

Cain Center for the Arts
Board of Directors Meeting
July 17, 2019
Minutes

Attending: Greg Wessling, Troy Stafford, Pat Bechdol, Cynthia Bush, Woody Washam, Janice Travis, Denis Bilodeau, Joshua Dobi, Bill Morgan, Donna Johnson, Jim Duke, Justin Dionne, Allison Elrod, Anita Overcash, Penny Hawkins, Andrew Grant, Zack Toof

Absent: Caroline Mullan, Steve Brumm, Kate Gaither, Paul Newton, Ginger Griffin

- I. Introduction - Greg welcomed everyone. He asked for board members to sign and return three documents, including the Board of Directors Service Policy, the Conflict of Interest Policy and the Confidentiality Agreement, to Anita. It was noted that there was a quorum.
- II. Approval of Minutes from the June 10, 2019 Board of Directors Meeting - Motion by Troy, second by Woody. All approved of the Minutes from the June 10, 2019 Board of Directors meeting.
- III. Executive Director's Report - Justin told the board about recent press about CCA's education outreach programs in local schools in *Herald Citizen*. This will be included in the next Founders' Society email. **Action 1:** Anita to add a link to the recent article in the *Herald Citizen* to the main page of the board site. Anita also resend the link and a PDF version of the article in the *Herald Citizen* to board members. Justin also told the board that the recent event held at On The Nines went well. There were a lot of people there who were introduced to CCA and seemed enthusiastic about the project. He also said that Zack Toof from Deloitte will be attending the meeting to present plans for the strategic plan update to the board. The finalized version will be delivered in mid-August.
- IV. June Financials - Troy updated everyone on the Operating Financials for June, which is the end of the 18/19 fiscal year. \$30,416.66 was received from the Town of Cornelius. Restricted donations of \$4,755.00 came from the Allen Tate donation. Total revenue for the month was \$35,171.66 and total revenue for the end of the fiscal year was \$413,600.00. Total general and administrative expenses for the end of June were \$1,227.16 and total marketing and administrative expenses were \$2,643.29. Payroll was flat and total payroll and related expenses were \$19,023.06. Total operating expenses were \$31,437.41. The month end surplus was \$3,734.25 and the year end surplus was under budget at \$2,286.46, which resulted in a year to date surplus of \$15,650.10. The

Capital Report showed \$103,100.00 in restricted capital pledges and interest income was \$8,442.41 through the end of June.. This brought the total revenue to \$111,542.41. The total general and administrative expenses were \$2,532.48. Troy noted a \$2,500.00 pledge write off for the Allen Tate pledge from last year. He also noted the \$4,200 consulting fee for Rachel Sutherland Communications, which we are no longer working with. The total operating and maintenance expenses were \$12,512.24. The total for month ending was \$99,030.17. Troy said that the \$2 million that has been verbally pledged is still not reflected because signed agreements have not been received. The Balance Sheet shows \$5,420,982.19 in total cash and cash equivalents. The total operating pledges receivable was \$2,950.00 and the total capital pledges receivable was \$1,400,606.80. This number will be higher next month when the additional \$2 million pledge agreement is received..Troy also noted that he has reached out to SunTrust Bank and Aquesta Bank for proposals for better interest rates. He is waiting to hear back from both. He is also investigating the possibility of getting funds federally insured, which may slightly reduce the interest earned. He will report back and the board will make final decisions.

- V. Campaign - Allison updated everyone on the success of the recent event at On The Nines in Mooresville. At the event, Mayor Washam announced that Carolina Trust Bank is donating \$15,000.00. Allison also presented the pledge and cash trackers for June. The total for pledges in June was \$103,100.00. The cash goal was \$124,515.93. Two large pledges have not come in yet and are not accounted on the pledges or cash tracker. It was requested that intelligent forecasting be adjusted quarterly to reflect what has been learned about timing for securing commitments. All were in favor of the quarterly intelligent forecasting adjustments. Allison shared upcoming fundraising and community events with the board. The next fundraising event will be at the Griffin home on Wednesday, July 24. The Bechdols are also co-hosting an event with the Staffords and Morgans at the Bechdol home on August 17. Upcoming community events include Culture Bites on August 1 and 2nd Friday on August 9. Other events in September and October were also presented and included in the board package. Penny presented a presentation that showed current donor stewardship and retention: 100 Donors to Date – Cumulative Pledges of almost \$15MM - 90 Founders’ Society, 4 Cain Circle, 7 Cain Circle Naming. By the end of the campaign, Cain Center for the Arts will have an estimated 300 Donors - 285 Founders’ Society (a lot of these will be public phase, smaller contributions), 10 Cain Circle, 14 Cain Circle Naming. She made recommendations for ways to steward donors: 1) Call your donor and thank them for their contribution and share exciting updates about Cain Center for the Arts, 2) Write a handwritten thank you note thanking them for joining you in successfully launching the Cain Center for the Arts capital campaign, 3)Email a recently published article about Cain Center for the Arts, 4) Invite them over for dinner or drinks to talk about the project.

She also noted that the board and staff are on a path to success. (Note: Full presentation has been added to the board packet.)

- VI. Strategic Plan Update - Zack Toof of Deloitte introduced himself and walked the board through an initial draft of what the Strategic Plan will include. It is targeted to be finished by mid-August. It was proposed that the plan will showcase initiatives for programs, community partners, fundraising, and talent and an overall five year financial projection of each. For the initiatives portion, Janice recommended that education be specified under programs. Objectives through 2022 were presented and included staffing suggestions and company growth and program objectives. In order to build credibility it was suggested that CCA take over operations of the PARC-run Cornelius Arts Center while construction on the CCA facility is happening. Mayor Washam stressed that this is something that the Town board will have to vote and approve. He noted that it is important to start having some conversations about how this would work. Sit downs with Andrew and with the Mayor and Town board were suggested. The board recommended leaving the plan as-is for now. The next step is to form an optimization task force to further research if CCA should take over management of the existing Cornelius Arts Center. A slide on managing risk was also presented. This slide showed potential risk factors and suggested proposed action be taken to increase construction contingencies and monitor contract protections (CMR/quotes). Another slide presented suggestions on ways to staff for growth and hiring sequences. It was suggested that some positions may need to be hired for sooner than proposed. Other topics of discussion included future outlook expectations. The nationwide average for arts centers and nonprofits of the size CCA mostly function on 40 percent of earned income and 60 percent of contributed income. Pat suggested that the rentalable component of the facility be considered in the 40/60 percent findings. Zack will refine the future outlook projections based on the discussion. It was noted that if CCA does not take over the existing Cornelius Arts Center, then there would be an estimated increase of \$200,000 to the projected balance. (Note: Full presentation has been added to the board packet.)
- VII. Construction - Fifty percent of schematic design has been completed and has been reviewed by the team and passed on to Rodgers Builders' team for review.
- VIII. Other Business - Greg asked the board to not show an opinion about the proposed sales tax to anyone as a CCA representative. He would like to discuss opinions and formulate an official statement regarding the proposed sales tax. The next Board of Directors Meeting will be held on Monday, August 12.
- IX. Adjournment - There being no further business to discuss, the meeting was adjourned.