

Meeting Minutes
Cornell Alumni Association of Greater Rochester, Inc.
Board of Directors Meeting
June 24, 2011
5:00 PM – 5:58 PM
At: Fairport, NY

Attendance

Board and Committee members: Lawrence Wetzel, Thomas Helfrich, Chris Cassidy, Mason Argiropoulos, and Lois Irwin.

Others Present: Janice Wormington, Thomas Cummings, and Peter Schwarz.

This Board Meeting of the Cornell Alumni Association of Greater Rochester, Inc. ("Club") was called to order by President L. Wetzel. He welcomed those attending this evening's meeting.

The vast majority of the meeting was taken up with the continuing discussion about the investment handling of the Club's scholarship assets. Recent changes in Federal and New York State legislation were originally brought to the Board's attention by N. Norcon (former Club President and our current investment manager).

This has since been an ongoing Board item, with much information gathering, investigation, discussion and alternatives examination at many meetings over an almost two year period. Numerous e-mails and materials were distributed to the Board. The continued use of an investment manager, mutual funds, savings accounts, the Rochester Community Foundation and Cornell University were all considered as possible approaches, with the final in-depth analysis being narrowed to the latter two options.

The Federal legislation came first. In the case of the State of New York, this legislation was introduced in the 2009 – 2010 regular sessions, in the Assembly on April 28, 2009 as Bill 7907 and provided a "Prudent Management of Institutional Funds Act." Having reviewed this legislation and presentation materials provided by the Rochester Community Foundation, the Board felt that it's previous actions were all in accordance with the appropriate standards as outlined in Federal and State laws.

The Board feels that the process by which the Club has received, tracked, invested and used these funds in the past would meet or exceed all standards of prudence and fiduciary obligations, and were appropriately used only in accordance with actions authorized by the Board and effectuated by the Scholarship Committees and the investment manager. The officers, Executive Committee and Board have regularly: reviewed reports of the financial assets; looked at comparisons with appropriate benchmarks; considered the

various types of assets and risk in light of the objectives of the funds; received regular written and in person reports from the investment manager (who is an experienced investment and financial advisor well known to the Club, with the ability to draw upon substantial resources in deciding how to best invest the funds). These scholarship funds were intended and used for the charitable purpose of helping provide scholarships and other aid to current and future Cornell University students from the Club's area for their education. All donors were aware of the purposes for the scholarship funds at the time they were donating monies. The tracking of these financial assets was done as part of the Club's general accounting (with checks and balances by the Scholarship Committee, investment manager and Treasurer, overseen by the Board).

We feel that using Cornell University and the following approach specifically complies with this "new" legislation in all respects, assuming anticipated future follow-up by the Board. The fact that the assets will be pooled is permitted under the new legislation, but we will be tracking the values of these and have separate accounts to further this.

Cornell University previously had had restraints on its plans that made that alternative unappealing to the Board in past years when previously considered.

There was an extensive discussion by the Executive Committee at its recent meeting. The President reported on the unanimous recommendations of the Executive Committee officers, all of whom were present at that meeting.

The Board confirmed, on a motion duly made, seconded and passed unamoiusly, that: (1) The Club expects to continue its scholarship programs for the foreseeable future. (2) It does not expect to use general Club funds in the future to supplement monies generated from the scholarship funds. (3) The Club's Board may modify the scholarship programs in the future, at any time, and in any way deemed desirable or necessary by the Board.

The Board has felt it wanted to adequately understand the situation, our requirements and options. The Board concluded that it has been appropriately cautious and effectively prudent, and has all the information and understanding necessary to make a decision at this time. A motion was duly made, seconded and passed unanimously approving the recommendations of the Executive Committee that:

1. The Board determined to move all of the assets for its four scholarship funds to Cornell University under the Cornell University donor advised program. To accomplish this, the Board approved the following as part of this motion:
2. The Treasurer is authorized to take the following steps and such others as are legally required, and to arrange for execution of any necessary paperwork.
3. All the Club's four elected officers (now and others as elected or appointed to those four offices in the future as successors) should sign the paperwork for Cornell University, and otherwise as applicable.
4. Since Cornell University will not accept a transfer of our assets in their current invested form and wants all cash, the assets should be closed-out from the current investment manager before the new accounts are opened.
5. Each of the four scholarship funds is to be kept in a different, separate account, each identified as the Club's along with the name of the applicable scholarship fund. The initial opening amounts will correspond to their respective values at the close-out of the existing investment manager, with these amounts confirmed by the Treasurer to the Board at its first fall meeting.
6. All future scholarship donations (whether given in response to a written solicitation, received as a gift or bequest, or raised as part of an event) shall promptly be given to the Treasurer, who shall assure the monies flow through the Club's accounting and checkbook as credits to the specific affected fund(s). The Club has, in the past, and will continue (for money accepted in the future) to observe restrictions placed by the donor. The Treasurer will then submit the money to Cornell University on a regular, timely basis for the specific fund which raised the money or received a donation. These will be deposited directly into the accounts or otherwise as directed by Cornell University.
7. If any scholarship monies are not identified for a specific scholarship fund at the time the monies are raised or received, those monies will be deposited in the Club's "general"/undesignated scholarship fund.

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8. Withdrawals for Board approved scholarships or other support related expenses should be authorized in writing by the Treasurer, or otherwise as required by Cornell University. Whenever possible, the money should be sent directly to the Treasurer in a check made payable to the Club. The Treasurer should track these monies in the Club's financial records.
9. We understand that there is no charge by Cornell for this asset/investment management and record-keeping, that the assets will be in a co-mingled account, and that the Club will be getting regular reports on market value. The Treasurer and any Investment Committee members should get copies of all written reports, if possible directly from Cornell University and/or custodian.
10. The activity in each fund (beginning asset value, contributions, payments, and ending asset value) should be reported to the Board by the Treasurer at least quarterly, with a full financial and performance report at least annually.
11. The Treasurer and any Investment Committee will, from time to time, make recommendations to the Board so it can establish either specific benchmarks or criteria for tracking and measuring performance, using information provided by Cornell University, our Investments Committee and public resources.
12. The Board will get regular updates. It will review these changes at its September, 2011 meeting and generally thereafter on a quarterly basis.
13. We understand that: The monies may be withdrawn in total, at any time, without penalty or delay. There is no investment management, accounting, custodian or other cost or fee from Cornell University for these services.
14. The Club's general fund should pay any monies currently owed to the scholarship funds by June 30, 2011, so that these monies can move into the new accounts at Cornell when they are created. The Club's current fiscal year should not reflect any scholarship fund liability at year end.
15. The Treasurer is to receive information from Cornell University on the handling and appropriate language for future scholarship and other solicitations. They had agreed to provide this and the Club needs further advice from them and follow-up to get this in place.
16. Any problems or delays should be immediately reported to the officers and Board.

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There is also a desire/need to do an updated set of information on the names, purposes, control, distribution and handling of each of the scholarship funds. This needs to be drafted and circulated, with discussion and approval at a fall Board meeting.

C. Cassidy reiterated that he is stepping down as Membership Committee Chair after the Annual Meeting, and the Club still needs to find a replacement. K. Lancioni had previously expressed interest about possibly becoming the Club's Membership Committee Chairperson. She will be contacted. A suggestion was made that William McCarthy might be interested and would make a good (alternative) choice.

The President named Janice Worthington as Chair of the Communications Committee, whose duties will include maintenance of the website and any future social networking sites.

L. Irwin reported on several Program Committee activities. She indicated that there was only one networking event this year, with the faculty speaker in the fall, an event at Ganandogan (perhaps involving a meal and Cornell University representatives/speaker), Zink's night, and a Founders' Day program (President Skorton will be written to directly in the hopes that he will participate in this event. (It was agreed to plan the year as if he is not coming, since multiple previous requests to Cornell representatives have not yielded any results, but that we will continue to try to get his participation in the Rochester area.

T. Helfrich reported on his recent participation in President Skelton's webcast. He will summarize this in an e-mail to the Board.

The Club's Ballot for the 2011 – 2012 membership year and the Annual Meeting proxy was mailed to the membership in accordance with the Bylaws. We understand that there were no other nominations or negative votes, so we anticipate that the entire Slate was accepted as prepared by the Nominating Committee.

Minutes from the May 2, 2011 had been circulated before the meeting. They were approved on a motion duly made, seconded and passed unanimously.

The Treasurer had email distributed a Statement of Cash Flows for the Club's current 2010-2011 fiscal year. For the period July 1, 2010 through June 24, 2011, it showed a 7/1/10 Operating Balance of \$3,832; Income of \$11,277 (including Membership Income = \$2,575; Programming Income = \$6,156; Interest Income = \$5; Scholarship Income =

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\$2,540), Expenses of \$7,810 (including Administrative Expense = \$580; Programming Expense = \$6,239; Banking Fees = \$64; Scholarship Expense = \$927); Due To Scholarship = \$6,853; Current Operating Balance = \$5,000. It is attached. The report was approved on a motion duly made, seconded and passed unanimously.

The Treasurer still needs to send the Board the “gift receipt” format currently used by the Club, so that it can be reviewed at a future meeting.

The next meeting of the Board and the 2011-2012 schedule has not been set yet. The President indicated that he would be preparing a list of proposed Board meeting dates for the coming year, which would be circulated prior to the next Board meeting and confirmed at that time.

It was agreed that it would not be necessary to adjourn the Board meeting until after the Annual Meeting, since it appeared that all Board business had been adequately concluded at this time. There being no other business to come before the Board this evening, the meeting was declared adjourned.

Respectfully submitted,

Thomas G. Helfrich
Secretary

Attachments