

THE COOPER UNION FOR THE ADVANCEMENT OF SCIENCE AND ART

Minutes of Special Board of Trustees Teleconference

August 11, 2016

5:00PM



LAWRENCE CACCIATORE
SECRETARY TO THE BOARD OF TRUSTEES

PARTICIPANTS

Trustees: Richard Lincer (Chair), Nils Folke Anderson, Joseph Dobronyi, Eric Hirschhorn, Adrian Jovanovic, Peter Katz, Malcolm King, Scott Lerman, Julian Mayfield, Edgar Mokuvos, Robert Tan, Johnny Taylor, Rachel Warren

Officers: Acting President William Mea, Secretary Lawrence Cacciatore

Financial Monitor: Richard Faughnan, Joseph Spinelli

ABSENCES

Trustees: Robert Bernhard, Elizabeth Diller, Thomas Driscoll, Jessica Marshall, Kevin Slavin (Vice Chair), Jeffrey Hersch, Jeremy Wertheimer

Representatives: Toby Cumberbatch, Mile Essl, Atina Grossmann, Yuri Masnji, Anthony Vidler, Amy Westpfahl

Mr. Lincer called the meeting to order at 5:05 PM

Update on the negotiations between the Smithsonian/Cooper Hewitt Museum and The Cooper Union (Library) regarding set of Edward Curtis Volumes

The chairman referred the committee to the written summary of the negotiations between Cooper Union and the Smithsonian/Cooper Hewitt Museum regarding the ownership of the “Curtis Volumes,” a set of 40 books that picture and describe the Indians of the continental United States and Alaska.

In January 2016, the Smithsonian informed Cooper Union that it was considering divesting itself of the Curtis Volumes, and sought to establish clear title in advance of the auction.

The Cooper Union Library Director, Carol Solomon, researched the matter and determined that the collection was donated to the Cooper Union Library by J.P. Morgan. In 1967, the collection was mistakenly transferred to the Cooper-Hewitt Museum in connection with an agreement between Cooper Union and the Smithsonian to move the Cooper Union Museum for the Arts and Decoration to the Cooper-Hewitt Museum (a division of the Smithsonian). Since the collection was donated to the Cooper Union Library and not the Museum for the Arts and Decoration, it should not have been transferred and Cooper Union was (and is) the rightful owner. Ms. Solomon confirmed that Cooper Union did not have an archival interest in maintaining or

seeking a return of the collection and that a sale by the Smithsonian would not be objectionable. According to the Smithsonian, the collection was appraised at between \$0.8 million and \$1.2 million.

Accordingly, the Executive Committee determined there was no reason to object to a sale of the archive and, at the Executive Committee meeting on July 12, 2016, the committee authorized the Acting President to negotiate a settlement with the Smithsonian pursuant to which Cooper Union would consent to the sale (without waiving its claim of ownership) in exchange for a percentage of sale proceeds (less expenses).

Following the Executive Committee meeting, Mr. Mea negotiated a settlement pursuant to which (a) Cooper Union will be designated the rightful owner of the collection; (b) the Smithsonian will be permitted to sell the collection at auction; and (c) Cooper Union will receive 70% of the sale proceeds (less expenses).

Audit Committee Recommendation to engage Grant Thornton

Upon the recommendation of Acting President Mea, the Audit Committee undertook a review of Cooper Union's independent auditor as KPMG has been serving in that role for an extended period of time (~ 60 years).

Mr. King referred the board to the previously distributed materials in which the Audit Committee reported on the results of its RFP and recommended the selection of Grant Thornton.

In accordance with the RFP process, Cooper Union invited five well established and respected audit firms to submit proposals for audit and tax services for a three year period. The RFP noted that each firm would be evaluated according to: cost, experience auditing similar organizations, qualifications of staff assigned to the engagement, the firm's understanding of the work to be performed, reference checks, and completeness and timeliness of each proposal.

The responses to the RFP were reviewed and ranked by the Audit Committee and, based on written submissions; three firms were invited to interview with the committee. Following those interviews, two firms were selected to move forward and the committee recommended Grant Thornton for approval by the board. The committee's decision was not unanimous.

Mr. King summarized the determining factors behind the committee's recommendation and a lengthy discussion ensued on the relative merits of the two finalist firms, the value of 3rd party references; and the difference in the proposed engagement fees.

Mr. Mea (a non-voting participant) reported that he had previously worked with Grant Thornton and he had a positive experience with the firm.

The Financial Monitor recommended that the Audit Committee clarify two issues prior to the board conducting a final vote.

The Board agreed to defer the decision until these issues were addressed.

There being no further business the meeting was adjourned at 6:10 PM