

The ALTERNATIVE Resolution
Proposed by the Central Committee of the Campaign to Save Melkonian

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The Central Committee of the Campaign to Save Melkonian

1. In light of the current emergency situation

- a) *Recalling* the fact that this is not the first time that the issue of the Melkonian's closure emerges;
- b) *Declaring* its determination to see MEI's perpetual existence as an **Armenian boarding** school.
- c) *Taking note* of the widespread Alumni opinion that the current, as well as the previous two, administrations of Melkonian Educational Institute (MEI) have failed to manage the funds without systematically running into a budget deficit;
- d) *Having Considered* the Statement Prepared by the Cyprus Melkonian Alumni as of Nicosia, November 12, 2003; *Having Further Considered* Sarkis Buchakjian's (Chairman of MEI Board) "Information about MEI" as of 03/11/03 and *Having Also Considered* the "Joint Declaration" issued collectively by the Alumni of Cyprus , California , Greece , U.K. , U.A.E., Lebanon , Istanbul , Toronto , and Montreal;
- e) *Stressing* the economic principle that the diseconomies of scale is an inherent problem for the giant economic and financial entities such as the AGBU. *And Further Reaffirming* the fact that the reasonably sized organisations, such as the MEI, can achieve a greater economies of scale, a much more efficient control and management of its own resources, especially in the context of self-governance;
- f) *Taking into account* and *Understanding* AGBU's exhausted willingness to own and be responsible for Melkonian's budget deficits and survival;
- g) *Trusting* that despite its actions of presenting the school for Sale, the AGBU would **genuinely** wish to see MEI continuing its existence and prospering;
- h) *Being concerned* for the likelihood of
 - i) a substantial loss of AGBU's credibility on behalf of the whole of the global Armenian Diaspora as well as the Republic of Armenia (should the SALE of MEI go ahead; and/or should MEI cease to be an Armenian, **boarding**, and charitable school);
 - ii) and an immediate destabilisation of AGBU's status as the primary unifying factor in the Diasporic Armenian communities;
- i) *Realising* and *Stressing* the full seriousness of potential political and cultural implications, and social disintegrations resulting from the likelihood of the above point;
- j) and in a Spirit and Determination to avoid such outcome of events, and Fully Supporting the "The Alternative" section of the "Joint Declaration" issued collectively by the Alumni of Cyprus , California , Greece , U.K. , U.A.E., Lebanon , Istanbul , Toronto , and Montreal.

2. *Reiterates* its strong commitment to Melkonian Educational Institute's **long-standing tradition as an all-Armenian boarding school**. *Further Declares* its opposition to any decision and/or arrangement that would jeopardise or breach that tradition.

3. *Comes to conclusion* that under current framework of organisation, ownership and interest, a systematic mismanagement of funds is unavoidable, and that even if the issue of Melkonian's sale is postponed for now, without breach of point 2, it is still bound to recur in the future.

4. Having said that, *Proposes* a Structural Adjustment of the following type:

- a) Melkonian Educational Institute should become
- b) a self-governing body [as are many well established Universities, colleges and schools in the UK and USA] that is completely independent of AGBU's control, and no longer under its trusteeship
- c) MEI should become a non-profit making organisation of its own, responsible for its own survival, and registered as an Educational Charity under the laws of Cyprus and the EU.

- d) MEI will, naturally, take over the land and all the buildings on its campus. These to include **Melkonian Commercial Centre, the Club, the house of the Melkonian brothers and the teachers' residences** (all surrounding the MEI campus), and the **Melkonian Endowment Fund** (currently valued at USD 5,500,000).
- e) MEI will under the aegis of the newly set up network of global Melkonian Alumni, will
- i.) Periodically elect a board of trustees, which will consist of the representatives from Alumni of various locales, but especially of Cyprus Alumni, so as to insure a direct monitoring.
 - ii.) **Under the new structure, no specific body or individual will have the right to pass a decision regarding the sale of the school, or any of its lands and buildings: Neither the network of the global Melkonian Alumni, nor the board of elected Melkonian trustees, nor the administration of the school.**
 - iii.) This board of trustees will manage the endowment fund, elect the administration of the school, approve substantive expenditures; approve the hiring of new members of staff and so forth.
 - iv.) The accounts of the MEI are to be annually made publicly available and easily accessible to the global Melkonian Alumni community.
 - v.) The elected members of the Melkonian Trustees to provide detailed annual reports to their respective Alumni communities and to hold regular liaison meetings with the respective Alumni chapters.
- f) *Recalling* and stipulating the Point 1f, above, AGBU is to provide MEI with an interest-free loan of USD 6,500,000 for a duration of 5 years; This amount is to be added to the Melkonian Endowment Fund, making a total of 12 million US dollars, and the annual interests from that amount will be used to cover the temporary budget deficits of the school.
- g) After such Structural Adjustment takes place the Melkonian Alumni and the Melkonian Board of Trustees will run an intensive 5-year Fundraising campaign, appealing to global Melkonians community and other individuals and institutions.
- i.) The purpose of this campaign will be to gradually generate enough funds to pay off the AGBU debt and to inflate the Melkonian Fund to an extent that it will recover to its former glory and see prosperity ever after.

Issued by the *Central Committee of the Campaign to Save Melkonian*
November 15, 2003

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Appendix 1:

"According to initial estimates, the total Melkonian annual budget nears USD 2.0 mln., which the AGBU Central Board has translated to an average cost per student of USD 10,000.

"The Central Board, however, fails to note that the Melkonian Endowment Fund valued at USD 5.5 mln. generates an annual income for this purpose, for which it has never provided details.

"Assuming that the Melkonian Endowment Fund is invested in 10-year U.S. Treasury bonds, earning 4% per annum, this would generate USD 200,000 annually.

"New York also fails to mention that the Melkonian Commercial Center generates another USD 450,000 annually.

"Taking into account the sum received from tuitions and other subsidiaries, the income is USD 500,000.

"Thus, it leaves a budget gap of USD 600,000, which the AGBU Melkonian Alumni believe the amount can be easily covered by new ventures utilizing all the Melkonian facilities".

-- Taken from the "Joint Declaration - AGBU Melkonian Alumni, AGBU Chapters United against the School closure" as of 05/11/2003. Signatories: the Alumni of Cyprus , California , Greece , U.K. , U.A.E., Lebanon , Istanbul , Toronto , and Montreal.