

Sigma Phi Epsilon Fraternity
Spring Meeting of the National Board of Directors
Nashville, Tennessee
May 15 – 16, 2015

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	Grand Secretary	2017
Billy D. Maddalon, North Carolina State '90	National Director	2015
Daniel W. McVeigh, Texas Wesleyan '90	National Director	2017
Shawn McKenna, Maine '77	National Director	2015
Thomas B. Jelke, Ph.D., Florida International '90	National Director	2019
Garry C. Kief, Southern California '70	National Director	2019
Erik D. Mikkelsen, Utah State '14	National Director	2015
Sawyer J. Hicks, Davidson '14	National Director	2015
Marshall H. Miller, Valparaiso '14	National Director	2015

Headquarters Staff present:

Brian C. Warren Jr., Virginia '04	Chief Executive Officer
Seth D. Irby, Louisiana State '1	Managing Director, Fraternity
Matthew S. Parrish, Georgia '08	Director of Advancement
Patrick T. Murphy, Northeastern '10	Managing Director, SENH
Beaux M. Carriere, Charleston '10	Marketing and Communication Director
Julie W. Ross	Finance Director
Stacy D. Nicodemus	Program & Events Director
Laura C. Curzi	Executive Coordinator

Call to order

Grand President Phillip A. Cox called the meeting to order on Friday, May 15, 2015, at 1:30 p.m.

National Director Marshall H. Miller joined meeting via phone. Treasurer Christopher L. Bittman and Secretary Richard W. Bennet III were not in attendance at call to order.

Approval of the minutes

Chief Executive Officer Brian C. Warren Jr. called for a motion to approve the minutes from the meeting held December 5-6, 2014.

Director Garry C. Kief moved to approve the minutes from the December 5-6, 2014 meeting.

Seconded by Director Daniel W. McVeigh.

Motion passed by a unanimous 9-0 vote.

Strategic Plan Update

Chief Executive Officer Warren provided an update on progress toward strategic objectives, an overview of current and future staff priorities, and a summary of current challenges and opportunities. He stated that the fraternity and higher education community is in a turbulent time and that SigEp must be a valued partner that brings real solutions to the challenges involving student safety and development, diversity, sexual assault, hazing and alcohol abuse. Warren stated confidently that SigEp's strategic plan and annual operating plans are focused on the issues that will make SigEp a solution oriented partner: values-based recruitment, the Balanced Man Program and leadership events, safe housing conducive to academic success, volunteer engagement, campus partnerships, and fundraising to advance the quality and reach of the SigEp experience.

Secretary Bennet arrived to meeting, 2:00 p.m.

Warren facilitated a discussion regarding the upcoming renewal of membership in the North American Interfraternity Conference (NIC). The staff expressed concern that the value of membership is far from the expense to remain a member and that SigEp members are better served by reallocating the \$25,000 to programs and services.

Director McVeigh moved that SigEp not renew its NIC membership in the coming academic year and that the membership fee and associated costs be reallocated to undergraduate programs and services.

Seconded by Director Thomas B. Jelke.

Motion passed by a unanimous 10-0 vote.

BMP Adoption and Organizational Alignment

Chief Executive Officer Warren updated the Board on the staff's efforts to educate chapters on the Balanced Man Program (BMP) and support them in the adoption and implementation processes.. He stated that this effort has dominated the staff's time and attention, and yielded great progress and strengthened relationships with chapters and Alumni Volunteer Corporations (AVC). He disclosed that SigEp has 15 chapters still operating under a pledging model, with two chapters voting to adopt the program in June.

Treasurer Bittman arrived to meeting, 2:25 p.m.

Warren asked Fraternity Managing Director Seth D. Irby to further explain the staff's efforts to support the undergraduate driven process of aligning SigEp chapters under one development model at the 54th Grand Chapter Conclave in Nashville. Irby stress that this is a bottom-up movement with delegates from strong BMP chapters leading a coalition that is drafting

legislation for this August. President Cox stated that this was the intent of SigEp from the start, giving the Grand Chapter the vote versus a mandate.

Educational Foundation Report

Educational Foundation President Edward H. Hammond joined the meeting by phone to present a report from the Educational Foundation. Hammond shared the Trustees' plans for eliminating all liabilities to restricted funds after conducting a forensic audit of each Foundation fund to understand the fund's purpose and the Foundation's obligations to donors and recipients. He also reviewed the Foundation's comprehensive discussion and plan to ensure that operations moving forward establish and execute updated working agreements for 100 percent of funds, that donors be communicated with on a regular basis and in a responsible manner, and that administrative protocols align with modern Foundation best practices.

Lastly, President Hammond proudly announced the Foundation's review and acceptance of the grant request in the amount of \$1.1 million, the largest grant in the Foundation's history.

Treasurer Bittman moved the board to accept the report of the Educational Foundation.

Seconded by Director Billy D. Maddalon.

Unanimously approved.

Before concluding the Foundation Report Warren added that the Trustees revisited and revised the Foundation's policy governing dormant chapter funds. He reintroduced the potential for a similar policy governing Chapter Investment Funds held for dormant chapters.

Treasurer Bittman stated that the Fraternity must set up a reserve to guarantee sufficient funds at the time of rechartering and asked for the written opinion of legal counsel before proceeding with any change.

Director Shawn McKenna moved the Board to adopt the revised policy, subject to written opinion of counsel, and with consideration as to the use of the funds given at a later date.

Seconded by Director Kief

Unanimously Approved.

Financial Report – Fraternity

Treasurer Bittman presented the Fraternity's income statement and balance sheet through March 31, 2015. He reported that membership generated revenue is strong and urged the Directors to continue investing in the programs and services that make SigEp different and the experience SigEp offers valuable. He also disclosed the need to continue investing in the development of a first-class fundraising and foundation operation in order to minimize the financial burden on undergraduates as SigEp makes further investments in the experience.

President Cox called for a recess at 3:43 p.m.

President Cox called the meeting back to order at 4:00 p.m.

Treasurer Bittman delivered the first quarter report of the Investment Committee. The Committee oversees assets of both the Fraternity and the Educational Foundation. Year to date performance was up 5.1 percent.

Financial Report – SigEp National Housing

SENH Managing Director Patrick T. Murphy reviewed year-to-date financial statements for SigEp National Housing (SENH). Murphy explained that revenues are up due to SigEp's increase in membership, growth of the SENH lending program, and expansion of SENH's property management program.

Director McKenna asked Managing Director Murphy to explain the status on the Pennsylvania Eta loan. Murphy explained that the \$480,000 is still owed to the Foundation and that the Pennsylvania Eta AVC is not responsive to staff communications despite the loan maturing more than six months ago.

Insurance Report

Chief Executive Officer Warren provided an update on the fraternity insurance market and its impact on the upcoming June 30 policy renewals. Warren expressed concern that the fraternity insurance market is hardening and insurers are exiting the fraternity market. Media reports, an increase in fraternity litigation, and uncertainty pertaining to Title IX reform on college campuses have insurance providers worried about the viability of fraternity clients.

Warren stated that the Fraternity anticipates significant increases in premiums for the general and excess liability policies. The staff scheduled an in-person meeting with Admiral Insurance so that staff can present the plan to support chapters and influence safe decision making.

President Cox excused himself and left the meeting at 5:00 p.m.

Secretary Bennet assumed responsibilities of the chairman.

SENH Report

SENH Managing Director Murphy provided an update on the SENH's lending, property management, and consulting activities to advance SigEp's housing objectives.

Murphy proudly reported that the SENH loan portfolio is the healthiest it has ever been and that there is a lot of growth in the Real Estate Management LLC Program. SENH is now managing 17 properties with a total of 640 beds. The pipeline of properties seeking these services continues to grow with Colorado Alpha expected to hire SENH in June 2015 and others looking to join in the 2016-17 academic year.

Educational Foundation Report

Chief Executive Officer Warren provided an update on fundraising performance for the fiscal year, upcoming initiatives through Conclave, and a proposed naming policy.

Warren clarified that the naming policy was created after looking at other Foundation policies and engaging alumni in the fundraising profession. Directors voiced concern that no written commitment is currently needed and stated that such a binding commitment would be necessary to avoid conflict. They also voiced the desire to see annual contributions for naming opportunities awarded through deferred giving or estate plans.

Director Kief moved the board to approve the Naming Policy as amended, with Section H to reflect a needed percentage of ongoing annual expense associated with the commitment, and a signed and binding commitment to fulfill the pledge.

Seconded by Director McKenna.

Motion passed by a unanimous 10-0 vote.

Secretary Bennet asked that staff provide a written proposal for and campaigns and naming opportunities that addresses the need, the impact, lead donors and affinity groups intended to solicit. The National Board of Directors will approve the name, dollar amount and ongoing expense, etc. of each proposal.

Fraternity Fiscal Year 2016 Financial Plans

Chief Executive Officer Warren proposed a financial plan for the Fraternity's 2016 fiscal year. Secretary Bennet asked staff to reevaluate the proposed financial plan and present a modified version after recess.

*Secretary Bennet called for a recess at 6:40 p.m. for dinner.
Secretary Bennet called the meeting back to order at 7:45 p.m.*

Chief Executive Officer Warren proposed revisions on the revenue and expense side of the plan that yield a \$138,000 change to the bottom line.

Treasurer Bittman moved the board to adopt the Fiscal Year 2016 Financial Plan as amended to reflect a reinvestment in fundraising and programming initiatives consistent with prior year.

Seconded by Director Jelke.

Motion passed by a unanimous 10-0 vote.

SENH Fiscal Year 2016 Financial Plan

SENH Managing Director Murphy asked the Directors to accept SENH's budget for the 2016 fiscal year, as adopted at the SENH's spring meeting.

Director Maddalon moved the Board to accept the SENH budget as amended to reflect the increase in shared service fees and the elimination of the insurance administration fee.

Seconded by Director Kief.

Motion passed by a unanimous 10-0 vote.

Conclave

Programs and Events Director Stacy D. Nicodemus delivered an overview of Gaylord Opryland property and the 2015 Conclave schedule of events. Fraternity Managing Director Irby delivered a presentation on the educational programming scheduled to be provided at Conclave. Irby explained that surveys were distributed to Regional Directors and undergraduates to gather a better understanding of what the undergraduates want and need out of Conclave. Based on the survey response results, the Programming and Events Team organized programming built on three themes: SigEp Success, Personal Success, and Professional Success.

Volunteers were also asked what they want and need out of Conclave in survey form. The replies focused on basic training, advanced skills workshops, and personal and professional development. A new element to the volunteer track will be workshops that are longer than sessions and result in a certification in suicide awareness and prevention, and/or sexual orientation awareness.

Fraternity Managing Director Irby recommended committee appointments for Fraternity Officials serving as delegates of the Grand Chapter.

Director Sawyer J. Hicks moved the Board to approve the appointment of Fraternity Officials to the proposed Conclave standing committees.

Seconded by Director Jelke.

Motion passed by a unanimous 10-0 vote.

Warren indicated that staff, at the urging of previous undergraduate delegates, intends to begin the nominating process and committee activity before Conclave so that there is sufficient time for the committee members to thoughtfully conclude their work and enjoy other parts of the Conclave experience.

Chief Executive Officer Warren then transitioned to present the recommendations for the Buchanan Cup, Philias Award, Citation Awards, and Order of the Golden Heart.

The 2015 Buchanan Cup nominating committee was made up of 45 volunteers broken into nine groups that reviewed over 100 applications. The committee was critical in reviewing each application and followed a strict rubric.

Treasurer Bittman moved the Board to accepted the report of the nine review committees and approved all recommendations for 2015 Buchanan Cup recipients.

Seconded by Director Kief.

Motion passed by a unanimous 10-0 vote.

Chief Executive Officer Warren presented the recommendation for the Honor of Philias Award.

Director Maddalon moved the Board to recognize the Missouri Zeta chapter at Southeast Missouri State University with the Honor of Philias for its demonstration of brotherly love during and following the tragedy involving Bobby Christman.

Seconded by Director Hicks.

Motion passed by a unanimous 10-0 vote.

Chief Executive Officer Warren presented the four Citation Award recipients, acknowledging that they have all accepted the nomination and plan to be in attendance at Conclave. Warren also expressed a goal to communicate with and celebrate these alumni more often and in their home towns following Conclave. Director Maddalon suggested recording podcasts with Citation recipients on hot topics to promote their success and SigEp connection.

Chief Executive Officer Warren presented the OGH Nominating Committee Report. The committee was composed of six past recipients who reviewed a record number of nominations.

Board reviewed the OGH Nominating Committee's Report and made its recipient decisions in closed session.

Conclave Tour

Programming and Events Director Nicodemus organized a tour of the property in order to point out where events will occur throughout Conclave.

Secretary Bennet called for a recess at 8:40 p.m. for the tour of Gaylord Opryland Resort.

President Cox called the meeting to order on Saturday, May 16, 2015, at 9:09 a.m.

Director Miller joined meeting via phone. Grand Treasurer Bittman was not in attendance.

Growth

Fraternity Managing Director Irby presented the plan to increase the total number of SigEp chapters started each year while maintaining the current quality of expansion efforts. Irby mentioned the strong university partnership this process produces and the expectation SigEp has set for other fraternities.

Irby went on to explain the variables considered when picking expansion sites, the work that goes into preparing for a successful expansion, and the effort that takes place once a team gets to campus. The model, because of the intense investment in the success of each new chapter, allows for two expansions per year. Irby communicated a goal of doubling that number through the implementation of a new model with a larger team in the 2016-2017 academic year.

Director Jelke moved the Board to approve the staff's proposal to increase the number of new chapter development sites from two to four, while maintaining the current level of staff and resource investment per site, for the 2016-2017 academic year.

Seconded by Director Hicks.

Motion passed by a unanimous 10-0 vote.

Member Diversity

Director McKenna asked about the direction and dialogue of diversity in SigEp's future. He also questioned the level of diversity in SigEp chapters and the Fraternity's leadership.

Warren voiced the need for a deeper understanding of membership through information management efforts and the need to engage higher education experts in race relations and campus diversity in discussions moving forward. He suggested that the education of volunteers is just as important as the education of undergraduate brothers.

Director Jelke, Director Maddalon and Director McKenna spoke on the issue of diversity beyond race and encouraged the staff to also consider looking at culture, gender, physical capabilities, etc. as other points of diversity.

Director Kief noted that as the National Board we can talk about it and put a value on it but that value has to be communicated and honored at the undergraduate chapter level. He noted that some chapters are so diverse, they don't see it as an issue, but with that, they don't value it, necessarily. As mentors, volunteers need to tell them the value of diversity and encourage and acknowledge it.

The Directors asked the staff to engage professionals in this field in order to provide the perspective needed to navigate the discussion successfully. The Directors expressed their hope to have diversity stand as a tenant of SigEp's growth strategy, but also considered a staple of leadership programming and discussion at Carlson Academies, Ruck, and other events. Director Jelke asked the Programs and Events Team to find facilitators of color for leadership events, the Board to move forward with bringing ex-officio members to the Board that are professionals in this realm, and for Marketing and Communication Team to continue with the promotion of brothers of color in SigEp materials.

Wake Forest Sigma Epsilon Chapter (SEC)

Two members of the now dormant Wake Forest SEC, Freddy Daley and Logan McLay petitioned the Board for reconsideration of its previous decision to close the SEC. The two brothers asked the Board to approve a 12 month window for the SEC to revise its membership and meet chartering requirements. They spoke of a small group of men committed to the Balanced Man Program and a different fraternity experience.

Freddie and Logan presented a one-year and three-year plan to sustain a high average GPA, improve their BMP and ensure full implementation, and implement a new recruitment strategy incorporating the Balanced Man Scholarship while continuing to increase standards. They went on to ensure a transparent process and constant communication with the Fraternity and the university.

Managing Director Irby reminded the Directors that this SEC will have a devoted Regional Director that has a smaller amount of chapters and focus. Staff and volunteers will work with the group on their membership review but will delegate the majority of responsibility on to the members. The Director of Greek Life is a leading volunteer and SigEp brother, Steve Hirst, Texas Tech '99.

President Cox called for a closed session at 12:10 p.m.

President Cox called the meeting back to order at 1:05 p.m.

Director Miller motioned the Board to extend the Wake Forest SEC 12 months to meet the chartering criteria with additional conditions in place: two attendees at Ruck, four attendees participating at Conclave, a revised BMP with plan to implement the program, an engaged balanced man steward approved by staff and the district governor, a proficient BMS in place, a strong standards board willing to hold members accountable, and lastly, honest and clear communication with the SigEp staff and university administration.

Seconded by Director McKenna.

Motion passed by a unanimous 10-0 vote.

Secretary Bennet excused himself at 1:10 p.m. to leave for a flight.

Charter Actions

Managing Director Irby delivered updated information regarding several SECs and recommended charter action for each.

Director Hicks moved the Board to charter the Sigma Epsilon Chapter at Emory University as the Georgia Theta Chapter of the Sigma Phi Epsilon Fraternity.

Seconded by Director McKenna.

Motion passed by a unanimous 9-0 vote.

Director Jelke moved the Board to re-charter the Sigma Epsilon Chapter at the University of Kentucky as the Kentucky Alpha Chapter of the Sigma Phi Epsilon Fraternity.

Seconded by Director McKenna.

Motion passed by a unanimous 9-0 vote.

Director McKenna moved the Board to re-charter the Sigma Epsilon Chapter at the University of Rhode Island as the Rhode Island Beta Chapter of the Sigma Phi Epsilon Fraternity.

Seconded by National Director Erik D. Mikkelsen.

Motion passed by a unanimous 9-0 vote.

Director Hicks moved the Board to extend the chartering deadline for the Northern Illinois SEC to December 1, 2015, with completion of the chartering benchmarks reevaluated at the December 2015 National Board meeting.

Seconded by Director Maddalon.

Motion passed by a unanimous 9-0 vote.

Director McKenna moved the Board to extend the chartering deadline for the Massachusetts Institute of Technology SEC to December 1, 2015 with completion of the chartering benchmarks to be reevaluated at the December 2015 National Board meeting.

Seconded by Director Jelke.

Motion passed by a unanimous 9-0 vote.

Managing Director Irby delivered information regarding South Carolina Alpha's current charter suspension and the staff's recommendation to reinstate the charter. The chapter has met and exceeded all benchmarks in recruitment, academics and the BMP. They are a model of what SigEp wants to see in new chapters.

Director Kief moved the Board to end the suspension and reinstate the charter of the South Carolina Alpha Chapter based on their completion of previously agreed upon benchmarks.

Seconded by Director Jelke.

Motion passed by a unanimous 9-0 vote.

Managing Director Irby updated the Board on Eastern Washington University and the University of Iowa's current chartering status and offered additional staff concerns.

Director Jelke moved the Board to suspend the Washington Gamma and Iowa Gamma charters and instructed the staff to conduct a full review of membership and operations following the recruitment and establishment of an Alumni Advisory Council.

Seconded by Director McKenna.

Motion passed by a unanimous 9-0 vote.

Governance

SENH Directors and staff recommend the appointment of Jerry Smith, Texas Austin '79, to SigEp National Housing.

Director Kief moved the Board to appoint Jerry Smith to the SENH Board for a full four-year term.

Seconded by Director McKenna.

Motion passed by a unanimous 9-0 vote.

Adjournment

President Cox adjourned the meeting on Saturday, May 16 at 2:00 p.m.