

Theatre Workshop of Nantucket

Board of Directors Meeting
Monday, October 8, 2018
Upstairs at The Corner Table
22 Federal Street, Nantucket

Directors present: Anna-Karin Dillard, Beth English, Jane Forman, Ellie Gottwald, Susan Lucier, Linda Mason, Chris Mortenson, Maria Roach, Elaine Schwartz, Lisa Soeder

Directors on the phone: Kay Bernon, Nina Duchaine, Jennifer Oberting, Terry Schubach, Les Silverman

Council Members present: Carole Beller, Bruce Beni, Kathy Garre-Ayars, Victoria Girvan, Susan Hostetler, Jan Purdy Metcalf, Calista West

Council Members on the phone: Jeff Lucier

Staff present: Justin Cerne

Welcome and Call to Order: Board President Susan Lucier called the meeting to order at 9:05 a.m.

Approval of Minutes of the September 11, 2018 Board meeting: Upon motion duly made and seconded, the minutes were approved by unanimous vote.

President's Remarks:

- Emily Glazier is getting married on Saturday here on Nantucket. Theatre Workshop sends best wishes to her and her future husband Dave. Congratulations!
- Thanks to everyone who took the time and effort to write personal notes. The main mailing went to the printer last Thursday (letter & rack card). Danica will mail the ones with personal notes this week.
- ReMain agreed to give us \$30,000 to fund a strategic plan and a \$25,000 matching grant. Since the appeal has already been mailed, we will put news of the matching grant on the website and in our ad for the philanthropy issue of *Nantucket Today*.
- Second round of interviews with 7 Managing Director candidates set for tomorrow.
- Passed Board and Council roster around and asked people to mark any updates.
- We had some good movement within the committees this year, but there is room for more improvement. Susan will be reviewing the list and reaching out to committee chairs for discussion. Meantime, please email Susan with any comments or questions.
- Susan said, "I would like to say a few words about theatre on Nantucket and how we fit into the changing landscape. We've all worked hard this year to stabilize our foundation as Nantucket's oldest and finest professional theater. I think it's fair to say that we all are proud of what we do and how we do it—with enthusiasm, with professionalism, with pride and with class. Because of this, we've established a reputation off island as a place where people want to work—and come back to. On-island, people know they will have a good experience and they return to be entertained. These virtues must take place outside the theater as well, as we mingle with friends and acquaintances in public places. It is with respect to all of you and this organization that I offer a friendly reminder that we (myself included) remain cognizant of our responsibility as stewards of TWN and true to our professionalism and integrity, especially when talking about other theaters in public. It is a very small island."

Nominating and Governance: After thanking everyone for serving on the Board and Council this year, Terry presented the following slate of nominees for election to the positions as shown below:

Upon motion duly made and seconded, the following individuals were unanimously elected to serve as Directors for a three-year term expiring in 2021:

- Max Berry
- Anna-Karin Dillard
- Chris Mortenson
- Maria Roach
- Linda Mason (moving from Council to Board)

Upon motion duly made and seconded, the following individual was unanimously elected to serve as a Director for a one-year term expiring in 2019:

- Helene Patterson

Upon motion duly made and seconded, the following individuals were unanimously elected to serve as members of the Theatre Council for a one-year term expiring in 2019:

- Elizabeth Bagley
- Carole Beller
- Bruce Beni (new member)
- Jim Bennett
- Chris Bloom
- Jason Bridges
- Kate Brosnan
- Anne Fitzpatrick
- Kathryn Garre-Ayars
- Victoria Girvan
- Susan Hostetler
- Jill Karp
- Peggy Kauffman
- Jeff Lucier
- Jan Purdy Metcalf
- Joanna Roche
- Les Silverman (moving from Board to Council)
- Lisa Soeder (moving from Board to Council)
- Calista West (new member)

Upon motion duly made and seconded, the following individuals were unanimously elected to serve as Officers of the Corporation for a one-year term, expiring in 2019:

- Susan Lucier, President
- Maria Roach, 1st Vice President
- Kay Bernon, 2nd Vice President
- Chris Mortenson, Treasurer
- Ellie Gottwald, Clerk

Susan welcomed new Board members Helene Patterson and Linda Mason and new Council members Bruce Beni and Calista West, and she thanked Ellie and Kay for stepping up as Officers and members of the Executive Committee.

Benefit report: Maria and Terry gave an update on preliminary plans for the 2019 event. The Dreamland co-opted our mid-July date (Sunday, July 14). Discussion ensued about whether to lead or follow. Consensus was to hold our event on Sunday, July 21—despite the fact that our mid-summer musical will have been running for two weeks. Great Harbor Yacht Club is available and holding that date for us. We will talk to them to discuss budget and expenses. The White Elephant is available and holding Saturday, July 20.

Justin said that Paul Canaan and his friends are available and will again lead island children in a “Take It From the Top” theatre workshop.

Kay advocated for a large benefit committee to support the event.

Development report: Jeff gave a brief update—

- Thanked Max for all of his contributions of time, talent and treasure in 2018
- Tried to close out pending asks made by Vantage without much success
- Need to raise \$37,500 to meet our (informally enhanced) goal of \$310K for the Producer Appeal
- Met with Seward and Cecelia Johnson’s Chief of Staff to inquire whether they might be amenable to a major gift ask. Waiting to hear if they will take a meeting with Susan, Justin & John Shea
- Will schedule a Development Committee conference call before the end of October
- We need more people who are willing to make asks. Jeff is available to offer scripts, tips and advise

Treasurer’s report: Referring to the draft audit report distributed with the agenda prior to the meeting, Chris said that 2017 was another year of losses for TWN, the fourth in a row. Although he has not yet seen the interim (monthly) financial statements, he suspects that most of the losses occurred in the first half of the year, and that the second half was breakeven or better.

- Our cash position improved year over year, but accounts payable were also up. Unrestricted net assets declined from \$155,671 to \$3,068.
- The asset “Funds held by others” was depleted. This refers to a 2007 bequest of \$100,000 held at the Community Foundation. Originally earmarked “to help build a performing arts center,” it was withdrawn and spent to cover the operating deficit in early 2017.
- Regarding the Statement of Activities (P&L) for 2017, Chris noted that many revenue line items were up year over year, but that revenue from the benefit declined substantially from 2016, when the event featured Meryl Streep. Total 2017 expenses were up, and the bottom line showed a loss of \$98,375.
- Chris received interim (through August) 2018 financial statements from Dolphin late last Friday. He did not distribute them because he has not had time to review them (they are available on request); however, they show total revenue over budget, total expenses under budget and a surplus of \$106,972—a “great recovery” from the depths of 2017.
- Per a statement of Cumulative Cash Receipts (also distributed prior to the meeting), September cash collections were over \$70,000. Thanks to Verdura Jewelers for \$21,000 of that total.
- One area that continues to be disappointing: Grants.
- Issues for the rest of the year: a successful Fall Appeal and the holiday show.
- We have started working with Adam Berman and he will help with the 2019 budget.
- Returning to the Statement of Financial Position (Balance Sheet), Chris said that the combination of recurring losses through 2017 and the improper use of restricted funds could have led to the addition of a “going concern qualification” to the audit report. That would hamper future fundraising efforts, but Chris was certain it would not happen—for two reasons: (1) the auditors always consider “subsequent events,” and our strong performance in late 2017 and to date in 2018 is clear evidence of a turnaround in our financial condition; and (2) the restricted funds will

soon be replaced by an anonymous donor, which solves the problem created by the prior administration. Once the restricted funds are received, we will formulate a plan to get the restriction lifted or modified, since building a performing arts center is an unrealistic goal in the current environment.

- Chris closed by saying the 2017 audit “won’t be pretty,” but we have done everything we can to “right the ship”—and it’s working.

Comments and suggestions

- Susan L. said she frequently hears the question, “where did the money go?”—referring to the proceeds from the sale in 2000 of the Twin Street Barn and implying that the money was restricted. She researched this. Long before the tenure of any current board member, the “barn money” was “chipped away” and spent for operations. But it was never restricted.
- In response to a question from Anna-Karin, “what was spent on what?” Chris said that he had reviewed bank statements for several years and found no improprieties.
- Kay wants to see expenses broken down with more detail. Chris said the format of official financial statements is subject to legal requirements. Good financial and budgetary controls are in place, but he is still working on providing more informative management reports. This should be easier after Adam returns as our bookkeeper. We have a detailed chart of accounts but have not been able to get Dolphin to use it.

Artistic Director’s report: Justin thanked the Board and Council for their continued support.

- *Miracle on 34th Street, the Musical* had its first production meeting, fully staffed and including a new sound engineer and a new musical director.
- Thrilled that *Miracle* will feature eleven young actors from the island. It only runs four weeks, so everyone should spread the word.
- Word of mouth about *The Cocktail Hour* was great. Theatre in the round was a big hit, and the production outperformed all expectations.
- Our Bennett Hall lease is up for an automatic 5-year extension. Justin and Susan have met with the minister, and a future meeting is planned to discuss a few issues: giving us permission to serve wine at performances; giving us a right of first refusal if the church ever decides to sell (unlikely); safety for seniors (e.g. installation of railings).
- Full season is not set yet, but our big summer musical will be *Grease*, the fall show will be *Terms of Endearment*, and the holiday show will be *Matilda*. We will announce the full season on Stroll Weekend.

New Business

- Susan thanked Carole for bringing in Verdura
- Susan thanked Lisa and Les for their long and valuable service on the Board
- Carole suggested hiring an outside company to do grant writing. “They know where the money is and how to get it.” Some charge a fee, others take a percentage.
- Kay agreed. She said we need to build an endowment for long-term security, and she suggested tying it to the strategic plan.

Adjournment: The meeting was adjourned at 10:23 a.m. and the Board convened in Executive Session.