

MINUTES OF A MEETING OF THE BOARD OF CONTROL OF THE ART STUDENTS LEAGUE OF NEW YORK HELD WEDNESDAY, FEBRUARY 20, 2019, PURSUANT TO NOTICE DULY GIVEN, AT THE OFFICES OF STEPTOE & JOHNSON, 1114 SIXTH AVE., NEW YORK, NY.

1. The meeting was called to order at 6:45p.m. with President Thomas Harvey in the chair.

Board of Control (BoC) Members Present: Attending: Thomas Harvey, Mary Jo Anzel, Ezra Bookstein, Beth Berns, Charlotte Bialek, Cathy Blake, Robin Frank (by teleconference), Luz-Mary Harris, Robert Morris, Julia Salinas, Jeff Sundheim (by teleconference)

Absent: Raj Shahani

Also present: Executive Director Michael Rips, Jennifer Solomon, CDO, Karen Gaines, CFO, and Manager Thomas Tacik, taking minutes.

2. **Approval of Minutes:** The minutes of the previous meeting of the BoC, held January 9, 2019, having been circulated to the members, were approved unanimously.
3. **Certificates of Completion:** There were no Certificates of Completion to approve.
4. **Membership Reinstatement Requests:** The following membership reinstatement request was approved: Mark Kempson
5. **President's Report:** President Thomas Harvey delivered the following remarks:

Thank you all for indulging me in moving this Board meeting from our usual second Wednesday of the month to the third. As I mentioned, I am on a federal commission addressing issues of mental health, suicide and addiction among veterans and last week we were meeting in Phoenix. As you may recall, that is where, in 2014, the whole VA matter crashed onto the front pages of the news. At the Phoenix VA Hospital they were keeping a double set of books, one of which showed veterans getting appointments much sooner than they actually were. As some of you may know, I spent much of my career at the VA and in other capacities working with veterans and I have a particular interest in that organization and in the issues with which they deal.

Since our last meeting, the Board's committees have been active. While I was not able to join the Finance Committee meeting, I have had a number of conversations with Mary Jo Anzel regarding our new CFO, Karen Gaines, who is getting rave reviews, and also about the work of the Committee.

I have joined some meetings of Julia Salina's Strategic Planning Committee. That group is very much engaged, in particular in planning how we might conduct focus groups among our various stakeholders — members, students, instructors and others — to elicit from them what they feel are the opportunities and challenges we should be looking toward in the years ahead.

One of the things that will also inform our plans is the report of the engineers that are looking at our HVAC systems. That report will help inform our decisions as to what to expect going

forward — do we have mere challenges — or looming disaster — on the horizon. The report that we have received is only the first part. We are waiting to get prices and scheduling information which should be forthcoming shortly.

We are particularly fortunate to have Charlotte Bialik with us on the Board and serving as a member of the Strategic Planning Committee. Charlotte chaired the school board in Princeton, NJ at a time when they were making significant changes and that experience of engaging with stakeholders has informed her contributions to our own efforts.

And I received a call a couple of weeks ago about an individual following a student into our building and following her up to a class studio. She expressed concern, security came and the individual was escorted out of the building. I have a lot of concerns about security in the years ahead. The opening of the men's' homeless shelter on 58th Street near 7th Avenue is a while away, but when it happens we will have some additional challenges to deal with as that shelter disgorge about 144 homeless men onto the streets about a block from the League each morning. As a building that has some accessible spaces — the Gallery, the Art Store and our cafe — we will need to consider how we address the issue of people coming into the League from off the street, some of whom may constitute a threat to those who properly use our facilities.

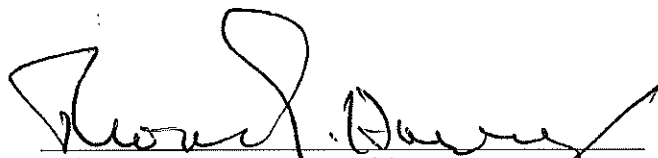
6. **Investment Advisory Committee Presentation:** Executive Director Michael Rips introduced Investment Advisory Committee members Tony Scotto and Fred Hinkley. After personal summaries, Mr. Scotto outlined the responsibilities of the Committee and its advisory capacity in assisting the Board of Control to arrive at sound investment decisions, which includes 1) selection of an investment manager; 2) development of an investment strategy and philosophy; 3) long-term monitoring. Mr. Scotto discussed the process of evaluating management firms based on recommendations, appropriate size of portfolio, being NYC-based, and having varied expertise in diverse investment areas. Mr. Hinkley discussed the selection of three firms as candidates. Mr. Hinkley also discussed the Committee's charter and outlined the role of the Committee. Board Member Luz-Mary Harris asked how often the Committee would meet. Mr. Hinkley responded that the Committee will meet quarterly and as needed. There followed a general discussion regarding the role of the Committee and the subsequent steps in the process of selecting a new investment manager and development of an investment policy strategy.

7. **Executive Director's Report:** Executive Director Michael Rips delivered an update on the Morse Estate, the disbanding of the Faculty Advisory Committee, the opening of the exhibition "New York Centric" curated by League Instructor James Little, plans for exhibiting instructor works in the first-floor windows, and the Model to Monument program. Board Member Robin Frank raised the question of drawing down funds received from the Morse Estate. There followed a discussion regarding the draw-down policy relative to permanently versus temporarily restricted funds. Vice President Ezra Bookstein raised a question regarding the fee paid to exhibition curators. Board Member Luz-Mary Harris asked if there were plans to replace the League's curator position. Mr. Rips responded that he and Associate Director of External Relations Genevieve Martin were currently fulfilling that role, therefore a replacement may not be needed.

- 8. **Finance Report:** Chief Financial Officer Karen Gaines distributed investment reports from Mason Group and UBS. Ms. Harris suggested changing the name of the funds from the “Cantilever Fund” to the “Capital Fund.”
- 9. **Development Report:** Chief Development Officer Jennifer Solomon prepared a Development Report which was distributed to the Board prior to the meeting. There was no further discussion.
- 10. **Committee Reports:** There were no committee reports.
- 11. **New Business:**

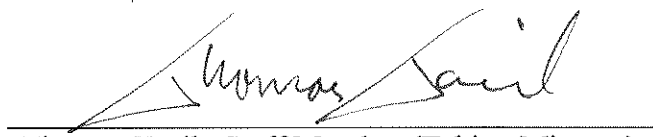
Board Member Charlotte Bialek requested timely distribution of Board meeting materials in the week prior to a scheduled meeting. Board Member Beth Berns proposed that the Board adapt an investment strategy which states that the capital fund be restricted to capital expenses. Mr. Rips commented that the policy must accord with the original intended use of the funds. It was agreed that further discussion was required on this topic.

There being no further business and upon a motion duly made and seconded, the meeting was adjourned at 8:20pm to Executive Session.



 Thomas E. Harvey, President

 Date 3/13/19



 Thomas Tacik, Staff Member (Taking Minutes)

 Date 3/13/19