

**Sigma Phi Epsilon Fraternity
National Board of Directors
Meeting Minutes**

**May 20, 2006
Hyatt Regency St. Louis
One St. Louis Union Station
St. Louis, Missouri**

National Directors in attendance:

Archer L. Yeatts, III, Richmond, 1964	Grand President	2007
Christopher L. Bittman, Colorado, 1985	Grand Treasurer	2007
Joseph M. Baird, Florida Atlantic, 2007	National Director	2007
Brian J. Barclay, Loyola Marymount, 2006	National Director	2007
Phillip A. Cox, Indiana, 1984	National Director	2007
Christopher S. Purdum, Wichita State, 2007	National Director	2007
Stephen B. Shanklin, Murray State, 1970	National Director	2007
Bert J. Harris, III, Florida, 1974	National Director	2009
Jeffrey D. Prouty, Iowa State, 1978	National Director	2009
Richard W. Bennet, III, Central Missouri, 1974	National Director	2011
Garry C. Kief, Southern California, 1970	National Director	2011

Headquarters staff in attendance:

Jason A. Cherish, St. Louis, 2003	Director of Expansion
David J. Graziano, St. John's, 2003	Director of Leadership Development
Christopher M. McCaw, Appalachian State, 2003	Director of Chapter Services
Christopher T. Minnis, Truman State, 2000	Director of Operations
Craig D. Templeton, Kansas, 1981	Executive Director

Guests in attendance:

John W. Hartman, Missouri, 1961	District Governor, Missouri
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I. Call to Order

The meeting was called to order by Grand President Archer L. Yeatts, III, at 8:00 a.m.

The invocation was delivered by Brother Stephen B. Shanklin.

Motion by Bert J. Harris, III: To approve the minutes of the November 5, 2005, meeting as corrected (added notes of the discussion regarding housing for California Omicron at UCLA and typographical corrections).

Seconded by Jeffrey D. Prouty.

Approved on unanimous voice vote.

Grand President's Report

Brother Archie Yeatts reported on his attendance at the North-American Interfraternity Conference (NIC) Annual Meeting April 23-24, 2006, at the University of Maryland. Past Grand President Edward H. Hammond was re-elected to the NIC Board of Directors. Sigma Phi Epsilon was recognized as a leader in the implementation of the new NIC Standards and enforcing academic requirements. Executive Director Craig D. Templeton was recognized for his participation in campus NIC teams introducing and promoting standards on campuses. SigEp was represented by Brian S. Segebrecht, Kansas, 2007, and David C. Wenzel, Cincinnati, 2007, with Brothers Ed Hammond and Craig Templeton on Capitol Hill Tuesday, April 25, 2006, lobbying members of Congress for support of the Collegiate Housing Infrastructure Act, life-safety issues, and the free speech/freedom of association components of the Higher Education Reauthorization Act.

The Board directed Brother Templeton to provide an updated list of sponsors on the Collegiate Housing Infrastructure Act in both the Senate and the House of Representatives.

Brother Yeatts reported progress with staff and legal counsel working with District Governor Stephen L. Young, Kansas, 1980, to modify the standard Trust Agreement the Grand Chapter had prescribed for all Alumni and Volunteer Corporations (AVCs) to protect assets and real estate in situations where chapters are closed. Objections to wording and terms seem to be slowing compliance.

The Board requested staff provide a list of chapters in compliance to date (below).

AVC Compliance with Trust Agreements and Revised AVC Bylaws

Chapter	Trust Agreement	AVC Bylaws	Both IN
AL Epsilon		X	
No. Arizona University SEC	X	X	X
California Riverside SEC	X		
University of Colorado SEC	X	X	X
CT Epsilon	X	X	X
DC Alpha	X	X	X
FL Gamma	X	X	X
GA Epsilon	X	X	X
IA Delta	X	X	X
IL Beta	X	X	X
IL Eta	X	X	X
IL Nu		X	
KY Gamma	X	X	X
MD Beta		X	
MI Alpha	X	X	X
MI Zeta		X	
MO Theta	X		
MS Gamma		X	
ND Alpha		X	
Stevens Institute SEC		X	
NJ Gamma	X		
OH Eta		X	
OH Iota	X	X	X

Chapter	Trust Agreement	AVC Bylaws	Both IN
Oklahoma State SEC	X		
PA Nu	X		
PA Theta	X	X	X
TX Eta	X	X	X
TX Kappa	X		
TX Mu		X	
TX Upsilon	X	X	X
VA Eta	X		
VA Epsilon		X	
VA Kappa	X	X	X
Washington State SEC	X	X	X
WI Beta	X		
WI Theta	X	X	X
WV Epsilon (CLOSED)	X		
Total Received	27	28	18

Brother Yeatts requested a sense from the Board for dispensing with the traditional tour of Conclave venues at the next Board meeting in November, at which the Board would typically allocate time for tours. The Board agreed without objection.

Brother Yeatts requested feedback and input from the Board regarding a letter he proposed to send to Chapter Presidents, with copies to AVC Presidents and Chapter Counselors, admonishing Presidents to review and renew bans of any hazing activities from chapter programming. The Board suggested minor changes to wording and reached consensus for the Grand President to send the letter.

Brother Yeatts proposed changing Brother Templeton's title from Executive Director to Chief Executive Officer and John D. Weir's from Director of Real Estate to Executive Director of the National Housing Corporation. The Board deferred action pending consideration of items later on the agenda, when the Board authorized the title of NHC Managing Director for John Weir.

Grand Treasurer's Report

Grand Treasurer Christopher L. Bittman introduced discussion of a revised investment policy proposed by the Investment Committee that adds "alternative investments" to the possible assets allocation mix as follows:

Asset Class	Minimum	Maximum	Target
Domestic Equities	20%	100%	60%
Intl. Equities	10%	30%	20%
Fixed Income	0%	25%	0%
Alternative Inv.	0%	20%	20%
Cash and Equivalents	0%	25%	0%

Motion by Christopher L. Bittman: That the National Board of Directors endorse the Investment Committee's revised investment policy statement and asset allocations guidelines.

Seconded by Richard W. Bennet, III.

Approved on unanimous voice vote.

Grand Treasurer Chris Bittman reviewed the Fraternity's investments performance for the recently completed quarter, noting a 15.45% return for the fund in the trailing 12 months. He then reviewed and answered questions about the Comparative Statement of Financial Position (balance sheet) and the Comparative Statement of Activity (cash flow) that illustrated sharp increases in travel costs, but projects to end the fiscal year in the black.

Brothers Bittman and Templeton reviewed the FY2007 Financial Plan which included:

- A reduction in the National Housing Corporation Shared Services Fee for overhead operating expenses from 10% to 8%, or a reduction of about \$10,029 for the year.
- A reduction in the Chapter Investment Fund Management Fee from 75 basis points to 50 basis points, or a reduction of about \$36,553 for the year.
- An increase in CLA registration fees for chapters to cover four undergraduate officers and the Chapter Counselor from \$175 to \$225 and individual registrants from \$75 to \$95, to generate an additional estimated \$34,375 to cover increasing hotel food and meeting charges.

Motion by Chris Bittman: To approve the Fiscal Year 2007 Fraternity Financial Plan.

Seconded by Phillip A. Cox.

Approved on unanimous voice vote.

Motion by Chris Bittman: To increase the chapter registration fee for Carlson Leadership Academies from \$175 per chapter to \$225 per chapter and increase individual registration fees to \$95 per person for additional registrants.

Seconded by Rick Bennet.

Approved on unanimous voice vote.

In general discussion, Brother Bennet suggested a review of the efficiency of the Financial Plan. Brother Templeton suggested working with Board members to explore an operational audit or review to report back to the Board at its next meeting.

Executive Director's Report

Brothers Craig Templeton and Christopher T. Minnis reviewed the Fraternity's progress toward the strategic plan deadlines of 2011 and Headquarters staffing for the coming academic year. Board members directed staff to find ways to publicize all chapter grades to create greater competition to improve academic standings of chapters. The Board observed that the list of the bottom 12 chapter grades did not correspond completely with a list provided later on the agenda that would put chapters on notice to be closed for grades below the 2.5 standard. Brother McCaw pointed out that the bottom 12 list had been pulled at a different time with an earlier grade reporting period. The differences were:

- California Sigma at California State University at Northridge was listed in the bottom 12 with a 2.47, GPA, but not proposed for possible closure as it was being proposed elsewhere for suspension while local volunteers re-organize the chapter.
- West Virginia Delta at Davis & Elkins College was in the bottom 12 with a 2.39, but is not proposed for notice to be closed as the continued operation of the chapter is part of an earlier real estate agreement with the College and chapter alumni who have taken the lead to intervene with the chapter's academic programming. (Davis & Elkins College purchased our lodge in 1999 with contractual obligations to continue operation and provide scholarships for SigEps on that campus.)

- North Carolina Pi at Western Carolina University had been in the bottom 12, but wasn't proposed for notice to be closed as it since redeemed itself with a 2.75 Fall, 2005, grade report.
- Ohio Pi at Wright State University had been in the bottom 12, but had not yet reported grades for the Fall, 2005, period considered for notices to be closed.
- New York Eta at Buffalo State College was proposed for notice to be closed for continued failure to report grades for consecutive periods. The bottom 12 query didn't pick up the chapter apparently because of the blank grade report.

The Board requested full lists in the future with any exceptions noted for the Board's consideration and directed staff to identify ways to publicize all chapters' grades and rankings.

Director of Expansion Jason A. Cherish reviewed the list of prospective campuses and schedules for staffing and opening chapters, including revised lists of targeted campuses. Concern was expressed over the commitment to have 285 chapters by 2011. The past five years indicate closing an average of 6.6 chapters per year and leaving us with 252 chapters at the close of the current year. In order to reach 285 in five years, closing just five chapters per year would require opening 12 chapters per year, or 58 total, to reach 285.

Motion by Rick Bennet: To maintain at least the same number of total chapters for the coming year and direct staff to return to the November, 2006, meeting of the National Board of Directors with a proposal for long-term growth targets for the Fraternity.

Seconded by Bert Harris.

Passed by unanimous voice vote.

Christopher M. McCaw reviewed staff reports and recommendations for the following charter actions:

Continue Alumni Advisory Council jurisdiction:

Pennsylvania State University (Pennsylvania Eta)
 Baldwin-Wallace College (Ohio Zeta)
 Purdue University (Indiana Alpha)

Remove from notice to be closed for academic performance below standard:

Jacksonville State University (Alabama Theta)
 University of Alaska-Fairbanks (Alaska Alpha)
 Barton College (North Carolina Iota)
 University of Texas at San Antonio (Texas Sigma)
 Middle Tennessee State University (Tennessee Theta)
 East Tennessee State University (Tennessee Gamma)
 Northern Illinois University (Illinois Epsilon)

Remove from notice to be closed for manpower level below standard:

Auburn University at Montgomery (Alabama Epsilon)
 Tri-State University (Indiana Theta)
 Northeastern University (Massachusetts Eta)
 Ferris State University (Michigan Zeta)
 Seton Hall University (New Jersey Gamma)
 Ohio University (Ohio Xi)

Sam Houston State University (Texas Eta)
 University of Texas at Arlington (Texas Kappa)
 St John's University (New York Rho)
 George Mason University (Virginia Mu)

Place on notice to be closed for academic performance below standard:

Ferris State University (Michigan Zeta)
 University of Mississippi (Mississippi Alpha)
 Southern Illinois University at Edwardsville (Illinois Eta)
 Texas A&M University at Corpus Christi (Texas Chi)
 Sam Houston State University (Texas Eta)
 California State University at San Bernardino (California Upsilon)

Remain on notice to be closed with six months to meet academic standard:

University of Southern Mississippi (Mississippi Gamma)
 University of Montana (Montana Alpha)
 Buffalo State College (New York Eta)

Place on notice to be closed for manpower below standard:

University of Maine (Maine Alpha)
 SUNY-Buffalo (New York Epsilon)
 Columbia University (New York Phi)
 McDaniel College (Maryland Delta)
 Samford University (Alabama Gamma)
 Henderson State University (Arkansas Beta)
 University of Louisville (Kentucky Beta)
 University of Missouri at Kansas City (Missouri Kappa)
 California State University at San Bernardino (California Upsilon)
 LaSalle University (Pennsylvania Omega)

Remain on notice to be closed with six months to meet manpower standard:

University of California at Davis (California Eta)
 Western Carolina University (North Carolina Pi)
 University of Detroit (Michigan Delta)
 University of Texas at San Antonio (Texas Sigma)
 Rensselaer Polytechnic Institute (New York Delta)
 Buffalo State College (New York Eta)
 Bowling Green State University (Ohio Kappa)
 West Chester State University (Pennsylvania Tau)
 University of Rochester (New York Xi)
 Old Dominion University (Virginia Xi)

Charter suspensions:

University of Alabama (Alabama Alpha)
 California State University at Northridge (California Sigma)

Charter withdrawal:

Plymouth State University (New Hampshire Delta)
 West Virginia University (West Virginia Beta)
 Jacksonville University (Florida Theta)
 Indiana University-Purdue at Fort Wayne (Indiana Kappa)

Angelo State University (Texas Omicron) had been earlier recommended for charter withdrawal, but staff withdrew this recommendation on the wishes of local alumni volunteers who committed to work with the chapter to restore its strength and reputation.

Grand President Archie Yeatts called for adoption of the above recommendations by unanimous consent. Passed with unanimous voice vote.

Headquarters Facility Study Group

Brother Rick Bennet, Chairman of the Headquarters Facility Study Group named by Grand President Yeatts following the November, 2005, meeting, delivered a report of the Study Group, seeking Board consensus on the function and location of the Fraternity's Headquarters. The Board consented to priority being efficient office work space with "monument" or pride value to members with limited retreat or "conference center" capacity.

Motion by Brother Bert Harris: That the national Headquarters remain in Richmond, Virginia, and directing the Study Group to provide comparative data and costs for adapting the current facility at 310 South Boulevard versus consideration for building a suitable new facility at a different Richmond site. Seconded by Brother Steve Shanklin. Passed by unanimous voice vote.

National Housing Corporation Report

National Housing Corporation President Bert J. Harris, III, reviewed financial reports of the NHC and advised the Board of the possible sale of the West Virginia University (West Virginia Beta) chapter house with the closure of the chapter. The house had been heavily damaged by fire and restoration should be completed in the coming fall, but the NHC has been yet unsuccessful in securing university or other leases for the restored property. Brother Harris suggested the option of re-expanding immediately to the campus to restore a chapter to occupy the facility, but staff advised that student demographics and university administrators did not favor a successful immediate return to campus and that such a new chapter would not be expected to have manpower or operations suitable to fill the house for at least a year.

By general consensus, the Board encouraged continued negotiation of possible tenancies or arrangements that would provide keeping the property if possible, but otherwise selling if no such options are presented.

Brother Harris also reported a projected continued operating loss of up to \$125,000 for the coming year at Western Michigan University (Michigan Beta), as the NHC has taken over ownership and management of the chapter house facility while the chapter has been undergoing re-organization under the direction of an Alumni Advisory Council. Brother Templeton volunteered to provide the Board with a complete report of the chapter's situation and plans with financial pro forma illustrating options for maintaining ownership or resorting to sale of the property.

Committee Reports

The Marketing Communications Committee provided a written report of its work and progress, containing a proposed theme for the 50th Grand Chapter Conclave in Atlanta in 2007 capitalizing on the “Georgia On My Mind” lyrics of popular song:

“SigEp on My Mind
Friends, Fun, Future.
A Real Family”

There was extensive discussion over whether to use just the “SigEp on My Mind” line, or the entire verbiage.

Motion by Garry C. Kief: To endorse the Marketing Communication Committee’s report and the Conclave theme of only “SigEp on My Mind.”.

Seconded by Jeff Prouty.

Passed on voice vote.

Brother Phil Cox, Chairman of the Board’s Special Committee on Volunteers, delivered a PowerPoint presentation of his committee’s work to-date, culminating in a five-point proposal to:

- Establish an on-site AVC training program
- Pursue on-line training programs
- Provide a comprehensive update of the membership database
- Fund increased Headquarters staffing/training programs
- Increase volunteer recognition and rewards

Motion by Phil Cox: That the Fraternity adopt the Committee on Volunteers’ five-point proposal and direct the Executive Director to propose a staffing and execution plan to the Board within 30 days.

Seconded by Jeff Prouty.

Passed by voice vote.

Brother Rick Bennet provided the report of the National Leadership Committee and its efforts to identify methods of delivering leadership training to greater numbers of undergraduates and to develop management skills in undergraduate members, particularly in the area of chapter-level programming.

Brother Steve Shanklin reported on the work of the Member Development Committee. Brother Shanklin described conflicting efforts between the Member Development Committee and the National Leadership Committee that had not been adequately coordinated by staff. The NLC had not been aware of MDC’s charge to provide support to both pledging and Balanced Man Program chapters.

It was agreed by the Board that the National Leadership Committee should tend to delivery of programs in the Leadership Continuum and that the Member Development Committee take the lead on chapter-level program delivery.

Motion by Rick Bennet: That the areas of effort be fully coordinated between the NLC and MDC, to be owned by MDC with input from NLC members Brothers Franklin Robeson and Bennet.

Seconded by Chris Bittman.

Passed on voice vote.

Motion by Garry Kief: Endorsing the MDC's concept of proceeding with the proficiency measurement evaluation for all chapters.

Seconded by Rick Bennet.

Passed on voice vote.

Next Meeting

Motion by Bert Harris: To move the November, 2006, meeting of the National Board of Directors to Richmond, Virginia, to coincide with a Founders Day celebration on November 3, 2006, with the Board's regular meeting to follow on Saturday, November 4, 2006.

Seconded by Phil Cox.

Passed on voice vote.

The Board continued in Executive Session to discuss personnel and legal matters.

The Grand President adjourned the meeting at 10:15 p.m.