

## Seattle Rep Board Meeting

**Thurs., Aug 13<sup>th</sup>, 2020  
4:30pm – 6:30pm**

**Location:** Go To Meeting Video Conference

<b>Item</b>	<b>Speaker</b>	<b>Time</b>
Welcome	Amy Bautista	4:30pm
Approval of July 16 <sup>th</sup> Minutes	Amy Bautista	4:35pm
Trustee Recruitment Update	Juli Farris/Janice Tsai	4:40pm
Artistic Presentation TBA	Braden Abraham	5:00pm
Finance Update <ul style="list-style-type: none"><li>• FY20 close-out/audit</li><li>• Cash flow</li><li>• Update on FY21 three-month budget</li><li>• Draft presentation of FY21 nine-month budget</li></ul>	Vinita Gupta/Jeffrey Herrmann	5:15pm
The Case for Seattle Rep	Jamie Herlich Mclalwain	6:10pm
New Business	Amy Bautista	6:15pm
Executive Session	Amy Bautista	6:20pm
Adjourn/Happy Half Hour	Amy Bautista	6:30pm

### SEATTLE REP MISSION

Seattle Rep collaborates with extraordinary artists to create productions and programs that reflect and elevate the diverse culture, perspectives, and life experiences of our region.

### SEATTLE REP VISION

Theater at the heart of public life.

### SEATTLE REP VALUES

Artistic Vitality, Sustainability, Generous and Inclusive Practices

**SEATTLE REP**  
**Board Meeting Minutes – July 16, 2020**

**[Proposed]**

IN ATTENDANCE (via GoToMeeting): Braden Abraham, Sue Ashmun, Amy Bautista, Jarvis Bowers, Charlie Brown, Lynne Bush, Oneika Cassanova, Diane Cody, Jim Copacino, Tracy Daw, Geraldine DeRuiter, Donte Felder, Karen Fletcher, Scotland Glenn, Jay Hereford, Jeffrey Herrmann, Alyssa Hochman, Winky Hussey, John Keegan, Stellman Keehnel, Lynne Kjolso, Gwen Kroon, Leslie Lackey, Mandy Leifheit, Becky Lenaburg, Charlotte Lin, Sandra Lucas, Sandy McDade, Carla Millage, Terri Olson Miller, Kevin Millison, Lisa Oratz, Salim Peshawaria, Rebecca Pomeroy, Anita Ramasastry, Anne Simpson, Carlyn Steiner, John Stilin, Rashelle Tanner, Janice Tsai, Marisa Walker, Nancy Ward

ABSENT: Matthew Bergman, Debra Canales, Donna Cochener, Juli Farris, Marko Lias, Tim Rattigan, Rick Stead, Tom Wright

ADVISORY COUNCIL MEMBERS (via GoToMeeting): Laila Abdalla, Nancy Brownstein, Kaitlyn Casimo, Joanne Euster, Mary Kay Haggard, Russell Hawkins, Nancy Iannucci, Rosanne Lapan, Rachel McCracken, Tricia Pearson

SRT FOUNDATION MEMBERS (via GoToMeeting): Allan Davis

STAFF (via GoToMeeting): Hattie Andres (Assistant to the Artistic Director & Artistic Associate), Elisabeth Farwell-Moreland (Producing Director), Vinita Gupta (Director of Finance), Michelle Haines (Director of Marketing & Communications), Angie Kamel (Public Works Director), Jamie Herlich McIlwain (Director of Development), Nabra Nelson (Director of Arts Engagement)

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*All documents referenced in the minutes below can be accessed on the password-protected Board Corner. See “7-16-2020 Board Meeting Packet,” “7-16-20 Board Presentation,” “7-16-20 FY20 Contributed Income Preliminary Report,” and “7-16-20-RAT Force Presentation.”*

**I. WELCOME/ APPROVAL OF JUNE 18<sup>th</sup> MINUTES**

- Managing Director Jeffrey Herrmann took roll at 4:36pm and Board Chair Amy Bautista called the meeting to order at 4:37pm.
- Amy welcomed the new Trustees and Advisory Council members and asked them to introduce themselves.
- Public Works Director Angie Kamel invited Trustees to attend a private screening of *The Odyssey*.
- Sandy McDade moved to approve the minutes from the June 18, 2020 Board meeting. Terri Olson-Miller seconded the motion. After a vote, the minutes were unanimously approved, with the exception of Stellman Keehnel, who abstained as he was not present for the June meeting.

## II. TRUSTEE RECRUITMENT UPDATE

- Trustee Recruitment Committee (TRC) co-Chair Janice Tsai reported that, in an effort to achieve the Board's diversity goals, the TRC plans to bring a slate of new Board members for approval at the September meeting. Trustees should send any recommended names to Janice or her co-Chair, Juli Farris.

## III. FINANCE & FY21 SEASON PLANNING UPDATE

- FY20 Close Out: Director of Development Jamie Herlich McIalwain reported that the team met its FY20 fundraising goal of \$5.8M (exclusive of the campaign). Jamie reviewed the year-over-year growth of contributed income since FY17, noting the particularly unusual circumstances this year with no gala, four canceled productions, and the lack of add-on contributions with no single ticket and subscription sales.
- Jamie then reviewed contributions by category, including general operating support, Public Works sponsorship, special events, and one-time COVID-19 relief funding. Jamie also reviewed the breakdown of individual giving between annual fund, major gifts, Trustee giving, and gala support noting that, despite COVID-19, we still saw positive trends in individual giving this season. Jamie noted that the dip in major gifts in FY19 was a result of not having a Public Works production that season.
- Lisa Oratz asked for the definition of a major gift. Jamie responded that, currently, it is a gift of \$3K or more but that there is discussion about increasing the threshold to \$5K (and it had been \$1K not too long ago).
- Jamie then reviewed the breakdown of institutional giving between advocacy organizations (like ArtsFund, the SRO, and Theatre Forward), government sources, foundation funders, and corporate givers. Jamie pointed out the impact of having a Public Works production in the season, as institutional giving saw bumps in FY18 and FY20 (when we produced Public Works shows).
- Jamie also shared that, to date, a little less than \$3.2M had been pledged to Act I of Campaign for Seattle Rep.
- In response to a question from Terri Olson Miller, Jamie reported 100% Trustee participation in annual fundraising in FY20. Also, that Trustees had given nearly the same amount to the annual fund as in FY19, amazing given the launch of the Trustee giving portion of Act I in FY20.
- In response to a question from Charlie Brown, Jamie reported that the fundraising goal for Act I is \$15.8M over the next three years.
- Finance Update: Director of Finance Vinita Gupta shared that she anticipates the theater ended FY20 better than budget. Although the theater lost revenue with all the show cancelations, there were also huge expense savings. The auditing firm Clark Nuber will conduct field work in September and bring final audit results for FY20 to the Board in November. Vinita also reported on the hire of Accounting Manager Marina Kiseleva.
- Cash Flow Status: Vinita reviewed current liquidity and cash flow, reporting that cash on hand is higher than forecast thanks to strong year-

end fundraising efforts. She said that she was still working with the City of Seattle to secure access to the Maintenance Reserve Fund (MRF), a capital replacement fund co-administered with Seattle Center, for use on an emergency basis, as necessary, during the pandemic.

- Update on FY21 3-month budget: Jeff reviewed the unique plan for FY21 to pass a 3-month budget (through Sept 30<sup>th</sup>), providing staff with more time to plan and pass a subsequent 9-month budget (through June 30<sup>th</sup>, 2021). Sr. Leadership developed two budget scenarios for the 3-month budget: one that would see the Rep gear up to “produce” in some format in FY21; and another that would see the Rep “hibernate” for the season.
- At the June Board meeting, Jeff recommended that Trustees approve the producing budget, understanding that the hibernation budget would be triggered if it became clear that: 1) Our union partners and/or governmental authorities wouldn’t permit live production; 2) The costs to produce in the Bagley in a socially-distanced way became prohibitively expensive; and/or 3) Our cash position eroded precipitously over the summer.
- Jeff shared that, two weeks into 3-month budget, things were holding steady with a current projected variance of -\$50K against budget.
- FY21 Season Planning Update: Artistic Director Braden Abraham reported that Sr. Leadership had encountered too many barriers to responsibly keep moving forward under the producing model. Considerations include the recent spike in new infections; the Governor’s recent announcement restricting counties in Phase 3 to gatherings of 10 people or less; and no significant progress with our union partners.
- Braden presented a “standby” model—a hybrid between the “producing” and “hibernation” models—which assumes no production in FY21, either streamed or live. Should conditions improve, however, we would ‘standby’ in readiness to produce. The “standby” model also includes a high level of virtual artistic activity through commissions and new play development activity, youth engagement, community engagement, and more.
- Braden also identified three plays that could be produced in the Bagley next spring, either in the traditional setup or in a reconfigured, socially-distanced manner, should the pandemic environment improve. These shows include *Fannie*, *Ghosts*, and *What the Constitution Means to Me*.
- A forthcoming public communication, however, will only focus on the postponement of the 2020 – 21 season and will not mention the possibility of producing any of these titles next spring.
- Braden also shared that this shift to the “standby” model would mean further reductions in staffing. Affected staff will be notified ASAP.
- Jim Copacino asked whether commissions and new play activity would be of interest to funders. Producing Director Elisabeth Farwell-Moreland said yes and that there were already plans to increase new play activity in FY21. Jamie added that the increased new play activity in FY21 was to be funded by the campaign and that we would be highlighting these investments all the more during the period of public closure.

- Lisa Oratz asked if we could invite donors to attend Zoom readings. Elisabeth replied that union agreements currently don't allow this, but that we hope to be able to welcome audiences to these events soon.
- Jeff reviewed the budget strategy moving forward under the "standby" model, including the goal to remain cash neutral through the end of FY21 in order to ensure the ability to launch FY22. Sr. Leadership is currently developing a "standby" budget that will see the organization through to June 30<sup>th</sup>, 2021; they will also develop and present supplemental budgets for streaming and/or live performances should conditions improve.
- Director of Marketing and Communications Michelle Haines reviewed the 2020 – 21 season cancellation announcement plan, clarifying that the message will emphasize that we are changing course but remain active.
- Michelle noted that we refunded just 3.4% of the FY20 ticket balance following the cancellation of the season this spring and that she expects to see maybe a 7 – 10% refund rate on FY21 subscription balances, though she will budget 15% as a worst case scenario.
- Leslie Lackey asked if we will mention the streaming idea in the public announcement or if this will be communicated later. Braden said that we will mention that we are continuing to explore all programming options but he felt we should be cautious about making any promises or guarantees.
- Marisa Walker asked what the objective to remain cash neutral throughout FY21 meant for fundraising goals for the season. Jamie replied that the exact budget is still being worked out, but she knows the contributed goal will be much lower than in prior years, as our expenses will be much lower.
- Update on FY21 9-month budget: Jeff shared that, at the August Board meeting, he will present an update on the 3-month budget projection, as well as a draft of a 12-month "Standby" budget. The final "Standby" budget will then be presented and voted on at the Sept Board meeting.

#### **IV. GIFT ACCEPTANCE POLICY**

- Jamie introduced the proposed gift acceptance policy, noting that the organization has been operating without such a policy for several years, which prompted the creation of a task force last year to create one. Task force members over the past two seasons included: Allan Davis, Tiffany Gorton, Charlotte Lin, Sandy McDade, Glenna Olson, Anita Ramasastry, and Carlyn Steiner, plus Jamie, Jeff, and Vinita.
- In addition to developing the policy, the task force recommended creating a gift acceptance committee that would meet once a year to review the policy, make recommendations, and address any specific gift questions.
- Amy Bautista moved to approve the Gift Acceptance Policy with the addition of a small edit to the life insurance clause. Jay Hereford accepted and seconded the motion. After a vote, the motion was unanimously approved.

## **V. REVENUE ACCELERATION TASK FORCE**

- RAT Force co-Chair Rebecca Pomeroy reviewed the history and intention of task force (also co-Chaired by Tracy Daw) and shared the brainstorming, research, and recommendations of the group. Rebecca said that COVID-19 had reordered the RAT Force's thinking about which ideas should be pursued immediately:
  - Post-COVID Front Burner Ideas:
    - Radically increase size of endowment
    - Pass Cultural Access Legislation
    - Produce more shows that spin off royalties (i.e., COME FROM AWAY)
    - Take advantage of ROI on more devo staff
    - Create VC-like structure offering investors a financial return (perhaps artist housing)
    - M&A with another arts organization
  - Post-COVID Back Burner Ideas:
    - Explore content, schedule, and venues for production
    - Tickets, education, and elasticity of patrons
    - Grow subscriber base (3000 more subscribers = \$1M revenue)
    - Increase corporate presence and support
    - Improve customer experience through technology
- Lynne Kjolso asked if the RAT Force had considered monetizing online content. Jeff replied that they had not but that he would love to hear ideas on the topic.
- Russell Hawkins asked if it was possible to produce in a socially-distanced manner outdoors. Amy said that this was not permitted under current Phase 2 and 3 restrictions.
- Jeff shared that the next steps were to wind down the RAT Force and create small task forces around each of the front burner ideas to be peopled with folks who have the skill and expertise to assist staff in analyzing and evaluating each opportunity.

## **VI. NEW BUSINESS**

- There was no new business.

## **VII. EXECUTIVE SESSION**

- The Board adjourned for an Executive Session at 6:22pm.

## **VIII. ADJOURN**

- The meeting adjourned at 6:35pm.