MINUTES OF THE 2017 COAST GUARD MUTUAL ASSISTANCE ANNUAL MEETING CONVENED APRIL 17, 2017, AT COAST GUARD HEADQUARTERS, WASHINGTON, DC

MEMBERS PRESENT: (9)

Officers of the Corporation:

RDML William G. Kelly, President
CWO (Ret.) John C. Baker, Vice President
Ms. Shay Cook, Treasurer
Mr. Barry M. Boisvere, Secretary

Members of the Board of Control:

CWO Matthew G. Buritch
CDR Kevin A. Crecy
Mrs. Heather A. Lalor
Mr. Frank Tatu
PO1 Jennifer O. Thompson

Call to Order: Mr. Boisvere called the meeting to order at 0900 and introduced the Board members.

President’s Remarks:

RDML Kelly noted that in 2016 CGMA raised close to $2 million and gave out $4 million in assistance serving over 5200 members. He remarked that one of the challenges facing the Coast Guard is retaining talent, whether in the civilian workforce or military workforce, and that an important element in that is providing support programs like CGMA. CGMA is a force for good in retaining our workforce. He expressed appreciation for the staff and board members stating that their efforts and energy have a significant impact downstream in this regard. In closing, he made note of upcoming vacancies on the Board of Control and encouraged qualifying individuals to consider serving on the Board.

Committee Reports:

Audit Committee

CDR Crecy gave the Audit Committee Report, noting that in January 2017 the firm of Murray, Jonson, White & Associates conducted an audit at CGMA headquarters. 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
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presented fairly, in all material respects, the financial position of Coast Guard Mutual
Assistance, as of December 31, 2016 and 2015.

The auditors were very pleased with the responsiveness and professionalism of CGMA staff
during the audit. The audit team encountered no difficulties with the records or staff, and the
fieldwork was completed in just over a day. A new focus of the audit this year was on the new
case management system, which is currently under development, to ensure that CGMA is
capitalizing all associated costs and will begin amortizing the cost once the contracts have been
fulfilled and the system is utilized in the field. The audit team also conducted tests to confirm
CGMA Representatives are receiving the proper applications and paperwork before issuing
assistance and that assistance is entered correctly for reporting purposes. Finally, the auditors
examined the portfolio to ensure that CGMA remains in compliance with the current investment
policy and holds the reserve funds in a diversified portfolio comprised of various asset classes.
The auditors were able to complete the audit and all corresponding reports in March and briefed
the audit committee at the beginning of April.

Excerpts from the audited financial reports will be published in the 2016 Annual Report, and
anyone wishing to obtain the complete audit report may do so by requesting same from the
CGMA Director of Finance.

Management Committee

Mr. Boisverg gave the Management Committee report on behalf of the committee chair,
CWO Williams. The Committee in 2016 reviewed and put forward two changes to the Bylaws.
Both changes were approved by the Board of Control. One was to reduce the frequency of Board
Meetings from meeting monthly to meeting once a quarter: February, May, August and
November. The other was to more clearly identify the various positions on the Board of Control.
The Management Committee will continue working with the other committees and CGMA staff
to explore and support new initiatives to help CGMA meet the needs of our customers.

Education Committee

CWO Reck gave the Education Committee Report, noting that CGMA currently funds four
education assistance programs:

Supplemental Education Grant (SEG)
CGMA Education Loan
Stafford/PLUS Loan Fee Reimbursement
Tuttor.Com for Coast Guard military families

The SEG reimburses the cost of textbooks, college fees and certain other school costs. In 2016,
the Board increased the annual maximum for SEG reimbursements from $350 to $500. CGMA
provided over 3,000 SEG’s totaling more than $780,000 in 2016.

The CGMA Education Loan Program offers loans of up to $3,000 for tuition or other educational
expenses not covered by funds from other sources. CGMA issued 79 education loans in 2016
totaling over $168,000.
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The Stafford/PLUS Loan Fee Reimbursement program is designed to reimburse the amount of
the loan origination fee for Stafford Federal Student Loans and the Federal Parent Loan for
Undergraduate Students. These reimbursements came to a little over $21,000 in 2016.

Tutor.com expenditures came to $62,000 in 2016, the first full year CGMA has funded this
program.

The Education Committee continues to look for ways to adjust CGMA’s education assistance
programs to best meet the needs of Coast Guard families.

Mutual Assistance Committee

Mr. Tatu gave the Mutual Assistance Committee report, noting that one of the committee’s
responsibilities was to review assistance requests that have been forwarded to the Board for
consideration. Generally speaking, assistance requests are forwarded for Board consideration
when they exceed $6,000, or when they deviate from CGMA policy, are contentious, or might set
new precedent. The Board also decides in cases where a client appeals a decision made at the
Executive Director level. Five cases were concluded at the Board level in 2016: three were
approved, one was disapproved, and one client withdrew his request before a final decision was
made. Mr. Tatu commended the committee members for their insightful and timely review of
these requests and for actively participating in the decision-making process. Another role of the
Mutual Assistance Committee is to review established CGMA loan and grant policies, and
recommend changes where appropriate. The Committee will continue to give thorough and
timely attention to the assistance requests that come in and will continue to work with CGMA
Staff and the other committees to identify program improvements.

Finance Committee

Ms. Cook gave the Finance Committee Report. The Finance Committee is responsible for
making recommendations to the Board of Control concerning all financial matters, including
investment actions, the annual budget, and changes to assistance parameters.

During 2016:

CGMA received almost $2 million in contributions, allowing CGMA to provide over $4 million
in assistance between loans and grants to 5,200 clients.

The investment portfolio reflected $26.5 million at the end of 2016. Investment funds remain in
place to help those in need when demand exceeds what is in the operating account. The portfolio
holdings also give the ability to expand current CGMA loans and programs to further help the
Coast Guard community.

Over $200k was provided to CGMA clients in 4 programs that accommodate the changing needs
of the Coast Guard family. CGMA provided $41,000 to families with dependents enrolled in the
special needs program through a grant that offers families up to $3,000 for particular expenses
that are not covered by insurance. In addition, CGMA disbursed $70,000 in interest free loans
and grants to families going through the adoption process. Through one of its most popular
programs, the layette program, CGMA distributed $28,000 in baby supplies and educational
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parenting material to 490 Coast Guard families. CGMA also funded one-on-one tutoring services to Active Duty and Reserve members and their families through tutor.com, providing over $62,000 in tutoring services.

CGMA also supported the Coast Guard community by supplying the financial planning seminar portion of the Transition Assistance Program (TAP) for Coast Guard members approaching retirement. Last year, CGMA funded 30 financial trainings around the country.

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

Executive Director

Mr. Boisvere introduced the CGMA Headquarters staff and presented the Executive Director's Report. Established in 1924, CGMA has been helping Coast Guard people for over 92 years. CGMA Headquarters has occupied its new spaces in the Fairgate Building, 1005 N Glebe Road, Arlington for a little over a year, and finds the accommodations to be excellent. A project to replace the aging loan management system is 85% complete, with an expected go live date of June 12. Mr. Boisvere noted that the current Director of Administration would be retiring June 30, and a search was underway to find a replacement.

Questions and Answers

ADJOURNMENT: Mr. Boisvere adjourned the meeting at 0933.

Submitted by: R. C. Wolf
Director of Administration

B. M. Boisvere
Secretary