

USMA Class of 1958 Perpetual Endowment Fund Board Minutes

*December 5, 2017
6108 Glen Oaks Court, Springfield, Virginia*

Board Members:

- P - Founder Member - George Lawton, Chairman, USMA 1958
- P - Founder Member - Gerald 'Jerry' Mitchell (Outgoing), USMA 1958
- P - Founder Member - John Nun, USMA 1958
- P - Descendent Member - Russell 'Russ' Robertson, Treasurer, USMA 1982
- T - Descendent Member - Dale Hruby II, Descendent Graduate List Manager (Outgoing), USMA 1983
- T - Descendent Member - Valerie Coffey, Secretary, USMA 1985
- T - Designated Member - Elena Ivanova, Recent Graduate Serving at West Point, USMA 1999

- P - Founder Member – Edward J. 'Jack' Downing (Incoming), USMA 1958
- T - Descendent Member – Daniel Peck, Descendent Graduate List Manager (Incoming), USMA 1983

- A - Founder Member - Alan Chase, USMA 1958*
- A - Designated Member - Jason Crabtree, USMA 2008*
- A - Trustee Emeritus - William 'Pat' Connelly, USMA 1998*

[P= Present; T= Participated via telecon; A = Absent]

Chairman, George Lawton, called the meeting to order at approximately 1900 hours, and verified the board had a quorum (2/3) of voting members to conduct business.

SUBJECT #1: Minutes of June 15, 2017 Meeting

DISCUSSION: The board unanimously approved the 'minutes as changed', for the meeting held on June 15, 2017. The change reflects an updated title for the position held by Elena Ivanova, who is a recent graduate serving at West Point and works for the Association of Graduates (AOG). Discussion centered on the fact that through her association with AOG, Elena brings added benefits to the board that the board may want to consider when selecting future board members for this position.

SUBJECT #2: Realigning Board Members' Terms of Service

DISCUSSION: IAW Jason Crabtree's motion in our last meeting, George Lawton presented a plan to bring our member's Term of Service (TOS) in compliance with the By-Laws and spread out the TOS so we achieve some continuity. Accordingly, Jerry Mitchell and Dale Hruby will leave the board at the conclusion of this meeting and be replaced by Jack Downing and Dan Peck, respectively. In addition, John Nun's and Valerie Coffey's TOS were both extended one year. This proposal was unanimously approved by the board. The resulting TOS of all members are shown below.

Status	TOS Ends
'58 Founder Members (6 Yr TOS)	
Jerry Mitchell	2017
John Nun	2018
Alan Chase	2022
George Lawton	2022
Jack Downing	2023
Descendent Members (6 Yr TOS)	
Dale Hruby II (Membership)	2017
Valerie Coffey (Secretary)	2018
Russ Robertson (Treasurer)	2019
Dan Peck (Membership)	2023
Designated Members (10 Yr TOS)	
Jason Crabtree (a)	2018
Elena Ivanova (b)	2021
Emeritus (c)	
Pat Connelly	N/A

SUBJECT #3: Treasurer's Report

DISCUSSION: Russ discussed the report in Appendix A and noted that he didn't believe we needed to rebalance our funds, that the International Index Pool was doing particularly well this past year and that incidentally he was investing new contributions into this fund, and we could historically expect a major drop in the market, but we expect to just ride it out. George observed that our total gains exceeded our initial investment, which is in keeping with the initial philosophy of

why the class created the fund; to invest & grow a future donation rather than contribute year to year.

CURRENT HOLDINGS/ASSET ALLOCATION (AS OF 30 Nov 2017)

US Equity	\$501,101	41%
Total Market Index	\$495,563	40%
International Equity	<u>\$230,408</u>	19%
TOTAL BALANCE:	\$1,227,072	

CONTRIBUTIONS SINCE INCEPTION

Gross Lifetime Amount Contributed:	\$520,500
Amount Granted to Class of '58 Fund:	\$ 75,800
Net Lifetime Amount Contributed:	\$444,700
TOTAL GAINS FROM EARNINGS:	\$782,372

SUBJECT #4: PEF Fundraising

DISCUSSION: The board members discussed opportunities for fund raising. George Lawton stated that he will prepare information for the Class 60th Reunion in April 2018, to include the status and methods for donating to the fund. Elena Ivanova stated that the Class of 1958 has a plaque near the entrance of the First Class Club recognizing the class gift to restore the club, even though the club has required major repairs and renovations since '58 provided the original gift.

SUBJECT #5: Realignment of Board Member Duties

DISCUSSION: The board voted Dan Peck to replace Dale as an account holder/Trustee with Fidelity and asked Russ to take the necessary actions to effect this change. There are three Fidelity account holders: Russ, George Lawton, and now Dan.

SUBJECT #6: MOU for USMA 2058 Events

DISCUSSION: Jack Downing made the board aware of and provided copies of a MOU between the Class of 1958 and 2008 (Appendix B), signed by the respective class presidents in April 2017 that outlines plans for the

celebration of the 100th Anniversary of the Class of 1958 and 50th Anniversary of the Class of 2008. These plans not only affect the two classes, but also involve the PEFB and the AOG among others. George Lawton will mail the original to Valerie Coffey to file with the board records. The minutes, Treasurer's Report, By Laws, and other PEF documents are also on the '58 website, maintained by Pete Trainer at www.west-point.org/class/usma1958

SUBJECT #7: Investiture of New Board Members

DISCUSSION: George Lawton welcomed Dan Peck (USMA '83) and Jack Downing (USMA '58) to the board, and thanked Dale Hruby (USMA '83) and Jerry Mitchell (USMA '58) for their service.

The board adjourned at approximately 2000 hours since there was no additional business to discuss. The next meeting is tentatively planned for October 2018.

Perpetual Endowment Fund Board:

/signed/
George Lawton
Chairman
USMA Class of 1958

/signed/
Valerie G. Coffey
Secretary
USMA Class of 1985

Appendix A

STATUS REPORT
AS OF 30 November 2017
FIDELITY INVESTMENT CHARITABLE GIFT FUND
USMA CLASS OF 1958 PERPETUAL ENDOWMENT

1. CURRENT HOLDINGS/ASSET ALLOCATION (AS OF 30 Nov 2017)

US Equity	\$501,101	41%
Total Market Index	\$495,563	40%
International Equity	<u>\$230,408</u>	19%
TOTAL BALANCE:	\$1,227,072	

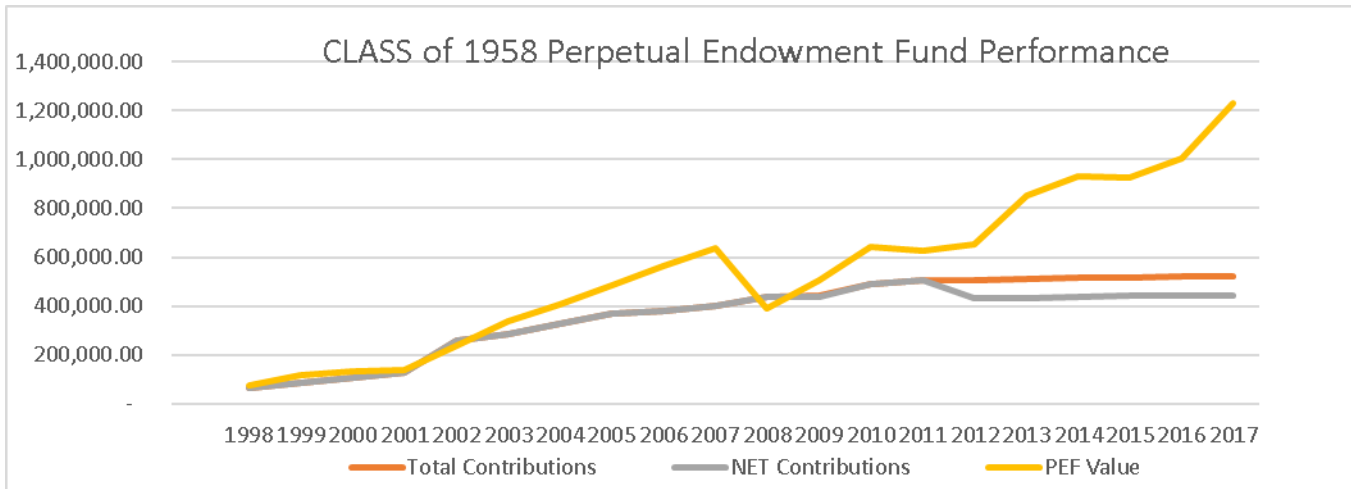
2. CONTRIBUTIONS SINCE INCEPTION

Gross Lifetime Amount Contributed:	\$520,500
Amount Granted to Class of '58 Fund:	\$ 75,800
Net Lifetime Amount Contributed:	\$444,700
TOTAL GAINS FROM EARNINGS:	\$782,372

3. FUND PERFORMANCE MEASURED AGAINST BENCHMARKS (As of 31 Oct 2017)

	Cumulative	Average Annual			
	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Total Market Index Pool	15.86%	23.25%	9.86%	14.38%	7.02%
DJ U.S. Total Stk Mkt Index	16.42%	23.96%	10.48%	15.07%	7.66%
U.S. Equity Pool	20.63%	26.26%	9.79%	14.45%	N/A¹
S&P 500 Index	16.91%	23.63%	10.77%	15.18%	7.51%
International Index Pool	22.05%	23.06%	5.41%	8.00%	0.62%
MSCI EAFE Index	22.01%	23.69%	6.28%	8.70%	1.26%

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



4. TREASURER'S NOTES:

- a. The Endowment has a good year, as did world stock markets. For all the upward movement, volatility has actually been relatively stable. To summarize 2017 so far:
 - 1) U.S. and World economies are generally getting better
 - 2) Unemployment is getting lower
 - 3) Inflation is still very low
 - 4) The expectation for tax cuts and pro-growth US policies
 - 5) The Federal Reserve's very slow raising of interest rates
 - 6) Consumer Confidence is high
 - 7) Skepticism of the current bull market (waiting for the "pending correction")
- b. The stock market has not seen a major, or even minor, correction for almost two years. Markets often "revert to the mean", so I wouldn't be surprised to see a major drop, but don't think it would last long (barring a major event).
- c. Seven classmates currently have the Endowment Fund included on estate documents for a total of \$174,958.
- d. 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.
- e. Contributions can be made by check payable to Fidelity Investments CGF. Mail to:

Russell Robertson
 Treasurer, Perpetual Endowment Fund
 8606 Cross View
 Fairfax Station, VA 22039

Appendix B

MEMORANDUM OF UNDERSTANDING FOR USMA 2058 EVENTS

Purpose

The purpose of this MOU is to outline plans for the celebration of the 100th Anniversary of the West Point Class of 1958 and the 50th Anniversary of the Class of 2008.

Interested Parties:

- a. Current USMA class of 1958.
- b. Class of 2008
- c. The Perpetual Endowment Board, Class of 1958 (PEB).
- d. The West Point Association of Graduates
- e. Superintendent, USMA
- f. USMA Class of 2058
- g. USMA Museum

Discussion

Our two classes shared several memorable events during the Cadet years of USMA 2008. In 2008 the Class of 1958 celebrated the 50th anniversary of its graduation as the Class of 2008 graduated. We marked the occasion by interring a Time Capsule behind Herbert Hall, which houses the West Point Association of Graduates. The Time Capsule remains the property of the Class of 1958 until the event in 2058 after which ownership will pass to the Class of 2008.

USMA 1958 created and funded a Permanent Endowment for the benefit of USMA. It is over-watched by a Permanent Endowment Board and will make a major donation to USMA in 2058, marking the 100th anniversary of the Class's graduation. 2058 will, of course, be the year when USMA 2008 celebrates its 50th anniversary.

We recognize that it is futile to make specific plans four decades in advance for celebration of these anniversaries, but we do wish to note the occasion with this MOU and document with it the wishes of USMA 1958 concerning it.

Expected activities for the celebration in 2058:

- a. 50th anniversary reunion of the graduation of the Class of 2008.
- b. Presentation of a major monetary gift to the Academy from the Class of 1958 Perpetual Endowment Fund(PEF).
- c. Opening of the Time Capsule (TC).

Timing and Location

We expect that the date of the USMA 2008 reunion will be determined by the Academy, and we wish for the USMA 1958 activities to take place at the same time.. We expect that the 2008 planning committee will coordinate with the USMA 1958 PEB to arrange for the unearthing of the Time Capsule and the presentation of the 1958 gift to the Superintendent.

The Time Capsule opening might take place in the area behind Herbert Hall where it was dedicated 2008. If the First Class Club still exists, the ceremony might take place there, to commemorate the support our two Classes gave to the operation of the Club. In any event the USMA 2008 planning committee will select and coordinate the location with the USMA 1958 PEB.

Authority:

The Class Executive Committee (EC) is the decision-making authority for the Class of 1958. It will dissolve eventually, well before 2058, and the Perpetual Endowment Board will have authority concerning the 2058 commemorative events which are the subject of this MOU.

TC Contents: A list of the contents is attached. Disposition of the contents after the TC is opened will be decided by the Class of 2008. Some possibilities are:

1. Distribute them to our descendants.
2. Donate items to the USMA Museum.
5. Return some or all to the TC for reburial along with mementoes from the Classes of 2008 and 2058

Funding

Costs associated with the handling of the TC and any USMA 1958-sponsored events will be borne by the PEB. Future TC costs will be the responsibility of the Class of 2008.

Coordination

The USMA Class of 2008 will arrange for the conduct of these celebratory events in 2058 and will coordinate with all interested parties. The PEB will seek to notify and involve any interested descendants of the Class of 1958.

Jack O. Bradshaw
1958 Class President

Adrian D. Perkins
2008 Class President

Items in Time Capsule

1958

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

4th 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 "Fallen 13"

Program for Dedication of FCC

4th Class Christmas Week Activities

Name Tag and Cadet Housewife

Decorated B-robe

1958 Assembly

100th Night Program "Disapproved"

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 belt, white gloves insignia
Section marchers role- 4th class math
L' Object D'Igor: 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, 1954 date
Cadet garter
'58 patch
West Point 50th 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
Quill
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
50th Reunion Program
Stambaugh cadet nametag

2008

Bugle notes

Branch notification

Army Athletic Memories

Graduation program

Cadet Field Training SOP

Ticket 100th Night Show

Track medal- 1st place

Class of '08 DVD

Wine glass