



BOARD MEETING MINUTES

May 31, 2016

Time: 6:30 p.m.

West Seattle Senior Center – Nelson Room

In Attendance:

Gary Ambrose
Liz Bentler
Dawn Leverett
Jim Loder
Jeff Michaelson
Tom Morgan
Robert Rust
Robert Swanson
Eugene Wong

Absent:

Katie Koch
Judy Pigott
Terry Williams

Staff:

Laura Lee
Mat Wright

Guests:

Rick Mackey
Aaron Rocke

Other:

Penny Gee (minutes/notes-taker)

CALL TO ORDER (6:31 PM)

I. Welcome

Good News

- Death of a Salesman sold out on the final weekend. It was astonishing, riveting, the casting was amazing. Goal was \$44,100 and it was at 96% with budget #1 and 124% with budget #2.

II. Consent Agenda

The April minutes should be revised to reflect that Tom Morgan was voted to the Board by a unanimous instead of a majority vote.

Motion: With the noted revision above, it was moved and seconded to approve the Consent Agenda; motion carried by a unanimous vote.

III. Information

Gala Update – A-K Award Update

Laura stated that all items for the silent auction are in. The catalog is done and is on the website and there are numerous solid, strong items. We are currently at 180 paid tickets, which was goal. Friday is the deadline for names of attendees and meal choice. The stage is set up differently this year, to the left-hand side of the staircase. It will be used for formal speeches and presentation of the A-K award, which will be presented by Laura to Sandy, but the auctioneer will roam throughout the space as well. This was the only option for the stage set-up. This year's goal is \$160,000, and goal has been met the last three years.

Policy Governance and Governance Update

Jim L. gave the names of several additional trustee prospects. With respect to the policy governance document, the ENDS will be worked at a later date. With respect to the draft calendar, extract the items that don't need to be reported on (for example, the volunteer policy does not need an annual report). At every third retreat, the full calendar can be revisited. Jim will present a revised calendar after July.

It is time to elect next year's officers and Jim asks that Board members reach out to him with nominations.

IV. Discussion

Strategic Plan

Bob and Mat have refined the vision in the strategic plan document. Laura incorporated comments based on input at the last Board meeting and has word smithed to produce the current draft (attached hereto as a part of these minutes). It was reiterated that the six goals are in no specific order, but the budget/finance goal is listed at the end as it supports the other stated goals. The next step is to produce a pro forma budget and this will be done while Laura works on the 2016-2017 budget as there is currently a lack of staff.

Discussions ensued about the various goals. In relation to goal #3, elevating the standing of ArtsWest, co-productions are important from a business perspective since they promote advertising for AW that would not otherwise be possible. It could also allow access to first choice of material. It was noted that INTIMAN's reach has lessened somewhat. Capacity could be an obstruction though it was suggested to keep a watch on the numbers vs. expanding horizons. Laura has moved back the deadlines concerning the Racial Equity Plan. Aaron Rocke suggested that he could help wordsmith this section of the plan.

The values have been slightly reworded, but have the same intent.

Motion: It was moved and seconded to adopt the 2016-2019 ArtsWest Strategic Plan, its mission, vision and values, as a working document that will evolve over time; motion carried by a unanimous vote.

Cash Flow Discussion

Laura began by saying cash flow is related to the day to day operation of the business and has a relationship with the line of credit (LOC). The goal is to pay it down, and an additional \$15K was paid last September; however, this season \$50K has been advanced. Laura explained budget (which looks backwards) vs. cash flow (which looks forward), and how that is affected by fluidity of timing, or cash coming in and going out throughout the month. The expected rental income did not come through, but by being above goal on *Death of a Salesman*, Laura believes we'll be close to the 6-month budget as long as the GALA meets its goal. Although due to expenses that are not budgeted for FYE16, but will be part of FYE17 that must be paid out in July and August, such as expenses for the first slot production, the cash flow projection is showing there will be an approximate \$35K deficit

Three options have been considered regarding the deficit: (1) don't pay back the LOC; (2) pay back the LOC; and/or (3) raise the \$35K. The third option is recommended and Mat and Laura will have specific ideas in July as to how to raise this money. Suggestions included getting a producing partner, getting a season sponsor, doing a crowd-sourcing fundraiser, reliance on early Board member commitments, or using a combination of strategies to "spark the season." This process may start the shift towards a higher CR to ER ratio, with this added \$35K getting us to an approximate 56% contributed income to 44% earned income ratio. Any amounts over the \$35K can be used to further pay down the LOC. New trustees will also provide new connections and circles of influence.

The note on the building will be due on July 31, 2020 with \$212,000 needing to be refinanced at that time and the interest on the LOC is less than 3% (Line of Credit – up to \$250,000). It was cautioned to not over predict sales, to continue to talk about the budget, and to stay in line with the mission and vision in matters relating to budget, cash flow and fundraising.

Artistic Director Report

Mat stated that directing *Death of a Salesman* was a most rewarding experience. He spoke of lessons learned over the past season, and that a production must be inventive, innovative and remarkable. It is more than just being "good," as that is expected, but it must have good production value, be engaging, entertaining and thought-provoking. He referred to *Death of a Salesman* as a new baseline for AW productions. Other lessons learned include having quality material, and capitalizing on casting and staffing (i.e., putting the right people in the right jobs so that a production becomes inventive, innovative and remarkable).

Mat also talked about why people go see live theater and what differentiates AW from other theaters. He spoke to Peter Brook's book, *The Empty Space*, which analyzes the nature and purpose of theater and breaks it down into four types: deadly (conventional); holy (ritualistic); immediate (unmediated, not repeatable); and rough (in form or content). In selecting next season's productions, Mat considered the following three questions: (1) is it saleable; (2) is it mission-driven; (3) is it / will it be remarkable (via

staffing/casting). Not all these questions can be answered “yes” with regard to this year’s season, but Mat feels that next season’s choices can.

The group also discussed theater being an agent of change, and what it is that changes. The talk-backs after the show work well. AW is a socially progressive theater company, is continuing to refine its brand, and the mission statement should be its guide/barometer.

In the upcoming season Mat will direct *Ghosts* and another production.

Adjournment: 8:07PM. The Board went into Executive Session.