

CGAPA Executive Council Meeting Teleconference Minutes  
1-7-2010

Members present: Harold Gracey, Krishna Subramanian, Cassandra Brown, Lizann Miller, Nevin Wiest, Bob Pray, Virginia Redstone, Bill Korn, Ann Corwell, Duncan Pitcairn, Ed Collins, Dave Beshoar, Shephannie Prefer, Karen Bradley, Mike Sillman, Pat Skipper, Carolyn Knaup, Gary Ward, Robin Donahey, Dom DiIulio, Col. Hyland

Guests: Kelly Morgan, Harvey Berger

The meeting was called to order by Cassandra Brown, president, at 8:05 pm on Thursday, January 7, 2010. She stated that the purpose of the meeting was to discuss the Leadership 44 Funding Plan. The Plan had been distributed to all members electronically. She told the council that the superintendent of the academy and the president of the Alumni Association have both read and indicated agreement with the plan. Cassandra introduced the committee members: Duncan Pitcairn (chair), Mike Knaeble, Ed Collins, Tim Van Cleef, David Beshoar, Kelly Morgan, Bob Pray, and Dom DiIulio.

Cassandra turned the meeting over to Duncan. After welcoming everyone to the meeting, he asked Kelly Morgan to give an update on the status of the boats. Kelly explained that the goal of the program was replacing the current Luders with eight modern 44 foot sailboats. Morris Yachts of Trenton, ME was contracted in December to build the first 4 boats. A set of plans for the boat decks was delivered to the builder last week and production will start in April. Kelly said these are nice looking boats and will be built strong enough for cadet use. Of the first four boats, the Alumni Association will pay for 2 boats, the Foundation will pay for one and the Parents Association would be committed to funding one. The first four boats will be completed by end of 2011 and the plan is to sign up for remaining four boats relatively quickly. As production proceeds, pictures will be available on the Leadership 44 website, [www.cgaleadership44.org](http://www.cgaleadership44.org). The waterfront director at the Academy will be the Coast Guard representative to the builder. Costs are tightly controlled and will not rise, but may go down.

Duncan then reviewed The Plan for funding the Parents Association's boat (below)

*United States Coast Guard Academy  
Parents Association Executive Council  
LEADERSHIP 44 COMMITMENT FUNDING PLAN  
January 2010*

*The Parents Association commits to fund one of the eight Leadership 44's that will become replacements for the existing Luders. The Leadership 44's are being contracted for by the CGA Alumni Association with funding commitments from the Alumni Association, the Coast Guard Foundation, the CGA Parents Association, and the Coast Guard. The first Leadership 44 (L-44) is anticipated to be delivered to the Academy during the first quarter of 2011 and three additional ones, including the one to be funded by the Parents Association, will be delivered through the remainder of 2011. The remaining four Leadership 44's are projected to be delivered shortly thereafter. In addition to fulfilling the primary mission of supporting the Coastal Sail Training*

*Program, when all eight of the Leadership 44's have been delivered to the Academy there will be one assigned to each of the Cadet Companies, thus they will become extensions of the Chase Hall companies.*

*A fully commissioned Leadership 44 will cost approximately \$825,000. Of this amount a net \$75,000 will be provided from other sources, thus the Parents Association commitment for one Leadership 44 is \$750,000 of which \$50,000 has already been paid and \$100,000 will come from unrestricted contributions to the Parents Pledge program. The remaining balance of \$600,000 is to be paid over five years, which is an average of \$120,000 per year for the years 2010 through 2014.*

*The Parents Association's primary funding obligation is to annual Cadet Activities and Transportation through the Cadets' Activity Fund (CAF). This obligation requires approximately \$70,000 per year. The Parents Association is committed to maintaining the existing Endowments for their long term purpose of funding Cadet Activities and Transportation. Beginning with the year 2010 the Endowments' potential annual distributions will be credited to each endowment's purpose as stated in their Resolutions of creation. The use of the Endowments' distributions will reduce the annual obligation of the Parents Association to Cadet Activities and Transportation by approximately \$14,000 per year leaving \$56,000 per year to be funded by the Parents Association's Gift Fund.*

*The Parents Association Gift Fund typically receives approximately \$140,000 per year from parent contributions, primarily from the Parents Pledge program. The Parents Association will each year utilize all of the Gift fund, after the obligations to fund Cadet Activities and Transportation have been paid, to fund its Leadership 44 commitment. This is expected to provide \$84,000 per year of the Leadership 44 commitment leaving an annual balance of \$36,000 per year for a total of \$180,000 (or \$200 per cadet) to be raised by the Parents Association to meet its Leadership 44 commitment.*

*The Parents Pledge program has been very successful and the Parents Association is fully committed to increasing the program's participation. Strong efforts will be made by the Parents Association to increase the number of Cadet Families that agree to contribute towards the program from the current class average of 40 families to 50 families.*

*Beginning with the 2014 class the Parents Association would like to increase the Parents Pledge program amount from \$6,000 to \$8,000 with the increased amount to be credited towards the Leadership 44 commitment. The increased participation and pledged amount of the Parents Pledge program will provide \$10,000 per year towards the Leadership 44 commitment.*

*The various Parents Association Local Chapters are active fundraising organizations that are committed to providing funds to benefit the Corp of Cadets. The Local Chapters are fully in agreement with the need for the Leadership 44's and will provide in total \$10,000 per year towards the Parents Association Leadership 44 commitment.*

*All parents of current cadets will be asked to contribute towards the Leadership 44 commitment in an amount that they can afford, with our goal being 100% participation by Executive Council members. Matching contributions from parents' employers will be encouraged. Among parents, the strongest financial supporters of the Academy participate in the Parents Pledge program. Parents who have fulfilled their Parents Pledge will be contacted by Parents Association leadership, thanked for their generous*

support and asked to consider an additional contribution that will be credited to the Parents Association Leadership 44 commitment. Added current parents' support will fund \$10,000 per year of the Leadership 44 commitment.

Parents of Academy graduates from the Classes of 1995 through 2009 will be informed of the Leadership 44's fundraising campaign and be asked to contribute towards the Parents Association commitment. These parents will receive a letter with a brochure and a follow-up telephone call that will be similar to those used in the Parents Pledge program. Outside matching funds will be pursued (as long as there would not be a conflict with efforts by the Alumni Association or the Coast Guard Foundation). These programs will provide \$6,000 per year toward the Leadership 44 commitment.

In summary the Parents Association commitment to funding one Leadership 44 will be funded annually thusly:

Parents Gift Fund \$84,000

Increase from Parents Pledge Program 10,000

Local Chapter Support 10,000

Current Parents 10,000

Parents of recent graduates and others 6,000

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Total Annual Payments towards commitment \$120,000

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Note that these are planning figures only. During the execution of the campaign, the actual amounts achieved may vary and the plan will be adjusted accordingly. Emphasis will be placed on getting a quick start and attempting to fulfill the commitment earlier than the full 5 years.

To evaluate meeting the Parents Association Leadership 44 commitment, methods will be put in place to track parent derived contributions towards the commitment (e.g. on the Leadership 44 web site). Regularly at Council meetings, at Local Chapter meetings, in the Parents Newsletter, etc. the funding of the commitment will be reported to the parents.

A communications plan will be implemented to support the campaign. The Parents Association website will contain information about the campaign and will be linked to the Leadership 44s website ([www.leadership44.org](http://www.leadership44.org)) for additional information. Class listmasters will be used to communicate with parents, and a direct mail campaign will also be considered. Parents will be encouraged to not only donate, but to reach out to supporters of the Coast Guard, including employers.

While the Leadership 44 commitment is outstanding additions will not be made to the Endowments. Once the Parents Association has fully funded its Leadership 44 commitment the funds raised for the Parents Gift fund will return to being placed in the Endowments after the Cadet Activities and Transportation requirements are funded.

All contributions received by the Parent Association towards the Leadership 44 commitment will be placed in the Parents Gift Fund. From the gift fund \$20,000 per quarter will be paid towards the commitment. In December of each year an additional payment towards the commitment of at least \$40,000 will be made. These payments will be timed, or possibly be deferred, so that funds are available to pay for Cadet Activities and Transportation commitments, which are superior commitments of the Parents Gift Fund.

*The Parents Association Executive Council will form a Leadership 44 standing committee. This committee will:*

- Be in existence while the Parents Association Leadership 44 commitment is not fully funded;*
- Manage all aspects of the Parents Association Leadership 44 commitment including: fund raising, tracking of the outstanding commitment, reporting to Parents, the Executive Council, and Local Chapters;*
- Be chaired by a class of 2013 parent; The chair of the committee will be an Executive Council leadership position and be appointed by the Executive Council;*
- Have the Association's president and treasurer as ex-officio members; and*
- Invite former Parents Association presidents and officers to become members of the committee*

Duncan asked for comments from the other members of the committee.

Dom DiIulio expressed support for The Plan and said he finds it very doable and believes that the campaign will be completed in less than 5 years.

Duncan then asked for questions from the council.

Krishna Subramanian asked if the Parents Association had ever taken up this monumental of a project. He felt the numbers are mind-boggling and wondered if there are lessons we might have learned from a previous experience.

Kelly cited two examples: 1) the current transportation endowment, and 2) the Alumni Association raising funds for their building at the Academy. He explained that we are taking the best practice from those experiences and applying them to this project.

Dom added that the experience with the transportation endowment showed that the Parent Association is capable of a sustained funding campaign.

Kelly and Duncan gave the example of the weight room which parents of graduates were asked to fund in the last 3-4 years. They accomplished this goal in a very short time.

Ann Corwell asked how they tracked the money that came from the parents since all money that she had donated had gone to the Alumni Association.

It was noted that most money will come in through the Parents Gift Fund and the Alumni Association identifies you as a parent. All monies are funneled through the Alumni Association but they are aware who the parents are.

Ann questioned how will we track alumni donors targeted by the Parents Association for their part of the funding campaign?

In reply to Ann's question, it was noted that Alumni donations will not go to the Parents Gift Fund, only money from parents of graduates. The graduates are alumni.

Dom noted that the Alumni Association tracks who are associate members and who are members and they are coded differently.

Ann questioned if chapters will get an increase this year. It was noted that the chapters will need some guidance.

Duncan noted that the goal is to have a total of \$10,000 from chapters. It would be a good idea to get all chapter presidents together at the next meeting and figure out how this will happen.

Ann asked if parents are given suggested amounts?

Duncan noted there are different categories with specific dollar amounts. The pledge program is already in existence and has a dollar amount. The Executive Council will be encouraging parents to give to the pledge program. A pamphlet is being developed to be handed out to encourage giving.

Virginia Redstone noted the 40 families that are currently giving and asked what the current number of cadets in each class is.

Duncan stated that each class starts with about 300 and graduate about 225.

Bill Korn noted that \$10,000 more from the parent's pledges would be coming from increasing the parents participating in the challenge fund by 10 families which included raising suggested amount per cadet from \$6,000 to \$8,000 which comes to \$40,000 over 4 years or \$10,000 per year. This led him to ask if there would be a downside to increasing the request by that amount.

Duncan said they had spoken with fund raising people at the Alumni Association and they didn't think this would be a problem.

This led to a discussion of whether there were only 40 families that participated in the challenge campaign or 40 families that gave the full amount of the challenge pledge with other families making partial pledges. Dom noted that was probably information that we needed to find out. *(Below is information answering this question and a verification of the estimated numbers from the proposal that were provided by Duncan after the meeting. \*)*

Ann has also felt that things were not clear to the parents who were contributing because all her donations go through the Alumni Association.

Duncan explained that when a parent gives to the Alumni Association it goes to the parents' pledge fund and it is noted that it is a parent's donation.

Duncan said that regardless of that information the \$10,000 was a very conservative goal. The committee believes that the parents will give much more and the boat will be funded more quickly than five years.

Bill suggested that instead of a goal of 10 more parents, the funding plan should be written with a goal of \$10,000 from the parents and that we try and make all this information about the relationship between the Alumni Association and the Parents Association more transparent.

Kelly said they also had the problem of missing documents when he was treasurer, but once they were found they were used to write the MOU that Kaye just signed. Duncan has copies of those documents.

Lizann Miller suggested that we should have an archive since the nature of the organization is so transient that the history can be easily lost. Harvey Berger said there was a room in the Alumni Center that could be used as an archive. He also felt this was excellent plan and was very pleased with it and is happy we are keeping the endowment.

Bill thought Cassandra should send letter to chapters before February meeting asking presidents what they are willing to pledge for the next five years.

Mike Sillman asked about funding from general public and was told that was being done by the Coast Guard Foundation. Parents may have their companies give matching gifts or if a parent has a tie to company or foundation the parent may contact them to get a contribution. Kelly suggested that we need to find a way to acknowledge gift giving.

Harold Gracey commended Duncan and the committee and felt we should get behind the plan and move forward.

Ann said the funding plan is sound and solid and asked if there were naming opportunities available? She was told there were but they were limited to choosing a name for a boat from

a list of birds provided by the Academy and with donations starting at \$1,000 there are levels of giving with different recognition for each level.

Harold made a motion which was seconded by Carolyn Knaup to implement the plan drafted by the L44 Fundraising Committee.

A second motion was by Duncan and seconded by Bill to create a standing Leadership 44 Committee that will remain in existence until the Leadership 44 commitment is paid in full. The interim committee chair will be Duncan Pitcairn until a chair is voted on at the R-day meeting of the Executive Council.

Both motions were being sent to the members of the Council to be voted on electronically.

\*Council Members,

Following up on last evenings meeting, I want to answer one question and pass on to you corrected balance numbers.

The question was raised about the number of families that participate in the Pledge Program. The Leadership plan refers to the current average number as 40 families. The question was: is this the number of families that make the full pledge or is this the number of families that participate in the program, thus there are families that make partial pledges not in the 40. This morning I learned from the AA that the 40 number is for swab families who make the full commitment. There are many families who make partial pledges and/or contribute outside of the program. With this in mind you can read the Plan to be referring to increasing the number of families that make the full pledge from 40 to 50. With this explanation it is still conservative that the Pledge program can provide an additional \$10,000 per year towards the Leadership 44 commitment.

At the beginning I gave rough 12/31/09 balances. I was estimating correctly that as of 12/31/09 the PA has already paid \$51,000 towards the Leadership 44 commitment so we open 2010 with \$599,000 to pay over the next 5 year. I did however greatly underestimate the Parents Gift Fund balance (I was figuring on an average monthly amount rather than taking into account the large amount of yearend contributions). The good news is that we open 2010 with a Parents Gift Fund balance of \$96,243 with all expenses and commitments paid. This amount might increase a bit as the last contributions are booked.

Regards,

Duncan

Respectfully submitted,  
Lizann Miller  
Recording Secretary, USCGAPA

