

Minutes from Board of Directors Meeting October 8, 2009

Board Orientation for New Members was not held and has been postponed until the December meeting.

Marilyn Bok, CEO, called the regular Board meeting to order at 4:05 pm due to absence of the Chair and the Vice Chair. Present were Leo Parchesky, Bob Hogan, Susan Storch, Howard Smith, Brenda Smith, Lowell Coolidge, Tom Shannon, and Tom Freeman. Joe Picco, Frank Comfort, Dora McCarty and Bill Ransom, were unable to attend. Marilyn welcomed Tom Shannon back.

Approval of Minutes: Susan Storch moved the approval of the minutes of August 13, 2009 Board meeting. It was seconded by Bob Hogan and carried.

Marilyn read a note from Bill Ransom stating he is scheduled to have surgery on Oct. 13th and will have a 10-12 week recovery period. A discussion was held about obtaining a telephone jack in the Board room and finding out the cost of equipment that would allow us to hold telephone conference call meetings. Tom Freeman offered to provide the jack if costs came in over \$100.

Marilyn passed around a sympathy card for members to sign for Newt Pendleton and stated that if Board members wished they could give her a check as a memorial donation to the Sullivan County Unrestricted Fund in Martha Pendleton's name.

Board Governance Issues: Action Items

1. New Contracts – Elizabeth Alamo Scholarship Fund: Marilyn reported that Elizabeth Alamo now wishes to have a non-endowed scholarship fund that would last 20 years and give out at least a \$500 scholarship each year. Lowell Coolidge moved the acceptance of the new contract. It was seconded by Tom Shannon and carried. The Finance & Investment Committee will have to decide on how we should invest these funds.

2. Recommendation of the RFP Selection Committee for Investment Management Services – Marilyn described the process the committee used to come up with their recommendation of interviewing five of the thirteen firms who submitted proposals: C&N Bank, Susquehanna Wealth Management (Peoples State Bank), M&T Investment Group, Alesco Advisors LLC, and Mason Investment Advisory Services. Tom Shannon made a motion to accept the recommendation of the RFP Review Committee and interview five firms in November. It was seconded by Susan Storch and carried. A discussion was held on what has occurred to this point and the points of concern that surfaced during the process. Marilyn stated that the costs were much higher than expected (1% on average) and that if we passed them on to our donors/potential donors in addition to our present 1% admin fee we would place ourselves in a non-competitive position relative to our competitors. This would slow our growth and thus our ability to increase our operating funds. Other concerns raised by other committee members were the variety of investment vehicles different firms use and that the cost of some of these vehicles would be passed on to us with each trade. There didn't seem to be any control mechanism for keeping the number of trades low. The range in the number of clients the investment team assigned to the CFTT would manage ranged from 25 to 200. Would we get the service needed from firms on the higher end? Also some firms did not have on-line access. The Board decided to pass this advice on to the Review Committee and the F & I Committee: they are satisfied and just interested in investing in mutual funds until the CFTT reaches \$3 M in assets. They don't feel we can get the diversification we need with stocks and bonds. They also want to keep costs as low as possible and are satisfied with Vanguard mutual funds because the costs are low but the returns have been high for the level of risk assumed. Other high quality low cost fund families would be acceptable. The Board asked to be notified when the interview dates had been set.

3. Approval of the Marketing Materials for the CARS Program – The Board approved the marketing materials Marilyn had developed for the program. Marilyn stated she has tentatively scheduled the rollout of

the program for the week of October 26th. PSAs will need to be cut and distributed and a list of code enforcement officers for each county will need to be obtained. Marilyn asked for helping getting these lists.

4. Approval of Recommendation of the Ben Franklin Grant – The recommendation of the Sullivan County Advisory Board was read by Marilyn and accepted on a motion by Tom Freeman. It was seconded by Susan Storch and carried. The board recommended Ronda Yonkin of Mildred, PA who is attending Keystone College in Towanda, PA and majoring in Early Childhood Education. Marilyn will do the follow-up work needed to award this grant.

5. CEO Evaluation – Marilyn read an email from Bill Ransom suggesting the Board look at the form now used to make sure they get the input they want. He asked for Board members who would be willing to help adjust the evaluation tool. Lowell Coolidge agreed to help Bill. Bill also expressed his desire to have the CEO and Board both do a self-evaluation. His desire is to get these items done ahead of the Board retreat so they could be on the agenda for action at the retreat. The Board accepted the evaluation without comment.

6. Decide on Purpose of Request to Mildred Truman Faulkner Foundation – Marilyn suggested we request funds for implementing FIMS software since we still need \$6,000 even with the Pierce Foundation award of \$10,000. We would ask for 2 years of funding to use toward the monthly user fee while we continue to grow our endowment funds and increase the amount of admin fees we collect. At the end of two years the CFTT should be able to support these ongoing costs in their budget. The Board agreed with this suggestion.

7. Authorization to Proceed with Setting up a CGA Pool – Marilyn reported she had taken part in 4 webinars on Charitable Gift Annuities (6 hrs) and she explained to the Board the benefits of such a program for the CFTT. A discussion was held and Leo Parchesky moved that Marilyn be given authorization to proceed with setting up a CGA Program for the CFTT. It was seconded by Howard Smith and carried.

8. Review of Goals for 2009 – Marilyn read a note from Bill Ransom about changing the format of our goals for 2010 to more of a scorecard format like the examples Marilyn had sent to every Board member. He wants to see the goals more defined. The Board was in agreement to changing the format. Marilyn gave a brief summary on what still needs to be accomplished. **Goal 1:** Annual Reports still need to be distributed to the libraries in the five counties. Marilyn asked for help in distributing them. **Goal 2:** We need to raise \$25,000 in operating funds this year. To date only \$5,200 has been raised leaving \$20,000 to come in during the fall campaign (usually \$13,000). **Goal 3:** Marilyn handed out a sample template of a quarterly electronic newsletter designed by our intern, Paula Wheeler. The Board felt the product was excellent and made a recommendation that the size of the font on the words “Twin Tiers” be made larger so it stands out more. The next steps are the development of a database and figuring out how to disseminate the newsletter. The goal is to have our first edition for January of 2010. It was suggested that Michelle Shedden who is responsible for Bradford County’s newsletter be contacted for information on how to disseminate our newsletter. **Goal 4:** We have just about doubled our funds under management more than accomplishing our goal. **Goal 5:** 2010 is the last year for pledge payments. Board will have to decide on a new approach since only \$46,000 of \$300,000 goal has been reached. The recession topped all forward progress. **Goal 6:** The goal for news releases has been reached and the poster boards are now completed. They will be distributed at the Advisory Board meetings this month. **Goal 7:** The goal has been reached. **Goal 8:** The goal of developing relationships with professional advisors continues in all counties. **Goal 9:** Marilyn continues to encourage each Advisory Board to use the results of our Needs Assessment when deciding the needs of their county and where to allocate discretionary and donor advised grant funds. **Goal 10:** There will not be a part-time Admin Assistant hired this year. Marilyn now feels the CFTT would be better served with a part-time financial person.

9. Approval of a Budget Reallocation for Logo Redesign and CFTT Brochure Printing – Marilyn stated she examined the budget and the only place there are funds to pay for redesigning our logo and reprinting our brochure because we will now be serving Potter County was in the line item for advertising for our operating fund campaign this fall. She asked the Board to reallocate these funds to pay for the logo (\$ot to excee \$300) and brochure (10,000 for \$15,800). Susan Storch made a motion to reallocate the funds as Marilyn requested. It was seconded by Leo Parchesky and carried. Marilyn stated that as a result of this action she wanted to be sure Board members understood there would be no paid advertising done this fall in conjunction with our Operating Fund Campaign. Marilyn will still secure as much free advertising and PSAs as she can.

DISCUSSION ITEMS – Board Governance Issues

- 1. Correspondence Report** – Brenda Smith reported on the thank you note from Tom Shannon and the certificate Marilyn received from the Athens Rotary Club. The rest were advertisements. Howard Smith took the correspondence for December.
- 2. Update on Capital Campaign for Operating Funds** – Board members were directed to the summary sheet which showed a pledge total of \$46,110 with \$31,970 in total payments as of September 30, 2009. Fifteen of thirty-one pledges are paid in full.
- 3. 2009 Profit & Loss, Balance Sheet, Accounts Receivable, Investments, Budget vs. Actual Income, Expenditures to Date, and Payment of Bills** – The Profit and Loss Statement for all transactions since we started shows total income as of 9/30/09 of \$1,319,537 and net ordinary income of \$1,218,773. For 2009 as of 9/30/09 the total income was \$528,240 and net ordinary income was \$509,918. The Balance Sheet as of 9/30/09 showed total Current Assets of \$1,093,177 with \$195 in our C&N checking account, \$20,260 in our C&N operating fund Money Market account, \$94,492 in our C&N endowment fund money market account, \$495,844 in our Vanguard & American Endowment Accounts, and \$22,864 in Vanguard Money Market Account. There is \$374,419 in Endowment CDs, \$21,508 in CFTT CDs, and \$52,186 in a Keeffe CD. Accounts Receivable totaled \$15,044. Operating expenses for 2009 total \$18,270. The Budget vs. Actual report shows that for 2009 we have raised 80.4% of budgeted operating income and spent 70.8% of budgeted expenses. The Board accepted and filed these reports for audit. Tom Shannon moved the payment of bills. It was seconded by Howard Smith and carried.
- 4. Fundraising Campaign for 2009** – Marilyn asked Board members to hand in the fundraising lists with the corrections she had asked them to make and handed out a sample donor request letter. The Board agreed with sending out the letter. Marilyn reported her goal is get have the letters in the mail by the end of the month thus giving her time to make the needed changes to the mailing list, print and prepare the letter and inserts, and collate the mailing as well as a news release and PSA requests.
- 5. Postage Meter** – Marilyn asked if anyone on the Board had had experience with postage meters. A short discussion ensued and Marilyn will look into the cost of securing a postage meter.
- 6. IRS Audits** – Marilyn read part of a letter from national (COF) stating the IRS plans on doing 100 audits of community foundations in 2010 and keeping up this pace in future years.
- 7. Outreach to Farm Community** – Marilyn reported the workshop has been set up for Nov. 10th at the Stoll Center in Wysox and the presenters will be Harold Moyer of the PA Farm Bureau (to cover tax issues), Attorney Evan Williams Jr. (to cover legal issues), Larry Alderson of C&N Bank (to cover money management issues) and Marilyn Bok (to cover how CFTT can facilitate donors wishes). So far co-sponsors are the Bradford County Conservation District. I am still waiting for a response from the Bradford-Sullivan Farm Bureau and the Bradford-Sullivan Forest Landowners Association.
- 8. Succession Planning** – Marilyn stated she will send the letter out from Suzanne Lee of the First Community Foundation of PA that she received today at noon to the Board and will put it on the agenda for December.

Adjournment: The meeting adjourned at 6:10 pm.

Next Regular Meeting Date: Will be on Thursday, December 10, 2009 at CFTT Office, 104 W. Lockhart Street, Unit 2 starting at 5:00 pm.

Board Orientation for New Board Members will be held on Thursday, December 10, 2009 at the CFTT Office starting at 4:00 pm.

Respectfully submitted as a true and accurate copy of the minutes of the October 8, 2009 Board meeting.

Dora McCarty, Secretary Date