

Board of Governors Meeting Minutes May 12, 2008

BOG Members Present: J Hannigan, D. Bremer (late), S. Rasnak (VC), D. Hudson (C), D. Wise, A. Imes, K. Pecis (S)

BOG Members Absent: P. Huth, J. Calvert

Staff Present: Bill Hammack (MD), Jack Phillips (AD), Leslie Price (CTD)

Staff Absent: Thad Hallstein (TD)

Others Present: Ed Wavak (Treas), D. Phillips, C. Clark, D. Traut, P. Hilton, D. Strueber, C. Traut, M. Dempsey, L. Schauer, B. Hilton, J. Mills, M. Huth, H. Hultgren, A. Hultgren, A. Hultgren, T. Frohnappfel.

Chairman Dennis Hudson called the meeting to order at 7:30 pm.

April 2008 Meeting Minutes: Accepted as written. M: D. Wise; S: J. Hannigan; P: 6 Approved; 1 Abstention

Ed Wavak (Treasurer) presented the March 2008 budget and finance statements and requested BOG approve as written. M: J. Hannigan; S: D. Wise; P: Unanimous.

Ed expressed concern about the idea of using reserves for the ADA Phase II project. He stated that reserves are allocated for use on the current structure and unexpected costs. Ed stated that we need a balanced budget every year because we are not-for-profit entity and expressed concerns about taking on additional costs due to loans. He said he's like to see "funds in place" before taking action on the proposed ADA Phase II structure.

Jack Phillips (AD) reported that we're dropping the "Quiet Man Tales" from our program for the '08-'09 season because it will be performed in the city in Nov. Miles Snyder has requested a memorial service at TWS for Rosella Snyder, who has been diagnosed as critical. The BOG's response was "let's do it". Jack presented a proposal for Adult Education classes. Request was made to talk with Bill Pulinsi about having him hold a master class.

Bill Hammack (MD) reported that we had a successful weekday rental of the main stage on May 7 by Abraxas Youth. Thad and Bill agreed that we need to charge about \$350 for having the pipe and drape set-up by TWSers for these events. Bill is looking at a potential 3-day rental in June/July.

Bill attended the "Chicago Fundraising Summit" on 4/22 which was very informative. Boeing Corp has turned us down for a grant (don't fund projects outside Chicago). Based on the Summit Bill thinks that soliciting private foundations may pay more dividends.

Bill has preliminary copy for the '08-'09 season brochure and is happy with the overall design. Needs a decision on the MS4 play by May 13. Jack and Bill agreed to e-mail the BOG to get approvals on this early next week.

Bill suggested that the list of people who donated to TWS, during the prior season, be listed in the TWS program (as opposed to those who donated from MS5 – MS4). The BOG agreed.

Leslie Price (CTD) reported that the HS Rep Spring Show, "All in the Timing" went well. She also mentioned that "Space Pandas," is progressing well and the high schoolers are excited about doing this production. Leslie is working on getting rights to "Flat Stanley" for the Trouping Show. Leslie also reported that CTWS students will be selling tickets for the Taste of the Arts basket raffle offsite (in front of local stores) for which the BOG expressed much appreciation.

Leslie reported that she's looking at the possibility of raising funds by offering to hold birthday parties before and/or after Charlotte's Web with the idea that the children would also see the show. TWS would provide the room. Leslie / Bill will confirm that our insurance will cover these kinds of events. The BOG supported the idea and requested that there be a required number of adults / children in attendance.

Leslie reported that several parents had commented favorably, to her, on the "4 flex option" for tickets (i.e., 4 tickets for 1 play; 4 tickets for 4 plays for \$70).

Thad Hallstein (TD) submitted a written report. Bill reported that the headset system is back up and running and that a nice storage area for belt packs and headsets has been created. Bill also reported that the Cattell Lobby / Box-Office project will begin after Memorial Day.

Taste of the Arts: Debbie Phillips gave an update. Donations are needed by June 4. Less than ½ of the BOG has donated. Donations can be in the form of cash or other items. See Debbie for more details. 12 restaurants have signed-on for the event; Need 2 more restaurants. Debbie also needs volunteers to work on set-up, take-down and at the event. Debbie also encouraged everyone to buy their tickets and to buy tickets for friends.

May in Minneapolis: Andrea Imes reported that the event was a very big success. More actives than ever before attended. She estimates \$100 profit / person.

ADA Phase II Project – Wheel-Chair Accessible Main Entrance: Andrea Imes reported that construction is due to start in Aug, estimating that we'll have the needed permits by mid-July. Bill Hammack reported that he'd talked with W.S. Community Bank (6.25%) and 1st National Bank of W.S. (6%) to get interest rate estimates on a

\$300,000 line of credit. Both banks asked that we engage a Title Co. to confirm the title on the property.

New Business: None.

Audience Comments:

Carol Clark asked to see a picture or diagram showing the “look” of the building w/the proposed changes.

Dick Traut asked if the BOG members had read the letter dated May 8 (see attachment to these minutes). He expressed concern about moving forward on the ADA Phase II project and committing to spend money to cover the cost of the current approach. He asked the BOG to seriously consider changing their minds on the current approach. He reported that there are very serious concerns being raised by people who have looked at the proposed approach from a financial perspective (i.e., \$300,000 costs and line of credit). He reported that funds raised by existing fund raisers (e.g., Taste of the Arts) are needed for operational expenses and that the ADA Phase II project has not been adequately studied to assess the financial impact. Dick also expressed concerns about the proposed costs in light of the current economy. Dick said he was in favor of the heated sidewalks and the ramp but not the additional \$100,000 for the covered structure which he said was excessive.

Ed Wavak reported that subscriptions are down and single-ticket sales, subscriptions and CTWS tuition can't be used to fund the ADA Phase II project as these monies are needed for operations. Ed projected that we'd need to sell 950 additional seats to cover the costs of the loan and questioned the cost/benefit ratio for the \$100,000 cost to put a roof over people's heads as they walk into the theatre. Ed also questioned the overall approach taken here in the sense that the actives are owners of the theatre and spending \$300,000 without holding an actives meeting was inappropriate. Ed suggested that Harry Hultgren worked in the business (related to the ADA Phase II renovations) and suggested that his input, and input from others with expertise, should be considered - which was another reason why a town meeting of actives was needed to discuss the ADA Phase II project. Ed also asked if all options had been explored, such as having a ramp by the kitchen which, he suggested, may be a better use of our funds. Ed reported that 55% of our expenses are covered by ticket sales and having a covered enclosed walkway “smacks of ‘what does TWS need my money for’”.

Peter Hilton said that we can't afford to do this project. He said that the glass enclosure will add maintenance costs long-term. He reported that 9 former BOG chairs and 4 former treasurers signed the letter (see attachments) and that there has never been an event like this in the past. He expressed serious concerns about the viability of moving forward with the proposed renovations.

Don Strueber reported that the monies allocated to the reserve funds are based on old estimates and need to be made current (i.e., adjusted to reflect 2008 expenses). He gave examples, from the Oak Brook Club, of how prices have significantly increased for building and roofing materials over time and asked that we factor into our reserves the prices of increased costs for building materials. He estimated that we could pay \$100,000 in interest on a loan to cover the costs of the ADA Phase II renovations.

Charron Traut congratulated the BOG and Dennis Hudson on their continued commitment to ADA work. Charron expressed concern about the fiscal responsibility of the proposed ADA Phase II renovations. Charron also said that the discussion on this topic needs to be opened up to the rest of the TWS actives. She reminded everyone that the Catell was build by people going door-to-door in Western Springs to solicit donations. She said we need a lot more information and a lot more input that the BOG has at this point and asked that the BOG not move forward until this information and input has been obtained.

Mary Dempsey also congratulated the BOG on the ADA work done so far. Mary asked the BOG to follow the recommendations of the Treasurer and of Budget and Finance. She said that the Treasurer and Budget and Finance play a leadership role in these types of situations.

Debbie Phillips asked if TWS had a schedule for major repairs and anticipates dates when these would be needed.

Note: Response was that Mike Huth was working on updating this schedule.

Lou Schauer reported that he spoke to Bob Hammer, the architect, and said that if we do not build the enclosure we will save about \$100,000. Bob reported that he didn't know of any grants that were available to fund this type of work and suggested that we find the money to cover the work either internally or borrow it.

Bonnie Hilton asked if a cash-flow analysis, including maintenance costs and checking various assumptions, had been done. She said that if we read our mission it is to entertain and educate and we should be putting our money towards helping us promote our mission and bringing in revenue to promote our mission. She said it is a waste of money to do the proposed enclosure.

Jon Mills suggested that we slow-down the process and reported that we do a pretty good job of accommodating our special needs patrons now. He questioned the sense of urgency to get this work done. Jon said that even if we did build a ramp with an enclosure we would need to modify the theatre to accommodate special needs patrons, once they were into the lobby. Jon said that we need to consider the needs of CTWS students with special needs, in addition to adult patrons. If Budget and Finance says that we should not proceed then he would agree with their recommendation and asked

the BOG to do the same. He asked that before we pour more money into drawings that we figure out what we're doing and asked that we suspend what we're doing now.

Mike Huth said he shared the same concerns as everyone else about the money for the proposed Phase II ADA work. He said of the two aspects of this work – the ramp and the shelter – the shelter is a lesser need. Mike's first suggestion was that we ask the architecture to design a ramp with footings so that a cover could be added later. Mike also asked that the BOG look at the logistics of accessing the building during the 5 months of construction. Mike questioned the membership of the ADA Committee, asking why was this committee restricted to BOG members when other actives were knowledgeable and had resources that could contribute to this process.

Harry Hultgren said he thought the design was beautiful but questioned the costs saying it cost too much. He said moving the patrons from the 3rd row to the 10th row is not worth the cost of the structure.

Ann Marie Hultgren questioned the financial stability of the decision. Fund raisers are not bringing in the money we hoped for and she said the idea of having money from fund raising go to the ADA Phase II project did not bode well with her. She said the monies would be better spent on things that excited and ignited actives and that this would be more beneficial than building a ramp.

Tom Fronhpfel said he'd been involved with TWS for 10 years. During that time he's seen how every one works to save money on production-related activities. He said while everyone appreciates the work done by the BOG, he would like to see more Actives involved in the ADA Phase II issue so that we get more information and potentially more resources. Tom said that if people aren't given a way to have input then the BOG will miss out on a lot of good ideas.

Dick Traut asked the BOG to read the "Conclusions" on the last pages of the May 10 memo. He asked the BOG to suspend action and to sincerely consider what's in the best interest of the theatre and to consider it tonight.

Dennis Hudson said that the BOG needed time to consider the input from the TWS actives (the May 10 memo plus the feedback given verbally tonight) and would discuss it in the Executive Session.

Peter Hilton questioned why the BOG would be discussing the Phase II ADA work in Executive Session.

Dennis Hudson said that this item would be discussed at the next BOG Meeting.

Charron Traut said that the BOG needs to indicate to the bank how much money TWS was going to put into the building as part of the loan application.

Jon Mills asked if the BOG members had any questions for the audience.

Andrea Imes said that the May 10 memo was clear and thanked the audience for their input.

Dennis Hudson thanked the TWS actives for their comments and feedback. He read the following message:

It is my recollection that about 10 years ago or so, the Board then started considering becoming ADA compliant. It decided, however, for good and sufficient reason not to pursue the matter. Successive Boards likewise from time to time brought up the issue but decided again for good and sufficient reasons not to pursue.

Last year's Board decided that then was the time to begin to address the issue. Among other reasons the Board realized that construction costs, due to the hurricane Katrina which had the net effect of increasing building materials and costs considerably, by one estimate 30%.

With those considerations the Board determined that then was the appropriate time to commence compliance to ADA requirement. The Board decided to set up this project in Phases – I, II, and III.

Phase I was dedicated to getting the rest rooms ADA compliant. This was completed earlier this year.

Phase II was dedicated to getting the front entrance in compliance with ADA with the construction of an enclosed ramping system. This matter was discussed at length by the Board in prior meetings. Several recommendations during these meetings were presented to the Board for consideration. The Board after a presentation by the architect, selected the option which best represented it's commitment to and for the safety and welfare of its patrons, friends, children and actives.

While there was some discussion concerning Phase I, there has been a more active interest in Phase II. Suggestions ranging from an open air entry way to a canopied entry way with glass enclosure were made. There were a few others, likewise. The open air entry non canopy, had appeal. This one was the lesser cost, an important consideration. Cost is always a consideration. On the other hand, one must look back to why the enclosed canopy option was considered. It does provide protection from the elements which in the winter can be quite daunting and hazardous. I use this past winter just as one example. We experienced a number of "wipe-outs" (by that I mean people coming into the lobby or ticket area from the snow covered and ice covered sidewalks leading into the building and slipping and falling down – in some instances quite violently.) One of our actives slipped and fell carrying a tray of cups for the

intermission. She said she wasn't seriously injured but it was quite clear that she was -- she refused attention other than a band aid. The floors were made unsafe by the conditions of the walk ways to the theatre. It was suggested that the cleaning crew was at fault for utilizing a different type of wax. But the fact remains that had there been that enclosure, the chances of her falling would have greatly diminished if at all. The cleaning crew was brought in to correct the situation but failed to do so. I know because I happened to be working the show, and both before and after the crew came, I found myself slipping and sliding from the snow and resulting water from people tracking in the snow. Even after the crew fixed the problem the floors were still in dangerous condition because of the water tracked in.

Concerns have been raised about depleting the Reserve Fund, in the amount of approximately \$290,000, in order to fund the ramping project. In each of the preceding Board meetings it was made abundantly clear that it was not then nor is it now the intention of the Board to deplete the Fund. In fact, it was clearly stated that the Board would not consider the depletion of the fund to be prudent. That is still the position of the Board tonight.

I was invited to a meeting last Monday night with a group of concerned Actives. Principally their concern centered on the method of paying for the approved structure by the Board and also some alternatives. They were again assured by the Chair that it was not the intent of the Board to tap into the Reserve Fund for funding of this approved project; instead, efforts were under way to find funding for the project, such as tasking the staff to acquire at least \$100,000 of corporate funding, utilize the net proceeds from all special events (not the Annual appeal) and to solicit funding from our patrons and, of course, ourselves. As to how much would be derived from these latter sources is not known. But Sandra has been tasked as the Fund Raising Chairperson to develop a fund raising program. In that regards, let me be the first to donate to the ADA Fund raiser -- a check for \$1,000. Now, I would implore you that should she approach you for help in this fund raising effort that you join her. It is for our theatre, you know. And I would ask that you set aside any differences of opinion and whole heartedly join her. I have in the past received calls from disgruntled Actives who didn't like a certain item or the way the Board acted, and therefore were going to withhold any contributions to the theatre. I asked them to reconsider and not punish the theatre, our theatre, because of a misunderstanding or disagreement. Please, don't punish the theatre that we all love and treasure. I do love this theatre. I do know that you have a special place in your heart for TWS. Keep it there. Support your theatre. Be angry with me or the Board, if you wish. If me, don't invite me for tea. I have to be honest -- there have been times over the many years I have been here, that I was dissatisfied with occurrences here -- a few times even angry. But never once did it ever occur to me to withhold my support -- actually or financially. Never once. I was always here to help during times of good and bad. My hope is that you, too, will keep that TWS spirit.

As I mentioned at the Annual meeting last September, we encourage your input. We will listen. But know that even if we do not comply with your wishes, we have listened. The decisions of the Board are based on all viewpoints. Our commitments remain to the common good of our patrons, our friends, our children, and of course, ourselves.

I assure that the Board has diligently, thoughtfully and carefully considered all remarks and will continue to do so.

Thank you.

Liaison Reports: Denny Wise reported that Marge Heffernan has resigned from the Post-Production Committee. For the remainder of this season, Jon Mills will cover both his position and her position.

Sandra Rasnak reported that she felt Budget and Finance has raised some serious concerns and important points regarding the Phase II ADA Project. Sandra said she believes that we all want to do what is best for the theatre. She asked that we keep in mind that this project is intended to meet ADA needs and should focus on that specifically, i.e., a ramp and heated sidewalk will meet ADA needs.

Correspondence: Dennis reported a letter dated May 1, 2008 on the excellent acting done by the main character in Wit. He also reported on a letter from Peggy Taylor dated April 15 thanking everyone for the framed memento of her time on the PSCC.

The meeting was adjourned at 915 pm. M: J. Hannigan; S: D. Bremer, P: Unanimous.

Submitted,

Katie Pecis
Secretary

Attachments: 3 attachments – All composing May 10, 2008 memo to the BOG.