

## **Minutes from Board of Directors Meeting December 10, 2009**

The second half of Board Orientation for New Members was held from 4 pm until 4:45 pm.

Bill Ransom, Board Chair, called the regular Board meeting to order at 4:45 pm. Present were Leo Parchesky, Susan Storch, Howard Smith, Frank Comfort, Dora McCarty, Brenda Smith, Lowell Coolidge, Tom Shannon, and Joe Picco. Bob Hogan and Tom Freeman were unable to attend.

**Approval of Minutes:** Susan Storch moved the approval of the minutes of October 8, 2009 Board meeting. It was seconded by Howard Smith and carried.

### **Board Governance Issues: Action Items**

#### **1. New Contracts –**

- a. **Barbara Sowinski Scholarship Fund:** Marilyn reported that Barbara Sowinski a local artist wishes to fully fund a scholarship for students in Bradford County who are majoring in the arts. She want to establish this fund by the end of 2009. The issue was raised concerning how the scholarship winner would be chosen since graduates of all high schools in the county would be eligible. Marilyn will have to come up with an acceptable procedure for inclusion in the contract. The scholarship would be established in the name of the Towanda Musical Society and they would have a member who would sit on the selection committee. Lowell Coolidge moved the CFTT enter into an agreement with Barbara Sowinski for the establishment of a scholarship fund. It was seconded by Susan Storch and carried.
- b. **Potter County Discretionary Fund:** Marilyn stated that Ben & Shelia Olney want to establish a Potter County Discretionary Fund with a donation of \$1,000. Marilyn sent them an agreement for setting up a Discretionary Fund for Potter County that they have signed. Marilyn asked for acceptance of this agreement. Susan Storch moved the CFTT enter into an agreement with the Olney's for the establishment of the Potter County Discretionary Fund. It was seconded by Leo Parchesky and carried.
- c. **Ulysses Library Fund:** Marilyn reported the Ulysses Library is now a 501(c)(3) and wishes to take the \$200,000 donation we have been holding for them and start an Agency Endowment Fund. They have been sent an agreement for such a fund to sign and send back for CFTT's signature. Marilyn asked for CFTT to accept this new fund. Dora McCarty moved the CFTT enter into a contract with the Ulysses Library to establish an Agency Endowment Fund for their general operations. It was seconded by Tom Shannon and carried.
- d. **Babe & George Tymoski/Rockman Fund:** Marilyn reported she has been working with the Sullivan's who own Rockman's to get them to sign a scholarship fund. We have been holding the funds that came in at the deaths of both Babe & George Tymoski in the fall of 2008 without success. She stated we need to have a signed contract or else distribute these scholarship funds in 2010. Joe Picco asked Marilyn to approach our national association members and see how other community foundations have handled such a situation and then report back to the Board. It was also recommended the Finance & Investment Committee develop a policy on how Spend-Down Funds should be handled, i.e. Elizabeth Alamo Scholarship Fund and this fund if no contract is signed.

**2. Recommendation of the RFP Selection Committee for Investment Management Services –** Marilyn reported the selection committee interviewed the five firms on November 19<sup>th</sup> and 20<sup>th</sup>: C&N Bank, Susquehanna Wealth Management (Peoples State Bank), M&T Investment Group, Alesco Advisors LLC, and Mason Investment Advisory Services. There were several major concerns considered by the committee including costs, whether these firms understood community foundations and the individuals assigned to our account were satisfactory to us, the investment vehicles they were going to use, and the stability of the organizations. The recommendation of the committee was to go with C&N Bank with several stipulations: that it only be a 2 yr contract that could be terminated if C&B Bank is acquired by another institution; the right to terminate if the key personnel assigned to our account were to be changed for any reason; and we obtain satisfactory resolution of whether the contract would include both financial management services and custodial services. Marilyn was asked what she thought of this recommendation. She stated she thought this

was one of the most important decisions the Board will ever have to make and if they had concerns they should be addressed. She stated she had several concerns herself: whether the costs we will be passing on to our funds will price us out of the market; whether the return we will be getting will be worth the cost since all the firms that were interviewed had returns for the last five years that were less than what our F&I Committee had earned; and there was the issue of the two telephone calls she received from different individuals stating there was another alternative that could be considered. That alternative was for non-fee based services from one of the investment houses that we could get if we have assets of over \$1 million. We would have to choose a mutual fund company who sold more than their own funds. For a \$1 million account they would assign us a financial advisor who would work with the F&I committee and we could invest for free. After much discussion the Board decided on a motion by Joe Picco to delay the decision on the recommendation of the RFP Selection Committee until February and to have Marilyn investigate non-fee based services. It was seconded by Tom Shannon and carried.

### **3. Recommendation of the Finance Investment Committee –**

- a. **Adoption of the Capital Expenditure Policy:** The F&I Committee recommended the adoption of a Capital Expenditure Policy that placed a \$5,000 limit on any capital expenditure to be expensed in the year it is purchased. All purchases costing \$5,000 or more are to be depreciated over the number of years allowed under IRS regulations. Dora McCarty moved the adoption of the policy. It was seconded by Leo Parchesky and carried.
- b. **How to Invest the Alamo Fund:** The recommendation was to take \$5,000 of the \$9,570 in the Alamo Fund and place it into a money market fund or a 9 month CD. This recommendation is being made because the Alamo Fund is now a Spend-Down Fund that is set up to last 20 years. Susan Storch moved the CFTT implement the recommendation of the F&I Committee. It was seconded by Frank Comfort and carried.

**Non Agenda Item Raised by Sullivan County Representatives –** Frank Comfort raised an objection to the fact the Sullivan County Discretionary Fund was not able to give out a grant in 2010 due to the fact it fell below the minimum fund balance of \$10,000 when Marilyn implemented the Board approved policy requiring grant payout amounts abide by the 16 quarter rolling average starting in 2008. Although the CFTT Investment & Spending Policy called for this action when it was adopted in 2004 it was not implemented because the CFTT didn't have 16 quarters of financial data to use in the calculations. Marilyn shared with Board members a chart showing the calculations for 2008 that showed using this method there were six funds that fell below the minimum fund balance in 2008. She explained she had contacted the fund donors in 2008 and explained their fund wouldn't be given out a grant that year and why it wouldn't. These funds were also not charged an admin fee in 2008. The only fund where an exception was made was Sullivan County where \$380 was allocated from their fund and the committee donated the other \$120 since Marilyn was aware they had already solicited grant proposals. When the final numbers were in for 2009 at the beginning of December it showed that seven funds were below minimum fund balances including Sullivan County. Since Sullivan County had again proceeded with soliciting grant proposals based on an email response in mid-September from Marilyn to an inquiry from Anastasia on whether their fund would have enough funds to give out a grant in the next year. Marilyn responded that it was looking like it might have. Marilyn explained she did not have end of the quarter figures in mid-September to give a definitive answer. Marilyn further stated she did not know Sullivan County was soliciting proposals this past fall. In the discussion that followed it was decided to have the issue of whether there needs to be changes to the Investment and Spending Policies brought to the Finance & Investment for review and possible recommendations.

**Loss of Quorum –** At this point, around 6:00 pm, in the meeting enough Board members left the meeting that a quorum was no longer present. Bill Ransom continued the meeting with the remaining members. Any Board actions taken after this point will have to be ratified by the full Board at their next meeting. Marilyn was asked to set up a Board Meeting by phone conference call in January.

**Grant Recommendations from Floyd Hooker Foundation Fund –** Brenda Smith Grant Advisory Committee chair for the fund presented a list of nine grants they were recommending for approval:

**RESOLVED, that a grant of \$1,000 to A New Hope Center** be approved to provide access to recreation and leisure activities for Tioga County youths who reside at their shelter who because of financial hardship due in part by domestic violence would not otherwise have the opportunity. These funds are to be used to obtain membership at the local Boys

& Girls Club, admission to state parks, museums, and commercial recreation facilities such as movie theatres, skating rinks, bowling, and miniature golf as well as the purchase of two bicycles for the shelter.

**RESOLVED, that a grant of \$1,000 to Cornell University Cooperative Extension Tioga County** be approved for the sustainability of the **Family Resource Center** by using these funds to maintain the play space and provide developmentally appropriate activities for the young children.

**RESOLVED, that a grant of \$668.00 to Owego Gymnastics and Activity Center** for use in their Scholarship Program to provide full and partial scholarships for needy children to attend and participate in programs offered by the facility.

**RESOLVED, that a grant of \$864.00 to Spencer Van Etten School District** for use by Spencer-Van Etten Middle School teacher, Marian Ingerson, to provide admission to community resources for students in the special education program.

**RESOLVED, that a grant of \$668.00 to Newark Valley Historical Society** for use in purchasing supplies for their Living History workshops series titled “Pioneer Wisdom” for the youth of Tioga County New York.

**RESOLVED, that a grant of \$962.50 to Family Reading Partnership** for use by the Family Reading Partnership of Owego/Apalachin be approved for the purchase of books for the “Books to Grow On” program.

**RESOLVED, that a grant of \$668 to Tioga County Council on Alcoholism & Substance Abuse, Inc** be approved for supporting the use of the agency van for transporting local children to their after-school program, Puppy Pals.

**RESOLVED, that a grant of \$700 to Cornell University Cooperative Extension Tioga County** be approved for the “Grow Your Own Pizza” program at the **Waverly Pheonix Kid’s Café**.

**RESOLVED, that a grant of \$668.00 to Big Brothers Big Sisters of Bradford County, Inc.** be approved to increase their presence in Tioga County, NY through advertising and promoting BBBS to community organizations, working more closely with the school, agencies and legal systems of Tioga county to look at the possibility of program expansion by utilizing staff and administration in an efficient manner to increase recruitment of volunteers and utilize funding to cover expenses related to Bowl for Kids’ Sake.

Leo Parchesky moved the approval of the nine grants from the Floyd Hooker Foundation Fund. It was seconded by Joe Picco and carried.

**4. Meeting Dates for 2010 – Decide on Board Retreat Date – Discuss Agenda Items for Retreat –** Marilyn presented a list of potential meeting dates for 2010. Those dates are:

<b>Date</b>	<b>Month</b>	<b>Day</b>	<b>Time</b>	<b>Location</b>
11	February	Thursday	4 pm	Foundation Office Board Room
11	March	Thursday	4 pm	<b>RETREAT</b> Foundation Office Board Room
8	April	Thursday	4 pm	Foundation Office Board Room
27	May	Thursday	8 am	<b>7<sup>th</sup> Annual Meeting</b> Towanda Country Club
10	June	Thursday	4 pm	Foundation Office Board Room
12	August	Thursday	4 pm	Foundation Office Board Room
7	October	Thursday	4 pm	Foundation Office Board Room
9	December	Thursday	4 pm	Foundation Office Board Room

Leo Parchesky moved the adoption of the meeting dates. It was seconded by Brenda Smith and carried. Due to lack of attendance no discussion was held on Board Retreat agenda items.

**5. Renewing COF Membership for 2010 –** Marilyn asked the Board to renew our membership in our national association. Leo Parchesky moved the CFTT join the Council on Foundations for 2010. It was seconded by Brenda Smith and carried.

**6. Authorize Sending Out Year-end Financial Statements on all Funds –** Marilyn explained that she is asking the statements include all of 2009 fiscal year and therefore not be sent out until January 2010 since some of the agency fund holders were asking for this information. Brenda Smith moved the CFTT send out

Year-end Financial Statements that cover all of fiscal year 2009. It was seconded by Leo Parchesky and carried.

**7. Decision on Offer from First Community Foundation on Succession Planning** – Marilyn was asked to obtain a per diem rate for their services so the Board could understand better their proposal. They also asked for this item to be on the February agenda for a full discussion when more Board members should be present.

**8. List of Grants from 2009 Funds** – The chart that Marilyn had sent out to every Board member shows that at the present time the CFTT will be giving out a minimum of \$40,152 in 2010. Marilyn expects that it will go up with the addition of additional funds.

**9. Committee Assignments for 2010** – Marilyn had sent each Board member a list of their committee assignments ahead of the Board meeting. Since she had received no objections the assignments will stand.

**10. Adoption of Goals for 2010** – Marilyn stated she had not had time to develop a prototype for a new way of presenting and reporting progress on our goals for 2010.

#### **DISCUSSION ITEMS – Board Governance Issues**

**1. Correspondence Report** – Howard was not present to give a report. Bill Ransom took the correspondence for February.

**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 \$32,030 in total payments as of November 30, 2009. Fifteen of thirty-one pledges are paid in full. Joe Picco moved the Capital Campaign be declared over. It was seconded by Leo Parchesky and carried. Marilyn will still be sending notices and collecting on the final outstanding payments due in 2010. We were only able to achieve a little over 15% of our goal of \$300,000. Marilyn will work up the final percentages for the next meeting.

**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 11/30/09 of \$1,331,506 and net ordinary income of \$1,230,743. For 2009 as of 11/30/09 the total income was \$530,641 and net ordinary income was \$512,320. The Balance Sheet as of 11/30/09 showed total Current Assets of \$1,116,187 with \$2,397 in our C&N checking account, \$20,794 in our C&N operating fund Money Market account, \$93,410 in our C&N endowment fund money market account, \$507,084 in our Vanguard & American Endowment Accounts, and \$30,250 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 \$14,140. Operating expenses for 2009 total \$18,322. 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. Leo Parchesky moved the payment of bills. It was seconded by Joe Picco and carried.

**Adjournment:** The meeting adjourned at 6:25 pm.

**Next Regular Meeting Date: Will be on Thursday, February 11, 2010 at CFTT Office, 104 W. Lockhart Street, Unit 2 starting at 4:00 pm.**

Respectfully submitted as a true and accurate copy of the minutes of the December 10, 2009 Board meeting.

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Dora McCarty, Secretary                      Date