

**BOARD OF TRUSTEES
MEETING MINUTES**

Monday, July 16, 2018 at 10:30 AM Eastern

PRESENT:

Mark Brokaw
Linda Hartzell
Anne Kauffman
Laura Penn

ON THE PHONE:

Sheldon Epps
Ethan McSweeny

ABSENT:

Mark Lamos

STAFF PRESENT:

David Roberts
Executive Director
Elishia Merricks
Program Associate

GUEST:

Christine O'Connor

I. CALL TO ORDER

- a. President Sheldon Epps called the meeting to order at 11:08, welcoming the Trustees and guest, Christine O'Connor.

II. PRESIDENT'S REPORT

- a. Gordon Davidson Award update – The presentation of the inaugural Gordon Davidson Award will be on Saturday, September 22, at Center Theatre Group in Los Angeles. The Awardee, Oskar Eustis, and his wife Laurie will both be present. Most likely, the presentation will take place in the Gordon Davidson rehearsal room; the committee feels that this is appropriate and fitting as one of Gordon's favorite places to be was a rehearsal room. Committee members, Tom Moore and Neel Keller, plan to attend and there will also be members of Gordon's family joining the celebrations. Trustee, Anne Kauffman, also intends to attend.

III. SECRETARY'S REPORT

- a. Secretary, Mark Brokaw, asked the Trustees to recommend any changes or additions to the minutes from June 18, 2018. Laura Penn recommended one adjustment.

ANNE KAUFFMAN MADE A MOTION TO APPROVE THE MINUTES OF THE JUNE 18 BOARD MEETING WITH THE UPDATED ADJUSTMENT, LINDA HARTZELL SECONDED. MOTION WAS UNANIMOUSLY APPROVED.

IV. TREASURER'S REPORT

- a. Treasurer, Ethan McSweeny invited David Roberts to speak to the status of the endowment and reserve funds. Mr. Roberts highlighted that, in the most recent Endowment and Reserve Fund Balances document, we see the Fellowship and Awards broken out, and have further identified the Charles Abbott Fellowship Funds and George Wolfe fellowship funds, and broken them out from the board-designated Cash Reserve proper.
- b. Ms. Penn requested clarification on how the Charles Abbott Fellowship and the George C. Wolfe Fellowship appeared in the Cash Reserves Total. Mr. Roberts suggested that the Charles Abbott Fellowship is fundraised for each year and can be viewed as cash in-cash out and is therefore more liquid, and that the George C. Wolfe Fellowship fund was raised at an Abbott, and therefore not donor-designated; Ms. Penn clarified that the Wolfe fund was indeed seeded by three donors prior to the George C. Wolfe "Mr. Abbott" Award, and was announced at the event. Because of this, it should be reflected donor restricted fund. Ms. Penn also recommended that in-line with best practice and donor-intent, both the Abbott

Fellowship and Wolfe Fellowship funds should appear with the other so-called “Endowments”, and not in the cash reserve line, so we have a clear understanding of the board-designated Cash Reserves.

- c. The Trustees discussed ways to re-engage George C. Wolfe in the Foundation and Mr. Epps suggested that the current fund could be used to honor four mid-career artists. Ms. Penn stated that the former Director of the Foundation, Megan Carter, was working on an idea to use the entirety of the fund to create a one-time cash award to create visibility for the fund and then use the momentum to inspire further fundraising.
- d. The Trustees discussed the Marshall Mason fund of \$5,000, a fund restricted by time and purpose. Ms. O’Connor shared that common practice was that funds retain any earnings on their corpus, but would depend on donor designation and/or organizational policy. Ms. O’Connor stated that one of the challenges SDCF currently faces is a lack of some documentation, protocols, and specifically a gift acceptance policy. In the absence of clarity a organization would usually default to standard practice, which is to grow the fund. Mr. Roberts agreed that establishing a gift acceptance policy should be a high priority for the Board.
- e. Mr. Roberts indicated that there is a low point in cash flow in September, where the general operating fund will be at \$5,333, highlighting the importance of the funds transfer. He noted that SDCF is waiting on some 2018 “Mr. Abbott” pledges to come in. Ms. Penn asked if staff required help with the outstanding pledges and Mr. Roberts stated that he will be sharing the outstanding gifts and would be relying on the Trustees support to solicit them. SDCF can identify a clear pattern with cash flow and aims to fundraise with the goal of bringing in donations before August 31. Ms. Penn indicated that with the “Mr. Abbott” co-chairs, Mr. Brokaw and Rachel Chavkin, she will take up the challenge of soliciting ‘Leadership Circle’ “Mr. Abbott” donors but is unsure who they can find to give by mid-October. Shubert or Concord Music are prospective FY19 “Mr. Abbott” donors but the question is would they give their gift that early in the process.
- f. Mr. McSweeney recommended that the Trustees revise the commitment to transfer that was made in the June meeting (\$67,000) to reflect the available board-designated Cash Reserve of \$52,500. , and also that staff revise the cash flow, updating the Fall “Mr. Abbott” income projections to create a more accurate picture. He predicted that there will be a cash flow problem in October and questioned if SDCF is able to move up the National Endowment of the Arts (NEA) grant application, so that those funds are received earlier. Mr. Roberts indicated the deadline of September 30 did require that our FY18 books are closed. Ms. Penn suggested that SDCF could possibly move the SDC contribution up to January 1 and committed to following up with SDC’s Director of Finance and Administration, Cole Jordan.

ETHAN MCSWEENY MADE A MOTION TO (1) REDUCE AMOUNT THE SDCF CASH RESERVE TRANSFER AND (2) UPDATE THE CASH FLOW, MARK BROKAW SECONDED. MOTION WAS UNANIMOUSLY APPROVED.

V. FUNDRAISING: TOOLS, TARGETS & TRAINING

- a. Ms. O’Connor began her presentation by stating that it is important to recognize that the “Mr. Abbott” income has increased and the donors have increased. The relationships with donors that already exist can be fruitful if SDCF invests in them and indicates that cash flow problems can be solved by dedicated donors. In evaluating where SDCF’s income is coming from it is clear that there isn’t major external support or surprise gifts from board members or membership.
- b. Three years ago Ms. O’Connor’s report was similar with a considerable amount not carried forward, mainly due to staff transition. Fundraising needs to be integrated into workflow and

SDCF needs to cultivate a culture of philanthropy, removing the 'apology' from asking for money. Communication is key in connecting to people and educating them on SDCF's programming.

- c. Ms. O'Connor noted that the annual spring appeal doesn't yield much income, it could be useful to keep in SDCF's back pocket, but it is unlikely that it will be a substantial source of support. The end of year appeal, however, is successful, and if it is sent out earlier donations will come in earlier.
- d. Why do people donate? – SDCF has quality programming and it is imperative that, when talking about SDCF, Trustees highlight the importance of what the organization does in relation to what the prospective donor cares about.
- e. The long-term goal is to be able to subsidize and grow all of the SDCF programs while reducing the reliance on the Union's major annual gift. She noted, In a theatre \$50,000 is a major gift, but \$1,000 is a big gift for SDCF.
- f. Research donors - it is important to know about the relationship that the donor already has with SDCF.
- g. SDCF should include the SDC monetary communications in its calendar so that campaigns aren't competing with billing. A calendar should also be shared with the Trustees.
- h. Talking points need to be created to support Trustees when they recognize that a prospect is hesitant or if they are on board.
- i. Ms. O'Connor recommends making solicitation personal, as emails are less likely to yield results- 'I want your advice' will not fool a sophisticated philanthropist, but it can work with some people, when approached genuinely. Trustees are being asked to start with five prospects each and with each prospect, it is more respectful to meet in person. Ms. O'Connor encouraged the Trustees to identify their passion and commitment to SDCF's programming when speaking to prospective donors as their time, dedication, and experience as mentors, speakers, and committee members, speaks volumes. The Trustees discussed SDCF and SDC as the caretakers of artists and their craft.
- j. There was discussion around the benefits that may be provided to donors, such as the house-seat service. It is no longer easy to get house tickets as it used to be, it was noted. The Trustees suggested the possibility of invited dress/tech rehearsals. If donors wanted house-seats there would be the caveat that premium prices would apply, and that SDCF would not provide tickets, but access to purchase, as available.
- k. Ms. O'Connor suggested that there could be exclusivity in inviting donors to the "Mr. Abbott" and Ms. Hartzell agreed noting that some of the prospects she had been speaking with want the recognition and had shown excitement toward giving at the "Mr. Abbott". Mr. Roberts requested feedback on the suggested donor benefits document that been included in the Board packet and Ms. Hartzell suggested that they are not aimed at Members (who already have access to some items listed), but that it could resonate more for external prospects. The question was posed whether alternate benefits should be put forward. She also suggested lowering some of the higher level benefits to the \$5,000 bracket. Mr. Roberts asked the Trustees if they would be willing to have a donor at a dress rehearsal and they responded enthusiastically, recommending that it is a question to be extended to the SDC Executive Board Members as well.
- l. Mr. McSweeney spoke about the importance of Board engagement beyond the "Mr. Abbott" contribution as the individual giving is separate from the "Mr. Abbott" ticket. He stated that the last 3-4 years have seen a change in the culture of philanthropy in SDC and suggested that if the Trustees could encourage the SDC Board to engage with a 'tradition of giving' and commit to monthly contributions for their individual giving, it would alleviate some cash flow problems. He also noted that it is important to respect that the Union Board is not a

fundraising board and that each individual's position on the Union board is not contingent on their ability to give.

- m. Mr. Brokaw suggested that Fall 2018, post Labor Day, would be the most appropriate time to start cultivating donors and soliciting the SDC Board, encouraging 'Leaders for the future'. Ms. O'Connor asked if it might be possible to assemble prospective donors in one room, having had a conversation before-hand so they know that they will be solicited, and then pitch to them all as one. The Trustees spoke about the "Mr. Abbott" Award Leadership Circle being a model for general SDCF fundraising, noting that SDCF is looking to the leaders in the field to direct where the Foundation should be, empowering them to provide advice, and to publicly acknowledge their financial leadership support. Ms. O'Connor recommended that SDCF prepares a communications plan purely for their donors, and that members of the 'Leadership Circle' would need know what their money is contributing to.
- n. The Trustees expressed their desire to meet to discuss donors before Labor Day so that they can feel fully prepared in their approaches in the coming Fall.

VI. Review of Communication and Cultivation Tools

- a. The Trustees reviewed the Fact Sheet on SDC Foundation Programs and Funding Opportunities, the Draft of Proposed Donor Benefits, and the current draft of the Calendar of SDC Foundation Events – August to December 2018

VII. Review of Top Priority Prospects

- a. Due to shortage of time, Ms. O'Connor committed to emailing a document outlining the top five donor prospects for each Trustee to solicit.

VIII. ADJOURNMENT

SHELDON EPPS MADE A MOTION TO ADJOURN THE MEETING. ETHAN MCSWEENEY SECONDED. MOTION WAS UNANIMOUSLY APPROVED