The meeting was called to order at 9:05 a.m. The minutes from the June 2, 2023, Board of Trustees meeting were provided for advance review. Upon motion duly made and seconded, minutes were approved as presented.

Chair’s Report

Mr. King thanked Trustees for their active participation in the Committee meetings of the previous quarter and attendance at events this semester, notably the Lifetime Giving Society Dinner which recognized Cooper Union’s most generous supporters and was held the previous evening. Mr. King recognized Trustees inducted into giving societies as well as current members for their support of Cooper Union.

He provided an overview of the day’s meeting, the work of which builds off discussions from the Board’s Annual Retreat relating to Cooper Union’s academic vision. During the meeting, the Board will be formally introduced to Vice President for Academic Affairs Demetrius Eudell, who began in the newly created role in July. Dr. Eudell will share his background along with goals for the role in strengthening and uniting Cooper Union’s academic offerings. The Board
will also hear from the students and faculty comprising the school’s Solar Decathlon team about their competition-winning work. Through reports from the Finance and Business Affairs, Free Education, and Alumni Affairs and Development Committees, the Board will review year-end budget results, fundraising efforts, vote to approve tuition and fees for FY25, and discuss the importance of these topics relating to the Plan to Return to Full-Tuition Scholarships (Plan). This meeting will also prepare the Board for key decision making to be done at the Annual Meeting in December.

Student/Faculty Presentation

At each quarterly meeting, Trustees review a presentation to highlight an academic initiative that is advancing the institution’s goals and strategic priorities. During this quarter, students and faculty advisors for the Solar Decathlon team shared presented their project from the previous semester, a renovation of and addition to the Urban Assembly New York Harbor School of Governor’s Island to meet the needs of the growing student population. The grand prize-winning project considered the social, economic, and environmental components of this unique site, resulting in a flood-resilient, energy-efficient design within the New York City School Construction Authority average project budget. The students are participating in the project again this year, structured as a one-credit Vertically Integrated Projects course and open to students from all three schools across years.

Trustees engaged in a discussion about the format of the class, including the benefits of a multi-semester project-based course. Students work across years and disciplines during the project, creating mentorship opportunities and a setting representative of real-world work in which various professionals collaborate. However, the course is a one-credit class to allow students to fit the projects into their schedule over multiple semesters. Trustees noted the volume of work is high for a one-credit class. The Board discussed resources for funding travel to the competition and ways in which Trustees can assist with recommending future industry partners for projects. Trustees praised the selection of the site and the students’ thorough investigation of the surrounding community’s needs, urban constraints, and climate considerations, complexities students will encounter in their professional lives. Following the presentation, the students and faculty exited the meeting.

President’s Report

President Sparks delivered her quarterly report, highlighting Cooper Union’s momentum entering this academic year. The institution’s financial footing is strong; academic programs are thriving in new ways, strengthened by high-caliber students, faculty, and leadership; and progress is on track now five years into the Plan. With this background, Cooper Union has begun the next phase of strategic planning, preparing for a financial framework for after the financial targets required under the Plan are met. Over the last two years, the Board has explored the external context surrounding this work, specifically macroeconomics, political environment, changing face of work, and higher education dynamics, to be equipped to ask questions and seek information as part of this process. This process is happening prior to the competition of the Plan to afford the Board ample time for a thoughtful process. The future financial framework will
formulate the structure of Cooper Union’s operating budget following the Plan, including high-level allocation of resources to major areas of scholarships, sustained programmatic efforts, new programmatic initiatives, capital expenditures, and operations.

Vice President of Finance and Administration John Ruth provided a memo in advance outlining an initial set of assumptions to the guide this work. Key topics for discussion include financial diversification, ideal operating margins, and structuring allocations of surpluses to deferred maintenance, curricular improvements, and other future priorities. Trustees were also asked to anticipate new needs, especially for academic and capital programs, that may arise and how to best incorporate these into a plan. The Board engaged in a discussion about risk and the importance of diversifying the balance sheet.

Trustees remarked that relying on a sustained high level of fundraising will be critical after completion of the Plan. Communications will be key to maintain momentum and provide a central message about Cooper Union’s academic excellence alongside financial stability in this next chapter. There were no additional questions and President Sparks concluded her report.

**Vice President of Academic Affairs Presentation**

President Sparks introduced Vice President of Academic Affairs Demetrius Eudell who delivered a presentation to Trustees about his academic expertise, interest in coming to Cooper Union, and the goals of his position. Dr. Eudell was previously Dean of Social Sciences at Wesleyan University. As a 20th century American historian, Dr. Eudell spoke to Peter Cooper and The Cooper Union’s history and significance in American social movements and education, a reason he was attracted to the role, as well as the opportunity to reimagine the Humanities and Social Sciences offerings for students to complement their professional degrees. In this position, Dr. Eudell plans to coordinate cross-disciplinary learning opportunities, pedagogical collaboration, and global, civically engaged perspectives across the academic programs. The discussion following centered on interdisciplinary priorities, resources for student success, and the importance of prioritizing diversity in the classroom and the Cooper Union community.

**Committee Reports**

Six Committees of the Board met for their quarterly meetings in September. Based on the Board’s annual Work Plan, the Governance, Finance and Business Affairs, Free Education, and Alumni Affairs and Development Committees delivered in-depth reports at the meeting. The remaining two Committees provided written updates prior to the meeting, included below.

**Governance**

The Committee presented the proposed meeting schedule for the 2024 calendar year. The Committee recommends reinstating one additional in-person Board meeting next year to provide another opportunity for campus engagement. With this change, three of the quarterly meetings would be held in person, while one primarily administrative meeting would be conducted virtually. Committee meetings would continue to be held virtually. Following motion made and
duly seconded, the Board approved the meeting calendar, pending one Committee meeting time adjustment, to be communicated once confirmed.

Finance and Business Affairs Committee

Vice President of Finance and Administration John Ruth shared an overview of preliminary yearend (June 30, 2023) financial results. The report synopsis is as follows: (in 000’s):

<table>
<thead>
<tr>
<th></th>
<th>FY22 Actual</th>
<th>FY23 Prelim</th>
<th>FY23 Budget</th>
<th>Earned or Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue Before Endowment Payout</td>
<td>91,229</td>
<td>85,453</td>
<td>83,858</td>
<td>102%</td>
</tr>
<tr>
<td>Less: Total Expenditures</td>
<td>(80,473)</td>
<td>(85,840)</td>
<td>(85,904)</td>
<td>100%</td>
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<tr>
<td>Surplus Before Endowment Payout</td>
<td>10,756</td>
<td>(387)</td>
<td>(2,046)</td>
<td></td>
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<tr>
<td>Plus: Endowment Payout</td>
<td>5,365</td>
<td>6,330</td>
<td>6,330</td>
<td>100%</td>
</tr>
<tr>
<td>Total Surplus Available for Plan Priorities</td>
<td>16,121</td>
<td>5,943</td>
<td>4,284</td>
<td></td>
</tr>
</tbody>
</table>

Preliminary results for FY23 show an overall positive outcome, despite persistent revenue challenges related to real estate. The overall net surplus, the primary guardrail measure in the Plan, surpassed budget by $1.7MM. However, as the Board was aware, the budgeted net surplus ($4.2MM) was short of the Plan goal by $8.1MM. Revenue results surpassed budget by $1.6MM and one-time measures resulted in $380K in expense savings. Current-use fundraising surpassed budget by $1.1MM, though this included bequests. Portfolio performance also boosted results, with a 7.3% return for the fiscal year. These results were slightly offset by higher net capital expenditures ($300K). As planned, the contributions and cash/investments guardrail for the year was positive, while the operating expenses guardrail was negative. All guardrails remain positive on a cumulative basis.

The Board engaged in a discussion with Management about unexpected variances this year, namely construction and utility costs rising with inflation, and what lessons can be learned from this as the future financial framework is configured.

The Committee then presented the proposed Tuition and Fees for FY25. Per the Plan, there is no increase on undergraduate tuition. There is a 3% increase in graduate tuition and fees to live in the residence hall, also consistent with Plan. The Board discussed the significance of the ability for Cooper Union to remain on Plan with 0% tuition increases now for the sixth consecutive year. Upon motion made and duly seconded, the Board approved the proposed Tuition and Fees for FY25.

Free Education Committee

The Committee Chair shared an update on the upcoming report recapping Cooper Union’s progress on the Plan, five years in. The Committee has reviewed the draft copy and design and
will hold working meetings to finalize the publication for release at the end of this year. The Board emphasized the importance of making the key messages of Cooper Union’s momentum and current on-track progress in the report front and center. The full Board will review the publication prior to finalization for feedback.

Alumni Affairs and Development

The Committee Chair reviewed fiscal yearend fundraising performance. In FY23, $9.8MM was raised in current use funds, 3% over the $9.5MM goal in the Plan to Return to Full Tuition Scholarships (Plan). Total fundraising was $25.7MM for the year, 72% over the $14.9MM total fundraising goal (which includes endowment funds and campaign gifts). While the results are positive, it includes nearly $4.5MM in bequests, which are not a sustainable or predictable funding source. Fundraising for FY24, two months into the fiscal year, $1.9MM has been raised on the total fundraising goal of $15.9MM; $1.0MM is current use funding toward the $10.7MM goal. Trustees discussed the upcoming campus events and Great Hall programs as opportunities to cultivate new donors and strengthen ties to Cooper Union with existing supporters.

The following Committees reports were shared with the Board as part of materials for the meeting:

Audit

The FY23 Financial Statement Audit is underway and scheduled to be completed before the end of the calendar year. Additionally, the 2022 Defined Contribution Retirement Plan Audit was shared with the Committee at the previous quarterly meeting. No new issues were identified, and the Audit will be filed prior to the October 15, 2023 deadline.

As part of the Committee’s Enterprise Risk Management (ERM) work, members reviewed and discussed the monitoring actions and mitigating strategies in place for the risk of losing control of chain of command and communications during a crisis, particularly given Cooper Union’s limited staff resources. The Committee also reviewed updates relating to campus climate threats and lab/studio safety. To provide the Committee additional perspective on ERM, Juliette Kayyem, security analyst, author, and former U.S. Assistant Secretary of Homeland Security for Intergovernmental Affairs, presented on enterprise-level risk across sectors, with a focus on campus safety and climate concerns, and engaged in a discussion with the Committee to help inform future work.

Investment

As of June 30, 2023, Cooper Union’s investment portfolio market value was approximately $296.7MM (up from $286.7MM in the previous quarter and $271.1MM as of June 30, 2022) and asset classes are all within policy target ranges.
Through the first quarter of the fiscal year, the portfolio, excluding private investment returns which are reported on a quarter lag, returned 3.4% versus 3.7% for the policy benchmark. For the quarter, the portfolio’s global equity (excluding U.S.) and multiregional equity outperformed their respective benchmarks. Public equity overall underperformed the benchmark, primarily due to U.S. and emerging market equity. Hedge funds and U.S. TIPS also underperformed their respective benchmarks.

During the quarterly meeting, the Committee continued implementation of the enterprise review with a new commitment to a private investment manager and repositioning of the portfolio’s U.S. public equity allocation to diversify and accommodate a recommended manager structure. The Committee approved a new equity manager structure, terminating an existing manager and diversifying the emerging markets equity portfolio through allocation to the three active managers and an ETF to facilitate rebalancing. In addition to the above actions, the Committee approved a rebalancing recommendation reflecting tactical views and accommodating an $8MM in-flow to the portfolio.

There was no New Business to discuss. Representatives provided input throughout the meeting and had no additional comments. The Board then moved to an Executive Session at approximately 12:45 p.m. The meeting adjourned at approximately 1:10 p.m.

<table>
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<tr>
<th>Portfolio/ Benchmark</th>
<th>Quarter to Date</th>
<th>Trailing 1-Year</th>
<th>Trailing 3-Year</th>
<th>Trailing 5-Year</th>
<th>Since Inception</th>
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</thead>
<tbody>
<tr>
<td>Total Assets</td>
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<td>7.4</td>
<td>10.0</td>
<td>7.8</td>
<td>5.5</td>
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<tr>
<td>Policy Benchmark</td>
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<td>5.0</td>
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<tr>
<td>Value Add</td>
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<td>-6.3</td>
<td>0.9</td>
<td>1.7</td>
<td>0.6</td>
</tr>
</tbody>
</table>

October 5, 2023 Board of Trustees Meeting
Minutes prepared by Charlotte Wessell, Secretary to the Board
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