

APPROVED

12/09/15



LAWRENCE CACCIATORE  
SECRETARY TO THE BOARD OF TRUSTEES

**THE COOPER UNION FOR THE ADVANCEMENT OF SCIENCE AND ART**

**Minutes of the Board of Trustees Meeting  
September 16, 2015  
8:30 AM**

**Offices of Cleary, Gottlieb, Steen and Hamilton LLP  
One Liberty Plaza, 42<sup>nd</sup> Floor  
New York, NY 10006**

Trustees Participating: Richard Lincer (Chairman), Nils Folke Anderson, Joseph Dobronyi, Thomas Driscoll, Ray Falci, Jeffrey Gural, Jeffrey S. Hersch, Eric Hirschhorn, Malcolm King, Jessica Marshall (Student Rep.), Edgar Mokuvos, Kevin Slavin (phone), Robert Tan, Johnny Taylor Jr., Rachel Warren

Officers Present: Acting President William Mea, Vice President Stephen Baker, Vice President Chris Cloud, Vice President Justin Harmon, Vice President Mitchell Lipton, Secretary Lawrence Cacciatore

Deans Present: Dean Saskia Bos, Dean Chris Chamberlin, Dean William Germano, Associate Dean Elizabeth O'Donnell, Dean Nader Tehrani, Acting Dean Richard Stock

Staff Present: Charlie Xu (Director of Financial Aid)

Guests: Monica Abdallah, Devora Najjar

Absences: Robert A. Bernhard, Elizabeth Diller, Jeremy Wertheimer

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Chairman Lincer called the meeting to order at 8:30AM.

The following Consent agenda items were presented for approval:

August 25, 2015 Board of Trustees Meeting minutes  
June 10, 2015 Board of Trustees Meeting minutes

A motion was made and seconded to approve the meeting minutes. The motion passed.

It was noted that the committee meeting minutes distributed to the Trustees with the Board meeting package had been previously approved by the respective committees.

Mr. Lincer reported that Justice Bannon of the NY Supreme Court, Civil Division had not “so ordered” the Consent Decree even though she had only requested minor changes at the hearing on September 14<sup>th</sup>. The Chairman indicated that he nevertheless thought it useful to have the Trustees use the previously scheduled quarterly meeting to review the draft documents that had been prepared to implement the Consent Decree so that they could be revised in response to any comments and could be approved expeditiously once the court approved the Consent Decree.

Mr. Lincer outlined the requirements of the Consent Decree and noted the draft amendments and resolutions reflect and implement the changes provided for in the Consent Decree that was agreed with the New York State Attorney General and the Committee to Save Cooper Union (CSCU) earlier in the month.

Mr. Lincer noted the following:

- The proposed amendments and resolutions are intended to strengthen the governance of the institution and to establish a formal means to evaluate the feasibility of returning Cooper Union to a full-tuition scholarship model.
- Under the proposed resolutions Kevin Slavin will be elected as a Vice Chair of the Board.
- Under the proposed amendments to the bylaws, student representation will increase to two voting members.
- Under the proposed amendments to the bylaws, alumni-elected Trustees will number between five and nine (depending on the size of the Board at any given time).
- In accordance with the protocol agreed with Cooper Union Alumni Association (CUAA), an additional Alumni Trustee will be elected to the Board of Trustees at the December Board meeting. A second additional Alumni Trustee will be elected in June 2016 to conform to the terms of the agreement. It was noted that Alumni Trustee Ray Falci will reach his term limit as Alumni Trustee at the end of this year. Mr. Peter Katz has been nominated by the CUAA to fill the seat Mr. Falci will vacate.
- Under the proposed amendments to the bylaws, each of the four permanent faculties, as well as the part-time faculty and the staff, will elect a non-voting observer to the Board. The Chairman noted that he will coordinate with the Faculty Student Senate to have each of the faculties conduct separate elections for their full-time faculty representative. Mr. Mea will coordinate with the Cooper Union Organization of Part-time Faculty (CUOP) to have the part-time faculty elect one part-time faculty representative. Mr. Mea will also coordinate with the Union at Cooper Union to have the members of the staff union and other nonunion staff members elect one staff representative.
- The proposed amendments to the bylaws will establish a Free Education Committee of the Board, which will be charged with examining whether Cooper Union can return to a sustainable, full-tuition scholarship model that maintains Cooper Union’s strong reputation for academic quality within its Art, Architecture and Engineering programs at their historical levels of enrollment. The committee will be required to develop and propose to the Board a strategic plan

in January 2018, with annual progress reports and interim recommendations presented in January 2016 and 2017.

- The Board will create the Presidential Search Committee that will conform to the requirements of the Consent Decree. Messrs. Taylor and Hirschhorn have been appointed Co-Chairs of the committee. The Chairman noted his intention additionally to appoint Robert Tan, Kevin Slavin and Jessica Marshall as members of the Committee.

Mr. Lincer further noted that the draft amendments to the bylaws include updates that reflect the requirements of the Nonprofit Revitalization Act. In addition, the restated bylaws distinguish between Committees of the Board, which may comprise only Trustees and have the power to bind the Corporation, and Committees of the Corporation which may include non-Trustees as members but may not bind the Corporation. A brief discussion ensued over these distinctions. It was noted that further clarification may be needed to categorize the committee's under the headings as appropriate.

A discussion concerning whether the president should also be a member of the Board of Trustees ensued.

Referring to the section on contracts in Article IV, Mr. Lincer noted that the Audit Committee is reviewing the Contract Authorization Policy at The Cooper Union and will be recommending changes to the policy at the annual meeting in December that will, among other things, limit the president's authority to approve contracts to those that are not in excess of \$1 million and require Board approval for any contracts involving greater amounts.

The Chairman reminded the Trustees that the Conflict of Interest policy was updated in December 2014 to conform with the standards associated with the Nonprofit Revitalization Act and, as such, it is quite robust and goes beyond what would be required under New York's Not-for-Profit Corporation Law. Members of the Board of Trustees along with officers of the college are expected to complete the conflict of interest questionnaire on an annual basis at or promptly following the annual meeting.

Ms. Marshall requested to read a statement on behalf of the Art Student Council. Her request was granted.

Ms. Marshall read the following statement on behalf of the Art Student Council:

*Art Student Council and an Administrative Chair of Architecture Student Council urges the Board of Trustees to utilize the time remaining before the Consent Decree is put into effect to allow an election for the new Student Trustee position.*

*The Student Board Representative vote last semester was for an entirely different position than the one created in the new agreement. In addition to a very different climate among the student body, the students at that time were voting for a representative, not for a full Board member.*

*Therefore, we feel that last semester's Student Representative election process has no relevance to the newly proposed Student Trustee position.*

*Furthermore, the students deserve to be able to consider the ramifications of their Board seats being composed exclusively of members of one of the three schools.*

*Given that there are at least 60 days before the stipulations in the Consent Decree are required to be put into effect, we propose to conduct an election for the new Student Trustee seat within that timeframe. This will reflect good faith on the Board's part in furnishing the student body with an appropriately selected representative, chosen with full information.*

Mr. Lincer noted that the Consent Decree is quite specific as to how the two student Trustees are to be selected and does not allow for any flexibility to deviate in response to the request from these students.

Mr. Lincer informed the Board of the need for authorization by the Board to sign the consent decree and have an officer of the Cooper Union signed the consent decree as well. He noted that he had signed the consent decree on behalf of the Board and requested a motion to have the acting president sign as an officer of the Cooper Union. The motion was seconded and passed.

Ms. Warren reported on the new Trustee orientation session that had been arranged for Mr. Anderson. The orientation was conducted by Cooper Union's legal counsel on governance matters and was deemed both effective and valuable by both Ms. Warren and Mr. Anderson. Consistent with the contemplated redetermination of the Committee on Trustees as the Governance Committee, the committee agreed to arrange governance sessions which all Trustees will be required to attend. The secretary will coordinate with legal counsel to schedule dates.

Prior to entering into an executive session the Chairman acknowledged the efforts of Devora Najjar in her role as Student Representative to the Board of Trustees and presented her with a token of appreciation from the Board.

The officers were excused from the meeting.

The Board then entered into an executive session.

The officers and the deans along with the director of financial aid were called in to the meeting.

Mr. Lincer welcomed the deans and gave a special welcome to Acting Dean Richard Stock and to Dean Nader Tehrani who joined at the end of the summer as the new Dean of the Irwin S. Chanin School of Architecture at The Cooper Union. He also thanked Dean Elizabeth O'Donnell for her interim leadership of the school.

### **President's Report**

Upon request, the Mr. Mea turned the Board's attention to the previously distributed document outlining the administration's goals for the 2015-2016 academic year. He reviewed the goals for each area. Mr. Mea noted the following major points in his presentation:

- The focus of the administration for the coming academic year will be primarily on supporting the students and the faculty and to help the community heal from a period of mistrust.
- Repair the relationship with the Cooper Union Alumni Association.
- Initiate a comprehensive space planning effort.
- Renew the faculty by filling vacancies that are necessary.

- The Architecture School will have a review by its accreditation body, the NAAB, in the spring of 2016.

Following the presidents report the deans were engaged in a Q&A with the Trustees concerning their goals for the year, expanding on the acting president's report.

Mr. Mea then reported that the Middle States Commission on Higher Education had not yet responded to the request made by Cooper Union to defer the Self-Study Report to be prepared in concert with the decennial accreditation visit in 2018. He further reported that the Commission requested a monitoring report due in mid October to address compliance with standards 3, 4, 5 and 8 for accreditation. He noted that the office of the president will be assembling the report and the Commission is expected to respond to it at the end of November.

Mr. Mea reported that \$700,000 in expense reductions had been achieved, complying with the Board's approval of the FY 16 budget contingent on a \$700,000 reduction in expenses. He reviewed for the Board the additional cuts. In addition, he noted that an additional expense reduction of \$265,000 had been achieved and recommended that these savings be used to fund a 3% salary increase for non-union staff members. As a point of information, Mr. Mea noted that union staff personnel, covered under the Union @ Cooper Union agreement, also had a 3% salary increase on September 1, 2015. Mr. Mea noted that all of the identified expense reductions are sustainable going forward rather than one-time savings from vacant positions or other such items.

A motion was made and seconded to support the administration's decision to allocate the additional expense reductions to fund a 3% salary increase for nonunion staff members. The motion was passed.

### **Presentation on Admissions and Financial Aid**

Upon request, Vice president Lipton introduced Mr. Xu, Director of Financial Aid and together they discussed with the Board the composition of the class entering in the fall of 2015 and the financial aid picture, noting that under the current financial aid profile Cooper Union is actually providing \$2,000 more in aid to Pell-eligible students (for housing and associated costs) than had been the case under the full-tuition scholarship model. The average tuition paid by the past two classes is approximately \$10,000 per student (factoring in that Pell-eligible students receive a 100% scholarship while students without demonstrated need pay the full 50% tuition) and so the real challenge going forward will be how to increase the scholarship for students from middle class families who have demonstrated financial need but have family income above the level for Pell-eligibility

### **Investment Committee Report**

Mr. Hersch noted that the report on the segregated gifts annuity funds had been reviewed by the committee and were included with the Board package for information purposes only. No action is required from the Board concerning the review of the funds.

Mr. Hersch noted that the investment committee is in the process of reviewing the investment policy statement and will be making recommendations to the policy for the Board's consideration at the annual meeting. He then reviewed the status of the investment pool noting that the committee has taken a conservative approach with respect to the liquid portion of the endowment.

### **Development Committee Report**

Upon request from Mr. Mokuvos, Mr. Cloud reported that FY 2015 closed with total fundraising revenue of \$12,168,790, which was within 0.5% of the revenue forecast presented at the March 3, 2015 meeting of the committee. For the first time in a number of years, 100% Board giving had been achieved.

Continuing with the trend presented during the earlier committee meetings of 2015, bequest giving was stronger than anticipated which offset a continuing weakness in the annual fund. The Annual fund was down 20% due to communications challenges resulting from the lawsuit. Because of strong unrestricted bequest receipts, the \$2,900,000 goal for unrestricted dollars set for last fiscal year was easily surpassed. Mr. Cloud stressed the ongoing importance of the gift planning function to overall revenue.

Mr. Cloud reported \$671,226 has been raised year-to-date for fiscal year 2016. He is projecting revenue for the 2016 fiscal year of \$10,924,416, which is comprised of \$4,395,829 unrestricted giving, \$1,950,000 in restricted giving and \$4,578,587 in endowed giving.

There being no further business the meeting was adjourned at 12:40 PM.