

Theatre Workshop of Nantucket
Minutes of Board of Directors Meeting
Monday, December 1, 2017
Nantucket Police Department Building, 4 Fairgrounds Road, Nantucket

Directors present: Max Berry, John Copenhaver, Anna-Karin Dillard, Jane Forman, Ellie Gottwald, Susan Lucier, Chris Mortenson, Maria Roach, Terry Schubach, Judy Seinfeld, Les Silverman, Lisa Soeder

Directors on the phone: Nina Duchaine, Beth English, Fritz Michel, Jennifer Oberting

Theatre Council members present: Kathy Garre-Ayars, Victoria Girvan, Susan Hostetler, Peggy Kaufman, Jeff Lucier, Linda Mason, Joanna Roche

Theatre Council members on the phone: Chris Bloom

Staff present: Justin Cerne, Trich Wages, John Shea

Guests present: Daniel Bresnihan, Marilyn Lane

Welcome and Call to Order: Susan Lucier called the meeting to order at 9:08 a.m.

Approval of Minutes of October 16, 2017 Annual Meeting

- The Minutes are posted on the board portal
- Motion to approve was passed unanimously with no discussion.

President's Remarks

Susan urged everyone to see **The Sound of Music**, which is receiving rave reviews. She also:

- Introduced and welcomed Daniel Bresnihan, a marketing professional who is interested in helping TWN.
- Reported we have met the ReMain challenge grant. Gifts received against the \$50,000 challenge total \$64,500 with one month to go.
- Explained why we will not be doing LunaFest in 2018 (see Appendix A) and thanked Lisa for all of her work over the years to make LunaFest a success.
- Reviewed committee assignments; circulated a committee list so directors could sign up to serve on at least one committee; and thanked Ellie for chairing the Marketing Committee. (Committee assignments are posted on the board portal.)

Nominating and Governance Report

Terry introduced Marilyn Lane and recommended her for the board. Upon motion duly made and seconded, Marilyn was unanimously elected a Director for a 2-year term expiring in 2019.

Terry recommended the election of past board presidents Frank Morral, Barbara Elder and Toby Greenberg as Directors Emeritus. Upon motion duly made and seconded, they were unanimously elected. Terry also:

- Reminded board and council members to sign and return the document setting forth their Duties & Responsibilities.
- Said that bringing on new board members is an “ongoing thought process” and urged everyone to propose suitable candidates throughout the year.

Artistic Director's Report

Justin thanked everyone for their support, saying, "It's been "quite a year." He added:

- **The Sound of Music** is the best-ever blend of professional actors and island talent and is selling well (\$7K short of revenue goal with two weeks left).
- In honor of Stroll, the cast will perform on Main Street at 11:00 a.m. tomorrow.
- The 2018 season (**It's Only a Play, Footloose, The Cocktail Hour** and **Miracle on 34th Street, the Musical**) was announced early, and we are already selling subscriptions.
- The fall show (**The Cocktail Hour**) will run later than it has in the past and should sell better as a result.
- Auditions for the winter show (**Laugh Lines**) will be held in mid-December.
- We will continue readings at the Atheneum this winter.
- Net revenue from the 2 cabarets should help make up for the loss of LunaFest revenue.
- Later today, in conjunction with the NHA, John Shea will interview renowned screenwriter Alan Trustman (**Bullit, The Thomas Crown Affair**) at Bennett Hall. The event is free, but TWN will share in the proceeds of donations received at a post-event party.

Judy said she is excited about the future but urged us to stay focused and avoid distractions.

John Shea lauded the quality of our production of **The Sound of Music** ("standing room only," some audience members moved to tears; "a perfect example of combining Broadway voices with resident actors") and complimented Justin on an "amazing job."

Development Committee Report

Jeff reported that revenue projections in the 2018 budget show 30% earned (e.g., ticket sales) and 70% contributed. He listed 10 categories of contributed revenue and commented on each:

Annual Appeal—Max reminded us that it lasts into January. It went out in October and receipts so far total \$51,000. Les thanked the staff for the weekly reports being sent to directors.

Producer Appeal—our biggest category because it relates directly to what we do. Goals for 2018 are to make it more personal, expand our base, and raise more money. Trich distributed copies of the Producer package to all attendees. Our list of prospects totals 57 so far. Jeff asked everyone to suggest additional names. The next step is to determine assignments (who will make the approach in each case?). The packages will be mailed in early January and we will follow up with phone calls.

Events—Maria reported on a TWN "friendraiser" she plans to host at the Brazilian Court in Palm Beach on February 19, 2018. Susan and Justin will make brief remarks and there will be entertainment. No one will ask for money, but donation information will be available. Invitations will go out in early January.

Terry said that plans for the annual Curtain Up! Gala are pending until Justin confirms the availability of a Broadway star.

Sponsorships—This category is expanded beyond sales of Playbill ads. There are 5 levels—\$500, \$1,000, \$1,500, \$2,500 and \$5,000 and above. Trich distributed copies of the Sponsorship package to all attendees. Jeff said our list of prospects numbers over 600. We need volunteers to work the phones and sell these sponsorships. We will schedule a conference call to prepare callers with a script and FAQs.

Underwriting—Like a sponsorship but earmarked for a specific purpose.

Major Gifts—gifts over \$5,000 not in response to the Annual Appeal or Producer Appeal; and *Special Gifts*—gifts from \$2,500-\$4,999 not in response to the Annual Appeal or Producer Appeal. Both categories have a zero in the 2018 budget, but we are hoping to make some big asks next year.

Board and Council Dues—These are now being tracked separately to insure accountability. They cannot be used to fund a Producer Appeal pledge.

Foundation Grants—Kathy presented a comprehensive plan to dramatically increase the number of foundations we approach and raise more grant money. She will work with Elaine Schwartz, Jan Metcalf and Trich to do the research, write the proposals and track results. The budget for grants is \$80,000, but Kathy wants to double it. There is lots of untapped potential and we have great stories to tell. Financial support by 100% of the board is a critical prerequisite for success.

In-Kind Donations—Things like plane and ferry tickets, housing and transportation.

Treasurer's Report

2018 Budget—Chris presented the 2018 budget in summary form. He led an exhaustive budget process, and the budget has been approved by the Executive Committee. It shows revenue of \$1,242,600, expenses of \$1,277,000 and a deficit of \$34,400. Although he was reluctant to present a deficit budget, Chris said higher revenue from the Producer Appeal, events, sponsorships and grants, along with some cost savings, could erase the deficit and turn it into a surplus. He characterized the budget as a “challenge budget” because we have to do better. Highlights include:

- Higher ticket prices and conservative occupancy rates
- Greater subscription revenue and a discounted “Islander Pass” for year-round residents
- Theatrical expenses down 11% from the 2017 budget
- Biggest expenses—staff compensation, housing, actor salaries and office rent
- Subletting the office would save \$35,000 and cure the deficit
- Total contributed revenue up only 5% year over year (conservative)

In response to a question from Fritz about how we would cover the deficit if we fall short, Chris said we could resort to borrowing or delay bill-paying. But going forward, the budget will be

aggressively managed, we will exercise tight discipline, and he will report actual vs. budget financial statements to the board on a regular basis.

Upon motion duly made and seconded, the 2018 budget was approved by a vote of 16 to 1.

Cash flow analysis—Chris said we still don't have 2017 numbers from our bookkeeper, and he is disappointed in their performance. However, cash flow looks better than expected, showing us with \$72,000 in the bank at December 31, 2017. That amount should be sufficient to get us through April 2018. We need to find ways to accelerate cash receipts to get us past May 2018.

2016 audited report—Chris, John Copenhaver, Fritz and Susan met with our auditors last Monday, and their draft report on the 2016 year included a clean opinion; however, their management letter highlighted a material weakness in internal financial controls. Chris has already started working to cure the deficiency.

New Business

Susan L called attention to TWN's "wish list," which will be posted on the board portal. Big ticket items include a new truck and supplies for actor housing.

Dues reminders will be sent out in January, and Susan urged directors and council members to pay their dues early in the year.

2018 meeting dates are posted on the portal. The next scheduled board meeting is May 25, but Susan is considering adding a meeting in February. In the interim, she will update the board with periodic e-newsletters. Items on future agendas will include revision of the Bylaws and strategic planning.

President's Closing Remarks

Susan thanked everyone for their "time, talent and treasure." 2017 has been a tough year, but we are off to a good start in turning things around. The cash flow issue was paramount, and the board made a big difference. Their extra gifts allowed us to "keep the lights on" and mount our outstanding production of *The Sound of Music*. Susan also thanked ReMain for their challenge grant; Chris for his "relentless" dedication to the budget process; Max and the Development Committee for "getting us back on track" with a renewed focus on fundraising; Justin, Trich and the rest of the staff for their diligence and hard work; and everyone on the board and council for their willingness to get engaged when we needed them most.

Happy Stroll and Happy Holiday!

Adjournment

The meeting was adjourned at 11:12 a.m.

Appendix A LunaFest

For more than 16 years, LUNA has championed women through film programs that aim to empower and inspire. They created LUNAFEST to address gender disparity in filmmaking while providing a fundraising tool for organizations like TWN. Through the years, their major beneficiary was the Breast Cancer Fund (now Breast Cancer Prevention Partners [BCPP]), and they required TWN and other organizations to donate 15% of LUNAFEST revenue to the BCPP.

We were recently notified by LUNA that they are changing their major beneficiary to an organization called Chicken & Egg Pictures, a nonprofit organization that supports women filmmakers. They will no longer require revenue sharing with BCPP. Instead, they require an upfront “screening fee” of \$350 to Chicken & Egg Pictures. We can continue to revenue-share with BCPP if we want to—or we can choose another worthy cause to support—or we can keep 100% of the net proceeds.

LUNA is shifting their primary focus from supporting BCPP to supporting women filmmakers. But we know that our community’s fantastic support for LUNAFEST has been driven by passion for the cause of breast cancer prevention. It’s a significant change, and we need time to decide whether to go along with it—and if so, how? So we will not be sponsoring LUNAFEST in 2018; and when we come back in 2019, the event might look slightly different.

We owe an enormous debt of gratitude to Lisa Soeder and her team of volunteers, who have worked so hard for so long to make TWN’s LUNAFEST a smashing success—not only financially, but also socially and emotionally. Thank you, Lisa!