



# The Rensselaer Society of Engineers

1501 Sage Ave.  
Troy, NY 12180

January 2024

Dear <pref\_salutation>,

The RSE Trustees have undertaken a legal review of the Society, because New York State (NYS) laws regarding non-profits have changed in recent years. Our non-profit legal counsel has recommended several modifications to our corporate structures to ensure full compliance with NYS regulations.

A significant recommended change involves transferring ownership of the Clubhouse at 1501 Sage Avenue to a Limited Liability Company (LLC) owned by The RSE Foundation, Inc. *Such action requires a vote of the RSE membership.*

The reasons for making such a change are compelling:

1. An LLC will further insulate the Society and the Foundation from the potential liability associated with property ownership.
2. The 1501 Sage Ave property is listed on the US National Register of Historic Places. It is typical for 501(c)(3) foundations to own and operate properties of this type.
3. The ongoing capital campaign, *Fortifying an Independent RSE*, has already raised significant funds. The overwhelming majority of which are directed to the Foundation. With the Foundation owning 1501 Sage Avenue, limitations on the use of funds to improve the building are removed. (The Foundation currently can only contribute to the academic areas of the building and a fraction of the building infrastructure, as it relates to those areas.)
4. Recognized 501(c)(3) organizations can be exempted from property and school taxes. RSE's taxes paid to the City of Troy (~\$32,000 annually) could be reduced and possibly eliminated.
5. Charitable grants should be more available with the House under a 501(c)(3) foundation.

Additional details include:

1. RSE will continue to manage and operate 1501 Sage Avenue as it has for the last 100 years. A contract between the Society and the Foundation will detail this arrangement.
2. The deed will be structured such that the Foundation cannot dispose of the property without formal approval from the members of the Society.
3. The Foundation board will be expanded to include several RSE Trustees.

The RSE Trustees and the RSE Foundation boards have each unanimously adopted resolutions for this action. The next step, per RSE bylaws, requires a vote of the RSE membership.

This letter provides an overview of the action the RSE Trustees would like to take for the Society. In the next few weeks, you will receive the 2024 Trustee election ballot which will include this question as part of the ballot. (Solicitation of nominees is currently open until January 28, 2024.)

***It is important that all members vote on this matter.*** The RSE Trustees encourage your support and your vote **FOR** this proposal. Thank you for your attention to this important matter. More details will be forthcoming in the next few weeks.

Thy Strength Is My Strength,

**Tom Keating '75**, President  
The Rensselaer Society of Engineers, Inc.