

240 North Burrowes Road Alumni Association
Annual Membership Meeting
August 14th, 2016

Attendees: 24 Attendees; See Appendix, section 1

I. Call to Order/ Welcome – President John Carnwath

II. Review/ approval of 2015 Meeting minutes: Minutes read by Joe DiRenzo and approved.

III. Financial Update

A. Accounting Update – Pete Culp

- i. Balance Sheet & Income State review for the fiscal year ending 06/30/2016
 - 1. Assets for the 240 North Burrowes Road Alumni Association are \$1,118,073
 - 2. Income Statement incurred a loss of \$25,382.

B. Loan to JCCEF– Pete Culp

- i. 240 loaned JCCEF \$12,000 for scholarships at 3% APR (more detail in JCCEF minutes).

C. Investment portfolio – John Carnwath/ Joe DiRenzo

i. Current performance – John Carnwath

- 1. Inception to date (7/26/2011) returns of 4.1%
- 2. Previous 12 months returns of 3.4%
- 3. Asset management fees of \$8,742.

ii. New Advisor(s) - Joe DiRenzo

- 1. Sub group of the board sought proposals from several financial advisors and institutions for better annual returns, lower fees and continued risk mitigation
- 2. Narrowed down to Health Benefit Services (HBS) which is part of Liberty Financial Resources, TIAA Cref and Bank of New York Mellon (BNY)
 - a. HBS proposed indexed annuities, hedges 100% of risk by capping monthly gains, no fees, some liquidity restrictions although options to mitigate, historical returns have been 6 – 7%.
 - b. BNY provided traditional investment options with proposal projecting 2–5%
 - i. BNY not recommend due to fixed annual fee of \$15,000 (recommended to avoid this flat fee due to the small size of portfolio).
 - c. TIAA-Cref offered similar proposal to BNY, however with variable fee of 85 basis points.
- 3. Motion made by John Carnwath
Invest 50% of assets with HBS and 50% of assets with TIAA-Cref.
Motion second by Henry Hillman and approved by membership. Motion approved.

IV. Agreement with Phi Delta Theta - John Carnwath

- A. The 5 year settlement term ended in May 2016. Phi Delta Theta has not approached 240 for any of the house sales proceeds nor have they indicated any intention to recolonize at the Penn State.
- B. Have discussed next steps with 240 settlement attorney, Bernie Cantora.
- C. Membership discussed the next steps for transferring funds and/ or the rights to them including whether to petition court for documentation, survey members/ transfer funds to future C7, or to continue as usual, other.
- D. Members agreed to have Alumni Attorney Garrett Spangler review the settlement language and discuss with settlement attorney Bernie Cantorna, then provide the board of directors with recommendation.

V. Future of Organization

A. 501 – C7 Pennsylvania Theta Alumni Association – Garrett Spangler

- i. Moving forward with filing for 501 – C7 Social Club named Pennsylvania Theta Alumni Association which will be the parent organization for current 501-C3 (housing corporation)
- ii. Member dues will be required. Details to be determined.
- iii. Legal support from erbLaw, Buckingham Consultants, PA Attorney Generals Office and the IRS (IRS verbally).
- iv. **Motion** made by Pete Culp
Motion for membership vote to approve, upon establishing a 501-C7, social club named Pennsylvania Theta Alumni Association, that funds can be made available to the C7 at the discretion of the 240 board of directors.
Motion second by John Carnwath and approved by membership. **Motion approved.**

B. Strategic 5 year plan

- v. Optimize corporate entity structure, secure funds, manage investments, reduce costs
- vi. Engage Alumni via increased communication and events
- vii. Survey Alumni for support of long term options

VI. Board of Directors – John Carnwath

A. Structure

- viii. DiRenzo recommendation for mirror boards. Same alumni to serve both the 240 board, the JCCEF board and the future C7 board with the same executive positions/ members to increase effectiveness (better communication, efficiencies and aligned goals).
- ix. Discussion regarding board size, with opinions to increase, shrink and keep the same.
- x. **Motion** made by Henry Hillmann to implement mirror boards. Members to serve all boards (240, JCCEF, C7) will be determined over the next 90 days and consist of the 240 and/or JCCEF board members elected/ reelected later today who are willing to serve all boards. This motion will need made and passed during the JCCEF meeting also in order to be effective.
Motion second by Kevin Haslam approved by membership. **Motion approved.**

B. Election of Board of Directors – Pete Culp

Open board position filled by Garrett Spangler. Current members of the board of directors were presented. Harry Allen and Justin Pasay have resigned. Replaced by Joe Minich and Brian Fletcher. Other existing board members were reelected. See Appendix, section 2

VII. Open Forum

- xi. University leadership changes
 1. Roy Baker, director of Fraternity and Sorority Life at Penn State, has left PSU
 2. Danny Shaha, Senior Director of Office of Student Conduct; Interim Director of Fraternity & Sorority Life
 3. Damon Sims - Vice President for Student Affairs

Motion to adjourn meeting made by John Carnwath, Second by Garrett Spangler and approved.

Meeting adjourned.

Respectfully submitted,

Joseph P. DiRenzo,
240 North Burrowes Road Alumni Association Secretary

Section 1**Meeting Attendees (8/14/2016)**

	Name	Class
1	Bud Thomas	1949
2	Cliff Holgate	1954
3	Tom Smith	1954
4	Pete Culp	1961
5	Ron Beard	1962
6	Bill Smith	1962
7	Fred Engle	1963
8	Harry Allen	1963
9	Dick Walker	1964
10	Jake Culp	1964
11	Sandy Deveney	1970
12	Bon Devine	1977
13	Garrett Spangler	2002
14	Sam Haldeman	2002
15	Scott Hodgson	2002
16	Brian Fletcher	2002
17	Phil Caraballo	2004
18	David Keffer	2005
19	Joe DiRenzo	2006
20	Joe Minich	2009
21	Henry Hillman	2009
22	Kevin Haslam	2009
23	Michael Schriver	2010
24	Chris Martels	2010

Section 2**Board of Directors (Elected as of 8/14/2016)**

	Name	Class	Position/ Notes
1	John Carnwath	1963	President
2	Pete Culp	1961	Vice President
3	Bill Overlock	1963	Treasurer
4	Joe DiRenzo	2006	Secretary
5	Tom Smith	1954	
6	Spike Shannon	1962	
7	Dick Walker	1964	
8	Regis Cleary	1969	
9	Sandy Deveney	1970	
10	Phil Donegan	2005	
11	Henry Hillman	2009	
12	Ryan Lang	2011	
13	Garrett Spangler	2002	New (<i>filled open slot</i>)
14	Brian Fletcher	2002	New
15	Joe Minich	2009	New

Resigned

Harry Allen	1963	Resigned 2016
Justin Pasay	2005	Resigned 2016