

USMA Class of 1958
Perpetual Endowment Fund Board Meeting
1 November 2007
Army-Navy Country Club
Arlington, Virginia

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Board Members Present: John Evans (Chairman), Ed Weckel (Treasurer), Bob ‘Dusty’ Rhodes (Secretary), John Nun (Member), Meg Roosma (USMA 1985, Descendant Member via speaker phone), Dale Hruby II (USMA 1983, Descendant Member via speaker phone)

Board Members Absent: Major James Hoyman (USMA 1998, Tactical Officer, USMA), William ‘Pat’ Connelly (First Captain, USMA 1998)

Others Present: Andy Andreson (Former ExCom Liaison Member), Tony Smith (ExCom Liaison Member), Pete Brintnall (Immediate Past Chairman), Lee Miller (Former Member)

Chairman John Evans called the meeting to order at approximately 1800 hours.

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SUBJECT #1: *Perpetual Endowment Fund Board Minutes, 24 October 2006*

DISCUSSION: Bob Rhodes, Secretary, read the 2006 minutes since two descendant board members, Meg Roosma and Dale Hruby II, were not present but available via speaker phones. The minutes were approved as presented.

SUBJECT #2: *John Evans welcomed John Nun to the Perpetual Endowment Fund Board to replace Lee Miller*

SUBJECT #3: *John Evans thanked Lee Miller for his untiring service to the Perpetual Endowment Fund Board*

SUBJECT #4: *Designated Member who is a graduate from the USMA Class of 1998 and subsequent classes ending in “8” who was First Captain or other high ranking cadet officer*

DISCUSSION: John Evans reported that Jason Crabtree, USMA 2008 First Captain, has agreed to serve on the PEF Board upon graduation in May, 2008. He will replace William ‘Pat’ Connelly, USMA 1998, who will become a lifetime emeritus member of the board at that time. This transition to follow-on generations is designed to serve the board and its objectives well.

SUBJECT #5: *New Orleans, Louisiana Mini-reunion After Action Report*

DISCUSSION: Bob Rhodes, Secretary, attended the recent mini-reunion in New Orleans and prepared a five-page handout for the event. The handout summarized the goals and objectives of the PEF and, in graph form, the progress and success of the PEF. Also included was guidance for Legacy Giving and PEF Donations as well as the results of the Bankers Trophy competition, by company.

SUBJECT #6: *Preparation of Perpetual Endowment Fund Report for the 50th Reunion, May 2008*

DISCUSSION: Both John Nun and Ed Weckel will prepare a briefing to be presented during the class business meeting at the 50th reunion in May, 2008. The briefing is designed to discuss the origin, goals, successes and succession plan of the fund since its inception ten years ago.

SUBJECT #7: *Bankers Trophy Presentation at 50th Reunion*

DISCUSSION: Lee Miller is working with Frank Waskowicz and Bill Brower to prepare appropriate certificates to be presented during the 50th reunion to the five cadet companies [B-2, D-1, I-2, M-2, A-1] that have achieved 100 percent participation. Company B-2 will receive special recognition since it was the first company to achieve the goal. The presentation will take place as part of the Perpetual Endowment Fund report noted above in SUBJECT #6.

SUBJECT #8: *Descendant Issues*

DISCUSSION: Dale Hruby II has assumed the board responsibility to monitor the succession plan with special attention paid to descendant board members. Currently twenty-four USMA descendants have been identified as potential board members and seven of those have expressed interest in serving on the board. Both Dale Hruby II and the board agreed that there is no current need to expand the list to include sons and daughters of classmates who are not graduates of USMA. It was recognized that the list may need to be expanded at a later date.

SUBJECT #9: *Treasurer Succession Plan*

DISCUSSION: Along with John Evans and Ed Weckel, Meg Roosma has been added to Fidelity's Investment Charitable Gift Fund access list. This decision is in anticipation of her eventual assignment as Treasurer in October, 2008. Ed Weckel has agreed to stay on as Treasurer through the 50th reunion to insure that Meg Roosma is fully briefed and comfortable with the duties and responsibilities of this important position.

SUBJECT #10: *Executive Committee (ExCom) Proposed Improvements Funding Plan for the First Class Club (FCC)*

DISCUSSION: Tony Smith, Executive Committee (ExCom) Liaison Member and Class Gift Officer, reported that the class of 2008 has officially agreed to assume oversight responsibility for the First Class Club (FCC) in 2018. Additionally the ExCom discussed how best to fund anticipated and unanticipated requirements for enhancements, not maintenance, to the FCC for the ten-year period until 2018. The ExCom concurred in a suggestion to request that the PEF Board exercise the provision in the By-Laws [Article III, Section 2 (a)] to authorize a disbursement not to exceed 25 percent of the PEF to cover this requirement. The disbursement would be requested on a contingency basis only and would not exceed \$100,000. These funds, designated for the FCC enhancements, would be retained in the PEF until needed. Any funds remaining in the Class Gift Fund (CGF) and donations that may be added to the CGF in the future would be used first until that fund is exhausted before requesting additional funds from the PEF.

VOTE: Following the PEF board meeting a vote on the proposal, above, was taken via e-mail. The Executive Committee (ExCom) Proposed Improvements Funding Plan for the First Class Club (FCC) was approved unanimously.

SUBJECT #11: *PEF Investment Report*

DISCUSSION: Ed Weckel, Treasurer, distributed a PEF Status Report, dated 29 October 2007. Comparative figures were presented in the handout showing relative values of the fund's asset allocation since inception as well as this year's results. These figures were compared with the Dow Jones Industrial Average, NASDAQ and S & P 500. The percent appreciation of the PEF, year-to-date, was 15.8 percent and the net profit for the fund as of 29 October 2007 was \$267,787. The current asset mix of Growth Funds (40%), Equity-Income Funds (40%), and International Funds (20%) appears to be in the right proportion and the board agreed that there is no need to alter the mix at this time.

SUBJECT #12: *Number of Elected Board Members*

DISCUSSION: Dale Hruby II requested clarification of the number of descendant board members identified in the by-laws. Mistakenly the board added a second descendant member to the board in Article IV (Membership), Section 1 (a), Initial Composition of the Board when, in fact, the second descendant member should have been added to Section 2, Subsequent Composition of the Board.

To correct the by-laws Ed Weckel suggested the following changes:

Change Article IV (Membership), Section 1 (a) (2) back to its original wording, e.g., "One elected Descendant Member who is a West Point Graduate descended from a member of our class." and add the second descendant member to Section 2, Subsequent Composition of the Board.

This is best accomplished by adding the following note to the end of Article IV (Membership), Section 2 (a).

Note: By a vote of the Endowment Board, following a board meeting on 24 October 2006, a second descendant member position was permanently added to the Endowment Board increasing the total membership to eight individuals - - four graduate members of the Class of 1958 (no change), two descendant members who are West Point graduates descended from a member of our Class (increasing the number from one to two), one designated member who is a recent graduate serving at West Point

(no change), and another designated member from a class ending in “8” who was the First Captain or other high ranking cadet officer (no change).

In Article IV (Membership), Section 2 (a) change “During this period, the Endowment Board will continue to consist of seven positions identified in Article IV.” to “During this period, the Endowment Board will consist of the positions identified above in Article IV (Membership), as modified by subsequent Endowment Boards, if applicable.”

In Article IV (Membership), Section 2 (b), Note: Change “Eventually the four Founding Member positions will be converted to and occupied by Descendant Members resulting in five Endowment Board positions being occupied by Descendant Members of the Class of 1958.” to “Eventually the four Founding Member positions will be converted to and occupied by Descendant Members resulting in six Endowment Board positions being occupied by Descendant Members of the Class of 1958.”

VOTE: Following the PEF board meeting a vote on the proposed changes, above, was taken via e-mail. The proposed changes were approved unanimously.

The board adjourned at approximately 2000 hours since there was no further business to discuss.

/signed/

Robert G. Rhodes
Secretary
USMA Class of 1958
Perpetual Endowment Fund Board

/signed/

John G. Evans
Chairman
USMA Class of 1958
Perpetual Endowment Fund Board