

Minutes of the Executive Council of Phi Kappa Psi Fraternity

March 16, 2019

Charlotte, North Carolina

9:00 A.M. – 4:45 P.M. Eastern

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 Eastern Time.

Attendees

Executive Council

Shannon E. Price

Robert F. Marchesani, Jr.

David M. Moyer

Marc A.S. Dumas

Austin M. Shission

Hunter C. Music

Garrett L. Himstedt

Drake J. Broussard

Arjun R. Bajpai

Luis A. Gonzalez

Fraternity Staff

Mark A. Guidi

Ronald K. Ransom II

Amanda L. Baldwin

Robert S. Nagel (Partial)

James P. D’Imperio (Partial)

Kyle A. Hickman (Partial)

Appointed Officers

Lee C. Reid

Other Attendees

Mike Flechas

Burns Davison

The invocation was delivered by Br. Price.

Consent Agenda

The consent agenda was approved unanimously.

- a) Meeting minutes of the Executive Council meeting, October 27, 2018 in Dallas, TX
- b) Ad Interim Motion No. 8, Volume LVIII, to approve the Canonsburg Exemptions.
- c) Email vote: Unanimous – Passed
- d) Ad Interim Motion No. 9, Volume LVIII, to approve committee appointments.
- e) Email vote: Unanimous – Passed
- f) Ad Interim Motion No. 10, Volume LVIII, to approve the OmegaFi Exemptions.
- g) Email Vote: Unanimous – Passed
- h) Ad Interim Motion No. 11, Volume LVIII, to approve the new PFI contribution process.
- i) Email Vote: 9 – 1 in favor – Passed (Br. Music abstained)

- j) Ad Interim Motion No. 12, Volume LVIII, to approve the closure of the California Delta Chapter. Email Vote: Unanimous – Passed
- k) Ad Interim Motion No. 13, Volume LVIII, to approve the closure of the California Mu
- l) Chapter. Email Vote: Unanimous – Passed
- m) Ad Interim Motion No. 14, Volume LVIII, to extend the colonization period for the Texas
- n) A&M Colony. Email Vote: 6 – 4 – Passed (Opposed by Br.'s Price, Shission, Music,
- o) and Himstedt)
- p) Ad Interim Motion No. 15, Volume LVIII, to suspend the Tennessee Delta chapter.
- q) Email Vote: 9 – 1 – Passed (Br. Moyer Abstained)
- r) Ad Interim Motion No. 16, Volume LVIII, to approve the West Virginia Alpha Chapter's Supervisory Committee. Email Vote: 9 – 1 – Passed (Br. Price abstained)

Report of the President

Br. Price referred to his report. He also mentioned concerns regarding the Endowment Fund's (EF's) reported financial results that reflected a seven-figure annual operating loss and an eight-figure net asset loss. The concern centered around sustainability of the business model and their ability to continue funding Fraternity programs. Since the EF's trustee meeting ran concurrently with the EC meeting we were not able to have the discussion real time.

Post hoc note: 48 hours after the EC meeting there was a call with two the EF trustee's and Ben. During that call they stated they have reason to believe there was an error in the reported financials and they were working to understand and correct any misstatements. During that call the concern for programmatic funding was again raised and the EF reported they understood and were working through ways to continue to fund Fraternity programming.

Report of the Vice President

Br. Marchesani referred to his report. He reported we would be pursuing a site for the 2022 GAC and working to build out a plan in advance of the next EC meeting. He also reported that Indiana Zeta (Butler) will most likely now return in Fall of 2020 after an accommodation was reached with the university. Finally, he notified the Council he would need to leave slightly before the meeting ended for business purposes.

Report of the Treasurer

Br. Moyer referred to his report. He had nothing new to add but did state he would echo Br. Price's expressed concerns on program funding.

Report of the Secretary

Br. Dumas referred to his report. His only addition was an ask for folks to encourage others to join the Phi Psi Family. This will be a major way the Fraternity can increase its reach to members

and non-members.

Report of the Archons

District I

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

District II

Br. Music referred to his report. He requested an executive session at the end of the meeting to discuss initiation rules.

District III

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

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 referred to his report with nothing additional to add.

Report of the Appointed Officers

Attorney General

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

Philanthropy Committee

Br. Salen did not attend and therefore there was nothing to add beyond his report.

Canonsburg Corporation/ House Corporations

Br. Ziegelmeyer did not attend and therefore there was nothing to add beyond his report

Permanent Fund

Br. Starr did not attend and therefore there was nothing to add beyond his report.

Endowment Fund Updates

Representatives from the Endowment Fund could not attend due to a conflict in the dates for

the EC and EF Trustees meetings and, therefore, there was nothing to add beyond their submitted report.

Staff Reports

Finance Update

Ms. Baldwin referred to her report. There were three points of discussion.

1. A request was made to write off significantly past due amounts from three closed chapters. Br. Price requested a breakdown of the charges (e.g., how much were related to insurance, pledge fees, initiation fees, etc.). Ms. Baldwin said she could provide that information after the meeting. The EC stated they were OK writing off some fees, but were not comfortable writing off initiation fees, pledge fees or amounts that were past due prior to the chapter closing. A request was also made to ensure we're adhering to the bad debt policy that was passed last biennium. Staff agreed to provide the breakdown of the amounts and resubmit the request by ad interim prior to the end of the fiscal year.
2. A similar request was made to write off past due amounts from five alumni associations who had not paid in the last two years. The EC requested a review of those associations to try and confirm if they were indeed defunct or if they were operating, but simply not paying their dues. It was agreed staff would undertake this review and would resubmit the write-off request via ad interim pending the outcome of that review and the results of this year's billing.
3. Clarification was requested as to how disputes raised by chapters regarding credits for inaccurate rosters should be handled. The quantity of requests is consuming considerable staff time. It was agreed that each request should be handled on a case-by-case basis and errors resulting from system problems should be credited, but misbilling resulting from chapter inaction should not be credited. It was also stated by the EC that no discussions should be had with a chapter until they at least pay the amount that is not in dispute. A motion was then made by Br. Moyer and seconded by Br. Broussard to provide the Executive Director final authority on which chapters get credited and which do not. The motion passed 9-0 with Br. Music abstaining.

Alumni Engagement and Housing

Br. Nagel referred to his report and had nothing additional to add.

Chapter Operations

Br. D'Imperio referred to his report. He raised the discussion regarding accreditation standards.

The EC agrees we need to hold chapters accountable, particularly to scholarship standards. One idea was to leverage the upcoming District Council meetings at WWLS to prepare chapters. They could then be required to appear before the scholarship committee at GAC to explain why they are failing to meet the academic standard. Staff took the action to build out a plan on how that could work and present that to the EC in June.

Br. D'Imperio then presented to the EC on the two years' worth of accreditation data we currently have and how that relates to chapters that have been closed. He was then able to apply the same indicators that we see are common across the closed chapters to our existing chapters. He identified about a dozen who have the same indicators and are therefore considered at high risk of an incident that could result in closure. The next step is to develop plans on how to preemptively intervene at these chapters in order to try and avoid closures.

Member Development

Br. Hickman referred to his report. He raised three topics:

1. Br. Hickman reported that the Movember Foundation was interested in a partnership with Phi Psi following three years where Phi Psi was the single largest fraternity money raiser for them. Br. Broussard made a motion to endorse a non-monetary partnership as outlined in Br. Hickman's report. The motion was seconded by Br. Gonzales and passed unanimously.
2. Next, Br. Hickman raised the concern that delayed grant funding was having on our ability to reimburse volunteers and students in a timely fashion. This could quickly have a significant impact on our reputation and damage our ability to continue to grow and leverage the Phi Psi family. Br. Price took the action to discuss this with Br. Hegle during their next call.
3. Finally, a discussion was held on how to fine chapters who don't attend Regional Officer Training without a reasonable excuse (e.g., severe weather). No conclusion was reached, but staff took the action to come back to the EC in June with a recommended approach that could then be discussed and voted upon.

Communications

Br. Guidi referred to the communications report and had nothing else to add. Br. Moyer commented on the high quality of last four editions of The Shield as did the CEO of Pi Kappa Phi who was in attendance for lunch.

Chief Operating Officer

Br. Ransom referred to his report and discussed several topics. First, he highlighted the updated edicts and requested the EC approve them as updated. Br. Dumas made a motion which was

seconded by Br. Shission to reaffirm all the edicts with the amended language except for the scholarship edict. The motion passed unanimously.

The scholarship edict was discussed separately. The discussion centered around two items. First was what the minimum GPA standard should be raised to. It was agreed to raise it to 2.75 or greater than the all men's average whichever is higher. Some discussion was had to benchmark it off at the all student average, but the EC decided that would put almost all our chapters out of compliance and make it virtually impossible for them to meet the standard. A higher GPA standard should be considered in the future once the 2.75 average is achieved by most chapters. The second area of discussion was how we enforced the standard, which we currently do not. Staff took the action to develop a proposed approach to enforcement that could involve notifying chapters at WWLS and then having them appear in front of the scholarship committee at GAC to explain why they are not meeting the standard. Following these discussions Br. Music made a motion to raise the minimum GPA in the edict to 2.75. The motion was seconded by Br. Shission and passed unanimously.

Next, Br. Ransom drew the EC's attention to the Risk Management policy which had been updated to more accurately reflect the NIC's recommended language. Br. Broussard made a motion to accept the revised language which Br. Music seconded. The motion then passed unanimously.

Br. Ransom then reviewed membership numbers and the need to provide incentives for junior and senior class Brothers to remain engaged. This prompted Br. Price to reiterate the plan to hire a full-time staff person to support recruitment and retention.

Following this presentation there was a discussion of tying insurance rates to chapter accreditation. The intent is to begin leveraging the now three-year-old accreditation process and start more closely aligning chapter performance with risk management tiers. Staff took the action to develop a formal proposal for the EC which would be presented at the June meeting.

Br. Ransom raised the concern regarding a greater number of risky contracts chapters are signing for local events. The action was taken for Br.'s Ransom, Reid and others to be identified to build out a service we could offer to chapters regarding contract review.

Finally, a discussion was held around enacting electronic voting which was passed unanimously at the 2016 GAC. An action was taken where Br.'s Ransom, Price, Music, and Ms. Planow will work through that to discuss at the June EC meeting.

Report of the Executive Director

Br. Guidi referenced his report and briefly went through the three major components of it. He highlighted the on-going success of our growth strategy both in terms of chapter expansions and membership. However, the net result was flat to slightly up over the last three years due to chapter closures from risk management issues. He then discussed what is currently being done in the three major areas of focus for this biennium: undergraduate accountability, recruitment and retention, alumni involvement and engagement.

Specifically, for Alumni Br. Guidi noted that the Alumni team has been understaffed for the last few years and if we are to ramp that area we may need to adjust that team. Br. Moyer raised the concern that some alumni requests weren't getting fulfilled and cited an example of 50-mile radius pulls. Br. Guidi stated that he would research this because this is something we do all the time and to his knowledge no one has ever been refused such a pull so long as they sign a non-disclosure form for the personal information we provide.

There was also a request made to reinstate HQ paying for Founders' Day speakers. Br. Guidi stated we could certainly do that, but it would need to be balanced with other funding requests.

Finally, Br. Guidi reiterated Br. Price's early concerns regarding the Endowment Fund's ability to continue to fund programs at current levels. He stated that if there is a steep fall off in funding as is being forecast that the next program we've not committed to that would need to be cut would be the Professional Development Conference (PDC). Obviously, no decision will be made until the Endowment Fund presents their final budget for this current fiscal year and notifies the Fraternity of their projected ability to support our programming.

Old Business

New Member Program Findings

Br.'s Dumas and Hickman walked the EC through the initial findings of the New Member Education committee. Data was limited given there had only been one semester of information, but initial feedback on the program seems to lean towards a 21 – 28-day program. The topic will be revisited at the June meeting, but initial data does appear to show a decrease in the number of people who have de-pledged and fewer risk management violations at chapter with shorter pledge periods. Again, it was emphasized that no firm conclusions can be drawn from only one semester of data, but the first data point did appear positive.

New Business

Endowment Fund Nominating Committee Candidates

Br. Price placed into nomination two candidates to serve as the EC's representatives on the Endowment Fund's trustee nominating committee. Br. Randy Schnack (CA Epsilon '80) and Br. David Amstutz (OH Lambda '82) were placed into nomination. A motion was made by Br. Moyer to accept the nominations. Br. Music seconded, and the motion passed unanimously.

Strategic Plan

Br. Marchesani walked the EC through the current draft of the strategic plan. Feedback was solicited and received on the vision and mission statements as well as the strategic elements. The plan will be updated and distributed more broadly for feedback with the goal of approving the plan before the end of the Fiscal Year. Br. Marchesani made a motion for the EC to endorse the direction of the strategic plan, pending the feedback discussed. Br. Himstedt seconded the motion and it passed unanimously.

Travis Moore Suspension Appeal

The EC considered the appeal of a suspension from the Texas Alpha chapter by Br. Travis Moore. Br. Moore was suspended by the supervisory committee. However, in doing so they did not notify him of his right to appeal, the timing of such an appeal, nor clearly state which portions of the bylaws he had violated (i.e., what had he done to warrant the suspension). While the EC reiterated its general unwillingness to over turn supervisory committee decisions, in this case they requested staff solicit further information from the chapter to better understand the situation. Staff took the action to gather such information, so Br. Moore's suspension appeal could be better understood and considered.

Missouri Alpha Colonization Extension

The Missouri Alpha colony has been in existence for 24 months which is the maximum for a colony to strive to become a chapter. Br. Bajpai made a motion to provide them a 12-month extension. The motion was seconded by Br. Moyer and passed unanimously.

Motions

Motion made to approve the Consent agenda.

Motion: Br. Moyer

Second: Br. Dumas

Vote: Passed Unanimously

Motion made to grant the Executive Director final authority in deciding which chapters get credits due to inaccurate roster information.

Motion: Moyer

Second: Broussard

Vote: Passed 9 – 0 – 1 (Br. Music abstained)

Motion made to reaffirm all edicts with amended language except for the scholarship edict.

Motion: Dumas

Second: Shission

Vote: Passed Unanimously

Motion made to raise the minimum GPA in the scholarship edict to 2.75.

Motion: Music

Second: Shission

Vote: Passed Unanimously

Motion made to accept the updated risk management policy as provided in the EC package.

Motion: Broussard

Second: Music

Vote: Passed Unanimously

Motion made to endorse the direction of the draft strategic plan.

Motion: Marchesani

Second: Himstedt

Vote: Passed Unanimously

Motion made to appoint Br.'s Randy Schnack and David Amstutz as the EC representatives on the Endowment Fund nominating committee.

Motion: Moyer

Second: Music

Vote: Passed Unanimously

Motion made to extend the Missouri Alpha colonization timeline.

Motion: Bajpai

Second: Moyer

Vote: Passed Unanimously

Actions

Who	Action Item	Status
Brian Kochheiser	Gather additional information on Br. Moore's suspension from Texas Alpha so the EC can decide regarding upholding or overturning it	
Ron Ransom	Work with Br.'s Price and Music as well as Ms. Planow to develop an approach for GAC 2020 electronic voting	
Ron Ransom	Work with Br. Reid and others to be identified to build out a service where HQ could review contracts for chapters and provide them feedback on the risk they are taking with regard to those contracts	
Ron Ransom	Develop a formal proposal for the EC on how to tie insurance rates to the accreditation process for the June EC meeting	
Kyle Hickman	Develop a recommended approach to how best to fine chapters who choose not to participate in Regional Officer Training	
Shannon Price	Discuss with Br. Hagle the impact delayed grant funding is having on the Fraternity's reputation amongst students and non-members regarding reimbursement for volunteered time.	
James D'Imperio	Develop an approach for how to better hold chapters accountable to accreditation standards, particularly scholastic standards and present to the EC at the June meeting	
Bob Marchesani	Work with Br. Guidi to revise and distribute the strategic plan to key constituent groups by April 1 for feedback by April 15 and for distribution of an <i>ad interim</i> vote for adoption by the EC by May 1.	