

Theatre Workshop of Nantucket
Board of Directors Meeting
Friday, September 11, 2020
Via Zoom

Directors present: Kay Bernon, Beth English, Jane Forman, Ellie Gottwald, Susan Lucier, Jean Doyen de Montailou, Chris Mortenson, Maria Roach, Terry Schubach, Lisa Soeder, Will Steele

Council members present: Kathy Garre-Ayars, Victoria Girvan, Susan Hostetler, Jeff Lucier, Les Silverman

Staff present: Justin Cerne, Bethany Oliver, John Shea

Welcome and Call to Order: Board president Susan Lucier called the meeting to order at 9:04 a.m.

Approval of Minutes from August 14, 2020 board meeting: The minutes were distributed via email prior to the meeting. Upon motion duly made and seconded, they were approved by unanimous vote.

President's Remarks

Anna-Karin Dillard has resigned from the board. She joined the board in 2016, and she and her husband David generously supported TWN as producers during her tenure. The Dillards recently sold their Nantucket home and are currently living in Santa Fe. We thank them both for their participation and support, and we wish them well.

Election of new board member

Terry nominated Cecelia Joyce Johnson as a board member. John Shea expressed his gratitude to Cecelia for her willingness to serve and appreciation for her and her late husband Seward's extraordinary commitment to TWN over the years. She is a fantastic addition to our board.

MOTION: Upon motion duly made and seconded, Cecelia Joyce Johnson was unanimously elected as a TWN board member for a 3-year term expiring in 2023.

Artistic Director's report

Justin joined the meeting from TWN's new office at the back of Bennett Hall.

- The virtual production of *Love and Information*, by Caryl Churchill, was a big success. He has applied to the Theatre Authority to rerun it but is not expecting a positive response, although Ms. Churchill watched the show and loved it.
- The virtual performance of *MusACKal* got over 300 views (equivalent to two full houses).
- We will begin filming our holiday special in October in preparation for four showings from Thanksgiving through Stroll weekend. It will feature mostly local talent in a "living room" set at Bennett Hall and run in conjunction with our Fall Appeal. Justin will be soliciting messages from all directors ("holiday cards" between entertaining segments).

Managing Director's report

- Bethany said she and Justin are working on planning options for 2021—from resuming full theatrical operations to mounting more virtual productions (like 2020). The ultimate plan will be subject to change if public health conditions require it.
- A draft of the Fall Appeal letter will be done soon. It will promote the holiday show.
- Kay had asked Bethany to give a quick development update. Producer Appeal is at \$210K vs. original budget of \$460K; Annual Fund \$27K vs. \$90K; Grants \$44K vs. \$65K; and Telethon \$313K vs. \$300K. All in: contributed revenue \$596K vs. \$650K.

12 Pine Grove Road

Susan reminded everyone that at our last board meeting, we discussed the housing opportunity at 12 Pine Grove Road and voted to authorize Bethany and Chris to explore the potential for acquiring the property, getting mortgage financing, and raising the funds for a down payment. Over the last month, they have negotiated a purchase and applied for a mortgage. We are now working to get pledges to raise the down payment. She called on Bethany for an update and Chris for an opinion on the rationale for buying the property.

Bethany:

- We made an offer of \$1,325,000 on August 21 and put down a \$5K binder.
- We applied to Nantucket Bank and Cape Cod 5 for a mortgage and are waiting to hear back. Terms include a 30-year term and interest at 3.5% for the first five years, then 1% over prime.
- We set a deadline of September 22 for execution of a Purchase & Sale Agreement and payment of a \$50K deposit, refundable if our mortgage application is denied.
- Closing is scheduled for October 26.
- We must raise at least \$300K for the down payment, and we already have pledges for \$185K, including \$100K from an anonymous donor. This total is not inclusive of any funds TWN might contribute if necessary. Time is of the essence.

Chris:

- Buying this house makes enormous long-term sense. It has 7 bedrooms with room for 2 more, so it would solve close to 100% of our housing need.
- Actor and staff housing is our biggest expense – close to \$150K per year – and a large administrative burden. Buying a house will eliminate the hassle and save us approx. \$25K per year
- This house has three separate rentable units. In the off-season, it can generate \$15-20K in rental income. If 2021 looks like 2020, we can rent it for the full year, thereby covering our operating costs.
- There is risk to owning property, but in our circumstances, it is riskier to *not* own a house. Owning one is a strategic necessity.
- Other island non-profits – e.g., Community Sailing and the Dreamland – faced with the same issue, either built or bought housing. So we're not alone.

- We need to raise at least \$300K to make this happen, and we need strong board support. This is different from normal fundraising because it solves an expensive problem and it's an investment in our future
- Justin added that having appropriate housing directly influences the quality of our productions.

Discussion followed. Bethany will follow up by sending a full prospectus to the board, including a link to the listing at Lee Real Estate, upfront costs, and monthly operating expenses. Susan will contact each director to secure his or her pledge. 100% board participation is important.

Treasurer's Report

A P&L report through July was sent out prior to the meeting. Chris said we have done remarkably well vs. our original budget. Strong fundraising has made up for the lack of theatrical revenue. Highlights:

- Through July, we've raised 80% of our total fundraising budget for the year.
- At \$334K, total expenses are only 40% of the original budget.
- Net income is \$212K. It will go down in the last five months, but we should end the year in the black.
- July and August were cash positive, and we have over \$500k in the bank – a new record. This includes \$55K of PPP funds, not shown in income yet, but expected to convert to a grant.
- After discussing it with our accountant, we decided to use our restricted funds appropriately to cover our Bennett Hall rent expense. By the end of 2020, we will have no restricted funds on our balance sheet.
- We should end this year with \$300K in cash, but we will need it to deal with uncertainties around fundraising for our 2021 season.

New Business

Ellie is leading the effort to produce a TWN Cookbook. The goal is to make people smile and "remind them that we are here and we will be back– and we're thoughtful." She will be collecting recipes from everyone.

Adjournment: the meeting was adjourned at 10:09 a.m.

Respectfully submitted,

Ellie Gottwald, Clerk