

ACTION ITEMS - Board of Directors Meeting - Feb. 11, 2019

Anita Overcash	<i>Action 1:</i> Anita to email and continue adding updated list to the board web portal.
Allison Elrod	<i>Action 2:</i> Allison to check with Penny to see if the list of assigned prospects on the board site is up-to-date.
Justin Dionne	<i>Action 3:</i> Justin to get an updated electronic campaign booklet from Gianni that includes inserts and to send to the board. Also to include Feb. 21 flyer invite.

**Cain Center for the Arts
Board of Directors Meeting
Feb. 11, 2019
MINUTES**

Attending: Greg Wessling, Pat Bechdol, Paul Newton, Kate Gaither, Jim Duke, Caroline Mullan, Ginger Griffin, Denis Bilodeau, Steve Brumm, Woody Washam, Justin Dionne, Allison Elrod, Anita Overcash, Beth Allen

Absent: Cynthia Bush, Janice Travis, Troy Stafford, Doug Singleton, Donna Johnson, Carroll Gray

- I. Welcome and Approval of Minutes from Jan. 14 Board of Directors Meeting - Motion by Pat, second by Woody to approve. All approved of the Minutes from the Jan. 14 Board of Directors meeting.

- II. Executive Director's Report - Justin said that we have received most of our newly branded marketing materials. He recently gave presentations to North Mecklenburg Rotary and North Mecklenburg Women's Club. Justin shared pictures for recent education outreach shows and encouraged board members to bring prospects to some shows. ***Action 1:*** Anita to email and continue adding updated list to the board web portal. Justin is also in talks with Charlotte Ballet and the Lake Norman YMCA about future pre-k classes. He presented a short presentation about keys to success by James Bullock, which was shown to students at Leadership Gift School. He reminded the group of the upcoming Cornelius Arts District Soiree on Feb. 21 at Brick Row. He also noted that there will be a big "gala" style event on May 3 at Peninsula Yacht Club.

- III. January Finance Reports -Justin reviewed the Statement of Activities for January, which showed a total revenue of \$33,750.00. It was normal with nothing out of the ordinary with the exception of a \$3,500 fee under conferences and trade shows for Justin and Allison’s Leadership Gift School. \$1,500 has been offset through an ASC grant. There was also a class expense from Charlotte Ballet for \$2,800. Operating expenses were \$38,889.64 with a net loss of \$5,139.64. Justin said that Troy donated \$733.33 for operating. Troy and Greg had also challenged the board to match his donation for 2019. Justin also reviewed the Statement of Activities for capital in January. Restricted capital pledges totalled \$10,770.00 through end of January. The total revenue was \$15,962.22 for January. It included interest of \$5,192.22. There is also a line for “capital campaign market adjustment,” which reflects gifted stock from January and a drop between the time it was received and then sold. After credit card merchant fees of \$67.16 were deducted, the total for January was \$15,895.06. Justin also presented a Pledge and Cash update. Under pledges goal/pledges actual, we are behind by \$63,800.00 for December, and we are behind by \$353,030.00 for January. Justin and Allison reiterated that December is a busy month with the holidays and that January is usually a slow month. In the future, the goals for these months may need to be adjusted to reflect holidays and slowness in January. Justin also reviewed the Balance Sheet for January. There is \$2,974,903.49 in the escrow account. Total cash and cash equivalents is \$3,062,085.31. We still have not received the remainder of donations from Allen Tate, but those should be coming in soon. The balance sheet shows total assets of \$6,357,053.84. The FY 19/20 budget is being reviewed by the Town. Justin and Greg will also have several meetings with commissioners to discuss prior to the Budget Retreat (March 7-8), which Justin plans to attend. C Dewitt Foard & Co. has been selected to conduct a review audit for 2018 and a full audit for 2019.
- IV. Campaign Report - Pat reviewed a presentation with campaign updates. Current pledges total \$6,253,470.00 million. Elise Redmond has been added to the Campaign Committee. Dr. Baer Rambach will also be joining the Campaign Committee. Kate asked if the list of assigned prospects on the board portal is up-to-date. **Action 2:** Allison to check with Penny to see if the list of assigned prospects on the board site is up-to-date. Justin asked that board members check with Penny or Allison about assigned prospects. Kate also asked about an electronic campaign booklet. **Action 3:** Justin to get an updated electronic campaign booklet from Gianni that includes inserts and can be sent to the board. Also to include Feb. 21 flyer invite.

Presentation of Six-Month Campaign Budget - The campaign budget from now through June 30, 2019 was presented to the committee. The total administrative budget is \$600,000. An added campaign cost summary sheet with marketing, events, cultivation meetings and a contingency was presented. It was broken down into six-months with a total of \$135, 500.00. The total for marketing is \$54,000.00. \$71,500.00 was budgeted for events, including \$10,000.00 for a lead gift event on May 3.

The campaign budget has been approved from Campaign Committee, Finance Committee, Marketing Committee, and Executive Committee prior to be presented to the board. Motion by Kate to approve the presented six-month campaign budget, second by Denis. All approved of the presented six-month campaign budget.

By the end of March, there are plans to have the next fiscal year's budget ready for review. Supporting documents for the six-month campaign budget can be sent and documents to show each event and how much was raised there will also be created.

Proposal for PR consultant to be contracted to start March 1, if possible., and continue through the end of June. \$15,000.00 is being allocated for the PR firm. The PR firm will be hired specifically to: 1. Help us address the "nobody knows about this" issue, 2. Make us ready to become ever more public – communication tools in hand and ready to go, 3. Put us in control of our own message – everyone has the same elevator speech, 4. Added capacity – not just giving us ideas to execute but participating in the creation of high level PR materials, and 5. Add lasting expertise to staff team. Motion to approve of a contracted PR firm by Pat, second by Steve. All approved of a contracted PR firm.

- V. Construction - Steve Brumm discussed the ongoing reconciliation process. The construction committee, along with Rob Crane of C Design and Rodgers Builders recently went to Booth Playhouse, Charlotte Ballet, and Charlotte Christian School to review design and materials. The future CCA facility design is more like Booth Playhouse and Charlotte Ballet buildings, therefore it was determined that pricing for the design schematics may be as high as 20 percent over the planned budget. Rodgers Builders said that if design schematics could be reduced by 10 percent, they would feel more comfortable. A presentation of the original "hybrid scheme" was presented alongside of recommendations from architects, as well as CCA, and a final compromise version. The final proposed version will include the following: 1) 400 seat theater, 2) Two classrooms – increase size of one, 3) lobby & gallery blend, 4) Kitchen, 5) Eliminate breakroom, 6) Two dressing rooms, 7) One star dressing rooms, 8) Grow bullpen office, 9) Board Room*, 10) Added executive director office, 11) Move HVAC to roof. This reduces the overall facility size from 35,332 square ft. to 30,495 square ft., which is a reduction of 4,837. Executive Committee already voted to approve on the new

direction. Motion by Ginger to approve of the suggested new direction, second by Kate. All approved of the suggested new construction plan.

At Monday's construction meeting, Steve also said that the architects are proposing extra fees. Steve proposed \$50,000 and half of any left over contingency fees. He requested approval for \$100,000, which would leave room for negotiations with architects. Motion by Pat to approve the \$100,000 to be used by construction committee. Second by Woody. All approved of the \$100,000 for negotiations between construction committee and architects.

VI. Marketing updates - We have received new materials from GGMD. This includes letterhead, campaign books, T-shirts and other swag (including car decals, magnets, stickers, and pens). There is more to come. The next event is the Cornelius Arts District Soiree and it will be held at Brick Row on Thursday, Feb. 21, from 6-9 p.m.

VII. New Business

Deloitte Consulting Strategic Plan Creation - Justin is engaging with Deloitte for a five year strategic plan. They are offering approximately \$350,000 of services as in-kind.

Suggested changes to Master Services Agreement - The town is amending the Master Services Agreement to include a commitment of the \$4 million in Town to be used for the CCA facility. There are also a few other changes being made and then it will be finalized.

Administrative Request - Staff would like to begin use of Egnyte, a cloud-based file storage system where documents can be shared. The Egnyte system will be \$45 per month. Executive Committee approved the use of Egnyte services, but wanted to make the board aware.

An amendment was suggested for the Accounting Policy & Procedures in-kind giving section. The proposed language follows the same set up as Planned Gifts and Real Property on the Gift Acceptance Policy. It reads: "In-Kind Contributions of services will be reviewed on a case by case basis with recommendations going to the Board of Directors for approval prior to commencement of any services rendered. If approved, value will be assigned based on scope of work and time spent by service provider and a written approval will be issued."

Motion to approve the proposed language for handling in-kind gifts by Jim. Second by Steve. All approved of the amendment.

Next Board of Directors Meeting - The next Board of Directors meeting will be held on Monday, March 11.

VIII. Adjournment - There being no further business to discuss, the meeting was adjourned.