



BOARD OF DIRECTORS MEETING

18 October 2024 Meeting Minutes

APPROVED

Board Members Present: Brian Bishop '83, Chair; Cathy Almand '90, Vice Chair; Ginny Caine Tonneson '80, Secretary; Glenn Strebe '87, Treasurer; Hank Hoffman '63; Hans Mueh '66; Garry Dudley '68; Bob Lowe '71; Lee Krauth '72; William Carpenter '73; Randy Helms '79, President, Class Advisory Senate; Christian Evans '08; Nathan Dial '10; Joseph Bledsoe III '11; Jennifer Walters '11.

Member Present via Videoconference: Emma Przybyslawski '10.

Advisor to the Board: Mike Gould '76, Executive Vice Chair.

AOG Staff Present: Mark Hille '97, AOG/AFAF President/CEO; Katie Willemarck, AOG/AFAF CFO; Naviere Walkewicz '99, SVP, Alumni Relations and Business Development; Kelly Banet, SVP Development; Jillian Wood, Chief of Staff and Special Assistant to the Boards; Wyatt Hornsby, AOG/AFAF SVP of Marketing and Communications; Emma Ross, Board Support/Office Manager; Eli Alvarado, IT Support Specialist.

Guests Present: Lt Gen Tony Bauernfeind '91, Superintendent; Lt Col Andrew Radzicki, CAG Director, CMSgt John Alsuig, Command Chief; Lucky Ekman '63; Ron Olds '69; Ski Wagasky '72; Rod Bishop '74; John Cinnamon '91.

I. Call to Order/Chairman's Welcome

Chair Bishop called the meeting to order at 8:00 a.m. MDT on Friday, 18 October 2024.

II. Consent Agenda

The consent agenda included the 26 July 2024 Meeting Minutes (Attachment 1); CEO Monitoring Reports - 2.8 Compensation and Benefits, 2.10 Programs/Events/Services, and 2.11 Official Opinions or Recommendations (Attachment 2); and Q3 Financials (Attachment 3).

MOTION: Director Tonneson moved and Director Bledsoe seconded to approve the consent agenda. The motion was unanimously approved.

III. Agenda Approval

MOTION: Director Tonneson moved and Director Bledsoe seconded to approve the agenda. The motion was unanimously approved. The approved agenda is in Attachment 4.

IV. Staff Update (Attachment 5)

a. CEO Report

CEO Hille reported on the strong relationship with the Superintendent and Vice Superintendent, noting that he meets with them regularly, often weekly. The AOG continues to offer support, including with communications to graduates, parents, and friends. The Superintendent has clear priorities and is open to dialogue with Chair Bishop. CEO Hille then provided an update on the strategic plan using a stoplight chart to highlight key areas of engagement, philanthropy, stewardship, communications, and workplace excellence. All areas were green with the exception of the following areas:

- Reunion program (yellow): While the AOG has hosted 11 reunions this year, there are increasing capacity constraints at the Academy, so one of the focus areas in 2025 will be to have more effective planning for reunions with clear expectations.
- Satellite location (yellow): The AOG is moving closer to having a satellite location in the Cadet Area, potentially in Fairchild Hall. This will increase visibility of the AOG among cadets.
- Stewardship metrics (yellow): Better stewardship metrics are needed to ensure donors are recognized appropriately.
- Staff retention (yellow): Turnover has been uncomfortably high, but the trend this quarter is more positive. The AOG has put in staff retention efforts via the culture, pay, and benefits. They continue to break down stovepipes via cross-functional collaboration.
- Graduate participation in philanthropic efforts (red): The number of annual donors has fallen consistently since 2018, to approximately 10% of our graduate community. There are fewer donors, but they are donating more money. West Point and Annapolis are experiencing the same trend, but we have a lower participation rate to begin with. A focus area in 2025 will be on reversing this trend, especially with younger classes.

Executive Vice Chair Gould commented that the graduate survey has informed everything about the strategic plan. We have made tremendous progress in bringing the AOG and AFA Foundation together.

SVP Walkewicz highlighted the progress of alumni relations. The AOG now has a graduate membership rate of 71.19%. Graduates want to help, connect, and make a difference. There are currently 7,400 graduates on the graduate portal. The class presidents of 2024-26 are working to make this the class portal after graduation. She highlighted the work Directors Dial and Evans have done in relation to alumni relations and the fact that there are six events scheduled in 2025.

b. Brand Update

SVP Hornsby provided an update on the joint branding initiative for the AOG and AFA Foundation. They collaborated with a Milwaukee firm and conducted surveys with 200 graduate influencers to gauge reactions to three logo concepts. Key findings included that 72.2% felt the strategic priorities supported the needs of graduates and members, while 55% were enthusiastic about the brand message. The prop and wings logo were the clear favorite among participants, with 83.1% selecting it as their top choice.

The logo is intended to reflect the unifying vision of both organizations without competing with the Air Force logo. They will refine the design to avoid confusion with Army branding. There also will be organization-specific logos to use as needed. The development phase is nearly complete, with a full launch planned for spring, coinciding with a new website. Discussions included considerations for different branding strategies for younger alumni and the importance of maintaining a strong connection to the Academy. Overall, there was broad support for moving forward with the proposed branding, as they prepare for the implementation phase.

V. Committee Updates (also in Attachment 5)

a. Finance and Investment Committee

SVP Banet discussed plans to increase corporate sponsorship by 15% in the 2025 budget and noted that they had recently hired a Director of Corporate Sponsorship. The goal is to professionalize sponsorship efforts, targeting sectors such as airlines and beverages. An audit of current sponsorships is underway to improve access and build a stronger case for potential sponsors. The conversation touched on the differences between corporate sponsorships and donations, with insights on the types of sponsors they are seeking and the potential for collaboration with other USAFA organizations.

Committee Chair Strebe commented on the growing collaboration between the AOG and AFA Foundation. CFO Willemarck then outlined the 2025 budget, which anticipates modest revenue growth of 7%. Sponsorship changes are expected to drive further growth in 2026. There is a 4% expense growth driven by personnel costs and travel for engagement, but this will be offset by a detailed scrutiny of events. There will be an increased focus on our lines of business driven by the new EVP position. The proposed budget includes a total revenue of \$3.92 million (down from \$4.12 million in 2024) and total operating expenses of \$6.98 million (up from \$6.78 million in 2024). The subsidy from the AFA Foundation is expected to be \$350,000 in 2025.

MOTION: The Finance and Investment Committee moved to approve the 2025 budget. The motion was unanimously approved.

b. Governance Committee

Committee Chair Almand noted that we will review Governance Policy Chapter 4 and the calendar/schedule for the next meeting. She then talked about what, if any, action the Board should take regarding the Unity petition submitted for a Bylaws and Articles of Incorporation change on the ballot. Bylaws Article XII, Section 2 allows members to propose amendments by obtaining the signatures of members representing at least five percent of all voting members. A discussion ensued about whether we needed to clarify to the AOG membership what would be on the ballot. CEO Hille pointed out that the AOG communicated to the membership in May when the mailing list was released to the Unity group per Colorado law and again in September when the Unity letter was generated. In both cases, the AOG communication simply stuck to the facts. The conversation continued about whether we should discuss this further in executive session.

MOTION: Director Dial moved and Director Dudley seconded that we go into executive session (at the end of the day) IAW Bylaws Article V Section 8a with Executive Vice Chair Gould, CEO Hille, SVP Walkewicz, and SVP Hornsby staying. The motion passed with a vote of 12-3 (Directors Almand, Hoffman, and Krauth against; Director Bishop abstained).

c. Nominating Committee

Committee Chair Przybyslawski noted that there was no change to the election communication plan. The remainder of her presentation was held in executive session.

VI. Class Advisory Senate Update

Director Helms announced that CAS elections will take place from 7-17 November, with SVP Walkewicz assisting in the process. A survey-type ballot will be sent to each Senator, and they will transition to the new officers at the 21 January CAS meeting. The new CAS President will transition with Director Helms at our February meeting. Col. Marc Sands, the Senior USSF liaison to USAFA, will speak at the next CAS meeting, which will also cover the Unity letter.

Director Helms mentioned ongoing discussions regarding the toleration clause of the Honor Code. Under current rules, 4th- and 3rd-degree cadets are not required to report violations but must confront the individual, while 2nd- and 1st-degree cadets must report the violation. This topic will continue to be addressed in the January meeting. A short discussion ensued. Chair Bishop suggested inviting representatives from the Center for Character and Leadership Development to speak to the Board about the Honor Code.

VII. In-person Meeting Discussion

Director Lowe recommended holding an in-person meeting in February to maintain momentum and productivity, especially since the next in-person meeting isn't until April. He suggested this would be a good opportunity to address potential Bylaws changes, discuss the upcoming election, and brainstorm new ideas, possibly with a facilitator.

Chair Bishop reminded everyone that we had previously agreed to align our meetings with the AFA Foundation's and that we would use Zoom in between meetings as needed. He also noted that the election results would not be available in February, and that we would have a farewell for departing Board members at the April meeting. He suggested letting this cycle run for a couple of times. A discussion ensued about doing an optional Board retreat in February, attending the National Character and Leadership Symposium (NCLS) in conjunction with a meeting, the costs of having an in-person meeting, and the idea of adding an extra day to the April meeting for brainstorming. Chair Bishop reminded the group of the fact that the new Directors have a half-day training session the day prior to the April meeting.

MOTION: Director Lowe moved and Director Dudley seconded that we have a February in-person Board meeting focused on brainstorming. The motion passed by a vote of 12-0 (Directors Bishop, Almand, Evans and Dial abstained).

Discussion: Following the motion, the discussion turned more toward the idea of having a strategy summit meeting in February, to include the vision, and what problems we needed to solve, and how we could avoid moving to the tactical level. CEO Hille reminded the group that the current Strategic Plan has an imperative to review it in 2025. Chair Bishop requested the AOG to suggest what a strategic summit in February might look like, but noted that the Board needed to come up with the agenda. Directors Lowe, Carpenter, and Dial will address this.

Prior to going into executive session, Lt Gen (ret) Rod Bishop mentioned that graduates with questions about the Unity slate can visit a dedicated website. The petition has received over 2,000 votes and 650 comments.

MOTION: Director Evans moved and Director Tonneson seconded to go into executive session. The vote was 12-2 (Directors Hoffman and Kraus against; Director Almand abstained).

IX. Executive Session

The Board went into executive session IAW Bylaws Article V Section 8a at 11:21 a.m. MDT to discuss communication surrounding the Unity Bylaws changes that will be on the ballot.

MOTION: Director Tonneson moved and Director Bledsoe seconded to come out of executive session. The motion was unanimously approved.

X. Open Session

The Board went into open session at 12:02 p.m. MDT.

XI. Lt Gen Tony Bauernfeind '91, Superintendent

Lt Gen Bauernfeind began by providing an overview of the key staff positions, noting that the Vice Superintendent's position had been upgraded to a general officer position. He talked about staff restructuring and how we need to maintain our military as world-class to deal with current and future world problems. He discussed his three main priorities: 1) develop warfighters to win; 2) develop leaders of character and quality; and 3) develop critical thinkers to adapt. He highlighted the necessity of a culture of respect and announced a return to a four-class system for cadets to ensure they graduate with all the necessary leadership skills. This includes additional training for those who do not meet standards. Foundational elements for these priorities include:

1. Standards, readiness, and training, emphasizing readiness as a mindset.
2. Challenges, teamwork, and crucibles, highlighting the importance of teamwork in overcoming challenges.
3. Heritage, recognizing the importance of history while promoting accountability and service.
4. Perspectives, background, and problem-solving, focusing on cross-cultural communication and a zero-tolerance policy for misconduct.

He noted that he is demanding, not demeaning. The Superintendent concluded by asking for continued support and engagement.

XII. Executive Session

The Board went into executive session IAW Bylaws Article V Section 8a at 1:42 p.m. MDT to discuss the Board's internal survey and to approve the candidates on the ballot for the upcoming election. Chair Bishop, Director Helms, Director Bledsoe, and Director Walters did not attend this part of the meeting as they are running for re-election.

MOTION: Director Tonneson moved and Director Dudley seconded to come out of executive session. The motion was unanimously approved.

XIII. Open Session

The Board went into open session at 2:41 p.m. MDT.

Directors Hoffman, Carpenter, and Dial will take over looking at action steps from the Board's internal survey from Directors Mueh and Walters as their terms are ending.

MOTION: Director Kraus moved and Director Dudley seconded to rescind the 26 July 2024 motion (*The Nominating Committee moved that the AOG Board of Directors*

indicate the 10 candidates who have received the highest scores on the Nominating Committee skills and attributes matrix on the 2025 election ballot.)). The motion was unanimously approved by a quorum of directors.

MOTION: The Nominating Committee moved to put the 17 candidates on the ballot. The motion was unanimously approved by a quorum of directors.

XV. Adjournment

Vice Chair Almand adjourned the meeting at 2:45 p.m. MDT.

Note: Portions of the minutes were rearranged from the time sequence to topical sequence.

Respectfully submitted,
Virginia Caine Tonneson, Secretary

Atch:

1. 26 July 2024 Approved Meeting Minutes
2. CEO Monitoring Reports
3. Q3 Financials
4. Approved Agenda
5. Board Meeting Slide Deck



BOARD OF DIRECTORS MEETING

26 July 2024 Meeting Minutes

APPROVED

Board Members Present: Brian Bishop '83, Chair; Cathy Almand '90, Vice Chair; Ginny Caine Tonneson '80, Secretary; Glenn Strebe '87, Treasurer; Hank Hoffman '63; Hans Mueh '66; Garry Dudley '68; Bob Lowe '71; Lee Krauth '72; William Carpenter '73; Randy Helms '79, President, Class Advisory Senate; Christian Evans '08; Emma Przybyslawski '10; Nathan Dial '10; Joseph Bledsoe III '11; Jennifer Walters '11.

Advisor to the Board: Mike Gould '76, Executive Vice Chair.

AOG Staff Present: Mark Hille '97, AOG/AFAF President/CEO; Katie Willemarck, AOG/AFAF CFO; Kelly Banet, SVP Development; Jillian Wood, Chief of Staff and Special Assistant to the Boards; Wyatt Hornsby, AOG/AFAF VP of Marketing and Communications; Emma Ross, Board Support/Office Manager; Eli Alvarado, IT Support Specialist.

Guests Present: Lt Gen (Ret) Michelle Johnson '81; Col Marc Sands '94, Space Force LNO to USAFA, Commander, Detachment 1; Lucky Ekman '63; Dan Bohlin '71; Ski Wagasky '72.

I. Call to Order/Chairman's Welcome

Chair Bishop called the meeting to order at 8:03 a.m. MDT on Friday, 26 July 2024.

II. Consent Agenda

The consent agenda included the 19 April 2024 Meeting Minutes (Attachment 1); 14 May 2024 E-Vote Minutes (Attachment 2); and CEO Monitoring Reports - 2.5 Asset Protection, 2.6 Investment Management, and 2.13 Address Major Audit Findings (Attachment 3).

MOTION: Director Tonneson moved and Director Carpenter seconded to approve the consent agenda. The motion was unanimously approved.

III. Agenda Approval

MOTION: Director Tonneson moved and Director Strebe seconded to approve the agenda. The motion was unanimously approved. The approved agenda is in Attachment 4.

IV. Staff Update (Attachment 5)

a. CEO Report

CEO Hille began by discussing his initial interactions with the new Superintendent who will assume command on August 2. His priorities are warfighting, leadership development, and critical thinking. There will be tighter uniform standards and a renewed intensity over deadlines.

CEO Hille then discussed the strategic plan using a stoplight chart to highlight areas of success and those needing additional work.

- Engagement: Annual giving and the Next Gen program are doing well, while alumni programs are showing incremental improvements. He commented that they need to ensure they focus on the most important efforts.
- Philanthropy: The campaign has exceeded \$300 million. As the campaign concludes, they will determine what comes next. They are looking at how to endow various programs such as *Checkpoints* and the next-of-kin program.
- Stewardship: They are moving to a quarterly grant-making cycle, which was formerly done on an ad-hoc basis. Construction is everywhere to include the Madera Cyber Innovation Center, stadium, North Gate projects, and Space. One area where they have struggled this quarter is in earned revenue. It is lagging, but they are controlling operating costs to match, so our net income is on budget.
- Communications: Rebranding efforts are taking shape and he assured the Board that we would not be surprised with the resulting logo.
- Organizational excellence. Staff turnover is too high, but some of that is related to factors they cannot control such as the availability of higher-paying jobs with more flexibility. The staff climate survey, which was conducted in May 2024, pointed to stovepipes. For example, because some elements only have a single person, they may not know what the person down the hall is doing. To remedy this, they are focused on cross-functional collaboration and internal communication. In addition, Wecker Hall will house the entire team so they will not be as scattered as they are currently. The survey also showed that individuals have a strong connection to the team and leadership, they live the USAFA core values daily, and it is clear that the staff cares about each other.

Executive Vice Chair Gould then added his thoughts. The fact that he is away from day-to-day activities has allowed him to watch the strategic movements, and he believes we are on course. He noted that CEO Hille's visit to the new superintendent was at the superintendent's request, which is a positive sign. He also commented on staff turnover. While people like working at the AOG, there are many other opportunities available to them. On a positive note, when AOG staff members decide

to leave the organization, they do not point to their senior staff as a factor. A brief discussion ensued about potential methods to keep staff.

b. Quarterly Financial Update

CFO Willemarck provided the second quarter financial review. We made some aggressive revenue goals but are currently 17% behind those largely due to merchandise sales. She explained the factors behind that and the fact that they have implemented *Shopify* for online sales. She noted that West Point has sales of \$12 million in merchandise. Another area where we are falling short is in sponsorship and advertising. We increased the goal from last year, and while we are ahead of where we were at the same time in 2023, we are still behind the goal. They are focusing on staff to improve sponsorship and advertising sales. A short discussion ensued concerning what companies we would like to have as sponsors, our relationship with the Air Force Academy Athletic Corporation (AFAAC) as far as merchandise is concerned, marketing as part of the Olympic Training City, and other potential venues where we might sell merchandise. Chair Bishop asked Mark to give the Board a sense of the types of companies they are looking at and to possibly preview it at the October Board meeting.

In total operating revenue, we are down \$756,000 from this time last year, but we are also under budget on expenses. Part of this is related to timing of payroll, and \$73,000 is because of merchandise. They have put several measures in place for cost-savings and have a finance liaison for everyone who owns a piece of the budget. The overall operating loss is better than it was last year (\$719,000 today versus \$751,000 last year) and we are doing very well in investments. CEO Hille noted that we function on operating loss, so it is expected that the investments will fill that. Overall, net assets are up \$6.1 million.

V. Committee Updates (also in Attachment 5)

a. Governance Committee

Committee Chair Almand explained that the committee reviewed Governance Policies Category 3 and found only administrative changes, which are shown below. (New wording is in *italics*).

3.1b. If Board members or committees request information or assistance without Board authorization, the CEO can refuse such requests that require, in his/her opinion, a material amount of staff time or funds *and/or pose disruption to staff duties*.

3.2 The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations/actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

3.2a. The Board will develop and maintain policies instructing the CEO to achieve certain results, for certain recipients *in a prioritized scheme*. These policies will be

developed *systematically and called Ends policies*. All issues that are not Ends issues, as defined here, are Means issues.

3.2b. The CEO will make inputs to the development of Board policies, including *organizational Ends*, to the Board as he/she deems appropriate.

Chair Almand then discussed a proposed resource document that would provide a more user-friendly reference document for Board members. Directors could then look at the Bylaws and Governance Policies for more specifics. The Board agreed it was a good idea so the Governance Committee will continue to pursue creating the resource document with a goal of having it ready for review before the new Board is in place in April.

Finally, the group discussed the idea of having a permanent AFA Foundation member as a voting AOG Board member and vice versa. While we currently attend each other's Board meetings as non-voting members, the proposal would identify a specific Board member who is also on the other Board. We would need to have a membership vote on something of this magnitude. Chair Bishop suggested that this move was too soon, and perhaps we could consider making it an additional duty for someone.

b. Nominating Committee

Committee Chair Przybyslawski began by providing an election update including the timeline, the number of Board positions coming open, candidate recruiting, and election ballot endorsements. Candidate submissions opened in June 2024 and submission closes on 7 October. We need a minimum of 10 names on the ballot since we are losing five elected members. If the package is incomplete and it is prior to 7 October, the Nominating Committee will contact the person to tell them it is incomplete. The cutoff date for someone to become an AOG member for voting purposes is 20 December. The election runs from 3 February to 3 March. The group discussed the fact that the Bylaws state that if someone is running for election, they cannot serve on the Nominating Committee.

In the past, if a package was sent to the Nominating Committee, they were put on the ballot. This raised the question of whether there was a possibility of having an exorbitant number of candidates and whether everyone should be required to have 25 AOG member signatures. The Nominating Committee recommended that the Board endorse five candidates in the upcoming election. They proposed scoring the candidates based on the skills and attributes matrix and coming to the October meeting with a slate of eight candidates which the Board would reduce to five. VP Hornsby then discussed the communication plan for the election and the details of the three phases in the plan.

CEO Hille noted that he had spent a significant amount of time talking to folks about the election and that it was important to ensure everything was in the open. He pointed out that when we talk to others to run for the Board, we need to know that they are truly qualified. Director Helms noted that when he discussed the idea of an

endorsed slate with the Class Advisory Senate (CAS), seven senators came up to him afterward against the idea. No senator said they were for the idea.

A lengthy and vigorous discussion ensued about whether we should identify the top candidates based on the skills and attributes matrix. The discussion included the fact that we did not want it to appear that the Board “had a thumb on the scale,” but also that we needed to be responsive to the individuals on the election survey who expressed concern with having to do independent research on the many candidates in the last election. The idea that we should do nothing was also discussed. After much debate, the sense of the Board was that we wanted scoring of some sort.

MOTION: The Nominating Committee moved that the AOG Board of Directors indicate the 10 candidates who have received the highest scores on the Nominating Committee skills and attributes matrix on the 2025 election ballot. The motion was approved by a vote of 14-2 (Directors Dudley and Hoffman against).

c. Finance and Investment Committee

Committee Chair Strebe provided an investment update. He noted that the portfolio has continued to grow despite helping to fund AOG operations. He talked about taking money out of investments to be used where needed (rebalancing). The areas that need money include Falcon Stadium (\$3 million from the Moller Trust), Tuskegee Memorial (\$1 million from Bennett Soaring) and Q4 Operational (\$500,000) for a total of \$4.5 million. The committee goes through rebalancing every quarter. He then talked specifically about the Bennett fund. In 2016, the Board designated that the unrestricted Bennett fund restrict \$3 million for the Soaring Program. The fund has grown to \$4.7 million, but they have only granted \$178,000 over the life of the fund. They need money to construct a new pavilion and exhibit to honor the Tuskegee Airmen.

MOTION: The Finance and Investment Committee moved to approve the redesignation of \$1 million from the Francis C. Bennett Soaring Margin of Excellence Fund to support construction of the Tuskegee Airmen Memorial. The motion was approved by a vote of 14-1 (Director Dudley against).

The estimated distribution timeline will be \$400,000 in Q4 2024 and \$600,000 in Q1 2025.

VI. Lt Gen (Ret) Michelle Johnson '81

Lt Gen (Ret) Johnson relayed a concern a graduate had brought to her about an AOG chapter event. The individual felt uncomfortable because the chapter was very active politically, including having a political action group, newsletter, and a blog. She read us the DOD directive that said we are federal agency adjacent and should not be advocating a political party. In addition, the AOG Articles of Incorporation state: “The corporation shall at no time be used in any way to support or oppose any political ideas,

organizations, or candidate.” Chair Bishop will work with CEO Hille to reinforce the fact that we are not supposed to use the chapters for politics. Lt Gen (Ret) Johnson concluded by discussion the Harmon Memorial and the quotes about character, education, and leadership.

VII. Col Marc Sands ’94, Space Force LNO to USAFA

Col Sands provided an overview of the USSF at the Academy. He stressed that we have one academy for two services and that “until we are no longer on earth, the USSF Academy will be at USAFA.” His job is to educate, train, and inspire cadets to become officers of character motivated to lead the U.S. Space Force. About 100 cadets go into the USSF. He then talked about how his organization drives the accession process for how USAFA Guardians are selected, synchronizes Guardianship programs across USAFA missions, provides support to “all things space,” and develops and executes the Summer Azimuth programs. He provided details on the USSF selection process, funding, the five career fields, and their five lines of effort. He ended his comments with a note that the best path to becoming an astronaut was still via the Air Force.

VIII. Class Advisory Senate Update

In addition to the comments about the election noted in Section V.b., Director Helms noted that the CAS had updated the CAS Procedures. The two changes were to include a term limit of four 2-year terms for the CAS President and that the election would be in November.

IX. NextGen Task Force Update

Task Force Lead Dial began by noting that the purpose of the task force was to come up with ways to increase the participation of graduates in the classes of 2000 and beyond. There was a short discussion about the factors that made 2010 participation so much higher than the other 21st Century classes (18% versus 3-4% for others).

He noted that the information on the slides was for all of us to use in the get-out-the-vote campaign. Chair Bishop wanted to ensure we are not crossing into what the AOG staff is doing. CEO Hille would like SVP Walkewicz to help coordinate. They will discuss this offline to make sure we are not working at cross purposes.

He reviewed the NextGen Task Force ideas to include:

- 1) continuing the Long Blue Line Socials (focusing on six cities with the highest percentage of graduates);
- 2) engaging with the USAFA Careers and Networking Facebook Group and the class Facebook Groups;
- 3) creating a “Demystifying the AOG Board” presentation;

- 4) having purposeful network communication (e.g., at job drop and 100's Night); and
- 5) supporting the USAFA alumni soccer team playing in "The Soccer Tournament" (TST 2025) with a tailgate.

MOTION: Director Bishop moved and Director Tonneson seconded to go into executive session to discuss an update on the Board self-assessment and the AOG succession plan. The motion was unanimously approved.

X. Executive Session

The Board went into executive session IAW Bylaws Article V Section 8c at 2:44 p.m. MDT.

MOTION: Director Tonneson moved and Director Dial seconded to come out of executive session. The motion was unanimously approved.

XI. Open Session

The Board went into open session at 3:18 p.m. MDT.

MOTION: Chair Bishop moved and Director Bledsoe seconded that subsequent to the Board self-assessment, the Board has determined that the three areas of strategic clarity, engagement, and transparency are areas where we want to focus our attention and resources. We will establish periodic benchmarks and milestones to ensure we are meeting our requirements as a Board. The motion was unanimously approved.

XII. Chair's Comments

Chair Bishop commented on the timing of the Long Blue Line awards dinner tonight.

XIII. Adjournment

Chair Bishop adjourned the meeting at 3:22 p.m. MDT.

Note: Portions of the minutes were rearranged from the time sequence to topical sequence.

Respectfully submitted,
Virginia Caine Tonneson, Secretary

Atch:

1. 19 April 2024 Approved Meeting Minutes
2. 14 May 2024 Approved E-Vote Minutes
3. CEO Monitoring Reports
4. Approved Agenda
5. Board Meeting Slide Deck

MONITORING REPORT

POLICY EFFECTIVE DATE: 18 October 2024

POLICY TYPE: Executive Limitations

POLICY: Compensation and Benefits

POLICY NUMBER: 2.8

POLICY DESCRIPTION:

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the CEO shall not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, he or she may not:

- 1. Change his or her own compensation and benefits, except as a change in benefits is consistent with a package for all other employees.**

REPORT:

The CEO's total compensation is approved by the Board of Directors, and agreements with the CEO are approved and signed by the Chair of the Board. There have been no requests or orders to change the CEO's compensation without approval of the Board.

- 2. Promise or imply anything other than "at-will" employment.**

REPORT:

The Human Resources Director completes the in-processing for new employees and communicates to each new hire that their employment with the organization is "at-will". Furthermore, each employment agreement with each new hire specifically states that "employment may be terminated at-will by either party..."

- 3. Establish current compensation and benefits which deviate materially from generally accepted salary ranges within the industry and geographic area/region for employees with similar experience, expertise, and responsibilities.**

REPORT:

For calendar year 2024, the budget approved by the Board of Directors and administered by the CEO set a cost-of-living market adjustment of 4% for employees who started after April 1, 2023 (prorated based on start date). Additional compensation adjustments not exceeding 2% of the total salary pool were made to aid retention of high performing and key staff. The Board approved the budgeted compensation and benefits as part of its overall budget for 2024.

4. **Create obligations over a longer term than revenues can be safely projected, and in no event longer than one year.**

REPORT:

There have been no new obligations established that would exceed expected revenues to be generated. Any such contracts would, at a minimum, include a cancellation clause in case of default or non-performance.

5. **Establish or change retirement benefits so as to cause unpredictable or inequitable situations.**

REPORT:

Retirement benefits were updated on January 1, 2024, as part of the Board-approved single employer model. Benefits are in line with the market for non-profits in Colorado and comply with all relevant statutes to ensure predictability and fairness for all employees.

Compliance Status: *In Compliance*

MONITORING REPORT

DATE: 18 October 2024

POLICY TYPE: Executive Limitations

POLICY TITLE: Programs/Events/Services

POLICY NUMBER: 2.10

POLICY DESCRIPTION:

With respect to the programs/events produced and services provided by the AOG, the CEO shall not fail to ensure that these programs/events/services meet or exceed industry standards for excellence in programming, safety and participant/audience amenities.

Programs/events produced, and services provided are high quality and are seen as such by attendees/consumers. The AOG has received numerous letters and emails praising the quality of the programs/event/services. Doolittle Hall is considered to be one of top five function venues in Colorado Springs. All required safety protocols are complied with. Complaints about programs/events are rare.

Accordingly, he or she may not:

- 1) Fail to produce and implement operational planning to ensure that the event(s)/services are well organized, and are safe for all attendees.**

Report:

Programs/Events are operationally planned by a professional AOG Alumni Relations and Events staff and briefed to the CEO (or President) prior to implementation.

- a. Timeline/Flow of Events/Scripting (as applicable) are submitted in writing.
- b. Proper AOG manning is assigned based on duties; numbers; and duration.
- c. Standard safety protocols required by event venues are followed.

Examples of Events

- On-campus events
 - Board Director/Class Advisory Senate Meetings
 - In-processing Events (Ice Cream Social)
 - Heritage Days
 - Reunions
 - Chapter/Affinity Group Events
 - Parents' Weekend Events (WebGuy Social)
- Off-campus events

- Reunions (Hotel Events)
- Chapter Events (Away Games, Founders Day, etc.)
- Away Game Tailgates (Commanders Classic)
- Chapter Events (Founders Day)
- Virtual events
 - ZoomieBrief Platform (Senior Leader Calls)
 - Sabre Society Series
 - Board Director/Class Advisory Senate Meetings

2) Fail to design logistical plans which comply with all applicable legal requirements and which facilitate crowd comfort, safety and enjoyment of the event(s).

REPORT:

Programs/Events are logistically designed and planned by staff and briefed to CEO (or President) prior to implementation.

- a. Legal/Safety requirements are satisfied by adhering to applicable guidance and venue guidelines.
 - b. Crowd comfort and enjoyment of the events are satisfied by both pre-planning and on-the-scene adjustments, as necessary, by the AOG Alumni Relations and Events staff.
- Examples of Events (See Number 1)

3) Fail to purchase supplies for resale to members, when appropriate, leverage group buying power.

REPORT:

Materials are purchased for resale to members primarily through the merchandise department

- a. Breakpoints are examined and negotiated to lower costs
 - Bulk purchases are accomplished when feasible and economically appropriate. (Ex. AOG store merchandise; lanyards for reunions)

4) Fail to provide appropriate support and financial management functions, as specified in Memoranda of Understanding (MOU) or other agreements.

REPORT:

- a. Support and financial management are carried out as agreed in memoranda and agreements.

Compliance Status: In Compliance

MONITORING REPORT

DATE: 18 October 2024

POLICY TYPE: Executive Limitations

POLICY TITLE: Official Opinions or Recommendations

POLICY NUMBER: 2.11

POLICY DESCRIPTION:

With respect to DoD, USAF or USAFA policies that do not materially impact the AOG, the CEO will not render an official opinion or recommendation on such matters, unless formally cleared to do so by the Board of Directors.

Report:

The CEO has rendered no official opinion or recommendations on such matters.

Compliance Status: In Compliance

Financial Statements

For the fiscal year ending September 30, 2024

Management Discussion and Analysis

Statement of Financial Position (Page 2)

The enclosed financial results for the fiscal year-to-date September 30, 2024 were prepared in accordance with generally accepted accounting principles (GAAP).

The total assets of the organization were \$117.9 million, an increase of approximately \$4.4 million from 2023. The increase is mostly related to the increase in investments and the beneficial interest in the value of the Moller Trust. Total liabilities have increased by \$1.2 million related to growth of agency fund balances for reunions and timing of the intercompany payable for expenses owed to AFAF.

Total net assets have increased \$3.2 million from 2023 primarily related to investment growth.

Operating Statement of Activities (Page 3)

Overall, we have a net income of \$3.5 million for the fiscal year, entirely from investment gains.

Revenues (Highlights Page 3)

- **Advertising and Sponsorships** are lower than the budget by \$182,000. As we are transitioning this team to have a sole focus on sponsorship sales we have had a gap in revenue. The team has been hired and have begun their strategic plan to enhance this line of business.
- **Conferences for SAAC sales** have been slower and lower than budgeted due to a change in shared revenue for these conferences.

Expenses (Highlights Page 3)

- **Personnel costs** are lower than budgeted by \$383,000 due to timing of budgeting single employer changes, attrition and lower benefit participation than anticipated. A portion of this is timing that will catch up in the fourth quarter, however, it is anticipated that some savings will remain.

Statement of Financial Position **As of September 30,** **(Unaudited)**

Assets	2024	2023	\$ Variance
Cash and Cash Equivalents	942,737	622,581	320,156
Merchandise Inventory	409,017	434,363	(25,346)
Pledges and Accounts Receivable	449,440	293,947	155,493
Prepaid Expenses	132,958	111,025	21,933
Total Current Assets	1,934,152	1,461,916	472,236
Investments	54,143,955	52,692,189	1,451,766
Beneficial Interest in Trust	58,783,526	55,823,652	2,959,874
Fixed Assets	14,349,245		-
Less: Accumulated Depreciation & Amortization	(11,325,045)	3,024,200	(498,254)
AFAF/AOG Intercompany	2,446	2,637	(191)
Total Assets	117,888,279	113,502,848	4,385,431
Liabilities			
Accounts and Other Payables	236,258	220,665	15,593
Agency Deposits	1,839,326	1,394,884	444,442
Deferred Income and Unearned Life Memberships	2,162,679	2,095,301	67,378
Intercompany Payable (Receivable)	623,433	(41,728)	665,161
Other Liabilities	25,000	47,000	(22,000)
Total Liabilities	4,886,696	3,716,122	1,170,574
Net Assets			
Unrestricted – AOG Operating Reserve	1,338,455	1,338,455	-
Unrestricted-designated – for Short-term Purposes	290,520	290,520	-
Unrestricted-designated – for Endowments	5,220,963	4,478,049	742,914
Invested in Property and Equipment	3,024,199	3,522,454	(498,255)
Unrestricted-undesignated	31,606,510	24,923,212	6,683,298
Total Without Donor Restrictions	41,480,647	34,552,690	6,927,957
With Donor Restrictions	71,520,936	75,234,036	(3,713,100)
Total Net Assets	113,001,583	109,786,726	3,214,857
Total Liabilities and Net Assets	117,888,279	113,502,848	4,385,431

Operating Statement of Activities

For the Year to Date ended September 30, 2023
(Unaudited)

	YTD Actual	YTD Budget	Variance	PY YTD
Revenues				
Donations and Contributions	\$ 207,020	\$ 213,000	\$ (5,980)	\$ 210,415
Membership Dues	671,033	719,074	(48,041)	614,418
Merchandising	633,737	700,000	(66,263)	790,738
Member Services	13,510	11,250	2,260	13,472
Advertising and Sponsorships	444,284	625,880	(181,596)	458,561
Reunion Services	201,711	283,000	(81,289)	116,691
Administration Fees	32,284	29,000	3,284	29,731
Conferences	57,673	165,000	(107,327)	152,536
Royalties	122,155	125,533	(3,378)	113,631
Football Tickets and Tailgates	94,678	98,500	(3,822)	63,283
Activities and Social Events	57,891	48,650	9,241	52,917
Miscellaneous Income	9,059	36,000	(26,941)	6,678
Shared Services	77,788	84,997	(7,209)	202,081
Transfers from/(to) Restricted Funds	-	-	-	24,192
Total Revenues	2,622,822	3,139,884	(517,062)	2,849,344
Operating Expenses				
Salaries and Wages	1,772,594	2,074,961	(302,367)	2,178,442
Payroll Taxes	141,995	173,984	(31,989)	171,144
Benefits	285,963	334,238	(48,275)	283,012
Grants	924		924	1,926
Board Governance Costs	38,674	34,600	4,074	91,170
Professional Services	389,785	360,450	29,335	420,975
Professional Printing	133,590	173,751	(40,161)	170,375
Postage and Shipping	97,891	109,821	(11,930)	97,928
Merchandise Cost of Sales	317,639	361,899	(44,260)	477,228
Insurance and Bonding	61,906	34,560	27,346	34,784
Employee Travel and Meals	76,530	123,703	(47,173)	124,346
Social Events and Meetings	259,256	196,500	62,756	221,936
Office Supplies	35,216	32,565	2,651	63,391
Advertising and Corporate Promotion	52,767	43,150	9,617	49,041
Office Expenses	355,589	313,972	41,617	292,330
Employee Training and Education	4,506	22,300	(17,794)	11,002
Facilities Expenses	330,034	331,490	(1,456)	325,143
Depreciation and Amortization	444,858	405,000	39,858	437,343
Total Operating Expenses	4,799,716	5,126,944	(327,227)	5,451,516
OPERATING SURPLUS/(DEFICIT)	(2,176,894)	(1,987,060)	(189,835)	(2,602,172)
Investment Income				
Investment Interest & Dividends	689,770	621,929	67,841	435,964
Realized/Unrealized Gains/(Losses)	4,280,201	808,972	3,471,229	2,571,810
Total Investment Income	4,969,970	1,430,901	3,539,070	3,007,774
Other Income and Deductions				
Grant/Service Agreement from AFAF	419,300	419,300	-	850,000
Allocated Expenses to Foundation	307,450	281,876	25,574	-
Total Other Income and Deductions	726,750	701,176	25,574	850,000
NET SURPLUS/(DEFICIT)	\$ 3,519,826	\$ 145,017	\$ 3,374,809	\$ 1,255,602

Schedule of Investments

For the Year to Date ended September 30, 2023
(Unaudited)

	Amount	%	Target	Max
Cash/Short-term	\$ 550,075	1%	5%	20%
U. S. Equities (value & growth)	24,283,907	45%	43%	50%
International Equities	10,679,446	20%	28%	50%
Emerging Markets	2,901,252	5%	5%	10%
Real Estate/REITs	2,624,777	5%	5%	15%
Fixed Income	9,712,554	18%	10%	20%
Alternatives	3,391,944	6%	5%	20%
Investable Cash and unsold stock	<u>-</u>	<u>-</u>	<u>0%</u>	10%
TOTAL	<u><u>\$54,143,955</u></u>	<u><u>100%</u></u>	<u><u>100%</u></u>	

Schedule of Capital Additions

As of September 30, 2023
(Unaudited)

	<u>Actual</u>	<u>Annual Budget</u>
Paid with operating funds:		
Merchandise Area Improvements	\$ 54,145	\$ 72,000
Building Maintenance	-	45,000
IT Equipment	-	-
	<u>54,145</u>	<u>117,000</u>
Total for operating funds	<u>54,145</u>	<u>117,000</u>
Paid with restricted funds:		
Distinguished Graduate Recognition	9,876	125,000
	<u>9,876</u>	<u>125,000</u>
Total for restricted funds	<u>9,876</u>	<u>125,000</u>
TOTAL	<u><u>\$ 64,021</u></u>	<u><u>\$ 242,000</u></u>

ASSOCIATION OF GRADUATES
UNITED STATES AIR FORCE ACADEMY 

Board of Directors Meeting Agenda
17-19 October 2024

17 October 2024

3:00 – 5:00 p.m.

AOG Honorary Member Ceremony/Lt. Col. (Ret) Louis A. Burkel III

Assembly, Doolittle Hall

Attire: Business Casual

5:30 – 7:00 p.m.

AOG Board Reception

Library, Doolittle Hall

Attire: Business Casual

18 October 2024

7:30 – 7:55 a.m.

Breakfast – Library, Doolittle Hall

8:00 a.m.

Board Meeting – Board Room

Attire: Business Casual

- I. Call to Order/Chairman's Welcome
- II. Moment of Silence & Pledge of Allegiance
- III. Notified Absences & Introductions
- IV. Consent Agenda Approval
 1. Board Meeting Minutes, 26 July 2024
 2. Executive Limitations
 - a. 2.8 Compensation and Benefits
 - b. 2.10 Program Event Services
 - c. 2.11 Official Opinions or Recommendations
 3. Q3 Financials
- V. Agenda Approval

8:15 a.m.

VI. Staff Update

1. CEO Briefing (CEO Hille)
2. Brand Update (SVP Hornsby)

9:00 a.m.

VII. Committee Updates

1. Finance and Investment Committee (Dir. Strebe)
 - a. Budget Approval
2. Governance Committee (Dir. Almand)
 - a. Assign Governance Policy, Chapter 4
 - b. Assign Calendar/Schedule Review
 - c. Discussion
3. Nominating Committee (Dir. Przybyslawski)
 - a. AOG Election Communication Plan (with SVP's Walkewicz & Hornsby)
 - b. Discussion
4. Class Advisory Senate Update (Dir. Helms)
5. In-person Meeting Discussion (Dir Lowe)

Noon

Lunch

1:00 – 1:30 p.m.

Guest Speaker: Lieutenant General Tony Bauernfeind '91, Superintendent

1:45 p.m.

VIII. Executive Session

1. Board Survey (Dir's Much & Walters)
2. Approve Candidates for Ballot

2:00 p.m.

Adjourn

6:00 p.m.

AOG/AFAF Joint Board Dinner

Thomas Blake Ballroom, The Club at Flying Horse

1880 Weiskoff Point

Colorado Springs

19 October

3:00 – 5:00 p.m.

Falcon Nation Tailgate

Falcon Alley

6:00 p.m.

Colorado State Rams v. Air Force Falcons

Falcon Stadium



Board of Directors Meeting 18 October 2024

Agenda

- I. Call to Order
- II. Moment of Silence & Pledge of Allegiance
- III. Notified Absences & Introductions
- IV. Consent Agenda Approval
- V. Agenda Approval
- VI. Staff Updates
- VII. Committee Updates
- VIII. Executive Session

Call to Order

Board Chair Opening Remarks

Moment of Silence & Pledge of Allegiance

Notified Absences & Introductions

Consent Agenda Approval

1. Board Meeting Minutes, 26 July 2024
2. Executive Limitation/Monitoring Reports
 - a. 2.8 Compensation and Benefits
 - b. 2.10 Program Event Services
 - c. 2.11 Official Opinions or Recommendations
3. Q3 Financials

Agenda Approval

Staff Updates



CEO Update

Hille

Engagement – Cultivate lifelong relationships and provide valued service to the Academy and our graduates

- 1. Young alumni ambassadors/Awards weekend
- 2. Reunion program
- 3. Satellite location
- 4. Heritage Trail expansion

Philanthropy – Enhance financial strength and stability to advance the Academy and sustain our mission

- 1. \$315 million (e.g. Kucera Legacy Center, Madera Cyber Innovation Center, IFC, Northgate)
- 2. Graduate participation
- 3. AFA Fund up 15% year over year
- 4. Reunion endowment

Stewardship – Responsibly seek and manage gifted time, talent, treasure and relationship

- 1. Efficient use of all earned and contributed funds
- 2. Quarterly grants cycle in 2025
- 3. Stewardship metrics needed

Communication – Tell the story of our Academy, our graduates and our mission with our words and actions

- 1. Brand development and website
- 2. Customer service and events professionalism
- 3. Crisis and succession planning

Workplace Excellence – Align our Values, our culture and our commitment as a team to drive overall effectiveness of our mission

- 1. Staff retention
- 2. Staff survey and next steps
- 3. Wecker Hall/Yost Plaza

BRAND AND LOGO UPDATE

Hornsby
October 2024



About the Survey

Test brand direction
and 3 logo concepts

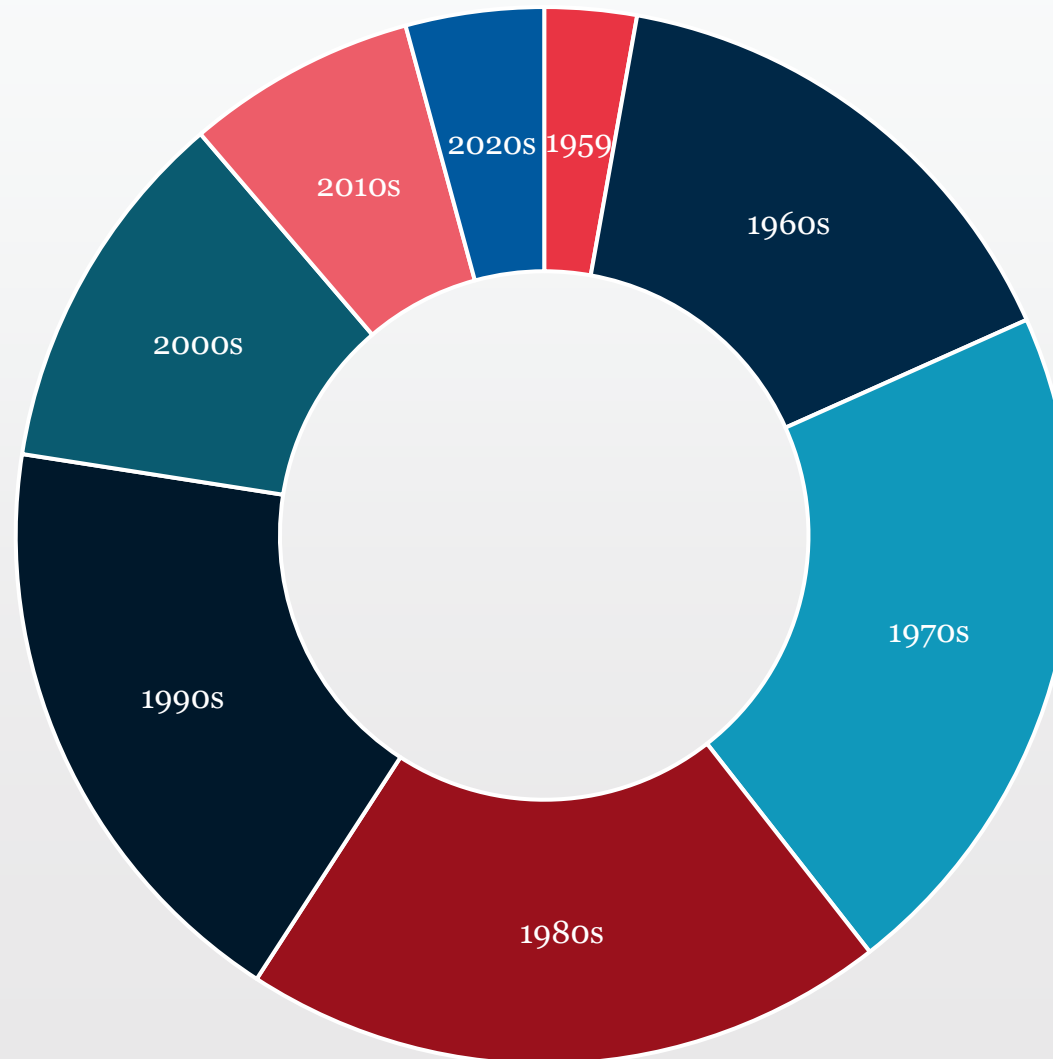
Grad influencers: CAS,
chapters, affinity
groups, 1st assignment
ambassadors, grads
on hill

77 responses – 40%
r/r – anonymous – 3rd
party platform

96% of respondents
were grads

Aug. 28 – Sept. 5

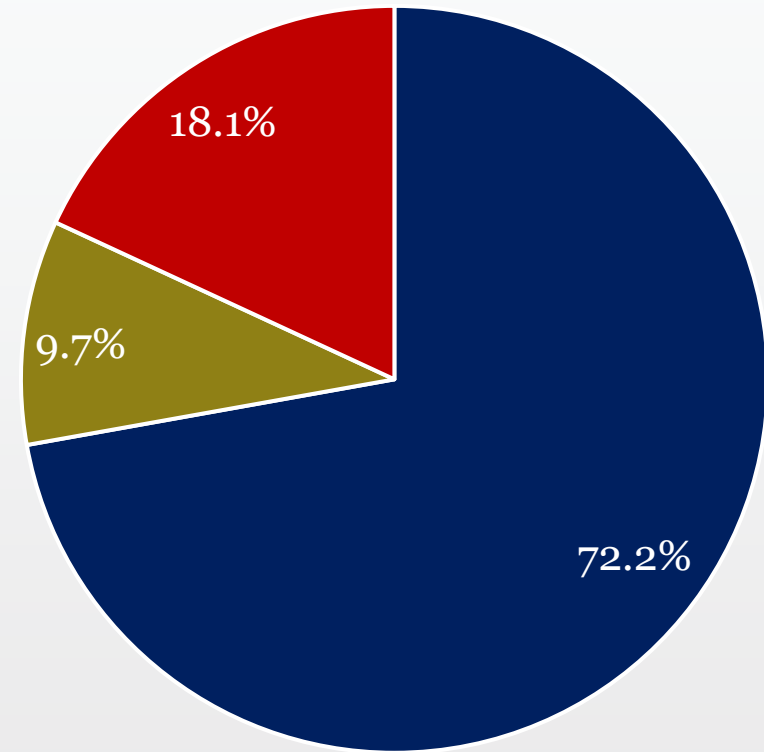
Participant Profile – Class Decades



Strategic Priorities Buy-In

Do you believe these strategic priorities will help the U.S. Air Force Academy Association & Foundation support the needs and goals of graduates, members, donors and the Academy?

(Engagement – Philanthropy – Stewardship – Communication – Organizational Excellence)

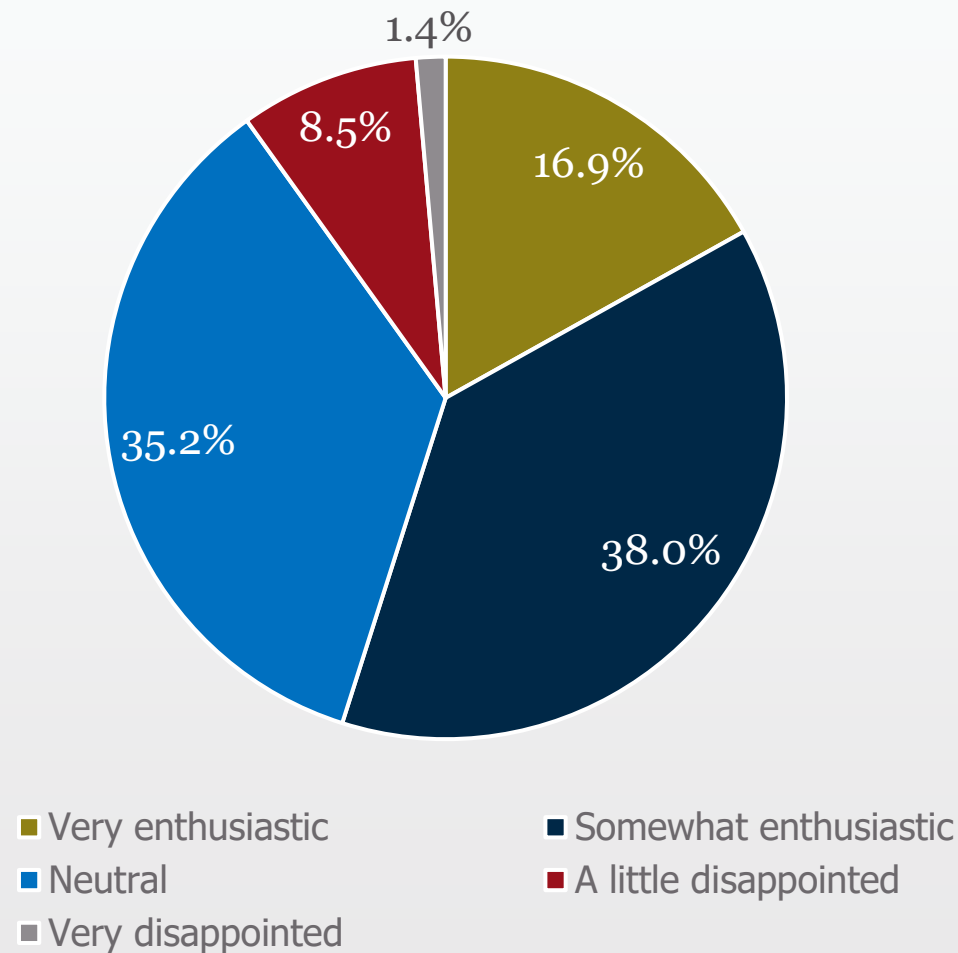


■ Yes ■ No ■ Not sure

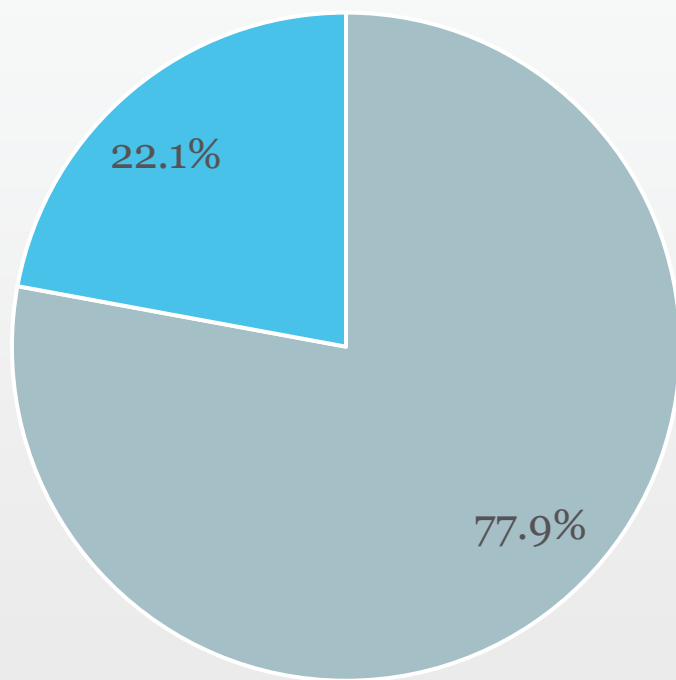
Enthusiasm for Overarching Brand Message

How do you feel about the new direction of the U.S. Air Force Academy Association & Foundation's brand messaging?

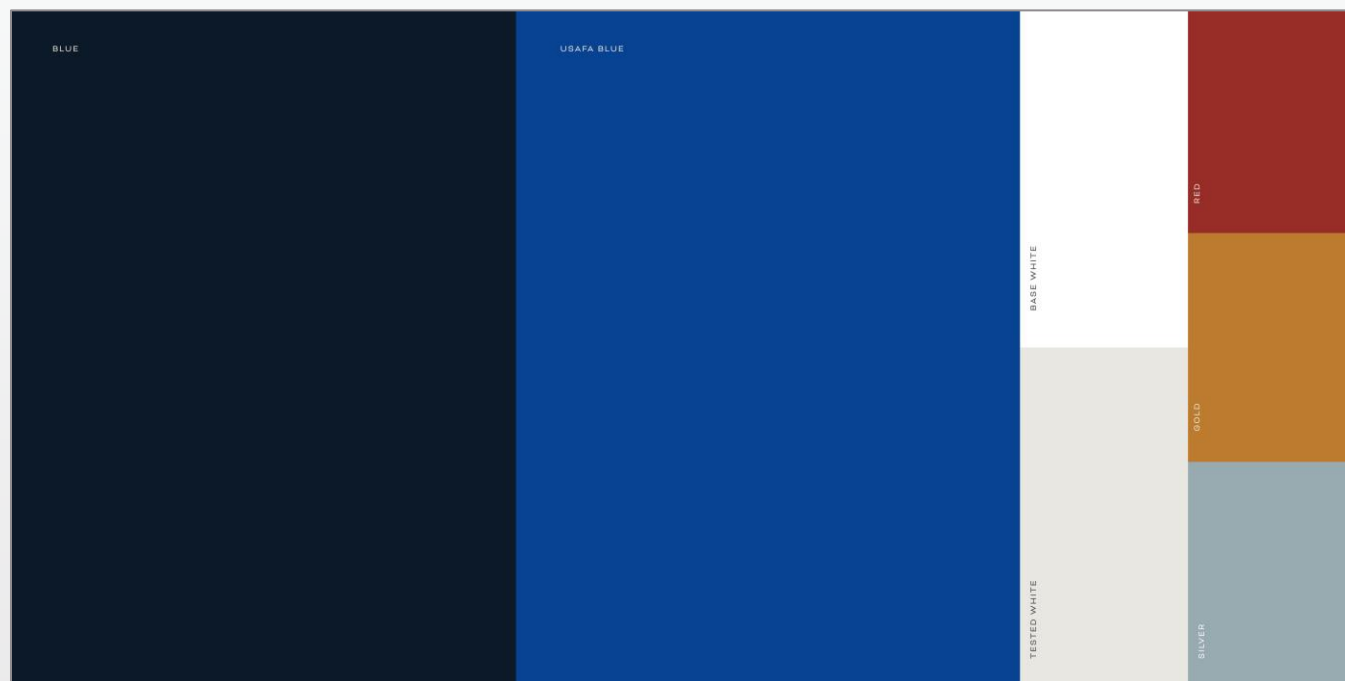
The U.S. Air Force Academy Association & Foundation's combined branding and messaging is a shared effort. It is intended to celebrate the experiences, heritage and pride of members and donors. Our new organizational identity will not stand apart from graduates or donors, but beside them. It will reflect the shared values and experiences instilled in graduates by the United States Air Force Academy. Graduates feel strongly about the Academy and each other, and our brand will reflect those connections and enduring bonds across decades and generations.



Appropriate Color Palette?



■ Yes ■ No



Option 1



Option 2



Option 3



Option 1



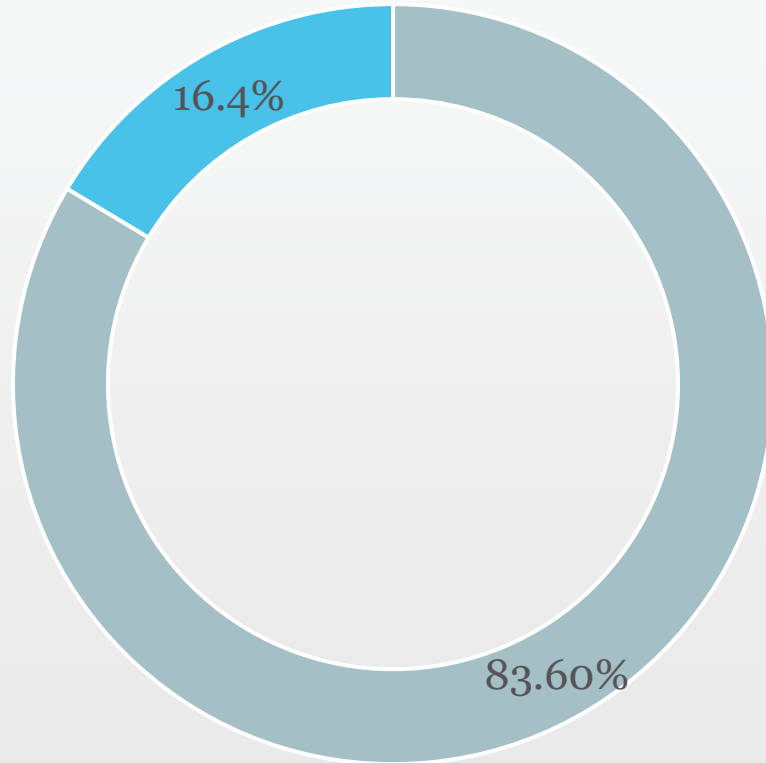
Prop and Wings Concept - Attributes

Top 5 selected attributes:

- **Traditional (83.1%)**
- **Heritage (75.4%)**
- **Appropriate (58.5%)**
- Strong (47.7%)
- Unifying (38.5%)



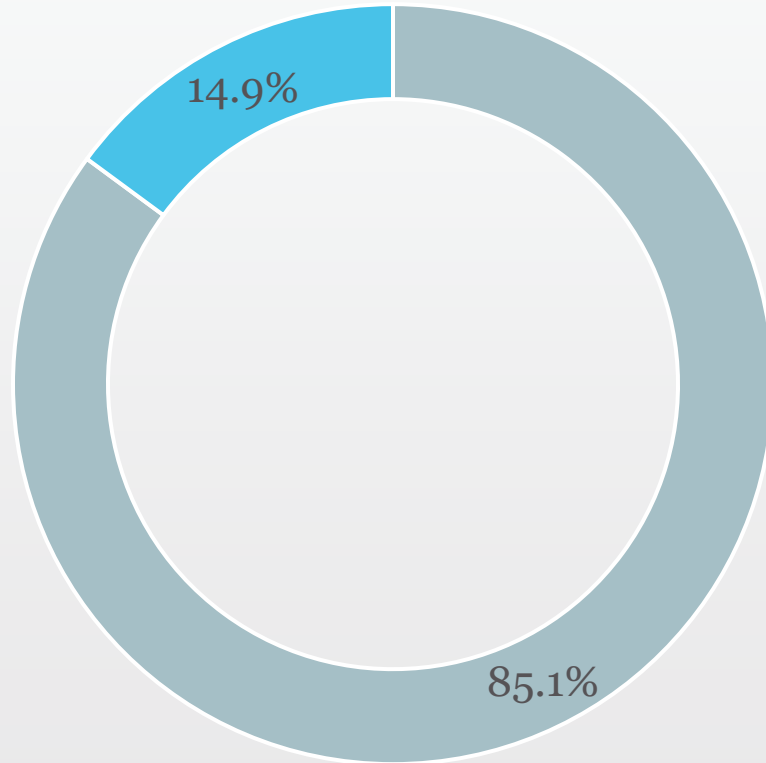
Prop and Wings Concept – Appealing?



■ Yes ■ No



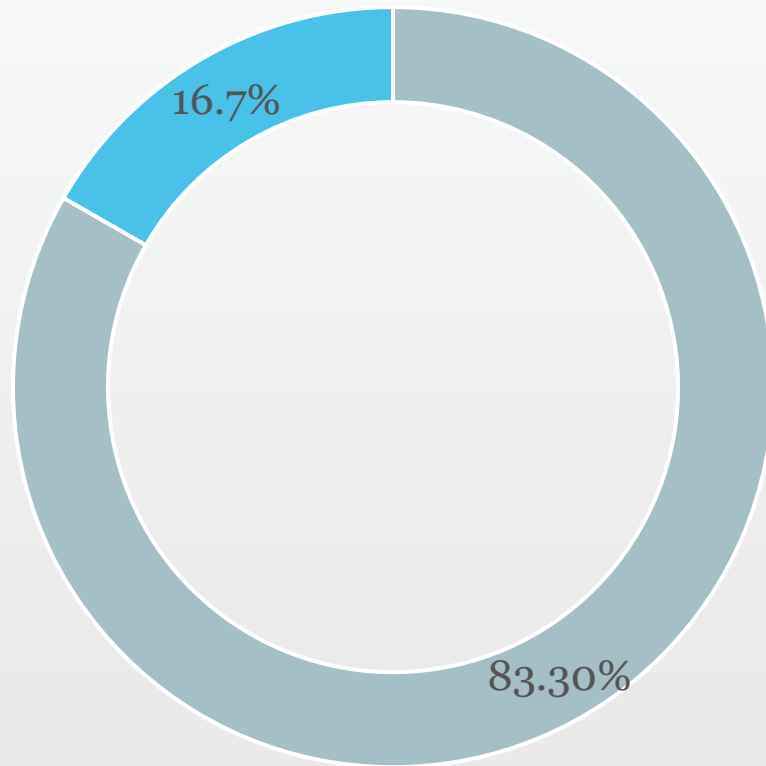
Prop and Wings Concept – Fitting?



■ Yes ■ No



Prop and Wings Concept – Reflect Past, Present and Future?



■ Yes ■ No

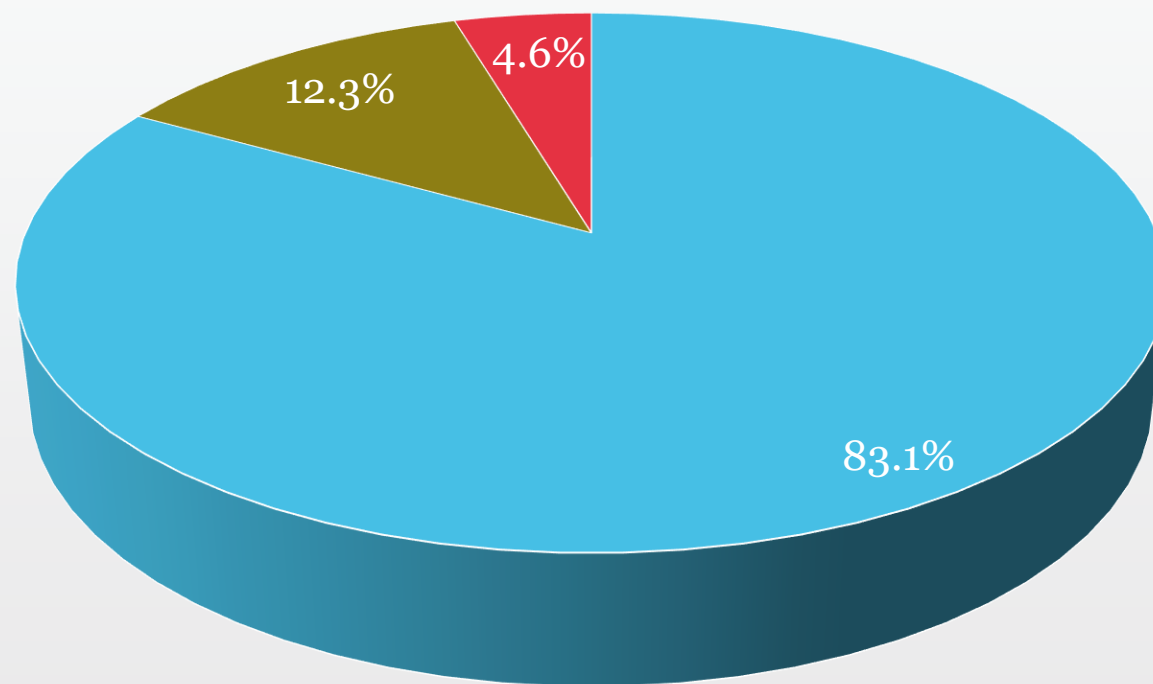


Prop and Wings Concept – Comments

- “Anyone familiar with USAFA will instantly recognize the organization behind logo 1.”
- “Prop and wings are required.”
- “Putting ‘Association’ and ‘Foundation’ next to each other clearly shows the bond between the two in a simple line. Powerful and unambiguous.”
- Need nod to Space Force.
- “This is the only logo I felt connected to as a graduate and will stand the test of time as well.”
- “Prop and Wings are important, but seems such a 90s look.”
- Make sure similar to what cadets wear.
- “Prop and wings inappropriate since graduates not in name.”
- “Love prop and wings but could use taste of future as well.”
- It visually links the Academy (i.e., prop and wings) to the organizations (i.e., “Association” and “Foundation”).
- Ensure icon is AF-distinct (looks similar to Army)

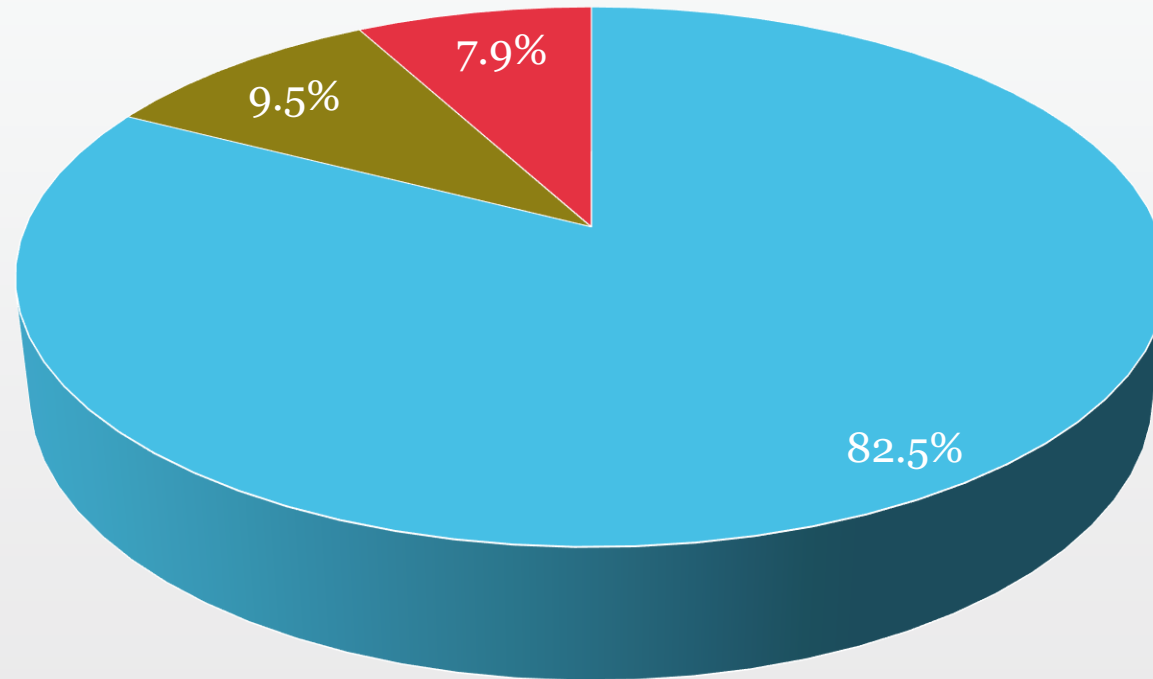


Three Logos – Your Top Selection?



■ Prop & Wings ■ A&F - Modern ■ A&F - Classic

Three Logos – Most Appropriate?



■ Prop & Wings ■ A&F - Modern ■ A&F - Classic



Next Steps





Thank You

Committee Updates



Finance and Investment Committee

Strebe

2025 Budget Notes

- Modest growth of revenue (7%)
 - Sponsorship changes will drive impactful growth in 2026
- Expense growth (4%) from investment in our people & travel for engagement; offset by detailed scrutiny of event costs
- Increased focus on our lines of business driven by new EVP position

Proposed 2025 Budget

Operating Statement of Activities FY 2025 Budget vs FY 2024 Forecast

	2025 Budget	2024 Forecast	\$ Variance	% Variance	2024 Budget
Revenues					
Donations and Contributions	\$ 177,500	\$ 215,745	\$ (38,245)	-18%	\$ 225,000
Membership Dues	1,036,298	1,009,886	26,412	3%	1,042,158
Merchandising	1,000,000	959,580	40,420	4%	900,000
Member Services	21,030	18,940	2,090	11%	15,000
Advertising and Sponsorships	575,000	500,250	74,750	15%	682,350
Reunion Services	271,500	271,695	(195)	0%	313,000
Administration Fees	66,000	64,284	1,716	3%	58,000
Conferences	240,000	174,331	65,669	38%	315,000
Royalties	124,000	120,654	3,346	3%	134,044
Football Tickets and Tailgates	215,000	200,540	14,460	7%	246,000
Activities and Social Events	77,820	63,515	14,305	23%	48,650
Miscellaneous Income	40,146	42,291	(2,145)	-5%	36,000
Transfers from/(to) Restricted Funds	73,824	36,876	36,948	100%	103,996
Total Revenues	3,918,118	3,678,587	239,531	7%	4,119,198
Operating Expenses					
Salaries and Wages	2,914,917	2,550,225	364,692	14%	2,697,449
Payroll Taxes	242,054	189,599	52,455	28%	226,179
Benefits	422,460	387,700	34,760	9%	441,314
Board Governance Costs	82,780	46,071	36,709	80%	54,950
Professional Services	446,145	456,660	(10,515)	-2%	409,613
Professional Printing	235,575	243,731	(8,156)	-3%	225,235
Postage and Shipping	147,007	141,445	5,562	4%	147,730
Merchandise Cost of Sales	420,000	454,549	(34,549)	-8%	481,749
Insurance and Bonding	88,920	83,827	5,093	6%	46,080
Employee Travel and Meals	165,714	97,644	68,070	70%	169,739
Social Events and Meetings	346,712	522,671	(175,959)	-34%	353,700
Office Supplies	49,293	52,839	(3,546)	-7%	39,760
Advertising and Corporate Promotion	45,130	50,572	(5,442)	-11%	50,050
Office Expenses	460,465	439,408	21,057	5%	421,529
Employee Training and Education	29,155	8,022	21,133	263%	28,765
Facilities Expenses	410,990	395,133	15,857	4%	444,168
Depreciation and Amortization	480,000	575,214	(95,214)	-17%	540,000
Total Operating Expenses	6,987,317	6,695,310	292,007	4%	6,778,010
Operating Income (Loss)	(3,069,199)	(3,016,723)	(52,476)	2%	(2,658,812)
Investment Income					
Investment Interest & Dividends	844,800	894,884	(50,084)	-6%	829,657
Realized/Unrealized Gains/Losses	1,716,000	3,987,086	(2,271,086)	-57%	1,078,629
Total Investment Income	2,560,800	4,881,970	(2,321,170)	-48%	1,908,286
Other Income and Deductions					
Subsidy from Foundation	350,000	419,300	(69,300)	-17%	419,300
Allocation of IT & Facilities Expenses	328,477	222,643	105,834	100%	375,834
Total Other Income and Deductions	678,477	641,943	36,534	6%	795,134
NET Income (Loss)	\$ 170,078	\$ 2,507,190	\$ (2,337,112)	-93%	\$ 44,608



Air Force Academy Foundation

	2020 *	Actual 2021	2022	2023	Budget 2024	Forecast 2024	Budget 2025	2024 Forecast to 2025 Budget Change
Salary & Wages	\$ 2,525,000	\$ 2,675,000	\$ 3,032,000	\$ 3,403,955	\$ 3,430,064	\$ 3,486,416	\$ 3,523,999	1% (a) & (c)
Other Personnel Costs	732,000	625,000	654,000	650,241	685,908	638,462	750,704	18% (d)
Total Personnel Costs	\$ 3,257,000	\$ 3,300,000	\$ 3,686,000	\$ 4,054,196	\$ 4,115,972	\$ 4,124,878	\$ 4,274,703	4%
* Revised down from \$4.1M in April 2020					% of Total Budget	61%	59%	

Association of Graduates

	2020	Actual 2021	2022	2023	Budget 2024	Forecast 2024	Budget 2025	2024 Forecast to 2025 Budget Change
Salary & Wages	\$ 2,588,887	\$ 2,603,193	\$ 2,725,442	\$ 2,817,688	\$ 2,697,449	\$ 2,550,225	\$ 2,914,917	14% (a), (b) & (c)
Other Personnel Costs	495,619	581,043	594,677	628,341	667,493	577,299	664,515	15% (d)
Total Personnel Costs	\$ 3,084,506	\$ 3,184,236	\$ 3,320,119	\$ 3,446,029	\$ 3,364,942	\$ 3,127,524	\$ 3,579,432	14%
					% of Total Budget	47%	51%	



U.S. Air Force Academy Association & Foundation

History of Employee Census and Related Costs

	2020	Actual 2021	2022	2023	Budget 2024	Forecast 2024	Budget 2025	2024 Forecast to 2025 Budget Change
FTE Employees	71.95	67.25	64.00	66.00	69.50	68.00	70.00	2.00 (b)
Salary & Wages	\$ 5,113,887	\$ 5,278,193	\$ 5,757,442	\$ 6,221,643	\$ 6,127,513	\$ 6,036,641	\$ 6,438,916	7% (a) (b)
Other Personnel Costs	1,227,619	1,206,043	1,248,677	1,278,582	1,353,401	1,215,761	1,415,219	16% (d)
Total Personnel Costs	\$ 6,341,506	\$ 6,484,236	\$ 7,006,119	\$ 7,500,225	\$ 7,480,914	\$ 7,252,402	\$ 7,854,135	8%
Cost per Employee	88,138	96,420	109,471	113,640	107,639	106,653	112,202	5,549

2025 Budget Notes:

- (a) 6% personnel salary pool budgeted across all staff; 4% cost of living & 2% discretionary performance increase
- (b) Includes 2 previously unbudgeted positions; EVP Alumni Relations & Facilities (converted from professional fees)
- (c) 2024 & 2025 show allocated personnel costs
- (d) 9% insurance increase and staffing at full capacity



Governance Committee

Almand

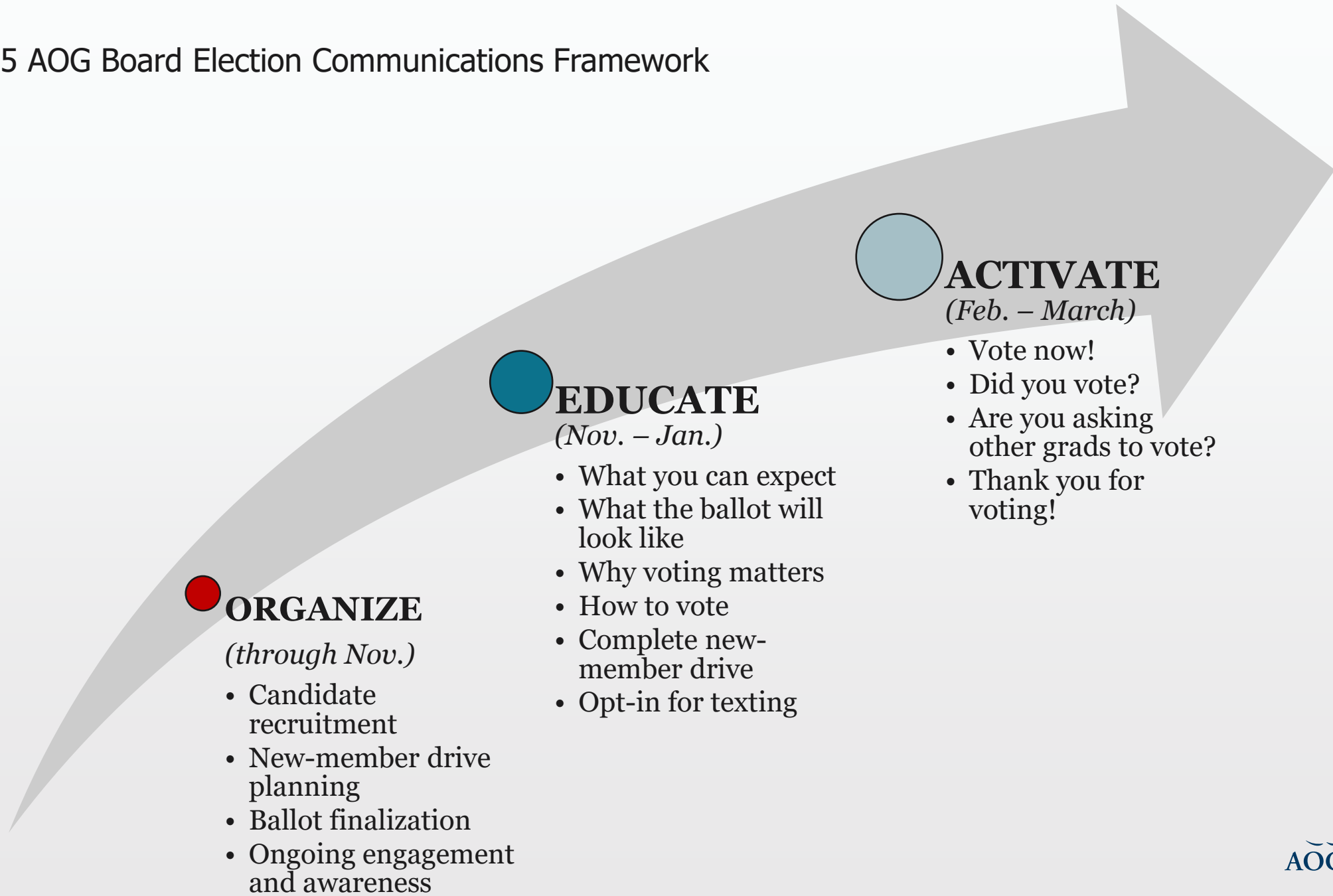
Discussion

- What action should Board take?
 - none
 - make a recommendation to members
 - up or down vote on petition as presented
 - coordinated comms or statement on ballot?
 - somewhere in between
- Highlighted need for better communication with members
 - Implication Association doesn't provide feedback to USAFA leadership
 - Messaging to include regular meetings between CEO and Supt
 - Promote CAS as avenue for two-way communication
 - Opportunity to promote organization as unifying agent supporting Academy when nation is so divided
 - Remain Politically neutral
 - Support all grads
 - Academy's direction will change as administrations change

Nominating Committee

Przybyslawski

2025 AOG Board Election Communications Framework





Class Advisory Senate

Helms

Class Advisory Senate

- CAS Officer Elections are scheduled for 7-17 November
- New Officers installed at 21 Jan 2025 CAS meeting
- CAS Speaker for 24 October is Col. Marc J. Sands '94, Senior USSF liaison to USAFA
- Unity letter discussion



In Person AOG BOD Meeting

Lowe

Recommendation

- In Person Board meeting in Colorado early February '25
 - Board has good chemistry and momentum
 - ZOOM sessions over 1 hour are not productive
 - 6 month dormant period not wise
 - Early February meeting will coincide with Election kickoff
 - Avoid 9 Feb Super Bowl weekend
 - Potential election interference may require Board review/action
 - Review/address potential Bylaws changes?
 - Reinforce Political Neutrality
 - Good opportunity to stay/meet/tour Hotel Polaris off season
 - Brainstorm "NEXT BIG IDEA"
 - How better promote CAS as avenue for two-way communication?
 - Review improved support for Academy when nation is so divided
 - Brainstorm better ways to support Grads
 - Promote respectful dialogue on key issues

Executive Session