

MINUTES OF A MEETING OF THE BOARD OF CONTROL OF THE ART STUDENTS LEAGUE OF NEW YORK HELD MARCH 11, 2020, PURSUANT TO NOTICE DULY GIVEN, IN STUDIO 6 AT THE ART STUDENTS LEAGUE, 215 W 57TH ST., NY, NY.

1. The meeting was called to order at 6:10p.m. with President Robin Frank in the chair.

Board of Control (BoC) Members Present: Robin Frank, Beth Berns, Ezra Bookstein, Charlotte Bialek, Cathy Blake, Nelsena Burt-Spano, Thomas Greenbaum, Michael Jacobs, Nancy Smith, Jeff Sundheim.
Absent: Robert Ferguson, Julia Salinas

Also present: Executive Director Michael Rips, Karen Gaines, CFO; Eric Raff, HR Officer; Director of Special Projects Ken Park; Manager Thomas Tacik, taking minutes; and attorney Joshua C. Nathan.

2. **Approval of Minutes:** The minutes of the previous meeting of the BoC, held February 12, 2020, having been circulated to the board members, were approved as amended.
3. **Certificates of Completion:** There were no certificates of completion to approve.
4. **Membership Reinstatement Requests:** The following membership reinstatement request was approved:

Patricia Goldstone
5. **President's Report:** There was no President's report.
6. **Executive Director's Report:** There was no Executive Director's report.
7. **New Business:** Executive Director Michael Rips discussed the administration's focus and efforts in responding to the COVID-19 crisis. Mr. Rips asked Director of Special Projects Ken Park to present the administration's recommendation for closing the League effective Thursday morning, March 12th. Mr. Park reviewed draft communications to this effect and discussed key financial considerations for the Board's approval.

Board member Beth Berns asked if the administration is asking students to self-report if they are ill. Board member Cathy Blake asked what would be the trigger to re-open? Human Resources Officer Eric Raff stated that a decision could be made based on what authorities advise, and that the administration is monitoring local, state and federal guidelines on day-to-day basis.

CFO Karen Gaines discussed recommendations by the League's insurance firm for filing a claim. Ms. Gaines also discussed revenue streams and salary expenses. Board member Thomas Greenbaum asked if the administration is aware of what other nonprofits are doing under these circumstances. Ms. Gaines responded that we are not able to assess what other institutions are doing with respect to staff, and that we can only monitor whether schools decide to remain open or to close. There followed a discussion regarding insurance coverage and the length of school closure. There also followed a discussion regarding remote learning.

Ms. Berns led a discussion regarding a tentative date to reopen. President Frank introduced a discussion regarding the metrics to determine when the League reopens. Attorney Joshua Nathan recommended assessing the situation in 2-week intervals and underscored the importance of keeping the League's constituents engaged with effective communications. There followed a discussion regarding closing the League and suspending classes. Mr. Raff noted that institutional responses to the COVID-19 outbreak can contribute to preventing its spread. Ms. Blake stated that the government would be the source for guidance.

Board member Michael Jacobs raised the question of institutional liability and noted that the private sector was moving to isolate and quarantine staff. There followed a discussion regarding the League's exposure to liability. Executive Director Rips noted the concentration of vulnerable individuals among the League's population.

There followed a discussion on the various aspects to be considered in the event of a school closing. Ms. Gaines presented decisions to be made regarding tuition credit and payment of salaries for staff who are scheduled to work. Ms. Berns proposed that the resolution be considered in two parts: 1) Closing the League effective Thursday, March 12th; 2) Evaluation of the closing's financial impact

Mr. Park reviewed the draft of a communication to the League community regarding the closure. Board member Jeff Sundheim suggested adding a specific date to revisit when the school might reopen. Vice President Ezra Bookstein recommended that the question of reopening be evaluated on a weekly basis.

Vice President Charlotte Bialek presented a motion to vote on closing the League and suspending classes. The motion passed unanimously. There followed a discussion regarding the costs of the closing. Ms. Bialek expressed support for paying staff salaries, especially for models. Ms. Berns recommended a commitment to pay salaries through the end of May. Mr. Raff noted the obligation to pay models who currently have bookings, and that the League is not obliged to pay models beyond bookings. Mr. Park reviewed Model Services Manager Valentine Aprile's draft communication to the models regarding the closing. Mr. Bookstein recommended honoring the models' bookings.

Mr. Jacobs led a discussion regarding cash drawdown. Mr. Sundheim asked about revenue projections. Ms. Gaines reviewed enrollment trends for February and March. Mr. Jacobs asked how much cash was on hand and what the anticipated need will be (what the League's exposure will be). Mr. Nathan recommended that the Board should authorize management to cover operating expenses to coordinate the details of operations. There followed a discussion regarding the financial position of the League.

Mr. Sundheim led a discussion regarding messaging. Ms. Berns led a discussion regarding the period of time that staff salaries would be paid. Mr. Jacobs led a discussion of an analysis of current cash on-hand. Mr. Nathan discussed the potential of damaging the human side of the institution and proposed wording for a communication to staff.

Upon a motion duly made and seconded, the Board voted unanimously to pay staff salaries through the end of May. It was agreed that the Board should meet on March 25th via teleconference using Google Hangouts.

8. Committee Reports

Constitution Reform Committee: Vice President and Chair of the Constitution Reform Committee Charlotte Bialek gave a presentation on Constitution reform and outlined the process of presenting changes to the membership. Ms. Bialek reviewed a recommendation for a group of three votes intended for the April Members Meeting comprising of nine amendments to the ASL By-laws, and discussed the issues for each of the votes. Board member Beth Berns made a motion to accept the amendments for posting. The motion passed unanimously. Ms. Bialek then presented and discussed the issue of board terms, term limits and roles with respect to the Administration to be presented in December

Audit Committee: Committee Chair Tom Greenbaum, stated that the Audit Committee met March 11, 2020, with Withum, the audit firm. The Audit Committee (comprised of the Chair, Board member Beth Berns and advisor Daniel Kalin) discussed the FY 2019 Audit, Management Letter, and the Management's responses. The Audit Committee, Finance Committee and CFO Karen Gaines will develop additional financial safeguards to be instituted by management. Mr. Greenbaum proposed that

the Board approve the FY19 audit report as recommended by the Audit Committee. Upon a motion duly made and seconded, the Board voted unanimously to accept the Audit.

Building Committee: The Board discussed various capital projects. Due to building closure, the League is able to make certain repairs:


- 1) Registration office floor replacement (pull up linoleum, re-level new floor) at a cost of \$31,450 -- 2,300 sq ft for New Armstrong VCT
- 2) New re-pointing in bricks in air shaft (budgeted for \$60,000) \$77,613 proposal
- 3) First floor bathrooms renovations: \$11,770; \$17,500; \$15,900

Total projected cost of capital projects: \$154,233

It was noted that the League had \$113,000 of savings from prior projects vs. budgeted within this year's fiscal budget. Proposal that the \$154,233 comes from the Board-designated cantilever fund for accounting purposes. Upon a motion duly made and seconded, the Board voted unanimously to proceed with the renovations.

The administration is awaiting the estimate for the studio lighting and upgrades. Ms. Berns also indicated that this expense should come out of the Board-designated cantilever fund, but no vote was taken at this point.


There being no further business, and upon a motion duly made and seconded, the meeting was adjourned at 8:00p.m. to Executive Session.



Robin Lechter Frank, President

4/15/2020

Date



Thomas Tacik, Staff Member (Taking Minutes)

4/15/2020

Date