

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

**Los Angeles, California
May 29-30, 2009**

National Directors in attendance:

Stephen B. Shanklin, Murray State, 1970	Grand President	2009
Steven R. Dorsey, American, 2009	National Director	2009
Jace A. Thompson, Texas Christian, 2008	National Director	2009
Bert J. Harris, III, Florida, 1974	National Director	2009
Michael J. Schlotterbeck, Wichita State, 2007	National Director	2009
Archer L. Yeatts, III, Richmond, 1964	National Director	2009
Garry C. Kief, Southern California, 1970	National Director	2011
Phillip A. Cox, Indiana, 1984	National Director	2013

National Directors not in attendance (attending by phone):

Christopher L. Bittman, Colorado, 1985	Grand Treasurer	2009
Jeffrey D. Prouty, Iowa State, 1978	National Director	2009
Richard W. Bennet, III, Central Missouri, 1974	National Director	2011

Headquarters staff in attendance:

Julie Ross	Controller
Douglas D. Scheibe, Kansas State, 1987	Executive Director
Travis J. Swanson, Kansas State, 2006	Director of Leadership Programs
Brian C. Warren, Virginia, 2004	Director of Operations
John D. Weir, Purdue, 2001	Director, Sig Ep National Housing, LLC

Guests in attendance:

Thomas B. Jelke, Florida International, 1990	Chair, Strategic Planning Steering Committee
Randy Benthien	Strategic Planning Consultant
Kenneth S. Maddox, Oregon State, 1975	Trustee, Sig Ep National Housing, LLC
William G. Tragos, Washington University, 1956	Trustee, Educational Foundation; Past Grand President
David Calderon, Cal-Poly Pomona, 1988	District Governor, Southern California
Zariel J. Toolan, Columbia, 2001 (Phone)	Development Committee

Friday, May 29, 2009

Call to Order

The meeting was called to order by Grand President Stephen B. Shanklin at 12:15 p.m. Pacific Daylight Time in a conference room at the Ritz-Carlton, Marina Del Rey, California.

The Invocation was given by National Director Bert J. Harris, III.

Operations Report

Director of Operations Brian C. Warren led the operations report, starting with manpower numbers which are projected to be flat this year. Retention tracking and manpower reporting (Periodic Membership Report) were discussed with the Board agreeing that the Member Development Committee should bring forth ideas they are working on to record member information such as retention percentage and chapter and campus accomplishments, as well as to appropriately survey the chapters for membership numbers that can be used as a basis for billing. Brother Kief suggested that local Alumni and Volunteer Corporations should be involved to improve accuracy and to provide awareness of the membership that may be related to insurance reporting.

Brother Warren reported on recommendations for Board action, starting on page 53 of the Board book. The group discussed the process of notifying chapters about charter-related situations and actions. It was agreed that notification should be sent to all alumni and should include specific criteria and expectations. Questions and comments were made regarding the following specific situations. The Vanderbilt University Sigma Epsilon Chapter has ended operations with an agreement between Sigma Phi Epsilon and university officials. The Directors questioned whether the manpower number at the Virginia Commonwealth University Sigma Epsilon Chapter is reasonable; Brother Warren said it was. The Randolph-Macon College Sigma Epsilon Chapter continues to fall well below expectations for manpower and grade point average; consensus was reached that they should be notified that they need to improve operations to be chartered in the Spring of 2010 or cease operations. The Montana State University, University of Rhode Island, and Utah State University Sigma Epsilon Chapters were also discussed.

The group discussed whether the Board could take action on the full slate or whether individual actions must be taken. The Board decided that it could take blanket action where there were extenuating circumstances, and that individual action should be taken on outstanding issues/chapters.

National Director Garry C. Kief moved, National Director Bert J. Harris, III, seconded, and the motion was unanimously passed to approve staff recommendations for chapters on notice, except for the West Virginia Delta Chapter at Davis and Elkins University and the Virginia Lambda Chapter at Longwood University.

Discussion ensued about the West Virginia Delta Chapter at Davis and Elkins. The Board directed the staff to inform the chapter that if it was not for the intervention and ongoing efforts of Brother Eugene C. Schurg, Jr., the chapter would be put on notice.

Discussion ensued about the Virginia Lambda Chapter at Longwood University. Consensus was reached that the chapter must pay its existing \$4,000 debt to Headquarters and the volunteers must help the chapter implement the Balanced Man Program.

National Director Archer L. Yeatts, III, moved, National Director Phillip A. Cox seconded, and it was approved with one abstaining vote that the West Virginia Delta Chapter at Davis and Elkins University not be put on notice but that it receive a letter describing the desired improvements and noting the contribution of Brother Schurg.

National Director Yeatts moved, National Director Schlotterbeck seconded, and it was unanimously approved that the Virginia Lambda Chapter at Longwood University be but on suspension until its debt is paid and that its operations are sufficient as recommended by staff.

The Board asked the staff to make recommendations at a future board meeting regarding chapters with long-term debt and guidelines for dealing with these situations in the future.

Brother Warren reviewed the list of chapters that have been on the notice to be closed list for an extended period of time. Discussion focused on Mississippi Alpha at the University of Mississippi. It was agreed that the debt guarantee complicates the decision, and Brother Harris committed Sig Ep National Housing resources to resolve the situation in the coming year. Sig Ep National Housing will then work with staff to deliver an appropriate message for the staff to deliver to Mississippi Alpha after review by the National Board of Directors.

National Director Yeatts moved, National Director Harris seconded, and it was approved that a motion on Mississippi Alpha be tabled until the report from Sig Ep National Housing and staff.

Grand President Shanklin noted that future charter actions should include applicable Bylaws, policies and procedures and Grand Chapter legislation.

The board discussed the need for a Bylaw resolution that would allow for and define the discretion of the Board regarding manpower requirements and charter actions.

National Director Steven R. Dorsey moved, National Director Harris seconded, and it was approved with one abstaining vote that the chapters on long-term notice be suspended as recommended.

Brother Warren reviewed the list of chapters on notice for lack of attendance at mandatory programs.

Brother Cox moved and Brother Yeatts seconded, and it was unanimously approved that the Virginia Eta, University of Virginia, charter will be suspended unless it sends a delegate and alternate to Conclave.

The Directors discussed the potential need for legislation that would automatically suspend chapters that do not attend required functions, modeled after the Bylaw dealing with individual debt to chapters (30/60 Bylaw).

National Director Yeatts moved, National Director Dorsey seconded, and it was unanimously approved to put the South Carolina Zeta Chapter at the College of Charleston on notice for lack of attendance at required functions.

National Director Yeatts moved, National Director Harris seconded, and it was unanimously approved to put the Maryland Zeta Chapter at Salisbury University on notice for lack of attendance at required functions.

Brother Warren reviewed the list of chapters to remain on Alumni Advisory Council status.

At 3:30 p.m. PDT, National Director Kief moved, National Director Harris seconded, and it was unanimously approved that all chapters on AAC status remain on AAC status.

The Directors noted the need to have Conclave resolutions collected and presented as addendums to policy and procedures.

Brother Warren reviewed the recommendations for charter withdrawal.

National Director Harris moved, National Director Schlotterbeck seconded, and it was unanimously approved to withdraw the charter of the New York Epsilon Chapter at SUNY-Buffalo.

The Directors noted the need to have a time line associated with charter actions leading to a charter withdrawal recommendation.

Grand President Shanklin moved, National Director Dorsey seconded, and it was unanimously approved to withdraw the charter of the Alabama Gamma Chapter at Samford University.

National Director Dorsey moved, National Director Kief seconded, and it was unanimously approved to withdraw the charter of the Arizona Gamma Chapter at Northern Arizona University.

Brother Warren noted that action on the Kentucky Alpha Chapter at the University of Kentucky would come after further discussion with university administrators.

Insurance

Brother Warren reviewed the insurance program and loss experience as prepared by Director of Risk Management Kathy Johnston. The Directors were pleased with the report, but noted that, until the loss experience is sustained at zero, efforts must continue to be made in the area of risk management. National Director Yeatts expressed the desire to pass premium savings on to chapters, if appropriate, after funding educational programs.

Strategic Planning

The Board discussed the Strategic Plan and the expectations for the coming discussion with invited guests. Brothers Kenneth S. Maddox, William G. Tragos and David R. Calderon joined the Board to discuss the final draft of the Strategic Plan. Brother Zariel J. Toolan from the Member Development Committee joined the discussion by phone. A 90-minute discussion took place, reviewing the proposed vision, mission, and strategies that had been codified by the Board based on a year of interaction with a wide variety of members.

The Board and guests adjourned for dinner at 6:00 p.m.

After dinner, the Board moved into Executive Session at 8:30 p.m. to discuss governance matters based on an internal proposal from National Directors Jeffrey D. Prouty and Richard W. Bennet, III. The Board adjourned at 10:15 p.m.

Saturday, May 30, 2009

Strategic Planning

The Board reconvened with the meeting called to order by Grand President Shanklin at 8:25 a.m. Led by Brother Thomas B. Jelke and Randy Benthien, the Board reviewed Friday's discussion on strategic planning and the final draft of the proposal. Brother Harris stated that it was his understanding that the plan did not provide for charter removal to compel pledge model chapters to convert to Balanced Man Chapters. No one objected to that interpretation. Amendments were proposed and discussed. The final version of the plan was approved at 9:55 a.m.

Budget

Executive Director Douglas D. Scheibe reviewed a proposed budget for 2009-2010. The Board asked Brother Scheibe to report back after reconsidering these major points: a deeper negative effect on revenues due to the economy, potential savings due to renegotiation of insurance premiums, the use of savings to supplement programming, cuts in management and general expenses.

The Board moved into Executive Session at 11:10 a.m. for further discussion of budget items with Brother Scheibe. Discussion lasted until 12:15 p.m. at which time there was a break for lunch.

Sig Ep National Housing, LLC

John D. Weir and National Director Harris reviewed matters pertaining to the name change of the National Housing Corporation to Sig Ep National Housing, LLC (SENH).

At 1:43 p.m., there was a motion to adopt the resolution on page 199 of the Board book to change the name of the National Housing Corporation to Sig Ep National Housing, LLC. The motion was seconded by National Director Schlotterbeck and unanimously approved by the Board. National Director Yeatts then moved that the Grand President be authorized to sign the transfer papers on behalf of Sigma Phi Epsilon. National Director Jace A. Thompson seconded the motion, which was unanimously approved.

Incoming Sig Ep National Housing Managing Director Christopher M. McCaw gave an operations report, discussing numerous items, including that an operations manual was being updated to drive consistency moving forward after the departure of Brother Weir. Notices about the corporation changes in structure and personnel are being sent to customers and other interested parties. Notices are also being sent regarding the rates.

There was discussion about the Montana Alpha Chapter at the University of Montana and the consideration given to selling the property in order to find a more suitable home for the long term. In the meantime, the Fraternity is committing resources to support chapter recruitment.

The housing situation at South Carolina Alpha, University of South Carolina, was discussed due to consideration of leasing the property because the chapter could not adequately fill the house, and other maintenance and repair items were not adequately controlled by the AVC and chapter. The SENH and Fraternity's staff will update the Board as appropriate about housing and chapter operations progress.

There was consideration of additional items relating to the housing corporation name change. National Director Harris moved, National Director Yeatts seconded, and it was unanimously approved to execute a replacement guarantee for the SENH loan.

SENH guarantees were discussed. Many have been moved to the BB&T pool. Managing the guarantees is profitable, and each guarantee is no greater than the exposure.

There was discussion about the working relationship with alumni corporations relating to SENH loans and other major housing campaigns. National Director Harris, National Director Cox seconded, and it was unanimously approved to ratify the SENH resolution as presented on Indiana Beta.

The Board acknowledged the long-term contribution of outgoing Managing Director John Weir and thanked him for his service to Sigma Phi Epsilon. Upon motion of National Director Harris, duly seconded, the Board unanimously voted to appoint John D. Weir to the SENH Board.

Conclave

Director of Leadership Programs Travis D. Swanson reported on the schedule, budget, and major session highlights for Conclave. The Board was assured that there would be registration options for alumni seeking limited attendance. Brother Swanson assured the Board that lagging registration numbers would be on par by mid-summer. Brothers Swanson and Scheibe recommended some structural and financial changes that could potentially increase attendance, especially alumni/volunteers, and cover basic costs to avoid a budget deficit which is currently inherent due chapter dues being charged insufficiently.

The Board requested that legislation proposed in advance of the Conclave be distributed to the entire Board for consideration as soon as possible. The Board also recommended that Grand President Shanklin eliminate the Futures Committee if there was not fitting legislation to be considered.

Committee and Other Operations Reports

Volunteers Committee — National Director Cox put the committee report on the web site for access by AVC officers and District Governors. There was discussion about the process for AVCs and general volunteers and alumni to request address directories, resulting in the Board recommending that the “blue ribbon” list be made available to District Governors and AVC officers. There was discussion about potentially collecting member Social Security numbers, but there was no policy or practice set.

New Chapter Development — The report of the committee was reviewed without no action requested of or made by the Board.

National Leadership Committee — The report was reviewed. There was discussion and agreement that all programs need defined outcomes, which will drive governance relationships and curriculum adjustments, if/as necessary.

Communications — The Board discussed the need to develop an overall communications strategy, which would include the Journal. The Board discussed its Bylaw responsibility to direct content of the Journal and, by association, other communications. The Journal and the Journal Fund were discussed, especially a spending policy that needed adjustment given economic conditions. National Director Schlotterbeck moved to suspend Journal production through the end of 2009 with a window to open on October 1, 2009, to reconsider the overall financial circumstances and Journal budget moving forward. The motion was seconded by National Director Yeatts and unanimously approved.

Adjournment

National Director Kief was thanked by the Board for arranging and hosting the meeting.

National Director Schlotterbeck moved, National Director Kief seconded, and it was unanimously approved to accept the motion to adjourn at 6:48 p.m.