

**MINUTES OF THE COMBINED  
EXECUTIVE COMMITTEE & STRATEGIC PLANNING MEETING  
(June 24, 2003)**

Subject to the approval of the Executive Committee and Strategic Planning Committee the following minutes are submitted. The Council Meeting was called to order on June 24, 2003 at the Hyatt Regency Hotel in Albuquerque, New Mexico at 1pm. Those present were:

**VOTING EXECUTIVE COMMITTEE MEMBERS:**

<u>Name</u>	<u>Office Held</u>
Dr. Rudy Kalafus	President
Larry Hothem	Executive VP
John Clark	Treasurer
Dr. Gerard Lachapelle	Western VP
Ron Hatch	Immediate Past President
John Lavrakas	Satellite Division Chair

**VOTING STRATEGIC PLANNING COMMITTEE MEMBERS:**

Larry Hothem	Strategic Planning Committee Chair
Dr. Rudy Kalafus	
Ron Hatch	
Dr. Frank van Graas	
Karen Van Dyke	
Dr. Per Enge	
John Lavrakas	
Dr. Richard Greenspan	

**NON-VOTING PARTICIPANTS:**

<u>Name</u>	<u>Position Held</u>
Dr. Mike Braasch	Finance Chair
Dr. Penina Axelrad	In-Coming Exec VP/In-Coming Strategic Planning Chair
Dan Crouch	In-Coming Western Region VP
Dr. Chris Bartone	In-Coming Eastern VP
Carl Andren	Technical Director
Lisa Beaty	Director of Operations

**STRATEGIC PLANNING COMMITTEE:**

Larry Hothem opened the meeting as the Chair of the Strategic Planning Committee. Hothem reviewed the membership of the Strategic Planning Committee, which consists of the Executive Vice President that chairs the committee, the current ION president, the five most recent past presidents, the Satellite Division Chair and the Chair of the Bylaws Committee.

Hothem reviewed the history of the Strategic Plan as follows:

- Initial plan was adopted in 1993, with updates in 1994, 1995, 1998 and June 2002.
- Initially the document was referred to as the Strategic Five Year Plan. Today the implication is that it is a two-year plan that would be reviewed every two years to determine whether revisions or updates are required.

- In 1998 Council established the Strategic Planning Committee to consider plan updates.
- In June 2002 a revised Strategic Plan was adopted following major revisions and reorganization of the format for the plan (revisions chaired by Rudy Kalafus).
- Current 2002 plans states that it “describes goals and objectives of the Institute for the years 2002-2004.”

Hothem proposed that now that the plan is quite mature perhaps a two-year review cycle may be too frequent and revisions/review every three to four years may be adequate.

**Action:**            [The In-Coming Strategic Planning Chair and Committee shall make recommendations as to the review schedule for subsequent plan updates/revisions.](#)

It was also suggested that the Strategic Planning Committee might consider prioritizing the goals and objectives in the current plan and link new initiatives to funding from the New Initiatives Fund.

There was discussion as to whether or not the Strategic Planning Committee should be added to the ION’s bylaws as a standing committee.

## **EXECUTIVE COMMITTEE MEETING:**

Rudy Kalafus, ION President, called Executive Committee Meeting to order. It was established for the purpose of this meeting that those that would vote were those whom were currently in office through the end of the Annual Meeting. However, it was noted that comments and participation from all present were invited.

Kalafus turned over the floor to Mike Braasch, Finance Chair, to discuss the ION Reserve Fund Investment Policy.

### ION Reserve Fund Investment Policy

See Attached File: [Reserve\\_Fund\\_03-04.pdf](#)

Mike Braasch, Finance Chair, reviewed the materials Lisa Beaty had provided which summarized components of the ION Reserve Fund, namely:

*Contingency Fund: The amount allocated from total reserves to cover worst-case contingencies using formula approved by Council Jan '97. It was reported that the current balance required in this fund = \$946,769.*

*New Initiatives Fund: The amount available for implementing new programs; aka the R&D fund for ION or the investment the organization makes in itself to ensure its future vitality (outreach programs). It was reported that the 3/31/03 balance in this fund was \$595,563 of which \$171,135 had already been committed to fund the 2003-'04 government fellows.*

Braasch asked the Executive Committee to consider each fund and how liquid the fund needed to be to meet its goals and objectives. Braasch suggested the committee focus their attention on how long their investment outlook would be for each fund in terms of when they might predict the fund would need to be accessed. The Executive Committee was asked to focus their discussions on broad policy and not necessarily the implementation of the policy as once a policy was established it was recommended that the ION get a professional to evaluate our investment policy and goals and make recommendation on which investment vehicles might be most appropriate in meeting the ION's goals and objectives.

Discussion of personal comfort investment levels verses the conservative management of a professional organization followed.

With regards to the Contingency Fund, it was the consensus of the Executive Committee that the goal for this fund was not necessarily to use it to earn money but that since it was for worst-case scenario principal should be preserved. However, it was also consensus that it was highly unlikely the ION would need the balance of the fund in its entirety in any given year. Thus investment policy/tolerance for this fund was determined that 50% of the fund should be invested with a 0-2 year outlook and 50% should be invested with a 3-5 year outlook.

With regards to the New Initiatives Fund it was determined that those funds already committed to fund the 2003-'04 government fellows should be invested with a 1-12 month outlook and those funds not yet committed should be invested with a 1 year outlook pending review in January when specific goals for this fund are more clearly established.

- Motion:** Fifty-percent of the Contingency Fund investments shall be managed with a 0-2 year outlook and fifty percent shall be managed with a 3-5 year outlook. Motion made by Rudy Kalafus, seconded by Larry Hothem and passed by the Executive Committee.
- Motion:** That portion of the New Initiatives Fund which has been committed to fund 2003-'04 government fellows shall be managed with a 0-12 month outlook and the balance of the fund shall be managed with a one year outlook pending further clarification of pending fund commitments in January 2004. Motion made by Rudy Kalafus, seconded by Larry Hothem and passed by the Executive Committee.
- Motion:** The National Office is authorized to communicate this new policy to the ION's current professional money managers, Weber Asset Management, and authorize any required redistribution of investments to meet investment guidelines as outlined above. Motion made by Rudy Kalafus, seconded by John Clark and passed by the Executive Committee.