

**MINUTES OF THE CLASS OF 1958
PERPETUAL ENDOWMENT BOARD
MEETING ON 17 MAY 2000**

Prepared 22 June 2000

1. General:

On 17 May 2000 the Endowment Board (EB) held its second meeting, this time at the home of Church Hutton. Ed Weckel, Lee Miller, Church Hutton and Pete Brintnall attended. They were joined by Andy Andreson, not an EB member but newly elected to the Class Excom, where he serves as the Chairman of the Class Gift Committee. He attended to understand better how the EB manages the Perpetual Endowment Fund ("the Fund") and to maintain Excom-EB communications.

Because the Bylaws require 5 of 7 members to be present for a quorum, no issues were voted. As before, these minutes will therefore frame issues for discussion in a follow-up conference call to be coordinated in the near future by Miller. As before, EB members will then send their votes to Hutton by email within one week after the conference call.

2. Discussion and Recommendations:

a. We reviewed the minutes of the 22 Oct 99 meeting, and recommend they be approved.

- Brintnall's action continues on how to handle small donations that fall outside our fall funding window. He reported Lawton is preparing an application to the IRS to change our Class's tax status to that of a 501c(19) War Veteran's Organization. This could allow us to park out-of-cycle donations there until they had accumulated to the \$1000 level required for depositing in the Fidelity Investments Charitable Gift Fund. Weckel noted two minor disadvantages to that. First, funds placed in the Class account would not be under direct control of individuals with fiduciary responsibility for the Fund. Second, contributions received out-of-cycle and deposited in the Class account would have to be made out to that account, not Fidelity. We discussed both issues, deeming them not to be over-riding impediments to using the Class account in that manner.
- The Chairman of the EB and the Chairman of the Excom have each signed the Bylaws, as required.
- All EB members have signed the compliance statement, as required.
- The Fidelity article about our Fund was posted on the Internet for the Class, and will be passed out at the Portland mini and mentioned in the July 2000 Class newsletter.
- The fall 1999 out-reach to the Class for EB funds was successfully completed.

b. Status of the Endowment. We reviewed the guidance we had given Fidelity, felt our wishes were being properly executed and recommended no changes. The fund had ended 1998 at \$74, 253; 1999 at \$116,258; and on 22 June had closed at \$121,603. We felt the latter was commendable, given the turbulence in US equity markets since March.

c. The Fund Briefing at the Portland Mini-Reunion. We recommended the Fund briefing be kept factual and from 5-8 minutes. We developed several ideas that could be woven into a short pitch, which George Lawton plans to make on the Fund at the mini.

d. The Fund's Next Window of Opportunity. We recommended the Fund window open this fall during the month of October to take advantage of the traditional year-end rally. The Class will be asked at the Portland mini if it would prefer future windows to be open during June to commemorate our graduation from the Academy. Contributions could then be dated "4 June" if desired. Art Meyer submitted this suggestion.

e. Response to Bo Craddock's Messages [on another charitable vehicle for EB funds]. We reviewed the Chairman's response, recommended approval and took no further action.

f. Response to Mike Daley's Message [on inviting members of other classes to leave funds to us]. We reviewed the Chairman's response to Mike, recommended approval and took no further action.

g. Response to Meg Roosma's Message [on giving EB members more notice before EB meetings]. We reviewed the Chairman's response to Meg, recommended approval and agreed to make every effort to give more notice of future meetings in advance messages.

h. Response to Art Meyer's Message [on holding fund drives on the anniversary of our Class]. We also reviewed and recommended approval of the Chairman's response to Art. A key in managing our long-term Fund is to avoid competing with USMA's Bicentennial Campaign Fund, which provides essential near-term help to USMA, whose procedures and timing are well understood by graduates, and whose objectives we fully support.

i. Response to Pete Penczer's Message [on using a 501c(3) organization for the Fund]. We likewise reviewed and recommended approval of Ed's response to Pete. Brintnall is already assessing a 501c(19) for temporarily parking out-of-window Fund donations.

3. New Business: None offered at this time.

4. Items for Decision by Vote:

That these draft minutes be approved.

[A single "Yes" vote will approve all recommendations in these minutes. If you want to vote items separately, please identify them separately by paragraph, e.g. "para. 2.c: No."]

Paul C. Hutton III, EB Secretary