

AACTMAD Board Meeting Minutes 4531 Concourse

April 29, 2009

Attending: Mark Hillegonds, Brad Battey, Marge Cramton, Abby Liskow, Ruth Scodel, Pat Micks, Nawal Motawi, Bronwen Gates. Non- Board members attending: Gretchen Preston, Carolyn Texley, Brooke Ratliff, Ray Bantle, Greg Meisner, Dave Pardy. Carolyn Texley recording minutes for the meeting.

Agenda reviewed, accepted.

KissME Deposit

AACTMAD has provided \$1000, more funds will be necessary. United Universalist church deposit will be returned, but the headliner wants all of the money up front, including an additional deposit. Registrations are coming in, but do not yet cover the additional upfront costs.

[maybe Abby?] Libby: Move to allocate an additional \$1000 to KissME. Mark second. Passed unanimously.

DITS

2009 co-chairs will be Joan Hellman and Karen Hillegonds. Karen has already submitted the necessary applications for licensing with the City. Karen will handle all interactions with the City, and the Main St. Association. Joan will handle all other (internal) arrangements. They will be forming a committee that will carry over to future DITS.

Mark: Move to accept Joan and Karen for co-chairs of DITS committee. Brad second. Approved unanimously.

Nominating Committee & Annual Meeting

Marge: Has received some ballots. She's been corresponding with David Gruner (under category of Board Development), and suggests that a group of 3 Board members meet with him re: what he can do for the board. He would work as a volunteer, and offers help in training the board to make meetings more efficient.

Brooke volunteered to contact/work with David Guner. Mark suggested that the next board (at the next board meeting) discuss this further. Mark will put the subject on the agenda for May. There will be an orientation session for new Board members (how to be a board member, e.g. duty of care, other important concepts in running non-profits.) Pat asked Marge to be one of the orientation leaders again; Marge agreed. Scheduling will wait until after the election.

Discussion about officially increasing the number of Board members:

The board requested in 2007 that the nominating committee recruit to increase the board to 12 members; they were not able to do that, and the request did not take effect. The board needs to make it clear how many board members we want. Bylaws say 9-15 members are allowed, but do not indicate the process to increase or reduce the number of board members.

In 2007, there was a recommendation that we move from 10 to 12, but nothing was done. What we need is an efficient board, rather than more members, which is an issue that Board orientation begins to address.

Committees need more members for the actual work – e.g. more of an IT committee, operations committee, long range planning committee, etc. The trend in non-profit organizations is to go to smaller boards – 10 being a rather large size.

Annual Election business:

We need to designate a secretary to accept the result (according to the bylaws). Bronwen volunteered to be acting secretary for the annual meeting.

Mark: moved to appt. Bronwen acting secretary for the annual meeting. Seconded by Abby. Passed unanimously.

Mark: move to let ballot stand, 5 will be elected for 2 year terms at the Annual meeting. Seconded by Brad. Passed.

Ray will post all Committee reports on the website (in lieu of hardcopy reports to be distributed at the Annual Meeting). He would like them forwarded as Word Documents.

Concourse

Mark asked if there was a fundraising plan.

Ray: yes, a rough one not ready for distribution. Needs answers to areas of concern/questions posed to the board in September, Feb. and March: costs, revenues, amount that needs to be raised – design, construction, legal fees, start up operating costs.

Mark: between \$250 – \$350k. Asked if a fundraising plan can be created without all of the supporting info. in place.

Ray would like the board to clarify and break down projections and schedules further. Brooke asked if the new business plan that she has developed answers any of these questions. Ray responded that it's a good rough draft. The board needs good internal organization (such as the business plan) going forward.

Discussion that it's not a good idea to set the requested gift number too low; can't go back for more easily. The Fundraising Committee was tasked with making a fundraising plan and it has not yet been drafted.

Mark reported that all current Board members have committed (financially) to the project (per discussion at the March Board meeting).

Nawal reported that there has been an influx of help on the Facilities committee. There will be a team created for building operations (Building Team is being called 'TLC') which has been put into the project timeline.

Pittsfield Township Planning Comm.: The project will be officially approved May 17 (next meeting). Change they wanted was simply to change the building use to 'Assembly' from 'Business' (just needs to be written on the plan). This will increase the total capacity to 188. We are phase 2 of the project, Gretchen's House was phase 1.

Nawal moves for board approval for architect cost \$2,000 total; the actual will be based on her hourly rate. Abby second. unanimous approval.

Design and construction specifications should be done in May, final bids to be received in June. Amounts will change by the time construction is actually done (the bid prices are good for 60 days).

The Business Plan will be done in May; all should be finalized by July.

Pat & Betsy reported on their assignment to contact all of the AACTMAD committees (from the March Board meeting.)

They spoke to representatives of all Committees about using the new facility. Only 1 (Morris) said yes, others need to check with their members. There were many questions: the rent can't go up, they want to see the space before committing, how will it be managed. Pat and Betsy's conclusion was that the Committees need to be educated about the facility, and need information. One committee needs to sign year lease with the Grange and are more 'wait and see'. 5th Friday Fusion and Morris are a big 'yes'. Swing had a problem with moving away from town and buslines – possible transportation problems with students.

Mark asked if there is a communications sub-committee within Facilities. It is a Marketing/communications function to pull together answers to the questions posed by the committees. There is a group working on it, but we only have informal networking at the moment.

Marketing statement is in the business plan. There are 2 functional scenarios in the marketing plan based on research that has already been done)

Mark: would like a committee for Communications & marketing that would create a marketing brochure that addresses the frequently asked questions and important points of

information (as the Newsletter has proven to be insufficient). This could either work as part of the Facilities Committee or as a separate committee. The website also needs to be updated.

Nawal doesn't feel that we can add that to Facilities Committee.

Business Plan

Brooke, Abby and Nawal have worked on developing the Business Plan; it will evolve as information/numbers are corrected.

Brooke: Business plan is in 3 parts. 1. Verbiage (that can be used as a marketing tool; the whole story of the organization and the project 2. the money 3. references – where the information came from (contracts, invoices, etc.). Page 5 is a marketing plan (needs to become more specific). Board needs to look it over. There are gaps in the information that need to be filled.

The plan is broken down into 5 schedules:

1. Construction budget: Brooke used a detailed construction checklist. Most of the totals are based on existing numbers/estimates.
Brooke asked for input from everyone on the Board. Marge had asked what had been left out of the bids, and the details on the sprung floor. Nawal will get the answer to Marge.
2. Operating budget. Based on real numbers w/ margin of error 10% . AACTMAD will be a partner in the LLC so will be paying mortgage to ourselves.
3. Estimated Revenue. Assumes all Committees will use the Facility and pay the same rent they're paying for space currently. It's a conservative, static budget based on past info; the numbers will change. The plan includes cash flow from 3rd party rentals; Fundraising from Committees in addition to rents. All this is simply a place to start with revenue projections - a rough draft based on the information available.
4. Revenue and Cost behavior: Addresses concern – can we figure out what money will be needed in which month. This section shows the revenue pattern from Committees, and assumes the same ongoing participation. Brooke used a graph to show income ebb and flow.
5. Construction financial needs by month section. Brooke looked at percentage of all revenue by month, e.g. 4% Sept. 14% November. We can break down from the bids what payments the builders will need each month. Each month ends with a shortage, which shows what funds we need to raise to cover expenses. Fundraising breaks down into more manageable amounts over time. Brooke didn't do projected income statements, as she still needs some supporting documents. Brooke needs to know if the numbers used are accurate, and asked for feedback from the Board to let her know which of existing accounts will be used.

Ruth: will lift case statement from this work (the larger business plan).

Marge: asked if anything in Brooke's research/work on the Business Plan raised concern.

Brooke replied that she doesn't have all the data/good numbers yet and is still calculating, mining data, etc.

Marge: was concerned about need for commercial rental of the space (the difference between the current \$800 rents per mo. and the \$3000/month needed for the new facility. [is it \$3K/month or \$4K/month? past plans said \$4K]

Brooke: After construction, a flexible budget will allow the Board to see shortfalls coming and act accordingly (fundraising, events, etc.) She further explained the uses for the static and flexible budget formats.

Ruth: suggested we go to Committees w/ a rent guarantee to assure them that that's the goal (purpose of new space is to have place for our groups).

Abby: suggested that that issue go to the Agreements committee.

Discussion about the Committees' lack of commitment to the new Facility:

We need to get them on board and enthusiastic about the new facility. Repeated call for a Communications/ Marketing committee. Dave: would like to establish a central contact person, and suggested Greg would be a good choice. Greg thinks that it's time to meet with the committees and start discussions, and it can happen immediately.

Nawal: asked if Pat, Betsy and Greg might take on this internal communication task. Pat's already made a commitment to answer all their questions. Brad: asked to have someone work on a Facility FAQ. Brooke suggested including the floor plan/diagram. Pat: would like to tell the committees that there will be a meeting or meetings on the subject of the committees' questions. Greg proposed a series of meetings and offered to help. Betsy (if she agrees) would also help with follow-up to the Committees..

Decided to table setting up a permanent committee. For now, Pat, Greg and maybe Betsy will work on communicating with the committees asap.

Agreements team:

Dave: Agreements team met April 29. They focused on 3rd party rental contract language (using the Grange's contract). Important questions: what is our agreement with the LLC going to be? They thought that was the place to start. Try to address/bring up issues and present to the Board, then send off thoughts to an attorney to come up with a formal LLC agreement.

Dave: what is our relationship exactly going to be w/ LLC. As partner and owner what are our concerns? As renter what are our concerns? Need to brainstorm the right approach.

The Agreement team will meet with Gretchen and Greg after they've come up with some clearer ideas of the issues and questions, present them to the board, then will talk to the attorney about how to proceed w/ the other half of the LLC. They want to take agreements seriously and without making assumptions. They will come up with a formal presentation. All will have to go through the lawyer for review.

Marge: we need to recognize the efforts over the last month since the March meeting's discussion of establishing separate subcommittees, and revisit making the subcommittees separate committees that would report to the board directly.

Mark proposed that that should be considered by the next board.

Discussion about subcommittee functions:

There is a need for a critical path document (with tasks, deadlines, person assigned. Mark committed to producing this at the February meeting; Brooke suggested adding this to the Business Plan). There are a lot of people involved in a lot of complex tasks. More specific committees reporting directly to the board would keep the board better informed, and accountable for results and regular communication with the board. We need clear structure for the groups that now exist – doesn't matter if they are independent, but they do need to independently report.

The board feels that it is important for the project to proceed to make sure that there is stable space to make dance and music events happen in Ann Arbor in the future. We need to make sure that all the information the Board needs gets to them in order to make sound, informed decisions. Early reports from committees are difficult to make happen, but we need to have at least someone present to the board. A summary of issues and decisions (not necessarily all of the detail) in advance from the various groups/subcommittees would be helpful. Especially needed are action items, problems, changes. What problems are we confronting, what problems have we solved.

Ruth: Motion: All Facilities committee subcommittees or teams/working groups need to report - briefly - to the board each month, and (amended by Mark) reports should be sent to the board 1 week before the meeting. Seconded. Passed unanimously.

Nawal has recruited for the teams – thanks to the nominating committee. She had trouble finding help. Input from Abby's questions and the Fundraising committee helped focus activity and she would like another month to work out the communication/information problems.

Greg Meisner left the room.

Motion: pay Gretchen rent \$1350 for the Concourse space on the first of May; seconded, approved.
Meeting adjourned.