

ASSOCIATION OF GRADUATES

UNITED STATES AIR FORCE ACADEMY



16 December 2011

FROM: BRIAN BINN, VICE CHAIR, BOARD OF DIRECTORS, ASSOCIATION OF GRADUATES, UNITED STATES AIR FORCE ACADEMY, ON BEHALF OF THE BOARD OF DIRECTORS

TO: THE CLASS ADVISORY SENATE, THROUGH DICK SEXTON, PRESIDENT

SUBJECT: Moving Forward, 2011-2013

1. I want to thank the Class Advisory Senate (CAS) for their continuing support of the Association of Graduates (AOG), the Academy, and the graduate community. Over the years, the CAS has provided exceptional recommendations to the Board and has been invaluable in helping us gauge the graduate community as a whole on issues. Most recently, the successful effort to revise the by-laws. Dick Sexton's participation, as a representative of the CAS, on the By-laws Task Force was invaluable.

2. I appreciate your thoughtful comments and recommendations that were provided to the Board in "Moving Forward, 2011-2013" and wanted to provide some specific feedback on your recommendations in the Executive Summary and other comments. This will be done by section, while not reiterating the statement made in your document.

- GOVERNANCE:

-- A. The Carver Governance model we operate under is not the easiest to understand but is working well for the Board and its relationship with the AOG leadership/staff. Our Board Chair, Mr Terry Storm, is a recognized expert on the Carver model and provides training to other Boards on the subject. Whenever new members come onto the Board, we have a special session to bring them up to speed and also provide materials on the Carver governance model, as well as a clear understanding of our by-laws and expectations of board members.

-- B. Having a board meeting outside of our region, as well as Exploring IT systems (such as "Go to Meeting"), to broaden the opportunity for graduates to observe Board meetings, has been included in our board strategic plan and will be pursued in coordination with the AOG staff. At this time, based on current financial and logistical considerations, it is not envisioned to have a board meeting in another area of the country. Board meetings do not attract many graduate observers – they are not that exciting. At our current board meetings, we maybe get two graduates, sometimes none – and we are in an area that is number two in numbers of graduates. We are seriously considering other outreach events in other locations that would bring graduates out and have the opportunity to interact with board members in an informal environment, coupled with a "State of the AOG" presentation from the President/CEO and Board Chair.

-- C. The Board and AOG negotiating team have recently concluded successful negotiations with the USAFA Endowment (UE) on the next 2 year MOU, which will ensure cooperation and coordination in the friendraising and fundraising responsibilities and will further both organizations' efforts in accomplishing their goals in support of the graduate community and the Academy. The completed MOU will be made available to the CAS. Discussions are also ongoing, with leadership from the Academy, to further synchronize the efforts of the other fundraising organizations – including the new Athletic Department 501(c)(3). There have been very preliminary discussions on a joint President/CEO – similar to the USNA model. This may be in our future, but emphasis now with the MOU is fully defining roles reference friendraising (AOG) and fundraising (UE).

-- D. The AOG has developed a significant Strategic Plan (I've asked that it be briefed to the CAS at an upcoming meeting) that specifically addresses Friendraising, Outreach, and Financial Viability (AOG Operations Strategic Plan 2015 – 15 January 2011). It was developed based on the Board established "Ends" (Carver governance model) as provided to the AOG and grouped into Strategic Focus Areas: Member Engagement, Communications, Academy and Cadet Connections, External Outreach, and Financial Sustainment. Each of the sections has a detailed explanation of goals and objectives, as well as metrics to gauge their success. We think you would be pleased with the work done by the staff in developing their Strategic Plan. We encourage you to review it and provide any feedback from the CAS to the Board. The AOG Operations Strategic Plan can be found on the Association's website.

It should be remembered that as a Board we do have a fiduciary responsibility for the effective and sound management of the funds and budgets of the AOG. Our Finance and Audit Committees are totally engaged and budgets are reviewed at every Board meeting. Investment policies and budget policies have been established by the Board to ensure a healthy and sustainable organization. One example – the Board has established a management reserve held in short-term financial instruments so that the AOG is not overly exposed to market fluctuations. MOU discussions with the UE also include a financial piece since they have all fundraising responsibilities, and must then also support the operational aspects of the AOG in support of graduates as appropriate.

The Board has also developed a draft strategic plan - for the Board. It covers committees of Governance, Finance, Audit, and Heritage, and has a section on "Strategic Work of the Board". It is in this section that we have included many of your recommendations, in line with our governance model. Per the governance model we operate under, it is the sole responsibility of the AOG to develop and execute their operational strategic plan. Our Board Strategic Plan (currently in draft) is, by design, Board specific. That does not relieve the Board of its responsibilities to insure, through appropriate feedback, that the AOG Strategic Plan is in line with the Ends established by the Board. "Ends" are part of the Carver governance model, and for your information, here are the Ends:

The AOG is the primary support organization for the Academy and its graduates, existing to promote continued and increasing interest in, support of and dedication to the mission, ideals, objectives, activities and heritage of the Academy.

- Graduates, cadets and friends are connected to the Academy and each other.

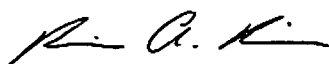
- The Academy and its cadets receive enthusiastic strong support.
- Graduates have loyalty to and camaraderie with each other.
- The heritage and traditions of the Academy and accomplishments of its graduates are promoted to increase awareness within the graduate community and the nation.
- The Academy community values and respects the AOG and its members.

3. I encourage you to continue to critically evaluate your Board and AOG and provide your input/recommendations on issues that may come from your classmates or on other issues when we as a Board ask for your opinions and recommendations. In addition, I offer the following suggestions:

- All Senators are invited to join us at one of our quarterly meetings. Attend at least one Board meeting in order to get a better feel for how the Board operates.
- After each Board election, the Board does a training session for new members. Senators are welcome to attend, to learn about governance, policy, and background on current issues.
- The Board has committees that look for interested grads. Many have come from the Senate. We invite all Senators to volunteer.
- Three Board members came from the Senate. Senators are invited to run for BOD office and/or appointment. Contact the Nomination Committee.

4. The CAS has allowed us to stay better connected to the graduates. I am very appreciative of the leadership role that Dick Sexton has filled on the CAS and as a part of our Board – he has done exceptional work representing the CAS.

Sincerely, On behalf of the Board,



Brian Binn, Vice Chair, Board of Directors

Chair, Governance Committee

Association of Graduates, United States Air Force Academy