

# U. S. COAST GUARD ACADEMY ALUMNI ASSOCIATION

## MINUTES

Alumni Center Conference Room, New London, CT  
November 13 – 14, 2009

### Friday morning, November 13

RADM Rick Larrabee '67, Chairman of the Coast Guard Academy Board of Directors, called the meeting of the Board of Directors to order at 0835.

#### Board Members Attending:

Brant Houston '67  
CDR Gary Tomasulo, USCG '91  
LCDR Erica Mohr, USCG '96  
CAPT Lisa Festa, USCG '85  
John Fox '97  
RADM Richard Larrabee, USCG (Ret.) '67  
Jeffrey Kingsley '93  
Thomas Lucey '65  
CAPT Jeffrey Hartman, USCG (Ret.) '63  
Kerry Watterson '78  
CDR Andrea Marcille, USCG '89  
LT William Woitrya, USCG '99

#### New Board Members Attending:

CAPT Melissa Bert, USCG '87  
LT Dion Nicely, USCG '01  
Robert Byrd '66  
Tiffany Jones '97

#### Association Staff:

CDR James Sylvester, USCG (Ret) '71  
CAPT John Maxham, USCG (Ret) '66  
Andrew Krupa  
Tara King  
Eileen Foye Kelly  
Karen Licitra  
Chris Franklin, CPA  
Sue Fage

Guests:

James Tyler '58

Alan Kruger

CDR Edward Beale, USCG '92

VADM A. Bruce Beran , USCG (ret)'57

RADM Thomas Matteson, USCG (ret)'57

William Plage '73

Donald Ross '77

### **A. Approval of Minutes**

The minutes of the July 2009 meeting of the Board of Directors were presented and approved.

### **B. Status of Pending Action Items**

Lisa Festa reported that she sent a proposal out to all the Board Members along with a draft letter from Jim Sylvester to the Assistant Superintendent regarding a new award named the Rowdy MacArthur Community Service Award. An anonymous alum suggested the award, offered to pay for it the first year, and the name is based on the alum's children's middle names. As proposed, the award would cost \$400 a year and would be awarded to an individual, a class, and a company. The individual would receive cash, but the others would be recognized on a plaque. The Board feels that just paying for the award for the first year is not enough to have naming rights and discussed whether the Alumni Association should pay for this award based on all the other awards presented and funded annually. It was proposed by the Board to do an individual award where the individual would receive a plaque and the company morale fund would receive a cash gift of \$100 funded by the Alumni Association. A motion was made and seconded and unanimously approved with the name of the award to be "The USCGA Alumni Association Award for Community Service."

Erica Mohr reported that she and Jeffrey Hartman are still working on the Communications Strategy and need to discuss it more before presenting it to the Board. Jeffrey has prepared a draft, but further discussion is needed to determine the best use of this strategy. They will update the Board in March.

A summary article of the Membership Survey was written by Erica Mohr and included in the October Bulletin.

Rick Larrabee stated that additional time was needed to update the Association's Strategic Plan and it will be ready for discussion at the next board meeting in March 2010.

John Fox will discuss the nomination process in Executive Session on Saturday.

Jim Sylvester did brief the Superintendent on the Membership Survey and the results.

John Fox reported that he, Rick Larrabee, Rube Olsen and Andrea Marcille have had preliminary discussions with the Academy Superintendent and the Admission Director on how we can help them improve the number and quality of applicants to the Academy. John commented that despite the obvious statistical decline in the number of qualified applicants over the past 30 years, the Superintendent appears satisfied with the quality of applicants and cadets at the Academy. Further, he reported that the Superintendent is very focused on improving the number of under-represented minorities at the Academy and agreed to work with the Alumni Association as we consider ways in which we can bolster our support of admissions. Another board member mentioned that there was a mention in the most recent Board of Trustees meeting that there could be Alumni resistance to increasing diversity in the cadet corps. This upset several board members who don't understand why we might be represented this way when we've tried to be very clear and consistent in our communications with the Superintendent and Academy staff about our support for increasing minority representation. It was decided that Rick Larrabee would clarify this misperception with the Superintendent and reinforce our support for increasing the number of highly-qualified applicants.

### **C. Financial Reports**

Jim Sylvester reported on the hiring of a Controller as requested by the board following the July meeting to bring on additional accounting and financial reporting expertise. He passed out a new organization chart and stated that all staff members have helped to pick up the slack created by the reorganization. Jim stated that overall the alums are happy except for the proposed change requiring congressional appointments to the Academy. He indicated that Homecoming was very successful and that he and John Maxham coordinated the ribbon cutting or unveiling of four gifts from alumni or outside organization to the Academy or the Alumni Association. Rube Olsen pointed out that one of the reasons we built the Alumni Center was to get the cadets connected to the Alumni and the history, and he feels that the mural in the Meeting Room on the first floor does that and cadet use of the building continues to grow. Jim Sylvester pointed out that the market and our investments are up, we are tracking well to budget and that we should end 2009 with over \$600,000 in Unrestricted Funds. It was asked if we could look at how we've been doing for the past ten years and have a more historical report that would show how far we've come during the years and also to let the Alumni know. Jim indicated that the information is available and can be included in the Annual Report.

Jim introduced the Board to Chris Franklin, who has been working with us since October as a part time controller. Chris stated that over the last month he has been working on the reconciliation report and that the distribution of the gains and losses will be done on a more timely basis. He recommended that we do this monthly and not quarterly as the Legier report recommended. Chris demonstrated to the Board how everything ties out to the Charles Schwab accounts and Raisers Edge. We are creating a "Due/To" account that will make it easier to track activity between the restricted and unrestricted funds rather than physically moving the money back and forth. Based on his analysis, he feels that when the "Due/To" account reaches \$150,000 an actual transfer should be made. He pointed out that we weren't doing anything wrong previously, but this new process will provide a solid paper trail of all the transfers between funds on a more regular basis. Following the completion of the discrepancies detailed in the Leiger Report, Jim and Chris will finalize the job description for the Controller. Kerry Watterson asked if we had set up the ability to electronically transfer funds between the bank and

the investment accounts. Chris reported that we have not done that yet due to the fact that we are going to be switching investment firms. John Fox brought up the issue of having different check books for the different funds. Chris explained that with this process, the money is immediately posted to the appropriate Endowment or Fund and is then reconciled with our portfolio held at Charles Schwab. The gains and losses are recorded monthly and the new process tracks what is owed back and forth and will be actually transferred moved when the established threshold set by the Board is reached.

#### **D. Development Report**

John Maxham stated that the last three months have been very strong, compared to 2008 due in large part for the gift received to redo the press box. Total donations are up about 16% and unrestricted donations are up over 30% for the year. John pointed out that unrestricted donations are at the highest point in our history and he stated that we may come close to bringing in \$450,000 for 2009. We are currently engaged in our Annual Fund which is our appeal to all of our Alumni, Parents, and Friends. The reunion classes will be called by phone by IDC, our contracted firm, along with parents of 2010, 2011 and 2012 who do not have a current pledge. IDC will start calling the Class of 2013 parents after Thanksgiving as a follow up to the letter they have previously received from a peer parent. John reported that parents are asked for \$6,000 over four years and the program has been successful since its launch in 2005. Approximately 40-45 parents do the full pledge but over 50% of those contacted will do some type of a pledge. There has been a significant increase in parents with each of the class years and there is great interest to support the Leadership 44 Campaign.

#### **E. Communications Report**

Tara King reported that she is working on a new Bulletin column focusing on Alumni and their achievements after leaving the Academy. She has had a few responses and hopes to have some completed columns for next year. Tara and Karen Licitra have been working with iModules on implementing the new software that will enable the website and the database to exchange data providing for automatic updates. The software has been installed and we will begin training and testing it in late November. Tara has been working on branding all of our outgoing emails to streamline the look of our email communications so that they are recognizable and professional. Tara was able to secure an intern from Connecticut College for the fall semester and while only available four hours a week, she has focused on updating our Facebook page.

#### **F. Member Services/Alumni Relations Report**

Due to time constraints, Eileen Kelly was unable to elaborate on her previously submitted report.

#### **G. Leadership 44's**

Rick Larrabee stated that the Board took a vote in March 2008 to support two boats. Since then, Bob Hallock '72 and the Procurement Committee have done a lot of work to define exactly what the Academy needed in a boat and a set of specifications and price for eight boats has been developed. The Alumni Association is working together with the Coast Guard Foundation, the Parents Association and the Academy to fulfill this need primarily through private funding. The

Superintendent has indicated that this is his #1 priority. Rick Larrabee stated that he wants to finalize an initial contract with the builder (Morris Yachts) for four boats. Tom Mills '70, Mike Bell '67 and Alan Black '79 (all attorneys/ pro bono) have been working with the Morris attorney on finalizing the contract. Rick indicated that the Association has received a Letter of Intent (LOI) from the Superintendent for \$125,000 per boat and are seeking an LOI from the Coast Guard Foundation for one boat prior to signing the contract. Rick indicated that a Line of Credit (LOC) would be necessary for the Association to satisfy the payment schedules established by the builder as various stages are completed. The Association has proposals for same from Charles Schwab and Bank of America. A parallel effort to hire a new investment advisor was initiated in the last three weeks and as part of that process, candidates were required to include in their proposal, availability and terms for an LOC. The three investment advisor finalists will be presenting their respective proposals following this discussion. Rick stated that the Board needs to feel comfortable with the contract, an LOC and the overall capital campaign projections. Rick indicated that did not want to take a vote at this time but rather Saturday morning after all members have had a chance to consider the project in its entirety. Rick summarized that while the actual contract to be signed with the builder would be for four boats, the Alumni Association would be committing to three boats (which includes support from the Parents Association) and the fourth boat from the Foundation (via LOI), and approximately \$125,000 per boat from the Academy.

Rube Olsen went over the pricing of the boats with the Board. John Maxham stated that the ongoing quiet campaign is at about \$ 2.5 million, but he is planning to raise \$3.5 million. Rube expects that we are going to have very little changes to the boats and the few changes that they are going to make will actually reduce the price. Rube and Rick both agree that they think that we'll eventually get eight boats.

John Maxham would like the Board to approve the Leadership 44 Project Donor Recognition Clubs. They would be as follows: Mainsail - \$250,000; Headsail - \$100,000; Spinnaker - \$50,000; Jib - \$25,000; Staysail - \$10,000; Shipmate - \$5,000; and Plank Owner - \$1,000. No action was taken on this by the Board.

Friday afternoon- November 13, 2009

## **H. Columbarium Committee Report**

Bruce Beran '57 and Tom Matteson '57 presented their research findings regarding the feasibility of building a Columbarium on the grounds of the Academy behind the chapel. Other members of their committee in attendance were Bill Plage '73 and Don Ross '77. The presentation covered a broad range of topics including the existing structures at USAFA, USNA and USMA, estimated construction and follow on costs, capacity and operations/administration. The cost for 128 niche structure would be approximately \$200,000 and several options for funding the construction were discussed with no final determination. Additionally, criteria as to those eligible beyond alums and spouses to have their cremains inurned in the columbarium were also discussed. Internally, the project would have to be approved by the Academy's Gifts and Memorials Committee and the Superintendent.

## **I. Report on Bequest of RADM William Stewart**

John Maxham introduced Mrs. Paulette Stewart, the widow of RADM William Stewart, Class of 1949 who passed away in 2007. Admiral Stewart left the Alumni Association a ten percent ownership of Atlas LLC, a land trust with various holdings in Texas. Mrs. Stewart had asked to address the Board to talk about Admiral Stewart, Atlas LLC, and future prospects. Mrs. Stewart stated that the Coast Guard, the Academy, and the Alumni Association were precious to her late husband. She gave a background of his life and history being in the Coast Guard. Even after he retired, his life revolved around the Coast Guard sea services. We are one of four recipients to the Admiral's estate, which shows how important the Association was to him. In 2002, Mrs. Stewart bought into the LLC as a fifty percent partner. The other owners are Admiral Stewart's daughter and a godson. In 2006, the trust started receiving checks from Devon Energy from the sale of natural resources and minerals on the property. The Alumni Association started receiving distributions in 2008 following Admiral Stewart's passing. The estate should be settled completely within the next several months and the Association would need to sign off to accept our portion of Atlas LLC. Mrs. Stewart indicated that she is not in a position to buy anyone out at this time and would be grateful if the Association could hold onto its share and continue to receive the annual distributions as its rightful share of ownership.

### **Executive Session**

In an effort to consider hiring an Investment Advisor to take a more proactive role in managing the Association's portfolio, an RFP was drawn up by the Investment Committee. 44 Proposals were mailed to various firms all over the country as a result of making the Association membership aware of this opportunity. 20 Proposals were received by a committee made up of Investment and Finance Committee members. Three firms: Morgan Stanley-Chicago, IL; Goldman Sachs-Boston, MA and UBS-Stamford, CT were selected as finalists to make a presentation to the board.

Saturday morning- November 14, 2009

### **Executive Session**

- Appointed RADM Robert Olsen '69 to a one year term as Director to complete the remaining one-year term vacated by the resignation of Carl Burkhart '62 in 2009.
- Elected Officers for 2010: RADM Richard Larrabee '67 USCG (ret)-Chairman; LCDR Erica Mohr '96 USCG-Vice Chairwoman; Ms. Tiffany Jones '97-Secretary.
- Selected Goldman-Sachs as Investment Advisor
- Approved the report submitted by the Columbarium Committee. The Board will work with the Columbarium Committee and the Academy to determine the best way to implement a cooperative effort to fund, build and administer a columbarium at the Coast Guard Academy.

- Approved signing of pending contract with Morris Yachts of Trenton, ME to build/purchase four (4) 44 foot sailboats. Association would pay for three (3) boats and the Coast Guard Foundation would pay for one (1) boat. Signing by Association president would be contingent upon receiving Letter of Intent from the Coast Guard Foundation and satisfaction of due diligence to be reported on by John Fox.
- Approved formation of an Ad Hoc Governance Committee to look at possible restructuring of the organization. Brant Houston, Kerry Watterson and Tiffany Olsen-Jones volunteered to serve on the Committee.
- The board discussed the current board member nomination and selection procedures. Concern was expressed about the very low voter participation (~1% of members) in elections and that more people do not volunteer to serve as board members. The board decided against contested elections, but decided to introduce some measure of electronic-voting during the next election and will poll members in our next survey to determine if there is any dissatisfaction with the current board member election process.
- Further discussion on admissions. Decided that Andrea Marcille would work with the Admissions Director to identify staffing needed to support increased partnership activity. Want to be in a position to increase alumni activity in the following admissions year

The next Board of Directors meeting will be held March 26-27, 2010 at the Alumni Center.

Meeting adjourned at 12:00.

### **Pending Items:**

- Communications Plan; to be completed by March Meeting(Jeffery/Erica)
- Strategic Plan; to be completed by March Meeting (Rube)
- 2010 Budget Resubmit (Jim)
- Update membership materials to include Lifetime membership option approved during July 2009 board meeting