

MINUTES OF THE
STRATEGIC PLANNING COMMITTEE
(June 11, 2001)

Subject to the approval of the Strategic Planning Committee the following minutes are submitted. The Strategic Planning Committee was called to order on June 11, 2001 at the Crowne Plaza Pyramid Hotel in Albuquerque, New Mexico at noon. Those present were:

Committee Members: Ron Hatch (Chair)
 Dr. Rudy Kalafus
 Dr. Per Enge
 Karen Van Dyke
 Dr. Frank van Graas
 Ben Peterson
 Stan Lewantowicz
 Dr. Richard Greenspan

Invited Participants: Dr. Mike Braasch, Finance Chair
 Larry Hothem, Treasurer
 Carl Andren, Technical Director
 Lisa Beaty, Director of Operations

AGENDA

- 1) Strategic Planning for ION Reserve Fund and Other Special Funds
- 2) Updating of the Strategic Plan
- 3) Review of Prior Strategic Planning Committee Items

ION Reserve Fund and Other Special Funds

History of ION financial policies was reviewed. See Attached File: [investment_policy.pdf](#)

Mike Braasch reported that he had reviewed the *Reserve Fund Formula* for current application and was not recommending any changes to this formula at this time.

It was reported that approximately one million of the ION's total 1.5 million was needed for the ION's *reserve fund*. It was the consensus of the group that these funds should be invested in a conservative manner, with the goal of protecting the principle, and these funds should remain liquid so they could be easily accessed if the need arose.

Mike reported that for the purpose of this meeting he wanted to address the investment of the \$500K that was available over and above the reserve fund. He reported that he had met with the Ohio University's endowment fund managers to get advice on fund management for various purposes. He reported that a good rule of thumb in establishing a special fund (or an amount of

money the ION would set aside from its operating costs and designate the returns for a specific purpose) is that 50% of the funds return was left in the fund to cover inflation, and the other 50% of the fund's return was used to fund programs. Typically this type of strategy resulted in the organization being able to spend up to 5% of the fund's gross value per year.

The options for the \$500K identified by the committee included treating the \$500K as a long term investment, or spending it on specific program(s) until such time as the funds were gone. This generated considerable discussion during which the following points were made:

If the \$500K is treated as a long term investment:

- Special programs should be designated to be funded with the annual returns from this investment. These programs could be existing programs currently carried on the ION's annual budget, or new programs.
- If returns from the special fund are designated to pay for a program, the program should be one that could be abandoned, or funding could be adjusted, during a year in which the investment/market did not produce a favorable return.
- Before these funds could be invested in any specific investment vehicle/manner, the ION needed to determine what programs it wanted to designate to be financed by this fund, and determine a target for returns.

If the \$500K is spent in full:

- The funds should be spent in a very visible manner.
- Money should be spent in such a way as to provide broad based benefits to the membership as a whole in a proven membership benefit program. (An example of this would be the web development verses the Congressional Fellow program, which has not yet been proven.)

Ron Hatch summarized the issues by stating that the ION needed to determine the following:

Regarding the one million dollar reserve fund:

- Are the ION's current investments with Weber Asset Management conservative enough?
- Should a professional investment evaluation firm (non-bias firm that does not sell investment services themselves) be employed to evaluate the various investment strategies and make recommendations as to how the ION best invest these funds?

Action: It was the consensus of the group that for the one million dollar reserve fund, Lisa investigate two investment consultant firms and obtain proposals for the evaluation of potential investment programs/vehicles in relation to the ION's goals for this fund. A report shall be made at a joint Strategic Planning and Executive Committee meeting, to be held in conjunction with ION GPS 2001.

Regarding the \$500K available to long term investment of expenditures:

- Mike Braasch, Larry Hothem and Ron Hatch are to collaborate and draft some goals for discussion. Frank van Graas suggested they use the Strategic Plan as their guide.

Action: Mike Braasch, Larry Hothem and Ron Hatch are to collaborate and draft some goals for discussion at the joint Strategic Planning and Executive Committee Meeting in September.

Updating the Strategic Plan

See Attached File: [strategic_plan_may98.pdf](#)

Ron Hatch asked all the committee members to review Section VII, OBJECTIVES, in the ION's current copy of the Strategic Plan and send comments to both Ron Hatch and Rudy Kalafus prior to ION GPS. Ron stated that he intended for this to be a major topic of conversation for the January Council Meeting and he wanted to discuss it first at the joint Strategic and Executive Committee Meeting in September. See Attached File: Strategic Plan May 31, 1998.doc

Action: Strategic Planning Committee members to review Section VII, OBJECTIVES, in the ION's current copy of the Strategic Plan and send comments to both Ron Hatch and Rudy Kalafus prior to ION GPS.

Frank van Graas brought up the idea of a new journal, in addition to NAVIGATION, that would be fully electronic and peer reviewed. Authors would be able to post articles on the web site to obtain peer reviews and reviewers would receive compensation.

Frank van Graas also suggested the ION explore the possibility of charging an abstract submission fee for meeting abstracts. This may increase the quality of abstracts, and decrease the number of duplicate abstracts, submitted for various sessions. It was reported that many other technical societies already charge this type of processing fee.

Review Prior Strategic Planning Committee Items

There was some discussion regarding ION regional alignment and one-year versus two-year term of office for ION officers.

After much discussion it was agreed that the Strategic Planning Committee would propose the following to the January Council:

1. The ION creates two regions, east and west.
2. The number of Council Member-at-Large officers is increased from one per region to two per region with a two-year term of office. One new Council Member-at-Large would be elected each year and serve a two year term (the same manner in which the Technical Area reps serve now).

Action: Carl to provide membership statistics and regional boundary drawings to Strategic Planning Committee at the September meeting to verify membership statistics confirms the recommended actions above.

It was noted that this action would require a bylaws change. It was decided that following the September review, Bob Mitchell would be asked to prepare the requested bylaws change for the January Council Meeting.

The meeting adjourned at 2:15pm.