

**MINUTES OF THE CLASS OF 1958
PERPETUAL ENDOWMENT BOARD MEETING
ON 18 SEPTEMBER 2001**

Prepared 10 November 2001

1. General:

On 18 September 2001 the Endowment Board (EB) held its third meeting, this time at the home of Lee Miller. Lee, Ed Weckel, Church Hutton, Pete Brintnall and Meg Roosma attended. CPT Chris Engel at USMA, 1LT Pat Connelly in Italy, and Andy Andreson, Class EXCOM POC to the Endowment Board were unable to attend. These minutes awaited publication of those of a 10/15/01 EXCOM Meeting and results of a presentation by the EXCOM Chairman at the 11/2/01 Santa Fe mini on a recent decision to use the Endowment Fund ("the Fund") as a vehicle for the 50th Anniversary Class Gift. They are intended to frame issues for discussion in a follow-up e-mail vote among EB Members.

2. Discussion and Recommendations:

a. We reviewed the minutes of the 22 June 2000 meeting, and recommended approval.

b. Status of the Endowment. As security markets were closed for the week following the terrorist attacks of 9/11/01, the Fund data presented was as of COB 10 September.

We reviewed as successful our 2001 campaign, in which \$18,192.92 was collected. All deceased Classmates have now been memorialized by donations. EB Members gave \$1,300 after the 9/18/01 EB meeting to show confidence in the nation, the Academy and the Fund. The Fund has now received a total of \$126,452.18 since it was established; its value as of 11/9/01 was \$132,400. It went into the red for the first time ever on the first trading day after the 9/11/01 attacks, but returned to profitability shortly thereafter, and is about 1 and ½ % ahead of the S&P Index for 2001. After examining data from the last three years, the Board was very satisfied with performance of the Fidelity Charitable Gift Fund, and Fidelity's administrative assistance in promptly processing a large number of relatively small checks deposited into our account.

c. Future Open Windows. We had established two open windows for donations in 2001, the first in June to enable Classmates to date checks "4 June" as voted at the mini in Portland, and the second in August to support those participating in the Alumni/Plebe march-back. We decided that the two campaigns had lasted too long, that in the future we should focus on June, and that if Classmates wish to support future march-backs, they may do so individually but that the Board will not sponsor a formal campaign.

d. Procedure for Legacy Donations. We discussed the need for a procedure by which Classmates could provide in their wills to donate to the Fund. We need a chart reflecting the impact that donations in the next few years could have on the Fund in 2058, based on conservative assumptions, and simple instructions on how to provide for such a legacy. We will investigate this idea further, then publicize details in the Class Newsletter.

e. Reference a 50th Anniversary Fund Distribution. We considered George Sibert's 5/31/01 proposal that the Fund not make such a distribution but made no recommendation. We were uncertain what resources the Fund might have in the next 6-7 years, and must decide to what extent we want to balance a modest Class gift at our 50th, with the Fund's charter of making a massive gift later. The Fund's modest resources suggest that a near-term gift could jeopardize the long-term goal. It is also doubtful whether we could even make a meaningful gift at our 50th, given the "up to 25%" language in our Charter. This topic will be discussed further with the EXCOM.

f. Reference the 100th Reunion Database of Classmate Offspring: We also considered George Sibert's 5/31/01 proposal re establishing a reunion database. Since Alan Salisbury of the EXCOM is currently addressing this issue, we believed the Board did not need become involved. Upon dissolution of the Class EXCOM, however, maintenance of such data might become a function of a future Board.

g. Donation Profile. It appears that, with clear exceptions, most of the Fund's support has so far come from retired 05s-06s, Classmates who did not complete a military career, and from non-graduate Classmates. The EC and EB are working together to analyze the situation and devise a strategy to increase participation, both in numbers of participants and overall giving, as we approach our 50th Anniversary gift program.

h. Because no major decisions were made at this Board meeting, we agreed not to hold a telephonic conference call as before, but use e-mail to address items if/as necessary.

3. Events Subsequent to the Meeting:

The EXCOM proposal that the Fund be the vehicle by which the Class should make a 50th Anniversary Gift has major long-term implications that remain to be worked out between the EXCOM and the Board.

4. New Business: None was offered.

5. Approval: These minutes were approved between 20 November and 20 December 2001 by all five Board Members present, with the other two Board Members concurring later.

Paul C. Hutton III, Secretary