

USMA Class of 1958  
Perpetual Endowment Fund Board Meeting  
4 November 2010  
Army-Navy Country Club  
Fairfax, Virginia

Board Members Present: John Evans (Chairman), Meg Roosma (Past Treasurer and Descendent Member, USMA 1985), Russ Robertson (Current Treasurer and Descendent Member, USMA 1982), Jerry Mitchell (Board Member), John Nun (Board Member), Bob Rhodes (Secretary)

Board Member Present via Speakerphone: Dale Hruby II (Descendent Member, USMA 1983)

Others Present: Tony Smith (EXCOM - Executive Committee Liaison Member)

Chairman John Evans called the meeting to order at 1845 hours.

**SUBJECT #1: *2009 Perpetual Endowment Fund Board Minutes***

DISCUSSION: A quorum was established. The board Secretary, Bob Rhodes, did not read the 2009 minutes since each member had been provided a copy and Dale Hruby II had already read the minutes online. The minutes were approved, as presented.

**SUBJECT #2: *Transfer of Treasurer's Duties***

DISCUSSION: Meg Roosma has turned over all PEF financial data and responsibilities to Russ Robertson, the current treasurer. The board chairman sent Russ Robertson's contact information to online classmates to allow for future donations to the Perpetual Endowment Fund. Fidelity, Inc. has been notified of the change from Roosma to Robertson.

**SUBJECT #3: *Appreciation to Meg Roosma for her PEF board service and, most recently, as Treasurer***

DISCUSSION: John Evans, and all others present, thanked Meg for her twelve years of service to the board including two years as treasurer.

**SUBJECT #4: *Planning Arrangements for 2058 Ceremony***

DISCUSSION: Both John Evans and Tony Smith outlined the discussion of the June, 2010 Class EXCOM meeting regarding an appropriate ceremony for raising the "time capsule" and the distribution of ½ of the PEF's moneys to West Point. The class of 2008 will accept the responsibility for the First Class Club at

that time and in coordination with the PEF board, will plan the ceremony to include descendants of the class of 1958.

Also, the EXCOM funds will be turned over to the PEF at a time when the EXCOM is disbanded.

#### **SUBJECT #5: *Fidelity's Requirement for Charitable Contribution***

DISCUSSION: In order to retain the fund's tax exempt status Fidelity, Inc. requires regular charitable contributions at the rate of \$50 per year or one contribution of \$250 every seven years. The board unanimously voted to create a mechanism with Fidelity, Inc. whereby \$50 would be contributed each year to satisfy this requirement. The fund's most recent contribution, amounting to \$250, took place in 2008. The class fund at AOG will be designated as the charity for Fidelity's purposes.

#### **SUBJECT #6: *Financial Management of PEF Portfolio***

DISCUSSION: Meg Roosma provided a summary of the past and current portfolio's favorable performance when compared to the indexes. The possible use of a Money Market Fund was also discussed.

Russ Robertson led a discussion about risk versus return of the fund's current investment portfolio. As a result of his detailed analysis he suggested that the board consider including indexed bond funds and the Spartan Mid Cap Fund, in particular, to lower our risk and possibly increase the fund's ROI. His suggestion is focused on rebalancing the fund's portfolio and not an attempt to time the market. This approach is consistent with the board's philosophy expressed earlier.

The fund's Return on Investment (ROI) is approximately 10% lower than an all-time high some years ago but continues to out perform the major market indices. Russ will e-mail board members with any recommendations to broaden the classification of holdings to enhance return and lower risk.

#### **SUBJECT #7: *Chairman's Retirement Planning***

DISCUSSION: Chairman John Evans announced his planned retirement in 2011 after six years of service in that position. A decision will be made in 2011 for his replacement along with plans to integrate an additional USMA 1958 descendent. See SUBJECT #8 below.

#### **SUBJECT #8: *Future Descendent Appointments***

DISCUSSION: Dale Hruby II has assembled a list of seven descendent classmates as possible candidates to assume future endowment fund board vacancies. One descendent classmate, identified from the classes of 1982 to

2007, will be selected to assume board responsibilities in 2011. Following Dale Hruby's discussion with the candidates the board will be advised of the recommendation. The chairman emphasized the importance that the candidate understands the fund's by-laws and the scope of the board's work.

**SUBJECT # 9: *New Business***

**DISCUSSION:** Throughout the board's history a West Point graduate stationed at West Point has served on the board in an advisory capacity. It has become evident that a graduate assigned to the Association of Graduates (AOG) would best fill this position. Tony Smith agreed to contact AOG for a suitable representative and will then advise the board of the selection.

The board adjourned at approximately 2015 hours since there was no further business to discuss.

Perpetual Endowment Fund Board

/signed/

/signed/

Robert G. Rhodes  
Secretary  
USMA Class of 1958

John G. Evans  
Chairman  
USMA Class of 1958