Student Director Sawyer J. Hicks.

Unanimously approved.

Online platform

Balanced Man Program Director Kyle Sutton delivered an update on plans for a central and integrated online platform to enhance the membership experience and strengthen chapter and AVC operations.

Sutton stated that in preparation for the upcoming expiration of contracts in 2015, SigEp has been conducting discovery work to better understand current needs and identify products that best facilitate SigEp's ability to address those needs. CEO Warren noted that the remaining discovery and product comparison work will cost SigEp no more than \$10,000.

Sutton went on to communicate the need for an application to facilitate consistent and more effective implementation of each chapter's BMP.

CEO Warren asked for the Directors to approve a \$22,000 expense to complete the mapping of a BMP application that would be available to every chapter. He further requested the creation of a task force of Student and Alumni Directors to meet monthly to review progress made and determine future actions related to online platform efforts.

Student Director Erik D. Mikkelsen moved the Board to approve a \$22,000 expenditure to complete the mapping of a BMP application and to establish a task force of the three student directors, Garry Kief and Chris Bittman to guide efforts related to the online platform moving forward.

Seconded by Grand Treasurer Christopher L. Bittman.

Unanimously approved.

District governors

Fraternity Operations Director Irby delivered an update on the district governor position and the staff's proposed plan to better support district governors and volunteers in each district.

Grand Treasurer Christopher L. Bittman moved the Board to approve the staff's proposed plan and implementation strategy to better support district governors and achieve the desired outcomes of the position.

Seconded by National Director Richard W. Bennet.

Unanimously approved.

Mississippi Alpha Chapter

CEO Warren provided the Directors an update on the Mississippi Alpha Chapter at the University of Mississippi. Warren outlined the staff's history of service and the recent support following the James Meredith statue incident and his subsequent request that the chapter cease operations. Warren went on to present plans for continued support through and following a membership reviewed agreed to with the University of Mississippi administration. He asked that the Board formally suspend operations until a membership review is completed.

National Director Richard W. Bennet moved the Board to indefinitely suspend operations until a membership review is completed.

Seconded by Student Director Sawyer J. Hicks.

Unanimously approved.

Grand President Cox called for a recess at 9:02 p.m. Central Daylight Time and asked that the Directors resume at 8:00 a.m. Central Time.

Grand President Cox called the meeting back to order at 8:03 a.m. Central Daylight Time on Saturday, April 5.

Programs and Events

CEO Warren provided the Directors an update on SigEp programs and plans to improve the quality of programming while increasing program attendance.

Warren noted that EDGE attendance and satisfaction are at an all-time high. Warren projected to increase participation by almost 20 percent and achieve 4,000 EDGE participants for the first time in the program's history.

At the recommendation of Grand Treasurer Bittman, Warren committed to reconsidering the name for upperclassmen guides at each program and to providing at chapter specific EDGE for select pledge model chapters.

Warren went on to announce all-time high attendance at Carlson Leadership Academies, as well – undergraduate attendance increased by 2.2 percent and volunteer attendance increased by 28 percent. Growth continued even at the Chicago program, which hosted almost 900 participants. As a result, Warren asked the Directors to support a recommendation to move the Dallas program north to Oklahoma City, which would increase attendance at the Oklahoma City program and decrease attendance at the Chicago program.

National Director Daniel W. McVeigh moved the Board to approve the proposed relocation of the Dallas Carlson Leadership Academy to Oklahoma City.

Seconded by National Director Billy D. Maddalon.

Unanimously approved.

New Chapter Development

Fraternity Operations Director Irby presented an analysis of SigEp's new chapter development process and plans to achieve greater consistency and success with each expansion.

Irby recalled that SigEp has closed 46 chapters over the past six years while only starting 22 new chapters. He summarized that, of the 22, many have failed to meet basic expectations and reach their full potential. SigEp currently has 19 Sigma Epsilon Chapters – several of them continue to fall short of current chartering criteria and others have been SECs for more than five years, well beyond SigEp's desired window for chartering.

Irby suggested that these conditions underscored a need to revisit every aspect of new chapter development – volunteers, recruiting, member development, chapter operations, elections, officer transition, partnering with university administrators, communicating to chapter alumni, etc. – and that the staff's analysis reinforced an urgent need to improve the methods for starting new chapters. In response, the staff is developing a revised framework and processes for building the ideal SigEp chapter with each expansion opportunity.

CEO Warren committed to sharing the revised process and related resources with the Directors at a future meeting once the effort is completed.

Sig Ep National Housing

Sig Ep National Housing's Managing Director Patrick Murphy provided an update on the SENH's year-to-date financial position, current loan portfolio and plans for future lending, and the growth of recently launched property management services.

Murphy asked that the Fraternity's Directors accept the SENH's 2014-2015 financial plan.

National Director Thomas B. Jelke moved the Board to accept Sig Ep National Housing's 2014-2015 financial plan.

Seconded by National Director Billy D. Maddalon.

Unanimously approved.

Before concluding, Murphy asked the Fraternity's Directors to approve SENH's nomination and recommendation to appoint Kenneth G. Christianson, Washington State '74, to the SENH Board of Directors.

National Director Richard W. Bennet moved the Board to appoint Kenneth G. Christianson, Washington State '74, to Sig Ep National Housing's Board of Directors.

Seconded by Grand President Phillip A. Cox.

Unanimously approved.

Advancement Report

Director of Advancement Brady Wolfe delivered a report on the Advancement team's fundraising activities and performance to-date. Wolfe shared that fundraising performance for the current fiscal year is 4.15 percent, or \$77,685, ahead of the prior fiscal year and that both restricted and unrestricted giving surpass prior year performance.

Wolfe went on to share plans for the launch of a planned giving society as a means of helping donors leave an enduring legacy in SigEp upon their passing. He also updated the Directors on the growth of SigEp 1901 Clubs across the country and plans for the Advancement team to support the continued growth of 1901 Clubs and interact with alumni donors in the process.

Before concluding, Wolfe announced the dates of September 26-28, 2014, for SigEp's 2014 homecoming in Richmond, Virginia.

Marketing and Communications Report

Marketing and Communications Director Beaux Carriere delivered a report on the Fraternity's communication efforts and plans moving forward.

Carriere shared with the Directors that a focus on frequency, delivery, and relevance of content has resulted in a steady increase in member engagement on SigEp.org and SigEp Social Media. He noted that staff is making back-end web improvements to improve tracking of analytics, and developing a social media marketing plan to convert online, social interactions to other measurable actions like event registrations, record updates, store sales, and donations. And, additional developments, including improved commenting and login, are being made to the blog and sigep.org to increase engagement.

Carriere also shared the staff's work to develop a more aggressive and strategic approach to public relations. He noted that each incident is being approached with the goal of establishing the narrative for media coverage. By developing strategic relationships with media contacts, SigEp has successfully established multiple narratives and leveraged media attention to draw out positive press. He committed to building a network of media contacts that have the capacity to cover every major U.S. market and developing a more advanced, offensive public relations strategy with the goal of driving positive, national press similar to the 2006 Today Show interview with the Washington Beta Chapter.

Lastly, Carriere reviewed the results of the fall 2013 direct mail solicitations, lessons learned, and plans for the spring 2014 solicitation and year-end report to donors.

Financial Report

Grand Treasurer Bittman delivered the Fraternity's February-end income statement and balance sheet, highlighting the increase in service and program-related expenses as intentional efforts to deliver more support and a better experience to members. He reminded the Directors of the resolutions passed at the 2013 Conclave increasing revenues for programs, and recalled that SigEp had not raised fees for more than a decade prior to the Conclave. He also ensured the Directors that these new revenues would be allocated to leadership programs, as intended, and not used to offset the insurance premium increases expected next fiscal year.

Bittman requested that the Directors consider the substantial deficit incurred each Conclave because of the program's outdated financial model and subsequent impact on the balance sheet. He asked that the Directors consider an option that achieves a balanced financial model over time.

Grand Treasurer Christopher L. Bittman moved the Board to implement a gradual increase of the Fraternity's fall operating bill, specifically, the chapter base fee for Conclave, according to the following schedule:

- *\$675 for the Fall 2013 semester (no change)*
- *\$775 for the Fall 2014 semester*
- *\$875 for the Fall 2015 semester*
- *\$950 for the Fall 2016 semester*
- *\$1,025 for the Fall 2017 semester*

Seconded by Grand President Phillip A. Cox.

Unanimously approved.

CEO Warren committed to communicating the Board's decision and reminding chapter officers of the Conclave resolutions impacting 2014-2015 chapter budgets.

Warren also committed to submitting a 2014-2015 financial plan to the Directors in early June, allowing time to consider the impact of increased insurance premiums, final membership numbers, and year-end fundraising performance.

CEO Warren and Educational Foundation President Edward H. Hammond provided a brief update on the state of the Educational Foundation, addressing current cash position and the projected year-end performance and implications for the Foundation's grant to support Fraternity programs.

At the request of Director Kief, Warren also committed to providing the Directors and Trustees a summary of all restricted funds at the next meeting.

Other business

Grand President Cox called for a closed session at 3:42 p.m. Central Daylight Time.

Adjournment

Grand President Cox adjourned the meeting on Saturday, April 5, 2014, at 4:33 p.m. Central Daylight Time and reminded the Directors of the donor reception being hosted by Gregory J. Pusinelli, Indiana '80, and his wife Marie at the University Club of Chicago.