USMA Class of 1958 Perpetual Endowment Fund Board Minutes

November 11, 2015 6108 Glen Oaks Court, Springfield, Virginia

<u>Board Members Present</u>: Gerald 'Jerry' Mitchell (Chairman), Russell 'Russ' Robertson (Treasurer, Descendent Member, USMA 1982),

Board Members Present via teleconference: Elena Ivanova (Designated Member, USMA 1999), John Nun (Past Chairman), Valerie Coffey (Secretary, Descendent Member, USMA 1985), Dale Hruby II (Descendent Member, USMA 1983), Jason Crabtree (Designated Member, USMA 2008),

<u>Board Members Absent:</u> William 'Pat' Connelly (Trustee Emeritus, USMA 1998),

Others Present: Anthony 'Tony' Smith (Executive Committee Liaison Member)

Chairman, Jerry Mitchell, called the meeting to order at approximately 1900 hours.

SUBJECT #1: 2014 Perpetual Endowment Fund Meeting Minutes

DISCUSSION: John Nun made a motion that the 2014 minutes, provided to each attendee and available on the class website, be approved as written. The motion was approved.

Once the 2014 Minutes were approved, Jerry Mitchell reviewed the minutes verbally, and stated that the 2014 Minutes are the plan for the Perpetual Endowment Fund, leading up to the events in 2058. (See attachment 3.)

Dale Hruby asked the board to consider methods to maintain the '58 descendent list as '58 graduates perish. Elena Ivanova stated that the Association of Graduates has the capability to generate a report through the Advancement Services Office, which tracks graduate relationships.

SUBJECT #2: Status of First Class Club

DISCUSSION: The PEF approved spending \$100,000 for a glass enclosure at the First Class Club in 2012. From the original \$100,000, approximately \$25,000 remains unobligated. Jason Crabtree made a motion that contingent on USMA '58 raising at least \$275,000 of the required \$300,000 for the club improvements, the PEF will authorize the donation of up to \$24,450 remaining from the original \$100,000 authorization to cover any shortfall after the raised funds are expended. [The intent of the Board is to cover any shortfall up to the limit of the remaining unobligated donation and that the fundraising effort would cover as much of the \$300K as it could, hopefully the whole bill.] The motion was approved.

USMA 1983 will assume responsibility for maintaining the First Class Club after a formal turnover from USMA 1958 at a time to be determined once repairs are completed.

SUBJECT #3: Fund Raising Idea from Mini-Reunion

DISCUSSION: During the recent mini-reunion, a classmate asked if there was a possibility to borrow against the funds in the PEF, if the class member planned to make a donation in a will. After much discussion, this subject was tabled without a motion.

SUBJECT #4: Perpetual Endowment Fund Treasurer's Report

DISCUSSION: Russ Robertson, Board Treasurer, presented the status of the Perpetual Endowment Funds (see Attachment 1). Russ reported that contributions this year of \$4,360 were not quite as strong as last year (\$5,290), with the March Back campaign continuing to be the main driver. He also reported that six classmates currently have the Endowment Fund included on estate documents for a total of \$134,958.

After presenting the Treasurer's Report, Russ Robertson made two motions:

- Motion to "rebalance" the investment funds by moving 3% out of the US equity/total stock market funds and placing those funds into the international fund. This motion was approved.
- Motion to put the international pool into an international "index" fund, which has outperformed the actively managed pool. The expense ratio for the current fund is 1.04% versus 0.17% for the index fund which does impact performance. This motion was approved.

Russ Robertson stated that he is proud to serve as the Class Endowment Treasurer. If you would care to send contributions to the fund, please mail your check to the below address, made payable to "Fidelity Charitable Gift Fund."

Russell G. Robertson, CFP[®], ChFC[®], CASL[®] COL (Ret) USMA Class of 82 8606 Cross View Fairfax Station, VA 22039 (703) 690-6787

For more information contact Russ Robertson at: RRobertson@wealthcrest.com

SUBJECT #5: Potential New Board Members

DISCUSSION: Dale Hruby is maintaining a list of Class of 1958 descendants who are potential board members (see attachment 2). This list was reviewed at the 2014 board meeting, and there is no change. Dale stated that there are six descendants who wish to participate now, and five descendants are younger, and have stated they wish to participate later in their careers. Currently Dale contacts descendants approximately five years after their graduation.

The board adjourned at approximately 1936 hours since there was no additional business to discuss. The next meeting is tentatively planned for 4QCY2016.

Perpetual Endowment Fund Board:

/signed/ Gerald C. Mitchell Chairman USMA Class of 1958 /signed/ Valerie G. Coffey Secretary USMA Class of 1985

Attachments:

- 1 2015 Treasurer's Report
- 2 List of '58 descendants
- 3 2014 PEF Board Minutes
- 4 Example letter for '58 descendants
- 5 List of items in time capsule

Treasurer's Report

STATUS REPORT AS OF 10 NOVEMBER 2015 FIDELITY INVESTMENT CHARITABLE GIFT FUND USMA CLASS OF 1958 PERPETUAL ENDOWMENT

1. CURRENT HOLDINGS/ASSET ALLOCATION (AS OF 10 NOV 2015)

US Equity \$383,056 41%
Total Market Index \$392,458 42%
International Equity \$164,364 17%

TOTAL BALANCE: \$939,878

2. CONTRIBUTIONS SINCE INCEPTION

Gross Lifetime Amount Contributed: \$518,579
Amount Granted to Class of '58 Fund: \$75,700
Net Lifetime Amount Contributed: \$442,879
TOTAL GAINS FROM EARNINGS: \$496,999

3. NET PROFIT/LOSS 2015 YEAR TO DATE

 Value on 1 Jan 2015
 \$923,339

 Contributions:
 \$ 4,360

 Granted to Class of '58 Fund:
 \$ (50)

 Net Amount Contributed:
 \$ 4,310

 Net Gain from Growth:
 \$ 12,229

 Current Value (10 Nov):
 \$ 939,878

4. PERCENT APPRECIATION

2015 YTD: 1.32%

Lifetime Increase: 112% (Total Gains from earnings/Net Amount Contributed)

5. 2015 YEAR TO DATE FUND (As of 10 November 2015)

U.S. Equity Pool: 1.17%
Total Market Index Pool: 2.05%
International Equity Pool: 0.01%

6. FUND PERFORMANCE MEASURED AGAINST BENCHMARKS (As of 9/30/2015)

	Cumulative		Average A	nnual		
	3 Mth	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Total Market Index Pool	-7.42%	-5.88%	-1.13%	11.76%	12.56%	6.38%
DJ U.S. Total Stk Mkt Index	-7.27%	-5.49%	-0.55%	12.44%	13.26%	7.06%
U.S. Equity Pool	-9.99%	-7.02%	-3.65%	11.18%	N/A¹	N/A^1
S&P 500 Index	-6.44%	-5.29%	-0.61%	12.40%	13.34%	6.80%
International EquityPool	-9.45%	-4.24%	-6.33%	3.65%	N/A¹	N/A^1
MSCI AC Wld exUS Index	-12.16%	-8.52%	-12.04%	2.47%	1.95%	N/A

¹ Pool created 07/01/2011, therefore historic performance is not available for earlier periods.

Pool results include a Fidelity Charitable annual administrative fee.

7. TREASURER'S NOTES:

- a. The Endowment is back to positive numbers so far this year. The markets have seen a lot of volatility recently, especially the international markets. Main drivers:
 - 1) China's slowing growth (fears of world-wide recession)
 - 2) Migration crisis in Europe
 - 3) Greece and Brazil (among other emerging market credit concerns)
 - 4) Russia's involvement in the Middle East
 - 5) The Federal Reserve's pending interest rate decision
- b. The good news is the US economy which is slowly improving. This is one of the reasons for the strong dollar which puts pressure on foreign currency (and international investments).
- c. I typically rebalance the funds by putting any new contributions into the fund that was most underweight from its target. This has worked well over the past few years. However, with the recent significant outperformance of the US stock market as well as the strong dollar, the board should consider whether we want to "rebalance" the pools right now. The strategy would have the Treasurer move 3% out of the US equity/total stock market funds and place those funds into the international fund (while it is cheap).
- d. One other proposal is to put the international pool into an international "index" fund, which has outperformed the actively managed pool. The expense ratio for the current fund is 1.04% versus 0.17% for the index fund which does impact performance.
- e. \$4,360 of contributions this year not quite as strong as last year (\$5,290) The March Back campaign continues to be the main driver.
- f. Six classmates currently have the Endowment Fund included on estate documents for a total of \$134,958.
- g. The fund makes an annual contribution of \$50 to the Class of 1958 Fund every June 6th, beginning in 2011. This helps satisfy a seven-year gifting requirement of \$250.

Attachment 2

Class '58 Descendants

CL '58 MEMBER	OFFSPRING	CLASS	INTERESTED?	Primary email
Thomas J. Kelly	Kevin W. Kelly	1980	No response	
Dwain T. Moentmann	James E. Moentmann	1981	No response	
Claude B. Donovan	Michael E. Donovan	1981	No response	
Kermit M. Henninger	Kermit P. Henninger	1981	Not interested	
George R. Robertson	Russell G. Robertson	1982	Board Member, Treas.	RRobert783@verizon.net
Millard L. Pedersen	William M. Pedersen	1982	Interested	pudfish@nc.rr.com
William P. Gillette	Deborah G. Nagle	1982	Interested	nagel.deborah@epamail.epa.gov
Richard G. Graves	William W. Graves	1982	Interested	bill.graves@autozone.com rgravesb@swbell.net
Daryl G. Jaschen	Daryl D. Jaschen	1982	No response	
James W. Peck	Daniel W. Peck	1983	Interested	peckdw@yahoo.com
Dale E. Hruby	Dale E. Hruby	1983	Board Member	dale_hruby@richards.com; dalehruby2@gmail.com
Frederick W. Kulik	Todd A. Kulik	1983	No response	
Will G. Merrill	Will G. Merrill	1983	No response	
Robert G. Finkenaur	Robert G. Finkenaur	1983	No response	
Edward J. Lucci	Edward B. Lucci	1983	No response	
Hugh P. Johnson	Jay K. Johnson	1984	No response	
Will G. Merrill	Michael F. Merrill	1984	Eventually interested	mike@smartphones.com
Edward C. Weckel	Thomas E. Weckel	1984	Not interested	
Raymond I. Coffey	Valerie G. Coffey	1985	Board Member, Sec.	vcoffey2@knology.net
Alan B. Claflin	Robert A. Claflin	1985	No response	
Ronald E. Hudson	Dale E. Hudson	1985	No response	
John W. Loffert	John W. Loffert	1985	No response	
Richard E. Thomas	Clifton R. Thomas	1985	No response	
Garret G. Roosma	Margaret A. Roosma	1985	Former Board Member	meg.roosma@us.army.mil
Lincoln Jones	Peter L. Jones	1985	Interested	
Paul M. Bons	Vincent C. Bons	1986	Eventually interested	3171 Seton Hill, Bellbrook, OH 45305; 937-310-6033; bonsfam7@att.net

Richard G. Graves	Thomas C. Graves	1986	No response	
William S. Buchly	William P. King	1986	No response	
Raymond F. Tomlinson	Roy C. Tomlinson	1986	No response	
David A. Clarke	Timothy R. Clarke	1987	No response	
Gary P. Graves	Scott A. Graves	1989	No response	
Melville A. Drisko	Michael D. Drisko	1990	No response	
Heyward G. Hutson	Heyward G. Hutson	1990	Not interested	
Heyward G. Hutson	Robert W. Hutson	1990	Interested	rph95@roadrunner.com; robert.hutson@us.army.mil
Stanley A. Slater	Scott C. Slater	1996	No response	
Ed Hale	Matthw L. Brown	2007	No response	matthew.brown23@us.army.mil
Paul M. Bons	Paul M. Bons Michael Hill	2007	Eventually	
T dar W. Bono	Wildridge Film	2007	Interested	michael.hill9@us.army.mil
Bob Grete	Robert D. Grete	2009	Eventually interested	bobgrete@cox.net; robert.grete@us.army.mil
Tom Maliska	Charles Maliska	2010		Tobert.grete@us.army.mii
Bud Moentmann	Tom Moentmann (father: Jim)	2010	No response Eventually Interested	thomas.moentmann@google.com
Dick Graves	Colin Graves (father: William '82)	2011	Contact in 2016	anomas.moenama.m.e.googie.com
Dick Bauchspies	Brandon B. Lawrence	2011	Contact in 2016	
Ray Coffey	Sean Coffey	2013	Contact in 2018	
John Devens	Michael Devens	2013	Contact in 2018	
Ken Herberger	Christian Herberger	2014	Contact in 2019	
Pat Donovan	Jake Link	2014	Contact in 2019	
Bud Moentmann	Grant Peterson	2014	Contact in 2019	
Mike Daly	Brianna Burnstad	2015	Contact in 2020	
Dale Hruby	Christian McKenrick	2016	Contact in 2021	
Dick Reynard	Peter Basnight	2016	Contact in 2021	
Bill Wafer	Bill Wafer Jr.	2017	Contact in 2022	
Swede Olson	Jack Fagerland	2017	Contact in 2022	
George Robertson	Dana Robertson	2017	Contact in 2022	

SUBJECT #4: Permanent Endowment Fund (PEF) Board activities supporting the first major disbursement of funds from the PEF, and the opening of the USMA Class of 1958 Time Capsule on the 100th Anniversary of our Graduation during May of 2058

DISCUSSION: The PEF Board will be the only functioning entity of the Class of 1958 as the years pass. The PEF Board will coordinate and organize the events in May of 2058 with the USMA Classes of 1998 and 2008 who will be celebrating their 60th and 50th Anniversaries respectively at West Point.

The current PEF Board is as follows:

Gerald 'Jerry' Mitchell (Chairman USMA 1958),

Russell 'Russ' Robertson (Treasurer, Descendent Member, USMA 1982), Jason

Crabtree (Trustee Emeritus, USMA 2008),

John Nun (Past Chairman USMA 1958),

Valerie Coffey (Secretary, Descendent Member, USMA 1985),

Elena Ivanova (Designated Member, USMA 1999),

Dale Hruby II (Descendent Member, USMA 1983),

William 'Pat' Connelly (Trustee Emeritus, USMA 1998).

Elena Ivanova is our AOG designated member, and William Connelly and Jason Crabtree are our Trustees Emeritus, and distinguished members of the Class of 1998 and 2008 respectively. The PEF Board will change in the coming years. When the Class of 1958 Executive Committee decides to disband in the coming years, the USMA 1958 members of the PEF Board will also step down, and be replaced by descendants of USMA 1958.

When our current AOG member steps down she will be replaced by another member of the AOG, preferably also a USMA Grad, and our current trustees emeritus decide to step down they should also be replaced by other distinguished members of their class. The AOG member and the trustees emeritus have no term limits. Other members of the PEF Board are limited to two six year terms per the PEF Bylaws. This explains how the PEF functions up to and through 2058.

A summary of some of the ideas that Jack Downing and others suggested might take place during our 100th anniversary and the 60th and 50th anniversary of the classes of 1998 and 2008, and the first major disbursement of funds from the PEF per the PEF Bylaws, and the opening and perhaps reburial of the USMA 1958 Time Capsule are discussed below.

SUBJECT #5: **USMA 1958 Permanent Endowment Board and the activities** surrounding the first major disbursement from the PEF and the opening of the **USMA 1958 Time Capsule in 2058**

DISCUSSION: The PEB will be the coordinating group for all activities. The events will take place in May 2058 along with the USMA 2008 50th Reunion and all activities should be coordinated with that class and the AOG.

All USMA 1958 descendants should be given an opportunity to attend the events. Classmates and widows of classmates should inform their children and grandchildren of the events to take place in May 2058 with instructions of how to contact the USMA AOG so that they can attend the 2058 events. A suggested letter to descendants is at Attachment 4.

This is not an official Academy event, and it is meant to be "low-key" so as not to inconvenience the class of 2008 that will be celebrating their 50th reunion, the AOG, or the Academy. That having been said, the Superintendent should be notified and be invited to address the group. This would also be an opportunity for the PEB to present the Superintendent with a check for the first major disbursement from the PEF.

The PEB might consider hosting a cocktail hour/mixer in the area prior to the official events where our descendants will have a chance to meet each other. The PEB might also arrange for USMA descendants who are cadets or recent graduates to lead tours of the academy grounds. The expenses for this could be borne by the PEF.

This will require early coordination by the PEB with the AOG, however the only involvement of the AOG is to refer descendants who call, to a point of contact in the PEB. The point of contact in the PEB will be the source of all knowledge required by descendants attending the events.

Elena Ivanova will put the PEF documents on the AOG server to establish a formal record of the PEF evolution. The time capsule is buried behind AOG; there is a paver marking the location. Items contained in the time capsule are listed in Attachment 5.

Draft Letter for Your Grandchildren

On the 50th anniversary of our graduation from West Point (in 2008) we buried a Time Capsule to be unearthed in 2058. Also, that is the year that our Perpetual Endowment Fund will make its first donation to West Point. The Class of 2008, with whom we have a special, close relationship, will celebrate its 50th graduation anniversary. All of which makes 2058 a special year.

None of us will be around to celebrate, but our grandchildren may be, and we have made some preliminary plans to encourage them to remember us at West Point. Two groups we know will likely still be in existence: the West Point Association of Graduates (WPAOG) and the '58 Perpetual Endowment Board (PEB). These have both agreed to help. The PEB will be the action agency and the WPAOG will act as directing agency for our grandchildren.

It would be virtually impossible to track the whereabouts of our descendants, but you can leave some directions for them to contact the WPAOG in early 2058. WPAOG will then direct them to the PEB.

To assist you in this, here is a draft letter for you to leave for your grandchildren (and great grandchildren) with some directions. I suggest you modify the draft to suit your circumstances, put it in a strong envelope and, with a class coin if you have one, pass it on to those who follow.

Dear Grandson/daughter (use appropriate name)

This is (your name) writing to you from (date). Happy New Year 2058!

I wish I could be with you to celebrate this event; however, that is quite impossible. I do remember when you were born, and how happy I was to have our family line extended far into the future. Do you remember when we used to go (personalize this - - hiking, biking, swimming, camping, hunting, etc., etc?). These were some of my fondest memories, which I always cherished.

I want to take you back 100 years - - to 1958, the year I graduated from West Point. I don't know if you realize how important West Point was in our family history, because (personalize this - - it is here that I met/married your grandmother, started my career, etc., etc). In those days we were concerned about the onset of the nuclear age, the frightening aspect of World War III and the spread of communism

throughout the free world. We were depression babies and molded by the events of World War II. We witnessed the collapse of the Soviet Union and the subsequent rise of militant Islam. We fought in the conflict in Viet Nam. The world certainly changed during our lifetime, and I suspect during yours. I cannot imagine the challenges and opportunities which you now face, but I hope it is a better world, helped in part by the sacrifices made by our Class during our careers.

We are very proud of our class. We are all men, since in those days women were not allowed in West Point. We all spent four years together and grew from boys to men. We then served together in both the Air Force (this was before the Air Force Academy) and the Army. As we took wives and children and grandchildren came, we bonded at our reunions. Even when we died, we wrote each others' memorial articles and stood by at our funerals. We shared a loyalty to the West Point motto, Duty, Honor, Country.

We have planned for two events to occur at our 100th Anniversary - - 2058, first, at the 50th Anniversary of our graduation, we buried a time capsule at West Point, which is to be unearthed then. It contains mementos from our days at West Point, such as items from our graduation, a "Bugle Notes" better known as the "Plebe Bible", a slide rule, a "Hop Card" and a plebe B-robe. I know that some of these are foreign to you, but I want to stir your interest.

Second, at this event, a substantial portion of our Perpetual Endowment Fund will be gifted to West Point - - the first of many gifts that will continue at 10 year intervals. (At our 40th Anniversary, we established a perpetual endowment, to be managed by our descendants, with the first major presentation to be made at our 100th Anniversary.)

During the unearthing ceremony, and the presentation of our class gift, we hope there will be an appropriate ceremony, attended by our descendants. We cannot be there, but we hope that our descendants will celebrate this occasion for us.

The year 2058 is also the 50th anniversary of the graduation of the class of 2008 and we hope that they will also be at the opening of the Time Capsule since they too have items in it. We had a special association with this class. We attended many of the events in their cadet life from their entrance to their graduation. We got to know many of them as cadets and some afterward, even as they recuperated from their injuries in the Iraq and Afghanistan wars. Some may remember us.

The purpose of this letter is to remind you of your grandparents and to share our pride in having served our country. An opportunity awaits you to attend our 100th

Anniversary at West Point. I would be pleased if you would contact the Academy (the West Point Association of Graduates-WPAOG, if it is still in existence) and determine when this event will take place. It probably will be in May, 2058, but schedules change over the years. The WPAOG should be able to put you in contact with the Perpetual Endowment Fund Board that will manage this event. I encourage you and your family (which is my extended family too) to attend and help us celebrate.

You are our connection with the world that follows us. In the words of "The Corps", a well known West Point anthem, "Grip hands, though it be from the shadows" and remember that we live in your memories.

s/Your Name

Items in Time Capsule

Graduation Items
Musicableux
Banquet program
Graduation Exercises
Thayer Hall
description Concert
program Baccalaureate
Service Pointer View
50th Anniversary Plebe Marchback
Pointer Calendar
West Point Songs
4t ¹¹ Class Customs & Traditions
West Point Post Cards
Lacrosse
Paper
Army-Navy
program Signed ball
Team picture
Dumbsmack Day program
"Michigan Lads at West Point" article
Welcome Letter-Gen Irving
'58 License plate
Quill (one signed by Alexander Haig)
Bugle Notes
1958 Locator
Garry Capelle tribute
Salute to '58 'FaJJen 13"
Program for Dedication of FCC
4tn Class Christmas Week Activities
Name Tag and Cadet Housewife
Decorated B-robe
1958 Assembly
I OOtn Ni ght Program "Di sapproved"
Cadet slide rule
Signed copy of "We were Soldiers Once and Young"
'Thank you" letter from LTG (Ret) Moore for nomination as Distinguished Grad
Silver West Point napkin ring
Menu of Plebe Christmas dinner
4-star insignia
Music and recording of "Leaders for Our Nation"
1957 Army-Navy football program

Dept of English Style Manual (1954) White belt, black be! white gloves insignia Section marchers role- 4tn class math L'Object D'Jgor: Mike Sigurski's check to the endowment fund and related papers Wash Star report of the first 150 A-N game on 26 October 57 Golf towels:NY News headline stating that 'West Point Plebes Start" with the July 6. Cadet garter '58 patch West Point 50tn Reunion Tour Guide Air Force Wings '58 mug Class Roster Letter to Superintendent from Ed Weckel re. Endowment Fund Letter to the classes of 2008 and 2058 1957 football Army 27-Penn State 13 '58 gold & black scarves Congressional Nominating Letter Cadet cuff links Class trip to Maxwell AFB Memorial Services Program "58 is Great" cover USMA catalogue 1953-54 Summer leave addresses 1958 Letter to cadets from Mrs Holland, cadet hostess Grade card kept on locker for Tac Cadet pay statement Oui ll Ticket, Review Parade, June 1958 Hop card Catholic Chapel weddings '58 wrist watch Roll call memorial service May 2008 Plebe B-robe Class newsletter Class summer trip to Maxwell AFB Brass FD button Class '58-'08 coin Classmates notes "Last night lighter" (1956) Congressional nominating letter 50h Reunion Program Stambaugh cadet nametag 2008 Bugle notes Branch notification

Army Athletic Memories
Graduation program
Cadet Field Trainin SOP
Ticket 100 th Night Show
Track medal- I ³¹ place
Class of '08 DVD
Wine glass