



BOARD OF TRUSTEES 7.16.24

MEETING MINUTES

Board of Trustees and Executive Director Present: Paul Jarboe-President, Kerr Anderson-Vice President, Chuck Moeser-Treasurer, Marcy Hermann-Secretary, Michael Binstead-Trustee, Rita Whaley-Trustee, HT Snowday-Trustee, Carly McCall-Trustee, Karen Feahr - Trustee, Nancy Brick - Trustee, Chris Radu - Trustee, Deb Jackson-Executive Director Peg Brace-Trustee, Lindsay Raymond-Trustee

Call to Order 5:32pm

Opening Remarks – Paul Jarboe

Executive Committee met earlier today to discuss the AC's request. Paul will respond the AC request for the Artistic Committee recommendation for Tech weekend policy, so it will be removed from the BOT meeting agenda.

Carly Moved to approve

Kerr Seconded

None opposed

Approved Agenda

Welcome guests and any public comments – no guests this time.

Approve May minutes

Any changes needed? - None

Motion for approval – Carly

Marcy seconded

Approved unanimously

Update on Artistic Director search – Deb

Both candidates interviewed last Friday are fantastic.

At the end of Friday, the group felt it was a toss-up. Upon review by Deb and discussion with Paul and Marcy, it was decided that it was appropriate to only bring one candidate at a time to meet with volunteers (from a volunteer experience/community side of things).

? Re funding - Michael

Deb explains that there are several grant opportunities that she is exploring. Reaching out to various resources in the community (Community Foundation). Steve Wade (at the Community Foundation) is very excited to help pursue funds for this position as well. Funding for the position is baked into the proposed budget that we will discuss later in the meeting.

Lindsay – Is this a position who reports to Deb?

Deb – Yes.

Paul – Thanks to Deb, the interviewing teams, Marcy for connecting us with the recruiter. He feels strongly that moving forward with one candidate for now is the best course of action. That does not mean we're closing any doors.

Paul and Michael note that Katie is doing a great job with the minutes.

Question regarding the budgeted salary for AD. - OTP published 55k for the AD proposed salary in the job listing.

Committee Reports

• Treasurer's Report – Chuck Budget approval

- See Treasurer's Report for details
- Overall cash on hand is doing very well. It's good to be at least at 6. We're there and we just want to keep that balance going.
- Highest month of COH is typically June b/c of Gala funds coming in. Over the course of last season, we hovered in the 5-6 range, which is healthy.
- Deb presents P&L: we ended the year ahead of budget. We ended the year technically at a net loss, but that is due to depreciation. In terms of cash expenditures, we would have been in the black.
- Budget approval
 - Finance committee reviewed and approved the proposed budget after making a few conservative adjustments in Income.

- One note is that we are planning an increase in individual contributions with Deb being able to focus more on Development with the new AD position.
 - Ticket sales increased based on show selection and trendline with YC.
 - Concessions increased a bit based of new Volunteer Committee hoping to resurrect the Concessions stand.
 - Payroll includes new AD salary, and standard increases for staff
 - End of year financials would be in the black without depreciation.
- Michael Question – confirming that 23/24 are the actual end of year numbers.
- Lindsay brings up a concern over how the new laws regarding employee exemptions and overtime will impact our budget (considering that most of our employee salaries fall below the new threshold). There could be ways around it but recommends that we take a look at how the overall change could impact our Payroll budget.
- We do not currently have a strict PTO policy. Deb encourages employees to take time off when they work over their normal house.
- Michael – Salary is not an hourly wage. Why does this discussion apply?
- Lindsay – the law has changed to where to be exempt you must meet duties test and a salary test. The biggest change is effective January 1.
- Michael – Question on 8310, wondering why we landed on \$2000
- Deb – for the AACT conference. It is extremely valuable. In the past Deb has funded her own trip there. Deb thinks it's important that the new AD attend at least one of those conferences. \$2000 to include airfare and hotel. Deb is currently working on a new grant to support staff development.
- Michael – expresses concerns over this increasing the overall cost of an AD.
- Carly – Refutes Michael's implication. States that any one person could go.
- Lindsay – Reminds the BOT that they do not need to go through and micromanage the budget line by line.
- Chris expressed question regarding line 8270 – how much of that is accelerated vs straight lined – Peg: All straight lined.
- Chris – depreciation over the long run is a real expense. If we are continuously running a budget that is in the red with depreciation it could cause us issues down the line. It's important to be cognizant of as a trend.

- Chris – Suggests that it may be helpful to look at the actual useful life span of the new components added to create a more accurate representation of the budget. The depreciation is technically inflated from what the actual lifespan of the items being depreciated are. If we had the right tables itemizing everything that's included in the depreciation value, we could determine the actual useful life of those items and redo the depreciation calculation our budget could potentially have ended in the black.
- Michael – Expressed a concern that a lot of things in the budget seemed speculative.
- Chris – in defense of the current budgeting, the last 5 years has been a significant improvement from our historic budgets.
- Deb – to address concerns over speculation. Thought does go into what the numbers are.
- Michael – Is concerned that there is no guarantee that we'll hit those numbers.
- Deb – that's what a budget is.
- Michael – Concerns over there not being guaranteed financing for the new AD.
- Carly – That's true of everything in the business. Everything is speculative, but that's true of a lot of businesses.
- Lindsay – Also likes to be conservative. Explains that part of Deb's job as the ED is to respond to the business' needs and to change course if there is something going wrong. There is time to make corrections. Budgets are a snapshot. We can make changes if we need to.
- Michael – How many times was the budget adjusted last year?
- Deb – None.
- Chris – Recognizes that the ED is successfully operating within 10% of the budget with a lot of variables.
- HT – It's uncomfortable to look at budgets in the red. Not suggesting an immediate change. We do have a Cash Flow Positive budget overall. Suggests that we represent what the actual cash realities are to help folks visualize what is going on better.
- Chris – That's also where we could say "are our ticket prices too low? Do we need to increase them to recognize the reality of running the business? Do we need to work harder as a Board to raise money? What programs are raising money for the business?"
- Paul – asks for motion to approve
- Chris – motion to approve
- Lindsay – seconds

- All in favor – hands/ayes are counted
- Michael – abstains
- Lindsay corrects that BOT members are not allowed to abstain.
- Michael votes No.
- Budget passes.
- Chuck – makes suggestion that for 25/26 budget that we do it a month earlier so we can vote on it in June so we have an active budget come July 1st.
- **Gala wrap up – HT**
 - Gala was had and it was great
 - Good news – successful Gala from a benchmark standpoint. A lot of unknowns going into it. Washed out to be slightly better than last year in our Net take away.
 - Hagerty does cost more, but has more ticket sales ability. Our large raffle items did not generate as much, however we had more generous fund the need donations.
 - Other big output, we did have a debrief and discussed venue, HT personally was torn and is biased toward the Opera House, but once we talked it out and understood the feedback from patrons and attendees, in the meeting we concluded that the Hagerty center is probably our best choice for Gala 2025.
 - Questions?
 - Deb – re live auction – we want to target an event at Flat Cap (generated a lot of value in 2023)
 - Rita – big thank you to the Board for everyone’s effort
 - Paul agrees. Thanks to BOT and thanks to Committee.
 - Lindsay – special shout out to Bricks for their table energy.
 - HT is providing celebratory emoji reactions through Zoom.

24-25 season business:

- **Officer and committee assignments for 24-25**
 - Paul - We need a new Chairperson for by-laws and nominations committee
 - Kerr has volunteered and is the new Chair
 - As such Kerr – we need to elect new officers of the Executive Committee. All current committee members have expressed interest in continuing.
 - Any other nominations for those positions? – None.
 - Carly – Motions

- Michael seconds
- Votes – all agree. Unanimously passes.
- Paul – Thank you everyone and here’s to another great year.
- **BoT meeting schedule**
 - Our BoT meetings this season are 7/16, 9/16, 11/18, 1/21/25, 3/18, 5/20
 - Finance committee meets monthly.
 - Executive committee meets monthly.
 - Note – on our website under BOT list it still indicates that we meet every month. Need to update the website.
- **Resolution to submit MACC grant for 24-25**
 - As Deb puts the grant together, the grant requires that the Board approves the grant. We are going to submit for a number of capital items including additional lighting for the stage, a new computer and sound board, stuff for sets, staff/professional development funds. Due next week.
 - We need an official resolution in Board Minutes that the Board approves
 - Kerr motions to vote
 - Chuck seconded
 - All in favor – Ayes have it
 - Passes Unanimously

Executive Director Report – Deb

- Lots of excitement around our first show, Waitress.
- Jena and Deb have met with Grand Traverse Pie, they agreed to a double sponsorship amount for exclusivity.
- Sponsored by Grand Traverse Pie in support of Grand Traverse Ahead
 - A program that helps teens who are pregnant/have children to complete their HS degree.
- Lots of community partnership opportunities.
- Kudos to the new Volunteer Committee.
 - Appreciation party planned for August 4th.
 - Volunteer recruitment events planned for early September.
 - Lots of energy.
- Questions?

- Paul – follow-up (document in the packet) required disclosure forms. They are important.
- HW : Everyone print one out and sign it. Page 11 in the board packet.
 - Sidenote on that. Under Peg and Rehmann’s guidance, we keep trying to improve our sound accounting and organizational practices. This is one of them (an annual disclosure by BOT members)
- Questions? Additional comments? - None

Old Business

- None

New Business

- Lindsay – Do we ever do an evaluation of our ED, and as a board do we ever talk about our ED’s compensation? “We go through all this work and I want to make sure we are supporting her appropriately and recognizing her hard work.”
 - Paul – Hopes to move forward with that and has asked Marcy to generate a survey. His intent to move this forward in August.
 - Deb – when Chris was president there was a request for her to do a summary of the year and a list of accomplishments, this is something she’d kept up and has been providing to Paul.
 - Lindsay – expresses thanks to Deb for all the work she’s done with the Budget and through the pandemic. Wants to ensure she is recognized and feels seen and supported by the Board.
- Don’t forget your homework.

Next Meeting 9.17.24

Paul – calls for motion to end

Lindsay motions

Paul seconds.

6:45pm conclusion