April 11, 2012

COAST GUARD ANNUAL MEETING HELD ON APRIL 11, 2012, AT COAST GUARD HEADQUARTERS, WASHINGTON, DC

VOTING BOARD MEMBERS PRESENT: (11)

Officers of the Corporation:

MCPO Emily L. Jennings, Vice President
LCDR Omar Vazquez, Treasurer
Mr. Barry M. Boisvere, Secretary

Members of the Board of Control:

PO1 Jeffrey L. Bueche
SCPO Douglas G. Gilmer
PO2 David Nava

CDR Beth A. Naff
CWO2 Pamela L. Robins
PO1 Brent M. Ruggles

Mrs. JulieAnn Thomas
CDR Annette M. Tomkins
AUX Bruce A. White

Call to Order:

MCPO Jennings called the Meeting to order at 0915.

Introductions:

MCPO Jennings began by introducing the officers of the Board and the other Board members present. She noted that RADM Ronald Hewitt, who had been CGMA President, had recently retired from active duty.

President’s Remarks:

In opening remarks MCPO Jennings give a brief overview of CGMA activities. For over 87 years, CGMA has been there to help the men and women of the Coast Guard in time of need. Since its inception in 1924, CGMA has provided more than $162 million in assistance. On an average workday, CGMA provides more than $18,400 in assistance to 25 recipients. CGMA serves as a vital financial safety net, promotes financial stability and general well-being, and ultimately enhances operational readiness.

CGMA is an effective and efficiently run organization due to the diligent day-in and day-out efforts of hundreds of dedicated volunteer representatives at field units, members of the Board of Control and the CGMA staff.
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In closing, she noted that the Board was seeking new members and encouraged anyone interested to give serious consideration to running for the Board.

Committee Reports:

Management Committee

CDR Beth Naff gave the Management Committee Report. The Committee developed an action plan, based on the 2011 Strategic Plan, and a number of strategic goals were met by implementing the following new programs:

- A new Education Loan program, which replaced two other rarely used programs
- An enhanced Closing Cost Assistance program, benefiting all clients, whether buying, selling at a loss or refinancing to reduce payment or interest amounts
- A new Adoption Loan program, benefiting all clients

The Management Committee will continue to work with the other Committees and the CGMA Staff to develop new initiatives and ways to improve and create programs. It will remain actively involved with the Strategic Planning Committee to help reach 2012 Strategic Goals.

Mutual Assistance Committee

MCPO Emily Jennings gave the Mutual Assistance Committee Report. During 2011, the Committee reviewed and made decisions or recommendation to the Board on four loan and grant requests. Assistance was provided in three of the four cases. She commended the other committee members for their timely review of the requests received and for actively participating in the decision-making.

The Committee also reviews CGMA loan and grant policies and recommends changes where appropriate. Last year, it took part in developing a number of program improvements:

- In February last year, the Board approved a proposal made in coordination with the Education Committee to establish a new CGMA Education Assistance Loan Program, offering loans of up to $2,000.
- In May, the Board approved a proposal made in coordination with the Finance Committee that the CGMA home “Purchase Assistance” loan be renamed “Closing Cost Assistance,” and that the program be expanded to include refinancing, along with purchase and selling of a current or former primary residence, and that it would be open to all eligible CGMA clients.
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- In November, the Board approved a Committee proposal to open eligibility for baby layettes to all clients. Prior to this, eligibility was restricted to individuals in lower pay grades.

The Mutual Assistance Committee will continue to give thorough and timely attention to the assistance requests that come in and work with CGMA Staff and the other committees to seek further program improvements in 2012.

Finance Committee

LCDR Omar Vazquez gave the Finance Committee Report. During 2011:

CGMA received over $2.3M in new contributions. Of this number, approximately $2M was received from the annual campaign and the reminder from donations and other payments to the organization.

CGMA also received approximately $3.7M in loan repayments and earned $363K from its conservative investment portfolio to easily provide $4.6M in total assistance between loans and grants in over 6,400 cases.

Through CGMA’s most popular educational program, the Supplemental Education Grant, $627K was provided to Coast Guard men and women striving toward their first college degree. The Quick Loan program supplied $250K to active duty Coast Guard personnel, an 8% increase over last year. CGMA also increased this year’s spending on the Layette and Outreach programs.

The CGMA investment portfolio reflected $15.5M at the end of 2011. A conservative investment approach protected its value, gaining $363K in interest and dividends. The investment funds remain in place to help those in need when demand exceeds what is in the operating account.

Going forward, CGMA is in an excellent financial position to address the future needs of its clients and expand programs to accommodate the ever changing lives of the Coast Guard family.

Audit Committee

CDR Beth Naff gave the Audit Committee report. In January the firm of Murray, Johnson, White & Associates conducted an audit at CGMA-HQ. The final report was issued and presented to the Audit Committee, and the Audit Committee presented the following findings to the Board of Control.

It was the opinion of the firm that the financial statements presented fairly, in all material respects, the financial position of Coast Guard Mutual Assistance, as of December 31, 2011 and 2010.

The auditors were pleased to report that CGMA keeps easily accessible yet secure electronic records. The audit team encountered no difficulties with the records or staff, and there were no required corrections or further testing. It is also noted that CGMA has a strong percentage of spending going towards program expenses rather than administrative or fundraising expenses, an encouraging point for contributors. The risk for CGMA’s reserves is low, as the company portfolio is diversified and held in
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high quality institutions, all in compliance with CGMA’s current investment policy. The auditors were able to complete the audit and all corresponding reports in February, a fast turnaround due to Coast Guard Mutual Assistance’s organized management.

Excerpts from the audited financial reports have been published in the 2011 Annual Report, and anyone wishing to obtain the complete audit report may do so by request to the CGMA Director of Finance.

Education Committee

Petty Officer David Nava gave the Education Committee Report. In February 2011, the Board approved a new Education Loan, proposed in coordination with the Mutual Assistance Committee. The new loan program was put into effect on March 1st and replaced two other education loan programs that had been rarely used. The new loan provides up to $2,000 for tuition or other educational expenses not covered by funds from other sources. CGMA issued 131 education loans in 2011 totaling over $200,000.

The Supplemental Education Grant (or SEG) continues to be popular. CGMA distributed over $620,000 in SEG’s last year.

The Education Committee continues to investigate ways to expand existing programs to better meet the financial needs of the Coast Guard community, and welcomes any suggestions related to CGMA’s education assistance programs.

Strategic Planning Committee

PO1 Brant Ruggles gave the Strategic Planning Committee Report. The Committee is tasked with an annual review of the Strategic Plan. Within the Plan, the Committee recommends strategic goals for the coming year. Once approved by the Board, the Management Committee develops a Strategic Action Plan to accomplish as many of the goals as can be completed by year’s end.

To highlight a few of the 2011 strategic goals, the plan indentified:

- Enhancing the Respite Care program
- Creating a Childcare program
- Improving the Adoption Assistance program
- Adding Refinancing to the Housing Purchase Assistance program

Two of these goals were met as the Board established a new Adoption Loan program and a new Closing Cost Loan program.

The Board recently approved an updated 2012 Strategic Plan, which has been published on the CGMA Web site.

Over the next few years, the Committee hopes to increase the value of the Strategic Plan by developing separate long term and short term goals.
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Executive Director’s Report:
Mr. Barry Boisvere introduced the CGMA Headquarters staff and presented the Executive Director’s Report.

He noted that 2011 was the first full year since CGMA disestablished the position of Regional Director. CGMA Representatives and their assistants at 135 units have authority to approve loans of up to $3,000. Requests for loans beyond that amount and for all grants must be sent to CGMA-HQ, where the Executive Director has authority to approve up to $6,000 in loans and grants. Requests for more than that must go before the Board.

In 2011, CGMA-HQ received approximately 200 such requests and approved 90 percent of them. Where CGMA Representatives in the past had to schedule time to present these requests to their Regional Directors, they now image the documents and send them to CGMA-HQ, where a decision is made, often within an hour. Whenever a request is disapproved, the requestor has the right to appeal to the Board.

CGMA Outreach Initiatives continued in 2011, with staff members Nicky Sciotino and Erica Chapman traveling around the Coast Guard speaking with those most likely to need assistance, advising them about the programs and the mechanics of applying. Unit CO’s have been very accommodating. Some of the units visited:

Sector San Francisco, PSSU Alameda, Sector San Diego, Sector Long Beach, Air Station Los Angeles, Coast Guard Yard, PSSU Kodiak, Sector Anchorage, PSSU Ketchikan-Juneau, and Air Station Sitka

This year, CGMA hopes to be instrumental in helping provide basic financial training to Coast Guard personnel at selected units, working with CG Work Life and the National Foundation of Credit Counselors (NFCC) via their member agencies, many known as Consumer Credit Counseling Service (CCCS). The NFCC has been approved by the Coast Guard for its member agencies to conduct financial training at CG units.

The month of April is CGMA month! During the 2011 Campaign CGMA received for the very first time cash and pledges totaling over $2 million dollars. Monthly active duty and retired military allotments and civilian payroll deductions are the Life Blood of CGMA! They account for over $1.6 million annually. Around 50% of the active duty workforce gives monthly by allotment.

In closing, he shared a bit of trivia. While reviewing archival annual reports of the League of Coast Guard Women, the precursor to CGMA, he noted a few interesting items. RADM Frederick C. Billard and his wife appear to have been strong supporters of the League and its mission from its beginnings in 1924. RADM Billard served as Commandant for 8 years from 1924 to May 1932, when he passed away in office. One of the League’s annual meetings, held in 1931, was attended by WWI Ace Colonel Eddie V. Rickenbacker and his wife, among others. In 1935, the League held an annual luncheon at the Mayflower Hotel where the guest list included Mrs. Franklin D. Roosevelt and Secretary of the Treasury and Mrs. Morgenthau, Jr.
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The League's first annual report—1924 to 1925—has been imaged and may be viewed on the CGMA Web site.

Closing Remarks:

MCPO Jennings thanked those attending and invited questions and comments.

Adjournment: The meeting adjourned at approximately 0955.

Submitted by:  R. C. WOLF
Director of Administration

B. M. Boisveré
Secretary