

Minutes from Board of Directors Meeting June 11, 2009

Bill Ransom, Board Chair, called the meeting to order at 4:00 pm at the Foundation Office with the following Board members present: Frank Comfort, Dora McCarty, Leo Parchesky, Susan Storch, Bill Ransom, Brenda Smith, Tom Freeman, Robert Hogan, and Lowell Coolidge. A quorum was present. Tom Shannon, Howard Smith, and Joe Picco were unable to attend. Marilyn Bok, CEO was also present.

Approval of Minutes: Susan Storch moved the approval of the minutes of April 9, 2009 and the May 21, 2009 Annual Board Meeting. It was seconded by Lowell Coolidge and carried.

Bill Ransom stated that Tom Shannon was still recovering and suggested Board members might want to send him flowers and a get well wish. The Board enthusiastically agreed and a collection was taken and a get well card was passed around for Board members to sign. Frank Comfort agreed to purchase the flowers and have them delivered along with the card to Tom.

Board Governance Issues: Action Items

1. New Contracts – Floyd Hooker Estate: Bill Ransom asked Marilyn to report on the contract that each Board member had received by email. Marilyn stated this would be our first Donor Advised Fund and the funds each year would be used to benefit the youth of Tioga County, NY. She stated the family has set up an advisory committee that would be soliciting proposals and making recommendations to the CFTT Board on the use of the funds. At the request of the Board Brenda Smith (Floyd Hooker's niece) presented some background information on Floyd Hooker. She stated he was not married and didn't have any children and lived a very simple life. He lived all his life over the Parkview Hotel in Owego, was in the upholstery business, and stock car racing was his passion. He died in 2007 while still in his mid 60s. He won the lottery in 1999 and received over \$12 million in lottery payments over 9 years before he died. In his will he stated he wanted 30% of his estate to go to a foundation for the benefit of the youth of Tioga County. Brenda ended by stating he helped his family (brothers & sisters) and he helped his community. Susan Storch made a motion to accept the Hooker contract. It was seconded by Dora McCarty and carried. Brenda Smith abstained from the vote.

2. Official Position Title for Marilyn Bok – Bill Ransom stated the Board needed to decide on a title for Marilyn since she is no longer Board Chair. After a brief discussion Lowell Coolidge moved she be given the title of CEO. It was seconded by Susan Storch and carried. Marilyn was asked to check CFTT's job description for her position title and any policies to make sure they say CEO rather than Executive Director.

3. Recommendations of the Finance-Investment Committee –

a. Go Out for Quotes for Investment Management Services or Custodial Services – Bill asked Marilyn to explain the recommendation. Marilyn stated the committee felt it was now time to put out a request for either financial management services or custodial services since our assets are growing fast and almost at a \$1 M. They also recommended it be sent to the previously three preapproved banks (those who agreed in 2004 to abide by our Investment & Spending Policies): C&N, First Liberty, and M&T. A discussion was held on the difference between financial management services and custodial services. Lacking a clear definition of the differences Bill offered to consult with Guthrie Healthcare's financial person to obtain additional information for the Board. Marilyn stated she used the COF listserve to ask the other smaller community foundations in the U.S. for examples of RFPs they have used and the cost of such services. She received several examples of both financial management and custodial services. The Board asked her to send them the information she received. The Board expressed the opinion that the RFP should ask for the cost of tracking each of our funds since this is where Marilyn spends most of her time and should be sent to all the banks serving our region. They also stated they would like to see the process completed by the end of 2009. This issue will be on the agenda for the next Board meeting.

b. Stay the Course with Present Investment Instruments and the Handling of Short and Intermediate Term Capital – The Board accepted the recommendation of the committee for no changes to our present investment instruments or handling of short and intermediate term capital.

c. **Adoption of Changes in Investment & Spending Policies** – Marilyn stated that she had previously emailed the changes to the Board and she had highlighted the changes. The changes involved adding policies for handling both short and intermediate term capital since our present I&S Policy only covers endowment funds. Frank Comfort moved the adoption of the policy as amended. It was seconded by Leo Parchesky and carried

4. RFP for Investment Management Services & Establishment of Selection Committee – See discussion under 3.a. above.

5. Renewal of D&O Insurance – Bill Ransom reviewed the summary of coverage the CFTT would have if they renew our present policy with Aon Association Services. For the same premium our coverage would increase and we would now be covered for punitive damages. Lowell Coolidge moved the renewal of our present D&O Insurance Policy. It was seconded by Susan Storch and carried.

6. Purchasing Key Person Insurance – Bill Ransom presented a summary of the cost of key person insurance on Marilyn (\$951/year or \$83/month annually for \$100,000 face amount for a 10 year policy). When asked, Bill stated he was in favor of Key Person Insurance and had benefitted from it in being able to purchase his insurance business. Lowell Coolidge moved the CFTT purchase Key Person Insurance on Marilyn. It was seconded by Frank Comfort and carried.

7. Approval of Hiring Summer Intern – Marilyn explained she will be interviewing a potential summer intern from Mansfield on Tuesday, Rebecca Sullivan. The first intern declined to be interviewed when she realized how far she would have to travel to work. We would provide a scholarship to Mansfield for her fall semester (\$7.15/hr) for 30 hr/week for 10 weeks for a total cost of \$2,145. Marilyn also stated she was contacted by a potential intern from Lackawanna College for an unpaid internship this fall and is trying to set up an interview with this person. Dora McCarty made a motion to hire the intern from Mansfield assuming the results are positive from the personal interview. It was seconded by Susan Storch and carried.

8. Approval of School Scholarship Committees & Grant Recipients (AASD, OFA, & Waverly) – Bill Ransom passed out a summary of each schools selection committee and the recommended scholarship recipients. These are attached to these minutes and become a part of them. Frank Comfort moved the appointment of the members of the three schools selection committees. It was seconded by Bob Hogan and carried. After discussing the recommendation for scholarships Lowell Coolidge moved the approval of the recommended grant recipients from the three schools.

9. Approval of Ben Franklin Grant Recipient Recommendation – Frank Comfort stated that the Sullivan County Advisory Boards recommendation for this scholarship really fulfills what Ben Franklin stood for. Marilyn read a brief summary of Kim Decker, a local business owner, married and the mother of 5 children who will be attending Pennsylvania College of Technology for a degree as a surgical technician full time in the fall. Dora McCarty moved the Ben Franklin grant be awarded to Kim Decker. It was seconded by Frank Comfort and carried.

10. Decide on Authorizations for Financial Transitions – The Board decided to still require two signatures on checks and to have the officers and Marilyn as signatories. Lowell Coolidge moved the four officers and Marilyn be appointed as the signatories on all checks and that two signatures be required on all checks. It was seconded by Frank Comfort and carried.

11. Adoption of Financial Institutions Resolutions and Authorization Forms:

a. C & N Bank – The Board ratified the email vote they took to change the C&N Endowment Savings Account to an Endowment Money Market Account on a motion by Lowell Coolidge that was seconded by Tom Freeman and carried. The officers and Marilyn signed the account forms for all three accounts at C&N Bank.

b. Vanguard – On a motion by Lowell Coolidge seconded by Bob Hogan and carried the CFTT Board adopted the Vanguard Resolution and approved the officers and Marilyn as signatories on the account and to continue check writing privileges on the Money Market Fund (0030) requiring two signatures.

c. Procter & Gamble – On a motion by Frank Comfort that was seconded by Lowell Coolidge and carried the CFTT Board passed the following resolution:

I hereby certify that a meeting of the Board of Directors of the Community Foundation for the Twin Tiers, a corporation organized and existing under and by virtue of the laws of the State of Pennsylvania, held the 11th

day of June, at which said meeting a quorum was present and acting throughout the following resolution was adopted and ever since has been and now is in full force and effect:

“RESOLVED, that the CEO, Chair, Vice Chair, and the Treasurer of this Corporation, or any one of such officers, be and they hereby are fully authorized and empowered to transfer, endorse, sell, assign, set over, and deliver any and all shares of stock, bonds, debentures, notes, evidence of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation, and to make, execute, and deliver, any and all written instruments necessary or proper to effectuate the authority hereby conferred.”

I further certify that the authority thereby conferred is not inconsistent with the Charter or By-Laws of this Corporation, and that the following is a true and correct list of the CEO and officers of this Corporation as of the present date.

d. Tioga State Bank - On a motion by Lowell Coolidge seconded by Bob Hogan and carried the CFTT Board adopted the Corporate Authorization Resolution and approved the officers and Marilyn as signatories.

e. Linsco Private Ledger (American Fund) – Marilyn reported they did not need any new forms signed unless Marilyn left the organization.

12. Authorization to Sell P&G Stock – Frank Comfort moved that Marilyn be authorized to sell the 68 shares of P&G stock we now hold. It was seconded by Lowell Coolidge and carried.

13. Decide on When to do Board Orientation – It was decided to hold orientation for new Board members would be broken into two 1 hr sessions and be held on the regular Board meeting dates in August and October. The orientation (which will take two hours) will start on hour earlier than the regular Board meeting both months (at 3 pm) with the regular Board meeting starting at 4 pm.

14. CEO Evaluation – The Board agreed it was time to conduct another evaluation of the CEO using the same form used in 2007. Bill Ransom stated he will ask Joe Picco to do the summary of the evaluation. Marilyn was instructed to send each Board member a blank form with instructions in where to return them.

15. Awarding of EITC Tuition Scholarships – Bill reported the selection committee met this morning and that the \$9,000 in tuition scholarships was being sought for 101 children. The selection committee is recommending that 41 children (21) families be awarded scholarships. Using the guidelines set by the state none of these families have taxable income. Three 4-children families would be awarded \$840 each, two 3-children families would be awarded \$640 each, seven 2-children families would be awarded \$440 each and nine 1-child families would be awarded \$250 each. The checks would be sent to the schools. Susan Storch moved the CFTT accept the recommendations of the selection committee in awarding the EITC scholarships. It was seconded by Bob Hogan and carried.

16. Request to Set up Funds to Benefit Others Outside the CFTT Service Region – Marilyn reported she had been approached by Marty Borko to set up funds for two international organizations: Doctors without Borders and Heifer International. Mr. Borko stated that rather than directly give these organizations the money he would like to see the region benefit also. Marilyn stated that to this point all the funds we presently have directly benefit only the people living in our region. She stated funds of this type are allowed by other community foundations in the country and we presently don't have any policy stopping the establishment of these funds. If the Board likes the idea they might want to consider setting a policy that would in some way limit the number of these funds they would accept. She suggested the Board think about the idea and it will be placed on the August agenda.

DISCUSSION ITEMS – Board Governance Issues

1. Correspondence Report – Susan Storch reported she felt the report from the Mott Foundation could be of some help to the CFTT. Bill Ransom handed out a summary sheet of his correspondence and specifically mentioned the thank you for joining the COF and the thank you from the Sullivan County Food Pantry. Bob Hogan took the correspondence for August.

2. Update on Capital Campaign for Operating Funds – Board members were directed to the summary sheet in their packet of financial information which showed a pledge total of \$46,110 with \$29,901 in total payments as of April 10, 2009. Thirteen pledges are paid in full.

3. 2009 Profit & Loss, Balance Sheet, Accounts Receivable, Budget vs. Actual Income, Expenditures to Date, Payment of Bills, and Rate of Return for 2008 – The Profit and Loss Statement for all transactions since we started shows total income as of 6/8/09 of \$994,801 and net ordinary income of \$900,279. For 2009 as of 6/8/09 the total income was \$190,052 and net ordinary income was \$178,572. The Balance Sheet as of 6/8/09 showed total Current Assets of \$808,246 with \$3,057 in our C&N checking account, \$11,464 in our C&N operating fund Money Market account, \$38,805 in our C&N endowment fund money market account, \$287,758 in our Vanguard & American Endowment Accounts, \$24,562 in Vanguard Money Market Account, and \$427,041 in CDs. Accounts Receivable totaled \$15,559. Total Income received in 2009 was \$211,725. Operating expenses for 2009 total \$11,480. The Budget vs. Actual report shows that for 2009 we have raised 15.5% of budgeted operating income and spent 44.5% of budgeted expenses. The Board accepted and filed these reports for audit. Frank Comfort moved the payment of bills (Verizon for \$41.49 & Tioga State Bank VISA for \$147.64). Marilyn drew Board members attention to the Rate of Return Calculations for 2008 which takes in account all our funds and has been calculated on an annualized rate of return. For 2008 CFTT did very well with an actual return of -9.4% and an annualized rate of -8.3%.

4. Transfer of Wealth Study – Marilyn drew Board members attention to the Transfer of Wealth Study for Pennsylvania she had sent out by email. It show that between 2005 and 2015 that nearly \$2 billion dollars in wealth will be transferred in the four counties served by the foundation (this doesn't include any new money from gas exploration that is now coming into these counties) and this is why it is so important for us to continue our strategy of outreach to professional advisors and landowners. She suggest Board members take a good look at this information.

Adjournment: The meeting adjourned at 6:25 pm.

Next Regular Meeting Date: Will be on Thursday, August 13, 2009 at CFTT Office, 104 W. Lockhart Street, Unit 2 starting at 4:00 pm.

Board Orientation for New Board Members will be held on Thursday, August 13, 2009 at the CFTT Office starting at 3:00 pm.

Respectfully submitted as a true and accurate copy of the minutes of the June 11, 2009 Board meeting.

Dora McCarty, Secretary Date