

The New York Quarterly Meeting of the Religious Society of Friends
Meeting held in the Fifteenth Street Meetinghouse at 1 PM, Sunday, April 19, 2015

At the annual meeting of the Corporation of The New York Quarterly Meeting of the Religious Society of Friends, in the meetinghouse at 221 East 15th Street, New York, New York at 2 PM Sunday, the 19th of April, 2015, the President of the Corporation, as Clerk, declares a quorum present and calls the meeting to order.

Trustees, with the assistance and advice of the Joint Nominating Committee of the Quarter, present the following nominations for Trustees:

Katherine Alford
Margery Cornwell
Ann Kjellberg
Lynn Von Salis

Annual Report to the Meeting of the Corporation

Dear Friends,

According to the Quarter's By-Laws, Trustees shall "have custody and control of the property, real and personal, belonging to the corporation and revenues there from, shall administer the same according to the usages of the New York Quarterly Meeting of the Religious Society of Friends, and do all things necessary and expedient in the management thereof."

This past year, the following Friends served as officers of the Corporation:

President (Clerk) (Partial Term), Benjamin Warnke
President (Clerk) (Partial Term), Ann Kjellberg
Vice President (Assistant Clerk)(Partial Term), Michael Schlegel
Vice President (Assistant Clerk)(Partial Term), Ben Frisch
Treasurer, Diane Keefe
Assistant Treasurer (Partial Term), Kirk Smothers
Assistant Treasurer (Partial Term), Michael Phillips
Secretary of the Corporation, Ahmet Baydur

Officers for the coming year will be:

President (Clerk), Ann Kjellberg
Vice President (Assistant Clerk), Bill Parrott
Recording Clerk, Linda Hill Brainard
Treasurer, Diane Keefe
Assistant Treasurer, Michael Phillips

Secretary of the Corporation, Ahmet Baydur

We met every month save July and August, alternating between Fifteenth Street and Schermerhorn Street. At each meeting, Ahmet Baydur, General Manager, provided monthly reports, including financial reports, for our review and consideration. During the course of the year, we were joined by other Friends, both individually and as members of Quarterly and Monthly Meeting committees. We met with the Friends Seminary School Committee, the 15th Street Property Committee, and the Relief Committee.

We conducted a portion of our work in three subcommittees, Finance, Personnel and Property.

We received with regret the resignation of Lee Rada on grounds of conflict of interest. (She is employed by Tishman Construction, the contractor for the Friends Seminary Redevelopment Project.) We received with regret the resignations of Benjamin Warnke and Ben Frisch.

Trustees' activities over the year included:

Finance:

The Trustees' Finance Sub Committee reviewed the Friends Fiduciary financial performance and found it strong relative to its benchmark and other socially screened investment funds managed in balanced accounts during 2014. In the year ended 12/31/14 the Quarter's \$15.9 million in the FF Consolidated Fund earned 8.7%% versus a benchmark of 7.49 %. For the 3 years ended 12/31/14, we earned 13 % versus a benchmark of 11.99 %. These results primarily reflect the economy's recovery from the financial crisis in 2008 and are not expected to be repeated in future years.

For Period Ending 12/31/14

	4th Qtr	1-Year	3-Years	5-Years	10-Years
Total Consolidated Fund	3.87%	8.7%	13%	10.57%	6.59%
Blended Benchmark	2.77%	7.49%	11.99%	9.88%	5.72%
Quaker Green Fund	2.79%	6.26%			
Blended Benchmark	2.15%	5.39%			

In addition, the Finance Subcommittee authorized a \$2mm investment in the new Quaker Green Fund at Friends Fiduciary. Although the Green Fund underperformed the Consolidated Fund during its initial reporting period, the Finance Sub Committee will review making additional commitments to this new fund at every reporting period as it establishes a track record consonant with Friends' interests in divesting from fossil fuels.

The NYQM now has a total of \$23,395,195 invested in Community Development Financial Institutions promoting greater opportunity and access to capital for low income people in the US and internationally. Our recent investments in Opportunity Finance Network were both earmarked for Green Retrofit programs for affordable housing. These investments are short and

medium term commitments to leaders in the community development investment sector. Trustees plan to hire an intern to continue to do research and track opportunities in mission related investing and work on financial aspects of the potential separate incorporation consistent with Friends witness.

Our investments are listed below:

Loan amount	Borrower	Maturity date	Interest Rate
\$500,000	Low Income Investment Fund		
	Opportunity Finance Network		2% dividend
	Enterprise Community Partners		
	Oikocredit		

Trustees approved ten-year lease of 112 Schermerhorn Street to the NYC Department of Education from July 15, 2015 to June 30, 2025. The lease provides for an 8.68% increase to the base rent, followed by a 3% annual increase.

The rent will be reduced by up to \$100,000 for specified capital improvements, to be paid out starting the summer following the completion of the work.

We recommend to Quarterly Meeting that the income from the QM's Friends Seminary Financial Aid designated funds be transferred to the QM Educational Fund Committee for disbursement. This is recommended due to trustees desire to more directly assist the expressed needs of Quaker families who seek to or currently attend Friends Seminary through funds administered by NYQM.

We reviewed concerns raised by the tenants about inconsistencies in our cost-sharing formula. Changes in the formula were implemented in October. After a discussion of several years, and numerous communications with director Ed Doty, we approved an additional charge to the rent for YSOP for its use of the cafeteria, retroactive to the 2013-2014 period. Both the Finance Sub Committee and the Trustees as a whole are in unity with this change as a more accurate reflection of the current space use of all the Quaker related tenants in the cost sharing formula.

In October we appended language to our tenants' leases regarding subleasing and approved AFSC's temporarily subleasing a portion of their space.

Personnel:

The Personnel Committee did most of its work this year in November and December. It reviewed the staff performance evaluations prepared by the General Manager, Ahmet Baydur, and then prepared his performance evaluation. The committee solicited feedback from all Meeting members who regularly interact with Quarterly Meeting staff.

Trustees received Brooklyn Property Committee's job description for a position, approved in 2013, for a superintendant for Brooklyn Meetinghouse. The search to fill that position is ongoing.

Carol Summar will retire from her position as Program Coordinator by the end of June 2015 and we intend to fill the position soon. We thank Carol for her service. Her Friendly presence in the NYQM office will be missed by many.

The Personnel Committee encourages all Friends who have praise and concern about individual Quarterly Meeting staff to speak to the General Manager. The Personnel Subcommittee welcomes hearing feedback and suggestions from Friends throughout the year.

Property:

We met several times in the course of the Spring of 2014 with the 15th Street Property Committee to conclude their contract with architect Mark Hewitt and to review developing plans for renovation of the lounge area and the second floor of the Central Building. We approved the architect's contract and the subcontracting of the Princeton Engineering Group at our June meeting. We reviewed the results of an engineer's survey, pursuant to the plans, identifying areas needing further development around fire safety, handicap access, ductwork, and heating efficiency. We confirmed that delays in the conclusion of the architect's contract and revisions in the designs suggested by the engineer's survey warranted delaying the planned execution of the plans in summer 2014.

We developed with Friends Seminary, and in collaboration with 15th Street Property Committee, a plan presented to us by the Friends Seminary School Committee in February for a review of Facilities Assessment Survey by the Levian Company. The details of an agreement were not concluded in time for summer 2014 execution and the project was deferred it to 2015. Points of concern were information sharing and attention to sustainability.

On September 17, Friends Seminary School Committee and administration and their consultants presented to Trustees for the first time plans for an extensive redevelopment of the 1964 building and townhouses. At that point they had been working on the plans for well over a year. The development includes reconstruction of the interior of the three townhouses, excavation of space below the townhouses, and creation of a performance space and roof garden extended to the rear lot line of 216 East 16th St, and construction of two additional floors and roof structures atop the townhouses and the 1964 building. Friends Seminary provided detailed information, at this session and subsequently, and expressed readiness to engage with Trustees and other interested parties in the Quarter in considering the project. Trustees reported to fall and winter meetings of the QM on the progress of our discernment on this project.

Friends Seminary requested a decision on this plan by January 7, in order to commence construction in the summer of 2015. Trustees minuted at our October meeting that given the very late notice and the lack of clarity on financial issues we did not feel that a decision on this timeline was possible. We did nevertheless work closely with the School Committee and the administration to move consideration forward. For example:

- An ad hoc sustainability task group met with Friends Seminary's sustainability consultants for the project on December 3. Friends expressed serious concern that there was no plan for LEED certification. Trustees conferred with 15th Street Property Committee about developing a Quarter-wide sustainability review to consider future work on all our buildings from a sustainability perspective.
- The Trustees finance sub-committee conducted a review of the proposed financing for the \$51 million plan its potential impact on the Quarter.
- Trustees minuted a request to 15th Street Monthly Meeting to discern on the aesthetic impact of the construction on the life of the Meeting and to the 15th Street Property Committee to discern on potential uses for space in the historic buildings that might be freed by Friends Seminary programs' move to newly developed space.

On December 10, Trustees received word that the deadline for approval on the project had been extended indefinitely while the plans were reviewed for cost savings. Because the final outcome of the plans was unknown, our work in the following areas was impaired: review of the plans for safety; review of insurance coverage; review of the plan's use of development rights; review of the impact of construction on the Meeting and the Quarter's tenants, renters, and neighbors, particularly Penington House; consideration of the impact of phasing on the 15th Street construction project. 15th Street discernment on aesthetic impact and space use was also deferred.

There has also been a concern among some Friends that the 1964 building and the townhouses cannot be used for worshipful gathering because of the terms of financing for construction in those areas. The amount of this loan, currently approximately \$23 million, retiring on 2038, would be increased and possibly extended by the project.

On February 23, Trustees were informed by the School Committee that the plan was back on track, again targeted for a summer 2015 start date and a budget that had increased to \$67 million. This timeline required a final decision by April 24. The sought-after savings had been realized through identifying alternative structural supports and reviewing individual materials and other non-structural elements of the plan. Trustees reviewed the plans with Friends Seminary representatives on March 10 and renewed discernment. The plan was also presented to the Quarter by Friends Seminary on March 11.

At our March 12 meeting, after extensive discernment and on the advice of counsel, of Trustees minuted our unwillingness to commit the Quarter to this project without separate incorporation of Friends Seminary. We refer Friends to the attached epistle, which includes the full text of the minute and a review of the background of this decision. Trustees hired counsel to assist with developing a proposal for separate incorporation and with appropriate planning by the Quarter for the redevelopment project. Discernment is ongoing about how separate incorporation and the necessary conditions for construction can be accomplished. Discernment is ongoing about how separate incorporation and the necessary conditions for construction can be accomplished.

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Prompted by an October minute from Brooklyn Monthly Meeting, we approved converting all our electrical utility accounts to 100 percent renewable power.

In February Trustees received a report on the potential of the Rutherford Place complex for making use of solar panels, and we are considering next steps.

Additional:

Trustees proposed financial support for development of a Quarterly-Meeting-wide web site. Trustees conferred with Steve Davison of NYYM and Dave Britton of NYQM Ministry & Council on available resources and current plans. We approved a budget request for funds to update the information technology network in the NYQM office that will also benefit Fifteenth Street MM Committee Room. We also approved a budget request for financial research/IT interns to work in the NYQM office under the supervision of Trustees. Discernment on implementation is ongoing.

In April we approved revisions to the Trustees' handbook.

We reviewed our insurance coverage for hospitality for the People's Climate March and make a recommendation to those organizing the events.

We reviewed the 2015 proposed budget at our December meeting.

Our work on several matters is ongoing. We have not yet scheduled a long-planned Trustees retreat. We recognized, with Friends Seminary School Committee and the 15th Street Property Committee and our tenants, the need for regular collaborative review of our space-use analysis and its consequent cost-sharing formula and projected capital planning. We continue to work on the best mechanism for answering this need. A proposed meeting between Quarterly Meeting Ministry & Council and Trustees finance sub-committee on social and environmental responsibility in investing is still pending.

In Friendship, Linda Hill Brainard, Diane Keefe, Ann Kjellberg, Bill Parrott, and Mike Phillips.

Respectfully submitted,

Ann Kjellberg

Clerk