



**BOARD OF TRUSTEES
MEETING MINUTES**

Monday, January 22, 2018 at 11:00am Eastern

PRESENT:

Sheldon Epps
Mark Brokaw
Laura Penn

ABSENT:

Annie Kauffman
Mark Lamos

STAFF:

David Roberts
Executive Director
Elishia Merricks
Program Associate

BY PHONE:

Linda Hartzell
Ethan McSweeney

I. CALL TO ORDER

President Sheldon Epps called the meeting to order at 11:09, thanking the trustees for their willingness to serve SDC Foundation. He is thrilled that the group is made up of artists who are smart, passionate, and knowledgeable in equal measure.

II. PRESIDENT'S REPORT

a. Approval of Minutes, Dec 11, 2017

MARK BROKAW MADE MOTION TO APPROVE THE MINUTES FROM THE DECEMBER 11 BOARD MEETING, LAURA PENN SECONDED. MOTION WAS UNANIMOUSLY APPROVED.

b. Officers Slate + Election

Mr. Epps nominated Mark Brokaw as Vice President/Secretary, Ethan McSweeney as Treasurer. In addition, Mr. Epps requested the Trustees affirm his appointment as President of the Board of Trustees.

LAURA PENN MADE MOTION TO ACCEPT THE SLATE OF NOMINEES, LINDA HARTZELL SECONDED. MOTION WAS UNANIMOUSLY APPROVED.

c. Executive Director Appointment

Staff were asked to leave the room for this portion of the meeting. Upon return, the staff was informed of the unanimous appointment of David Roberts as Executive Director of SDC Foundation, effective immediately.

d. Other Governance Start-Up Business

The Trustees discussed the relationship between term limits on the SDCF Board of Trustees and the SDC Executive Board election cycles, and agreed that the assumption should be that SDCF Trustees who are also SDC Executive Board representatives are only invited to stay on after their term is complete if they have a particular skills set that is essential to the SDCF Board.

The Trustees discussed the importance of cultivating relationships for future Trustees, including SDC Executive Board and external prospects with skills and capabilities that complement current Trustees and would best benefit the Foundation and its governance.

By-Laws: Mr. Roberts reminded the Trustees that the By-Laws were approved at a previous SDC/SDCF Board meeting. He also note that SDC legal counsel Ron Shechtman advised that SDCF's updated by-laws should be filed through the accountant with the organization's next tax filing. Mr. Roberts is coordinating with SDC Director of Finance and Administration Cole Jordan on communicating this with the accountants.

D&O Insurance: SDCF is currently covered by SDC's directors and officers insurance. The quote for SDCF's own insurance is \$1300. As discussions continue regarding the SDCF Trustee terms, Mr. Roberts stated that it is important to obtain independent insurance in FY19 for incoming board members.

ACTIONS

- Staff will create the following documents:

1. A document that is reflective of what the ideal growth rate will be for SDC Foundation.
2. The document of terms updated to reflect the above discussion and the agreement to have SDCF terms conclude for SDC representatives concurrent with when their SDC service concludes, unless explicitly invited to stay on.

III. FINANCIAL REPORT

a. Executive Director, David Roberts, reported on the FY18 general Operation Budget + YTD.

Individual income is largely on par with FY17. It does show that we are \$14,000 from goal for individual income, and highlights the need for us to institute a fundraising strategy that possibly includes re-instituting a spring appeal this year, targeted at those who may have given in the past, but did not give at year end of for the Abbott award gala. The primary driver of the corporate income is the annual SDC contribution. Government money is confirmed with grants expected from NEA, NYSCA, and DCA. DCA funds were slightly down from the budgeted amount, and have been updated in the projections. The \$25,000 in cash SDCF recently received from NEA was the FY17 grant, however the FY18 NEA grant is committed. The Trustees discussed that grants that have already been committed by organizations should be reflected in the YTD budget column (though cash may not be in hand, the committed funds are receivables). The Weill Foundation has committed \$5,000 with an additional \$5,000 in discussion to support a Weill-focused Symposium. Other funding possibilities include Fan Fox. This relationship is currently being cultivated with the support of Robert Moss.

Income from programming is generated by application fees and the SDCF Conversation Series; One-on-Ones, Panels, and Symposiums. The largest application fee income is generally around May with applications for the Observership class for the coming fiscal year. The Denham Fellowship also generates a small amount of application income. The Charles Abbott Fellowship has a particularly large application pool and might also be integrated into this income line in the future (there is not currently an application fee). The Conversation series is not a deep source of revenue as discounts are given to the Observership class as part of the professional development impact of the program, as well as to SDC Members and Associates.

LORT Artistic Director income: Ms. Penn shared that SDC's improved communications has increased the number of Artistic Directors who become SDC Members and file contracts, resulting in a lower income from this source of revenue.

Mr. Roberts, discussed the proposal to work with fundraising consultant, Christine O'Connor of Albert Hall & Associates, for a six-month period (February 1 through the end of July). SDCF has submitted a request for additional funding to SDC in the amount of \$20,000 for these services.

b. Cash Flow Snap Shot

Mr. Roberts presented a newly updated cash flow snapshot from the version the SDC/SDCF Board viewed at December's meeting. The new document was updated with L.A. travel information, "Mr. Abbott" tickets and host committee income. Mr. Roberts committed to extending the document through June 2018 (to reflect the remainder of the fiscal year) in time for the February Board of Trustees Meeting.

c. "Mr. Abbott" Budgets

Mr. Roberts presented a document comparing the budget for the "Mr. Abbott" over the last three years. This year's goal is a significant stretch, but it was felt among the internal Co-Chairs (Michael Wilson and Rachel Chavkin) and staff, that the external Co-Chairs, Nelle Nugent and Tom Schumacher would be more responsive to a scaled up event, which they were when the budget was presented. The Trustees asked what is giving SDCF the level of confidence for the presented goal. Mr. Roberts explained that SDCF are starting with a high goal but anything the event nets between \$100,000 and \$185,000 will achieve the budgeted goal for FY18. Once we have an idea of what the production will look like, Ms. Penn and Mr. Wilson will meet with Disney to discuss their contribution, including a high-level sponsor table and production support. Ms. Nugent is in discussion with the Nederlanders for a large ask of \$100,000 and even 25% of this will be impactful. Mr. Epps asked who was responsible for securing the host committee and tickets. In addition to the co-chairs and the general support of the SDC Executive Board, Mr. Roberts asked the gathered SDCF Board of Trustees to assist with these efforts, subject to their availability, to help in the follow-up process to secure these asks.

d. Other Financial Start-Up Business

As noted in the governance update above, Mr. Roberts reminded the Trustees that the Directors and Officers Insurance is in place.

The Trustees discussed the signatories on SDCF accounts. Currently, this responsibility sits with Mr. Jordan and Ms. Penn. Mr. Roberts recommends that the three SDCF Board Officers and the Executive Director take on the signatory duties. Ms. Penn suggested that SDCF adopt a two signature policy on amounts of \$2,000 and above as SDC does. Upon further discussion, the Trustees proposed this amount be \$1,000 and above.

SHELDON EPPS MADE A MOTION THAT SIGNATORY RESPONSIBILITIES SHOULD REMAIN WITH COLE JORDAN, BUT BE TRANSFERRED FROM LAURA PENN TO DAVID ROBERTS; AND THAT OFFICERS SHELDON EPPS, MARK BROKAW, AND ETHAN MCSWEENY BE NAMED AS SIGNATORIES; AND THAT THE BOARD ADOPT A TWO SIGNATURE FINANCIAL POLICY ON CHECK AMOUNTS OF \$1,000 OR ABOVE. MARK BROKAW SECONDED. MOTION WAS UNANIMOUSLY APPROVED.

ACTIONS

- SDCF will update the FY18 budget and YTD to reflect grants that have been committed.
- SDCF to update the cash flow snapshot to extend through June 2018.

IV. FUNDRAISING REPORT

a. Consultant Proposal + Funding Request to SDC

SDCF wants to be responsive to the Executive Board of SDC and their desire to have fundraising support in place. The focus of the consultant will not be short-term (FY18) fundraising, but longer range fundraising and

the budgeting process for FY19 and beyond. Ms. Penn suggested inviting Ms. O'Connor to the SDCF Board of Trustees meeting in May and the Trustees and Staff all agreed that this would be productive. Mr. Roberts asked that the Trustees affirm the request of \$20,000 funding support to SDC

SHELDON EPPS MADE A MOTION TO AFFIRM TO REQUEST \$20,000 FUNDING FROM SDC TO SUPPORT CHRISTINE O'CONNOR AS A FUNDRAISING CONSULTANT FOR SDCF. MARK BROKAW SECONDED. THE MOTION WAS UNANIMOUSLY APPROVED.

b. "Mr. Abbott" Event Update

The host committee letter went out to 130 people from the industry requesting them to commit to purchase and host a table. We are currently behind on where we would like to be but have implemented a plan and a timeline in order to get on track. We have enlisted the services of Jessica Zippin to support ad sales for the Program Journal and have identified high-priority host committee asks.

V. STAFF REPORT

a. HR Updates – Observership Policies + Procedures

The industry-wide discussion of workplace conduct has shed light on some particularly tricky elements to SDCF programming, especially the flagship Observership program which is particularly vulnerable at this time. SDCF is not an employer in the traditional sense for Observers and fellows, but in many instances has the liabilities of one. The Foundation has (through SDC) enlisted the support of Rebecca Sherr Christian to codify the exact relationship between SDCF, Observer, Mentor, and Producer. Some of the questions we are exploring are: is the Producer liable for an Observer because they have approved/allowed them to be in the room? Will codifying the Observer/Producer relationship in this way result in our inability to run the program due to Producers not being willing to take on a real or perceived liability? SDCF is approaching this work by planning for the worst case scenario. Ms. Penn, after having discussions with TCG, Princess Grace, and The Drama League, explained that there is very little technical assistance available in the field right now on these matters, as SDC and SDCF are further ahead in this process than others.

Mr. Roberts explained that currently SDCF has a codified written agreement with the Observer and an email agreement with the Mentor, however, the relationship with the Producer needs to be created and codified as this is where a significant amount of liability lies. The current process for the Observer and Mentor will also be updated. SDCF is working with Ms. Sherr Christian written language and agreements, as well as reporting processes. In the near-term, SDCF will send out addendums to any Observership in process once new policies are instituted.

b. Programming Update

Due to lack of time, Mr. Epps suggested that this portion of the meeting is moved until the next meeting and Trustees can familiarize themselves with programs provided in the written report.

MR. EPPS ADJOURNED THE MEETING AT 12:31 PM