

KENYON P. ANDERSON Chapter of AUSN

FM: MICHAEL NIBLACK, CHAPTER SECRETARY
TO: CHAPTER PRESIDENT, MR. WALLIS
SUBJ: DRAFT MINUTES FROM CHAPTER MEETING HELD 30MAR16

TIME: 1830

DATE: AUGUST 3, 2016

PLACE: AUSN HEADQUARTERS, 1619 KING ST., ALEXANDRIA, VA 22314

Note: The meeting generally followed the standard Chapter meeting agenda format provided in enclosure #2

Note #2: Meeting was rescheduled 7 days later from the original date of 27July16.

Note #3: President Anthony Wallis, Treasure Marty Menez and member Gary Brooks are present via PhoneCon.

1. Meeting called to order by Chapter President Anthony Wallis at 1830

2. The Chapter Leadership determined that there was a sufficient number of qualified members present to conduct an official Chapter meeting. The Pledge of Allegiance was led by Michael Niblack and the opening prayer was provided by CAPT Jack Picco.

3. Copies of the draft meeting minutes from 30May16 were provided and read.
 - The requested changes were noted and will be included in the final update.
 - A request from the Chair was made to approve the draft minutes as amended.
 - The minutes were accepted as amended and approved by the assembled members by a unanimous voice vote. Motion: CDR Dick Eimas, Second: CAPT Dennis Hunt.

4. The Chapter Treasure, CAPT Menez, provided an overview and status of the Chapter's financial condition.

- Balance at this date: \$5973.01, down from \$6119.86 as reported in May'16
- The Chapter Treasurer again made a recommendation to work toward keeping a \$6000.00 balance in the Chapters coffers.
- The Chapter Treasurer reminded the Chapter that the Plank Owner Certificates still had to be paid for before the next meeting.
- There was a discussion to make sure all current Chapter members have paid their dues and the need to recruit additional chapter members.
- The Chapter President will send a second 'Mail Chimp' broadcast inviting new members to join the Chapter; encouraging an offer to join the Chapter at the upcoming Washington Nationals game.
- There were no bills or receipts presented for payment.
- The Treasurer's report was accepted and approved by the assembled members by a unanimous voice vote. Motion: Brian Bauman, Second: Clair Sassin.

4. Correspondence: The Chapter Secretary stated there was no Chapter correspondence to report since the last Chapter meeting. He will provide the URL to the media story about Chapter participation at Memorial Day events in the next minutes.

- Story on the Memorial Day flag placement event: <http://www.wusa9.com/mb/news/local/alexandria/volunteers-honor-fallen-soldiers-at-alexandria-national-cemetery/219550028>

5. Committee Reports:

Program Committee:

- An end of year activity was discussed, to include a possible event at the Capitol Hill Club. Details would be provided by Michael Little at a Program Committee meeting PhoneCon, to be held within the next 2 weeks at a date and time TBD.
- The Chapter President is working to finalize the specific details for the Chapter's evening at the Nationals baseball game on 1Oct16. A number of complementary tickets, and additional reduced fee tickets will be made available. Details via an e-mail announcement / broadcast to follow.
- The Program Committee's report was accepted and approved by the assembled members by a unanimous voice vote. Motion: Brett Korade, Second: Gary Brooks.

Audit Committee:

- The final Audit Committee report was presented as amended and approved at the May 2016 meeting. The Audit Committee also reported that all required 2016 requirements and meeting minutes are complete.
- A recap: the Chapter's books and current financial reports are complete, accurate, up to date and unquestionably represent the Chapter's financial situation.

Finance Committee:

- The Finance Committee had a discussion on their draft of the Chapter's "Investment Policy" and presented their work for review and approval at the next meeting. A copy to be included in the next Chapter minutes. See Enclosure #1:

6. Old Business:

- A discussion was held regarding the number of unpaid, gifted, Plank Owner Certificates currently being finalized. As a cost saving measure the discussion included shortening the list by removing the spouses of the Chapter's 'Honorary' members that will be receiving certificates.
- A motion was made to rescind the September 2015 approved decision to include spouses on the list of recipients. A discussion was held on the motion. The motion was accepted and approved by the assembled members by a unanimous voice vote. Motion: Clair Sassin, Second: Dick Eimas.
- A motion was made to approve the dispersement of chapter funds to purchase the 'unfunded' and 'funded' Plank Owner Certificates. The goal is to be ready to present them by September 26th in order to have them available for the outgoing CNR, Vice Admiral Braun, and her relief. FORCE Mitchell will receive his at the same time. The motion was accepted and approved by the assembled members by a unanimous voice vote. Motion: Clair Sassin, Second: Dennis Hunt.
- A recap was made covering the Alexandria Cemetery Memorial Day Flag Placement event supported by the Chapter. See the link to the story above. Mrs. Eve Anderson, who could not be in attendance this year stated that she was "Very grateful that the Chapter members support this event in their (the Anderson family's) absence this year." Everyone present that was able to attend was moved by their experience this year and how important it is that the Chapter continue to strongly support this event.
- Old business was closed.

7. New Business:

- A discussion was held about the 1Oct16 Chapter evening at the Nationals baseball game. Although it would be a very desirable outcome, using the opportunity / event as a fund raiser would be in violation of the intent of the offer for free / discounted tickets. It will be used as an enticement in the next member drive to help attract new Chapter members.
- A discussion was held about the need to have a Chapter fundraiser at the end of the calendar year including the possibility of an event during the AUSN HQ annual members meeting 20/21 October. The Chapter President will contact AUSN HQ to inquire about details needed to help present a proposal to AUSN.
- A discussion was held about the upcoming commissioning ceremony in Baltimore Harbor for the USS Zumwalt, first ship of its class, on 15Oct16. There may be an opportunity for the Chapter to support at some level in exchange for participation in the event. The tickets to attend as a paid guest are many hundreds of dollars. If an opportunity develops, more information to follow.
- A short discussion was held about “Financial Committee Charter Membership” language needing to be developed and approved. More to follow.
- A discussion was held about the desired End of Year Fund Raising Event.
 - How much can the Chapter risk in initial funding for an event?
 - Are there any “Heavy Hitters” available as a draw to help attendance?
 - Possible locations to include the Fleet Reserve Museum / conference room, the Gooding Center at the Navy Yard (access issues?), the Masonic Temple in Alexandria, the Woman’s Museum at the Arlington National

Cemetery, VFW Post 609 near the Arlington National Cemetery (parking issues?). Others?

- The discussion continued about why / what makes the Chapter something special and not the “Little Brother” of AUSN HQ?
 - A discussion was held about planning for an event 6 months out, such as the Midway Commemorative as an example. Something even farther such as the 2017 Navy Birthday.
 - A discussion was held about the upcoming Chapter elections during the November Chapter meeting. The President requested all sitting Chapter officers make their intentions known so a slate of open offices could be advertised. Currently the listed positions will be open to qualified candidates:
 - President
 - Vice-President is optional but open to be filled
 - Treasurer
 - Secretary
 - This will be discussed in Old Business during the next Chapter meeting.
 - Member Gary Brooks is in need of some AUSN and AUSN Chapter recruiting materials for an upcoming recruiting opportunity in the Tide Water area. AUSN materials are available by contacting the AUSN Director of Membership, Brian Bauman, a Chapter member in attendance this evening.
 - New Business Closed.
8. The Good of the Order:
- Nothing was raised.
9. A closing prayer was provided by CAPT Brett Korade.

10. The Chapter president thanked all attending and the meeting was adjourned.
Respectfully Submitted for review, amendments and approval

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v/r

Michael Niblack

Secretary, Kenyon P. Anderson DC Area Chapter of the Association of the United
States Navy

Enclosure #1:

LT Kenyon P Anderson Chapter INVESTMENT POLICY

GENERAL

This Investment Policy (the “*Policy*”) of the **LT Kenyon P Anderson Chapter of the Association of the United States Navy**. (the Chapter) is intended to govern the investment of Chapter funds, whether managed internally or externally.

INVESTMENT OBJECTIVES

The objectives of this Policy are:

- Preservation of principal;
- Achieve liquidity requirements; and
- Safeguard funds.

Accordingly, the Policy is designed to permit the Chapter to earn a reasonable rate of return on its investments while limiting exposure to risk and avoiding inappropriate concentration of investments.

INVESTMENT RESPONSIBILITY

The Treasurer of the Chapter is responsible for overseeing the management of the Chapter’s investment portfolio, including: (1) monitoring the investment portfolio for suitability and compliance with the Policy; (2) proposing alterations to the Policy; (3) carrying out the Policy and designating individuals who may carry out the Policy on behalf of the Company; and (4) periodically reporting the to the Chapter’s Executive Committee and Members on the condition of the Chapter’s investment portfolio.

AMENDMENT

The Policy is subject to amendment from time to time with the approval of the Chapter.

INVESTMENT PARAMETERS

All investments shall be denominated in local currency, meet the minimum credit ratings listed below and have a liquid secondary market. Investment may be made directly by instrument or investments may be purchased through mutual fund or money market share purchases or through a managed account. Interest rates may be fixed, or variable, per instrument. Further, all investments shall be made in accordance with the following guidelines:

A. Safekeeping of Securities

1. All securities will be held in trust at the institution where purchased or where the bank has customer safekeeping arrangements.

2. The Treasurer or, in his absence, the President, has the sole authority to open accounts on behalf of the Chapter in order to effect the provisions of this Policy.

B. Eligible Investments

1. U.S. Treasury bills, notes, and bonds including putable, callable, and floating-rate obligations.
2. U.S. government agency debt obligations and obligations issued by government-sponsored enterprises including putable, callable, and floating-rate obligations.
3. Corporate debt obligations including commercial paper, variable-rate demand notes, putable, callable, and floating-rate obligations and Eurodollar and Yankee obligations.
4. Bank debt obligations including negotiable or Eurodollar CDs, time deposits and banker's acceptances, variable-rate demand notes, putable, callable, and floating-rate obligations and Eurodollar and Yankee obligations.
5. Taxable, tax-exempt, and tax-advantaged municipal debt obligations including variable-rate demand notes and putable, callable, and floating-rate obligations. Tax-exempt and tax-advantaged municipal debt obligations are eligible only when the Chapter is a full tax-paying entity.
6. Money market funds.
7. Repurchase agreements collateralized at a minimum of 102% with U.S. Treasury bills, notes, or bonds or U.S. agency debt obligations. The collateral may not have maturities in excess of twenty-four (24) months and must be delivered to the Chapter's custodial bank.

C. Investment Constraints

1. Investments in equity securities are prohibited (other than any such investments made by the Chapter as part of a business transaction approved by the Committee). Investments in derivative securities are also prohibited.
2. Credit ratings must meet or exceed the following (as rated by Moody's Investors Service and Standard & Poor's):
 - Long-term debt ratings (direct purchased): Aa3 by Moody's and AA- by Standard & Poor's
 - Managed fund credit ratings (fund purchased): Aa
 - Managed fund market risk ratings (fund purchased): MR2
 - Short-term debt ratings (all issuers, direct purchased): Prime 1 by Moody's and A1 by Standard and Poor's
 - Municipal debt ratings: (i) A by Moody's and Standard & Poor's, or (ii) MIG1 or VMIG1 by Moody's and SP1 by Standard & Poor's, or (iii) P1 by Moody's and A1 by Standard & Poor's

3. At any time, up to one hundred percent (100%) of the portfolio may be invested in U.S. Treasury debt obligations, U.S. agency debt obligations and obligations of government-sponsored enterprises, money market funds which comply with the minimum ratings listed under Section C.2 above, certificates of deposit fully insured by the FDIC or FSLIC, or other, non-insured, non-guaranteed securities meeting the above criterion.

4. With the above exception of Section C.3 for U.S. Treasury debt obligations, U.S. agency debt obligations and obligations of government-sponsored enterprises, money market funds, or certificates of deposit fully insured by the FDIC or FSLIC, once the Company has achieved an excess cash balance of at least \$10.0M the amount available for investment with any one issuer shall not exceed ten percent (10%) of the portfolio.

D. Liquidity and Duration

1. A minimum of one and one-half (1.5) times the amount of expected monthly cash outflow must be liquid each business day. Liquidity may be reduced below the amount of one and one-half (1.5) times expected monthly cash outflow upon written notice by the Chapter.

2. The maximum weighted average portfolio duration shall not exceed twelve (12) months at any time.

3. The maximum maturity of any single instrument in the portfolio shall not exceed twenty-four (24) months.

4. For securities that have put, reset, or expected average maturity dates, the put, reset, or expected average maturity dates will be used, instead of the final maturity dates, for maturity limit purposes.

5. The maturity limits may be extended upon written notice by the Chapter.

E. Prohibition against Speculative Investments

1. The Chapter is prohibited from engaging in any non-business related investment activity that would be considered speculative according to the principles of conservative investment management, whether or not that activity is specifically prohibited elsewhere in this Policy.

2. Borrowing for investment purposes is prohibited.

F. Investment Performance

1. Any individual in the Chapter or third-party investment management firm designated by the Committee pursuant to this Policy who carries out this Policy on behalf of the Chapter (the "*Investment Advisor*") will issue a quarterly investment performance analysis using time-weighted measures.

2. A quarterly meeting will be held with the Investment Advisor and the Committee to review performance figures and any updated liquidity needs.

G. Credit Quality

1. Trends for a given company or industry must be reviewed periodically by the Investment Manager and adjustments in percentage positions made accordingly.

2. Should any investment held in the Chapter's portfolio fall short of prescribed guidelines, immediate notification must be made by the Investment Manager to the Committee.

H. Marketability

1. All securities must be purchased through investment banking and brokerage firms of high quality and reputation, with a history of making markets for the securities in which the Chapter invests.
2. In the unlikely event that securities must be sold before their maturity, the securities must be easily remarketed. To accomplish this, the securities must be conventional products with strong name recognition.

I. Trading Guidelines

1. Normal investing practice is to reinvest the funds on the day a security matures in order to minimize lost interest.
2. A daily transaction log is to be maintained and available for review at any time.
3. All trading firms must generate a hard copy document for each transaction that is mailed to the Investment Advisor, if any, or, in the alternative, to the Chapter. These documents are then matched to the transaction log by the Investment Advisor, if any, or, in the alternative, the Chapter.

Enclosure #2:

**LT KENYON ANDERSON
AUSN DC CHAPTER**

ORDER OF BUSINESS:

1. OPENING OF CHAPTER

a. PLEDGE (PRESIDENT)

b. PRAYER (CHAPLAIN)

2. MUSTER OF MEMBERS & INTRODUCTION OF GUESTS
(VICE PRESIDENT)

ADDED: SELECTION OF CHAPTER CHAPLIN

3. MINUTES OF LAST STATED MEETING (SECRETARY)

4. FINANCIAL REPORT (TREASURER)

5. PRESENTATION OF ANY BILLS (SECRETARY)

6. CORRESPONDENCE (SECRETARY)

7. COMMITTEE REPORTS

8. OLD BUSINESS (SECRETARY)

9. NEW BUSINESS (ALL HANDS)

10. NAVY EDUCATION OR INFORMATIONAL PROGRAM

11. MEMORIALS AND CLOSING PRAYER (CHAPLAIN)

12. MEETING ADJOURNED