

Minutes of the Executive Council of Phi Kappa Psi Fraternity

October 27, 2018

Dallas, Texas

9:00 A.M. - 4:30 P.M. Central

Call to Order

With President Shannon Price presiding, the meeting of the Executive Council of the Phi Kappa Psi Fraternity was called to order at 9:10am CDT.

Attendees

<u><i>Executive Council</i></u>	<u><i>Fraternity Staff</i></u>	<u><i>Appointed Officers</i></u>	<u><i>Other Attendees</i></u>
Shannon E. Price	Mark A. Guidi	Lee C. Reid	Matt Kifle
Robert F. Marchesani, Jr.	Ronald K. Ransom II	John J. Ziegelmeyer	David Jones
David M. Moyer	Amanda L. Baldwin	Richard D. Starr	Sam Dethrow
Marc A.S. Dumas	Robert S. Nagel	James Newman	Langston Rogers
Austin M. Shission	James P. D'Imperio	William T. Salen	
Hunter C. Music	Kyle A. Hickman		
Garrett L. Himstedt	Jared M. Bills	<u><i>Endowment Fund Staff</i></u>	<u><i>Endowment Fund Directors</i></u>
Drake J. Broussard	Taylor Church	Benjamin S. M. Nicol	James C. Denny
Arjun R. Bajpai			
Luis A. Gonzalez			

The invocation was delivered by Br. Price.

Consent Agenda

The consent agenda was approved unanimously.

- a. Approval of Minutes of Executive Council, June 26, 2018, Indianapolis, Indiana & Remote Locations
- b. Approval of Minutes of Executive Council, July 10, 2018, Las Vegas, Nevada
- c. Approval of Minutes of Executive Council, July 15, 2018 Las Vegas, Nevada
- d. Ad Interim Motion No. 1, Volume LVIII, to terminate the trust indenture of the Permanent, Scholastic, Educational, Charitable and Fraternal Fund of Phi Kappa Psi Fraternity. Email vote: Unanimous (10 – 0) in favor – Passed
- e. Ad Interim Motion No.2, Volume LVIII, to approve the Volunteer Travel Policy. Email vote: Unanimous (10 – 0) in favor – Passed
- f. Ad Interim Motion No. 3, Volume LVIII, to approve the New Member Initiation Period Fine. Email vote: 9 – 1 in favor – Passed (Br. Music dissented)

- g. Ad Interim Motion No. 4, Volume LVIII, to approve the creation of a Supervisory Committee for the New Jersey Delta Chapter. Email vote: Unanimous (10 – 0) in favor – Passed
- h. Ad Interim Motion No. 5, Volume LVIII, to approve the Appointed Officers for the 2018-2020 Biennium. Email vote: Unanimous (10 – 0) in favor – Passed
- i. Ad Interim Motion No. 6, Volume LVIII, to suspend the Charter of the Ohio Delta Chapter. Email vote: Unanimous (10 – 0) in favor – Passed
- j. Ad Interim Motion No. 7, Volume LVIII, to approve the creation of a Supervisory Committee for the Maryland Alpha Chapter. Email vote: Unanimous (10 – 0) in favor – Passed

Report of the President

Br. Price referred to his report. He also mentioned that we are entering a historical period with November 11th, the 100th anniversary of armistice day. This will be integrated with our Founder's Day events. He also asked everyone to be cognizant of their social media posts and comments due to these challenging times and the diversity of our member's perspectives.

Report of the Vice President

Br. Marchesani referred to his report. Since Grand Arch Council in Las Vegas, he has attended the July 15th Executive Council Meeting, and the August Executive Board Meeting, as well as the NIC Annual Meeting of Members that took place in Indianapolis. Br. Marchesani mentioned that he is working on developing a nationwide employment opportunity for undergraduate Brothers and preparing for the recolonization of Indiana Zeta at Butler University.

Report of the Treasurer

Br. Moyer referred to his report. He stressed the tight cash flow problem but is confident we will successfully navigate these times if the chapters and housing corporations discharge their debts promptly. Br. Moyer referred to the completed audit mentioning the record low number of findings (5) and in record time of completion of under 90 days.

To aid cash flow, the Executive Council requested Staff provide an Accounts Receivable Report the day after the October billing payment due date has passed so they can help collect past due amounts. In addition, the Executive Council instructed staff to begin issuing charter suspension letters to chapters who are more than 60 days past due.

Report of the Secretary

Br. Dumas discussed how we need to change the culture of the Fraternity including who we recruit, how we teach them, and how we move them through the process.

Br. Dumas, since Grand Arch Council, has attended the Executive Council meeting, the Executive Board Meeting and the Re-Chartering of Virginia Zeta in Blacksburg, VA. Br. Dumas has been enjoying the Chapter Advisor training with Phired Up.

Report of the Archons

District I

Br. Shission mentioned that he hopes the chapters will adhere to their 6-week program and that the pilot chapters will put an honest effort into the pilot programs. Br. Shission has been helping his chapters with their beginning of the year problems. He mentions that he is glad that the recruitment period has been more successful than he predicted in District I.

District II

Br. Music asked to have a cash flow report to be included in the periodic financial report updates. He also mentioned that Denison Colony is ready to become a Chapter.

District III

Br. Himstedt referred to his report. He mentioned his excitement for IU to become a Chapter again.

District IV

Br. Broussard referred to his report with nothing additional to add.

District V

Br. Bajpai referred to his report with nothing additional to add.

District VI

Br. Gonzalez mentioned he would like to see the Fraternity's social media and website revamped. He stated that there is a lot of content, but the quality could be better. Br. Guidi mentioned that we have now successfully moved the website onto new technology that makes it easier to adjust content and staff has started working through it. Staff will reach out to Archons and others to get a sense of their ideas to improve the quality of the content.

Report of the Appointed Officers

Attorney General

There were no pressing matters Attorney General needed to report upon.

Philanthropy Committee

Br. Salen mentioned the committee's aggressive efforts towards planning the Service Immersion Trips. He wants Brothers participating to walk away with the knowledge to help make an impact on poverty in their community. Br. Salen asks for help in encouraging Brothers to apply! Their goal is to get at least 14-15 students per trip.

Scholarship Committee

Brother Newman referred to his report with nothing additional to add.

Canonsburg Corporation/ House Corporations

Brother Ziegelmeyer referred to his report with nothing additional to add.

Permanent Fund

Br. Starr referred to his report. He reported the successful transfer of funds into the new 501C2 corporation with no liquidation.

Endowment Fund Updates

Br. Nicol and Br. Denny mentioned Georgia Alpha and the Foundation's new agreement has been signed and payment of the amount in question will occur shortly.

Outstanding grants from June should be paid this coming week in the order of approximately \$175,000. New grants for PDC and Regional Officer Training will be reviewed and are slated to be paid out by the year end.

They reported that the chairman of the grant review committee resigned, and they are looking for a replacement with the goal of reinstating their monthly meeting process.

The Endowment Fund also reported they continue to struggle to generate interest and raise funds for Fraternity programming. The ELEVATE health and wellness initiative is apparently proving to be exceptionally difficult to generate interest in. They also stated a strategic plan would be valuable in helping raise funds as would impact statements, beyond what have been provided from attendees of how the programs achieved their goals.

Finally, the Endowment Fund reported that their ability to provide \$700K-\$800K per year is not sustainable and that in reality starting next year the Fraternity should only expect \$400K-\$500K at most. Br. Guidi stated if that were to happen we would be in a position where we are forced to scale back our award-winning programming as opposed to expand or even maintain current offerings. This is a huge challenge we need to address immediately.

Staff Reports

Finance Update

Ms. Baldwin refers to her report. Fall billing will have a substantial impact on the accounts receivable balance. She mentions that Chapter Operations is working to collect past balances and set-up payment plans. Ms. Baldwin states the current Accounts Payable balance. She mentions the amazing improvement in the number of errors for the 2017-2018 Audit. Ms. Baldwin addresses the data discrepancies caused by the switch from Patriot to ChapterSpot and Salesforce.

Alumni Engagement & Housing

Br. Nagel and Br. Bills referred to their reports. A motion was made by Br. Music and seconded by Br. Dumas to approve the advisors listed in the packet as Chapter Advisors. The motion was passed unanimously. Staff was requested to begin recognizing new advisors in the Shield to thank them for volunteering.

Chapter Operations

Br. D'Imperio referred to his report. Items to vote on included: Denison University Colony petition

to charter, Indiana Beta Colony petition to charter, one-year extension to the Texas A&M Colony, and Disaffiliation requests of Lucas Duffy and Luke Polack. Br. D'Imperio discusses accreditation incentives. These were all taken up under New Business.

Member Development

Br. Hickman referred to his report and had nothing else to add at this time.

Communications

Br. Guidi referred to the communications report and had nothing else to add. SWGP Price announced he has a new Instagram account @swgpprice and to please follow him.

Chief Operating Officer

Br. Ransom referred to his report. He stated that there are currently 10-chapter exemptions to OmegaFi with the latest being Ashland who acquired a CPA alumnus from their chapter. Staff will prepare an Ad Interim to approve these exemptions.

Report of the Executive Director

Br. Guidi referenced his report and noted where we are on the change cycle in our three-year journey. The last two steps are creating positive feedback loops and cultural integration. Both of which focus on ensuring the successes we've had over the first two years are maintained and locked in moving forward while ensuring old, bad habits don't find their way back into the culture.

To that end, Br. Guidi spent some time highlighting a cultural flaw that could in fact cause us to drift backwards and lose many of the benefits we've realized. That flaw is the automatic presumption of negative intent. This is where whenever someone does something or something does not go as expected the assumption is the member (staff, volunteer, undergraduate) "planned" for it to happen like that, or, wasn't smart enough. This negative intent drives a toxic culture that is unbecoming of brothers.

The better approach and one shared by many of the most successful organizations is one of assuming positive intent. Meaning, assume the person intended a positive outcome and was in fact not out "to get" someone, but like many of us have experienced in our lives sometimes we fail. That does not make the idea being attempted nor the person "bad", it simply means they failed.

Br. Guidi stated while he did not have a specific solution to offer at this time, he felt a good first step was to raise awareness and asked everyone to be mindful of their approach to fellow members and to call out others whom they see as not assuming positive intent on the part of a fellow brother.

Old Business

Mike Ley Investigation

The EC moved into executive session to discuss the results of this investigation.

New Business

Denison Chartering Petition

Denison colony presented their chartering petition including a plan to get their membership numbers up to the IFC average. After a questions and answers session, a motion to approve the petition of the Denison University Colony was made by Br. Music and seconded by Br. Marchesani. Motion passed unanimously.

Indiana University Chartering Petition

Representatives from the Indiana University Colony presented their chartering petition. After a questions and answers session, a motion was made by Br. Himstedt and seconded by Br. Marchesani to approve the chartering petition of the Indiana University Colony. Motion passes 8-0 with 1 abstention by Br. Shission.

Kansas University Initiation Extension

Br. Reddell petitioned the EC to allow Kansas Alpha to proceed with their usual approach to new members which is taking them in August, inducting them in late October and initiating in January after grades have been received. The ask was to allow this to be considered within the six-week requirement. After the presentation and discussion, a motion was made by Br. Moyer and seconded by Br. Music to allow Kansas Alpha to have a one-time extension of the new member period to no later than December 8th, 2018. The motion passes with 9 votes for yes and 1 abstention by Br. Bajpai.

Retention Update

Br. Ransom presented. Br. Ransom mentioned that the retention rate for the 2017-2018 school year was 90%. The retention rate has been gradually increasing since the 2011-2012 school. According to surveys, members join Phi Kappa Psi to make friends and engage in social experiences.

Brother Ransom addressed six areas that the fraternity should focus on as it looks to improve chapter retention and experience. Those areas are identity, campus culture, recruitment, accountability & rewards, education & training and support.

Brother Ransom suggested that the Fraternity adopt a planned timeline to implement changes to address chapter culture issues. Brother Price agreed to said suggestion pending the approval of the plan by the Executive Council. Brother Price suggested that the plan be integrated with the strategic planning process that is currently taking place.

New Jersey Delta Closure

Br. D'Imperio reviewed the chapter's history including: 2004 FIPG violation, sanctions completed; 2015 FIPG violation, sanctions completed; 2017 FIPG violation sanctions until 2019. A supervisory committee was put in place in 2018 and staff has executed a membership review. Chapter had another FIPG violation during their probationary period while staff was on-sight for the membership review, University wants to remove them from campus for five years. Members of

the Chapter presented their position that they did not violate FIPG, Fraternity or University policy. A vote was then called on the two charges the chapter was accused of.

The motion was made by Br. Dumas and seconded by Br. Himstedt to find New Jersey Delta guilty of hosting a recruitment event where alcohol was present. The motion failed: 3 Yea 9 (Brs. Dumas, Himstedt, Gonzales), 5 Nay, and 1 abstain (Br. Music).

A second motion was made to find New Jersey Delta responsible for violating Fraternity's risk management policy, of specifically purchasing alcohol for minors. The motion passed with 6 Yea and 3 Nay (Brs. Moyer, Bajpai, Shission). Decision: Suspension of the chapter's charter until a time that the University's suspension is lifted.

Another motion was made by Br. Music and seconded by Br. Broussard to have staff communicate results with the university and negotiate the penalty. Motion passed 8 – 1 (Br. Shission voted Nay).

Texas A&M Colony

Following this the EC discussed the colony at Texas A&M. The staff requested the EC approve a one-year extension to the chartering process. The EC requested a more detailed assessment of the chapter's progress, the University environment, the probability the colony would be successful, and a plan that can be evaluated quarterly against progress. Staff agreed to provide this no later than November 9th after which an ad interim would be put forth to request the extension of the colony's colonization period. To further provide support Br. Kifle extended Texas Alpha resources to the colony so they can see a high-functioning chapter with a house as well as an offer of alumni resources.

Chapter Scorecard

Br. Price then raised the topic of chapter score cards. He stated he did not understand the proposed model Br. D'Imperio had provided in his report. Specifically, Br. Price said there should be a single place for all chapters GPAs to be compared to each other. Br. Guidi stated he would review with Br. D'Imperio upon returning to Indianapolis and develop a revised model based on feedback and provide to the EC shortly.

Disaffiliation Requests

The final piece of new business was to review two letters of disaffiliation. After a brief discussion of both requests independent motions were made to allow the members, Lucas Duffy and Luke Polack, to disaffiliate. Both were approved.

Motions

Motion made to approve the Consent agenda.

Motion: Br. Broussard

Second: Br. Dumas

Vote: Passed Unanimously

Motion made to approve advisors listed in packet as chapter advisors.

Motion: Music

Second: Dumas

Vote: Passed Unanimously

Motion made to let KS Alpha have a one-time extension of new member period so that they initiate their new members no later than December 8th, 2018.

Motion: Moyer

Second: Music

Vote: Passed with 9-0 with 1 abstention (Br. Bajpai)

Motion made to find New Jersey Delta guilty of hosting a recruitment event where alcohol was present.

Motion: Dumas

Second: Himstedt

Vote: Motion failed 3 (Brs. Dumas, Himstedt, Gonzales in-favor); 5 dissenting with 1 abstention (Br. Music)

Motion made to find New Jersey Delta responsible for violating Fraternity's risk management policy, specifically purchasing alcohol for minors.

Motion: Music

Second: Broussard

Vote: Passed 6-3 (Brs. Moyer, Bajpai, Shission dissented)

Decision: Suspension of the chapter's charter until a time that the University's suspension is lifted.

Motion made to have staff communicate results with the university and negotiate the penalty.

Motion: Music

Second: Broussard

Vote: Motion passed 8-1 (Br. Shission)

Motion made to approve the chartering petition of the Denison University Colony.

Motion: Music

Second: Marchesani

Vote: Passed Unanimously

Motion made to approve the chartering petition of the Indiana University Colony.

Motion: Himstedt

Second: Marchesani

Vote: Passed 8-0 with 1 abstention (Br. Shission)

Motion made to grant Lucas Duffey's request to disaffiliate and officially remove him from the fraternity.

Motion: Moyer

Second: Shission

Vote: Passed Unanimously

Motion made to grant Luke Pollack's request to disaffiliate and officially remove him from the fraternity.

Motion: Bajpai

Second: Gonzalez

Vote: Passed 6- 4 (Price, Dumas, Moyer and Music dissented)

Actions

Who	Action Item	Status
October 26, 2018	Dallas, TX	
Amanda Baldwin	Send the EC an updated AR report on November 6 th after the 30-day billing cycle is complete	
Amanda Baldwin	Re-initiate sending charter suspension letters to chapters who have a past-due balance of over 60-days and are not on an up-to-date payment plan	Done
Rob Nagel	Edit the Canonsburg exemptions then draft an ad interim to approve	
Rob Nagel	Ensure we do a better job of recognizing advisors contributions in various forums (e.g., WWLS, Shield, GAC, etc.)	
Rob Nagel	Provide Br. Guidi a list of advisors who have been certified already so he can provide it to Shannon.	
Jared Bills	Send advisor training links to EC members and staff so they can take the training as well and be more familiar with it	
Zach Herge	Develop a more detailed assessment of the status of our Texas A&M colony including elements such as: where are they in their petition development; what is their recovery plan; staff assessment of a probability of success; what is the University's assessment of our colony. The EC would like this by November 9 th after which an ad interim needs to be prepared to extend the colonization period by 12 months.	
Zach Herge	Add a date of colonization to the monthly expansion report starting with the November report	
Brian Kochheiser	Add the date of the standards violation to the monthly standards report starting with the November report	
Mark Guidi	Include the insurance premium increase chart in the annual report	Done
Ron Ransom	Develop video summarizing the insurance presentation for undergraduates and volunteers	
Ron Ransom	Draft an ad interim to approve the OmegaFi exemptions	
James D'Imperio	Revise scorecard model based on Br. Price's feedback	
James D'Imperio	Send Br.'s Brandman and Salen an accreditation snapshot from last year and this year for their chapters	