



Minutes of the Board of Director's Regular Meeting

7:00 pm, September 30, 2019

RMCC

Directors Present: Nan Anderson, Linda Arroyo-Holmstrom, Henry Beer, Bill Briggs, Frank Bruno (via conference phone), Anne Clemons, Dan Corson (via conference phone), Shun-Luoi Fong, Mike Franson, Lisa Morzel, Bruce Neumann, Margaret Ryder, Cindy Schmidt, Alice Trembour Star Waring

Staff: Shelly Benford, Wanona Tara, Sue Perkins, Jeff Medanich, Debbie Stewart, Liza Purvis, Jason Hill, Adam Gillespie, Brandon Moyihan (CU Leeds Fellow)

Visitors Present: Francis Chamberlain, Barbara Guthery, Rob Schware, Kip van den Honert, Millie Williams, Sherri Ramser and Dick Ramser, John Foulkrod, Georgia Chamberlain, Susan Dawson

I. CALL TO ORDER; DETERMINATION OF QUORUM

President Anderson called the meeting to order and determined that a quorum was present for the conduct of business. She introduced new board members, Alice Trembour and Shun-Luoi Fong. She congratulated Dan Corson and Bill Briggs who were re-elected.

II. PUBLIC PARTICIPATION

Dick Ramser read a letter to the board, requesting more information regarding the Assessment for the Infrastructure, paid annually by Cottage Owners as defined in the sub-lease.

Georgia Chamberlain requested more information on the proposed preservation and maintenance workshop. Mr. Medanich responded that there will be an open house on October 14th, but no other information is available right now. Mr. Medanich clarified that the proposed location for the preservation workshop is in the area managed by Parks and Recreation. He stated that more information will be posted online and sent via email once available.

Barbara Guthery reiterated Dick Ramser's question about the infrastructure assessment. She also thanked Mr. Medanich and Jeff Rump for a wonderful Waterwise opening event.

III. CONSENT AGENDA

Mr. Bruno moved (Mr. Briggs seconded) that the minutes and board calendar be removed from the consent agenda. The motion passed (15-0-0). For the August minutes, Ms. Ryder stated that the names of two visitors were misstated and added clarification to the statements of Susan Dawson and Kathleen Woodberry. For the 2020 board schedule, Ms. Ryder expressed that she doesn't want the Board meeting to be on Super Bowl Sunday. Staff will look for a different time for the retreat and will send out a poll to board. For the other items on the consent agenda, Mr. Bruno moved (Mr. Briggs seconded) that the consent agenda be approved. The motion passed (15-0-0).

IV. MATTERS FROM BOARD MEMBERS

A. President's Report

President Anderson thanked Ms. Schmidt for her service as President.

B. Governance

Ms. Waring reminded all board members to review the conflict of interest policy and turn in their completed declarations.

C. Finance Committee

Mr. Bruno reported that the Committee has reviewed the budget assumptions twice so far and recommends board approval.

Ms. Perkins discussed the year-to-date August 31st financial statements. Revenue from public events was above budget and well above last year due to strong Z2 ticket sales and a larger cut of revenue directed to CCA due to the contract negotiations carried out last year. Support funding from SCFD and a grant for the Waterwise garden were above budget, but partially offset by a decrease in business and individual contributions. These contributions suffered due to the absence of development staff and are expected to rebound in the future since a Director of Development has been hired. The recent individual donation of \$175K will be booked after the securities are dissolved and the exact amount is known. This revenue will be restricted to programming with a strong preference for University for a Day or the Heritage Lecture Series if possible. Investments were \$94K above budget. Depreciation was also above budget for the first 8 months of the year, but that might be due to timing difference. Overall the year-to-date net income is better than budget. The most recent reforecast also showed net income greater than budget.

D. Buildings and Grounds Committee

Mr. Corson reported that CCA had planned to apply for grant funding for the creation of a memorial policy, but later learned that it might not be eligible for a SHF grant.

E. Sustainability Committee

Mr. Briggs explained that all members of the CCA Sustainability Committee are also part of the Sustainability & Resiliency (S & R) steering committee, which includes City staff as well. The consultants hired by the S & R committee, Resilient Analytics, are currently working on a report aimed at identifying vulnerabilities at CCA.

F. Community Connections and Development Committee

A special development task force will be formed, including members of the current committee and other community members. Development Director Debbie Stewart will act as chair of this task force.

G. Other matters

Mr. Neumann expressed concern about staff turnover. President Anderson stated that personnel matters should be handled by staff since it is not a policy matter. Ms. Benford responded that she notifies the board when senior staff members leave, but since non-disclosure agreements are standard, there may be some details she cannot legally share. Recent departures have been for many different reasons. She reminded the board that the hospitality industry typically has high-turnover and that some turnover is positive, bringing new talent into the organization.

V. MATTERS FROM STAFF

A. Executive Director's Report

Ms. Benford welcomed new board members, Shun-Loui Fong and Alice Trembour. She reported that an orientation for the new members took place last week and each new member would also be assigned a "board buddy," an experienced board member who will serve as a mentor.

Ms. Benford also welcomed Liza Purvis, CCA's new Director of Marketing and Communications.

VI. ITEMS FOR DISCUSSION AND INFORMATION

A. Fixed Asset Management

Mr. Hill and Mr. Moyihan presented the fixed asset management program. The new model allows staff to make better decisions about preventive maintenance based on financial considerations and the life-expectancy of appliances, roofs, paint and other assets. The long-term objective is to stabilize routine capital expenditures. Routine IT expenses are also included, though larger system changes are not. Ms. Perkins clarified that a change to the Wi-Fi network, which includes security upgrades, is part of the budget for 2020.

For the capital budget, Ms. Benford explained that remodeling the Auditorium Greenroom will be helpful since not all artists will be able to use the Galey Cottage for a pre-performance space. Ms. Anderson clarified that CCA is working with a roofing consultant and acoustician to avoid potential acoustic problems associated with installation of a metal roof on the Auditorium.

VII. ACTION ITEMS

A. Approve 2020 Budget Assumptions

Ms. Perkins explained that the initial budget assumptions included revenue of nearly \$6.8M with approximately \$91K net income after expenses. This does not include any investment income given high unpredictability. The assumptions do include \$106K in spending for capital expenditures to be spent from the reserves in 2020. This still allows for CCA to maintain more than 3-months of operating expenses, about \$1.4M of the \$2.2M in reserves, for emergency situations. Since it is recommended to have 3-6 months of operating expenses in reserves, Finance Committee discussed building the reserve fund in coming years. Development revenue is considerably higher than the 2019 reforecast due to contributions, memberships, and grants. Several of the grants have been secured already. Although SCFD funding in 2019 was higher than budgeted, SCFD funding for 2020 is budgeted below 2019 reforecast given that the increase in 2019 is not necessarily a sustainable increase. The development budget will also include a part time Development Coordinator.

For public events, the budget reflects an increase in venue rental fees, additional graduation events and a small increase in Space Series ticket prices. New events, such as WinterFest and University for a Day are projected to break even or lose a modest amount of money in their first years.

For Hospitality, revenue growth is predicted using a 2% increase in room rate, rather than the typical 3%, given concerns about recession in 2020 and an increase in local room supply.

Full Time Employee (FTE) changes include “flexing” of housekeeping employees to 35 hours per week in the shoulder season. Front desk positions will not “flex” and instead will remain FTE positions. The House Manager will move from PTE to FTE while the Sustainability Coordinator is moving from FTE to PTE.

Human Resources expects an average increase in employee compensation of 3.1%. Health care costs, which have not risen substantially in several years, may rise 10-12%, though CCA is working with a broker to find the best plan. Additionally, bonuses will be given only after the past year’s financials are available.

Marketing costs are expected to rise 5% overall in 2020. The cost of rebranding is currently budgeted for 2019 but will be reforecast for 2020 if the project is not complete this year.

The potential new software for development, membership or election purposes is not yet confirmed, so staff chose not to add this to the budget assumptions.

Mr. Bruno moved (Ms. Waring seconded) that the 2020 budget assumptions be approved as presented. The motion passed (14-0-0). Mr. Corson left before the vote.

VIII. ADJOURN

At 9:26pm the board adjourned.



Star Waring
Secretary, CCA Board of Directors