

ArtStream
Board of Director's Meeting
March 22, 2021

APPROVED MINUTES

ROLL CALL

In attendance at the meeting: Eleanor Allen; Kristen Chou; Mike Cooper, Chair; Cameron Elliot; Lisa Gaffney, Vice President; Maggie Haslam, Secretary; Sari Hornstein; Paul Murray; Molly Myers, Treasurer; Julie Reddig; Irene Stephens; Jonathan Tepper; Sonia Trask; Vu Tran, Client Liaison; and Delia Zielinski, Teaching Artist Liaison.

ArtStream staff in attendance: Heller An Shapiro, Executive Director; and Lynn Taylor Moore, Director of Finance and Administration

Note: An executive session was held for the first 45 minutes of this meeting. In attendance were Eleanor Allen, Kristen Chou, Mike Cooper, Cameron Elliot, Lisa Gaffney, Maggie Haslam, Sari Hornstein, Paul Murray, Molly Myers, Julie Reddig, Irene Stephens, Jonathan Tepper, and Sonia Trask. See separately prepared minutes.

MINUTES RATIFICATION

A motion was made to approve the minutes from the January 11, 2021 meeting with revisions to the following paragraphs:

Page 2: The SAS 114 letter (management letter) details recent accounting policy changes, including when and how income and grants are recorded. The FY19 and FY20 audits were adjusted based on the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08. This new standard changes the timing of when some revenue is recognized. The retroactive application of this standard resulted in an adjustment to the FY19 net assets in the amount of \$83,937 from the Maryland State Arts Council (MSAC) and Arts and Humanities Council of Montgomery County (AHCMC) grants received in July 2020. Because ArtStream's fiscal year ends in August, these grants, awarded in July each year for the following year, will now be recognized when they are awarded rather than in the next fiscal year. So, grants awarded in July 2020 will apply to income for FY20, not for FY21. Expenses allocated to MSAC and AHCMC will be shown without income for FY21 until the new grant awards are made in July 2021.

Page 4: Mike suggested that the Task Force inform the board about any needed resources to develop these concepts so that we don't miss an opportunity that is important to ArtStream and better serving our students. The Task Force is encouraged to focus on the original goals, including exploration of new program models, researching what other organizations are doing, and reaching new

students. Delia reported the Task Force is drawing from the members' experience and hasn't done any outside research yet. There was discussion of Special Olympics work on social media, which could be a good model for outreach. The Task Force is focused on how to keep ArtStreamers developing new skills, interested in the classroom activities, and growing. In addition to the above, the Task Force will also suggest programs to help ArtStreamers develop new skills and interests, as well as strategies for attracting new students to ArtStream.

The motion carried without dissent.

FY21 Q2 BUDGET UPDATE, FY22 BUDGET MEETING SCHEDULE

Molly Myers introduced the FY21 Q2 budget update. At six months into FY21, total income is \$573,287 (85% of annual FY21 budget). Total expenses are \$347,257 (53% of annual FY21 budget). Molly thanked Lynn Taylor Moore for her work reformatting the financial statements and noted that updated statements will be sent March 26, 2021. Heller An Shapiro reminded everyone that an FY20Q2 financial statement was not completed as Lynn had just started.

Individual donations are a little over budget, as are grant dollars, thanks to an additional \$120,000 in emergency COVID grant funding. ArtStream is still under-enrolled in the theatre companies due to COVID hardships. An increase in online classes, however, is proving that students are receptive to the format. Outreach to current and new partners continues.

Jonathan Tepper asked if ArtStream had discussed when they might go back in-person and if rental inquiries had been made. Heller An said that theatres are booked for spring 2022 in case a return to in-person is possible. Online classes will continue through the summer. A return to in-person programming will hopefully occur sometime between September 2021 and January 2022. A grant was submitted to hire a consultant for a strategic planning process to refresh ArtStream's plan in preparation for a likely mix of in-person and online programming.

FINANCE COMMITTEE RATIFICATION

Mike Cooper appointed Molly Myers to be Chair of the Finance Committee and Lisa Gaffney and Jonathan Tepper to be members of the Finance Committee.

A motion was made to ratify the appointment of the three Finance Committee members for a single term ending September 2022. Members may be reappointed for additional one-year terms. The motion carried without dissent.

STAFF COMPENSATION PHILOSOPHY STATEMENT FOR REVIEW

Board members reviewed the proposed staff compensation philosophy statement, which will place ArtStream's salaries between the Median Base Salary and the Median Maximum Salary listed in the most recent Maryland Nonprofits Salary and Benefits Survey. Staff are also eligible for up to a 3% merit raise on their year anniversary.

A motion was made to approve the Staff Compensation Philosophy. Julie Reddig recommended an edit to clarify that sick leave is a mandatory (not a voluntary) benefit. The motion carried without dissent.

Board members recommended increasing the salary of any employee earning less than the median base salary to comply with the policy and recognize outstanding work.

RESERVE POLICY AMENDMENT

Molly Myers thanked the members of the Reserve Policy Update Task Force, Mike Cooper, Lisa Gaffney, Jonathan Tepper and Sonia Trask for their excellent work on the policy.

During the mail voting process, two amendments were made by Eleanor Allen, as indicated in red:

The **Operating Reserve Fund** is a designated unrestricted fund. The Operating Reserve Fund is set aside to stabilize cash flow during temporary shortfalls of operating funds.

The target minimum Operating Reserve Fund is equal to approximately four months of average recurring operating expenses. The Operating Reserve Funds will be available in cash or cash equivalents and maintained in a separate account.

The Executive Director will submit a request to use the Operating Reserve Fund to the Board Finance Committee for presentation to the Board of Directors **for its consideration**. The request will include analysis of the reason for the use of the funds and the plan for repayment of the Operating Reserve Fund.

The **Opportunity Reserve Fund** provides for major unbudgeted expenditures, new programs, current program improvements and facilities.

The Opportunity Reserve Funds will be invested according to the Investment Strategy adopted by the Board of Directors and maintained in a separate account.

The Executive Director will submit a request to use the Opportunity Reserve Fund to the Board Finance Committee for presentation to the Board of Directors **for its consideration**. The request will include analysis of the reason for the use of the funds. The Board will monitor the investment portfolio and determine if it is necessary to develop a plan for re-funding the Opportunity Reserve Fund.

A motion was made to approve the two amendments to the ArtStream Reserve Policy. The motion carried without dissent.

INVESTMENT ADVISOR SELECTION

The members of the Reserve Policy Task Force met with ArtStream's current investment advisor at District Capital Management. The Task Force believes a different firm will provide a better return on the invested funds.

Task Force members researched and interviewed investment advisors at Merrill Lynch, Key Bank, and One Day in July. Following the interviews, Mike Cooper and Molly Myers checked with professional contacts who were able to serve as references for One Day in July and highly recommended them.

A motion was made to engage One Day in July (ODIJ) to manage the ArtStream Investment Portfolio. Irene Stephens thanked the Task Force for their due diligence. Sari Hornstein agreed that the Task Force process was thorough. The motion carried without dissent.

TEACHING ARTIST TASK FORCE UPDATE

There was discussion as to whether the board would hear teaching artist proposals prepared by the Teaching Artist Task Force encompassing ideas for an artistic director, mentor training, and teaching artist trainings and support meetings. It was determined that the proposals submitted were not yet ready for a productive Board review.

Delia Zielinski reported on the work of the 13-member Teaching Artist Task Force. She stated that the Teaching Artists are honored and privileged that the board asked for their insight and want to continue to strive for excellence for students and ArtStream. Since their formation in December 2020, the Task Force made recommendations for improvements, including expanding policies and standard operating procedures, responses to online technology questions and issues, new class ideas, and Teaching Artist support. In response, the staff began implementing new and updated standard operating procedures, expanded technology training, added new classes and workshops into the spring/summer 2021 calendar, and are offering Teaching Artist listening sessions and office hours.

Mike thanked Delia for her hard work on the Task Force.

FY21 Q2 DASHBOARD

There is a 26% increase in the number of students in tuition classes and a 44% increase in the number of tuition classes in FY21 Q2 compared to FY20 Q2. The increase in Super Social Saturday classes is a big part of this. Students in partner classes decreased by 44% and the number of partner classes decreased by 48% in FY21 Q2 compared to FY20 Q2. Partner classes made up 61% of the student total in FY20 Q2. At the end of FY21 Q2, tuition classes now make up 53% of the student total.

The number of individual donors did not change from FY20 Q2 to FY21 Q2 but the number of gifts and average gift amounts dropped 27%. Only two new donors came in

during FY21 Q2 compared to 14 in FY20 Q2. This drop is likely to have occurred because the online Gala did not bring in new donors.

Grant dollars are up by 54% in FY21 Q2 over FY20 Q2, due to the emergency COVID grants received, and the work that our new Development Director, Mimi Hess is doing. Total grant dollars in FY21 Q2 are 90% of all grants received in FY20. A new \$15,000 program grant is anticipated from the Kennedy Center's VSA program.

FY21 and FY22 funding from the Maryland State Arts Council and Arts and Humanities Council of Montgomery County may be limited due to reduced state and county tax revenues.

Cameron Elliot left the meeting at 9:12 p.m.

FY20-22 STRATEGIC PLAN PROGRESS REPORT

Although the next strategic planning process would normally occur in spring 2022, ArtStream's programs and the world in which we work changed dramatically this year. However, we continue to make progress in the current plan priority areas. We will refresh the plan this summer.

NEW BUSINESS

ARTSTREAM POLICY ON CONFLICTS OF INTEREST REVISION

Mike explained that "undivided loyalty" is a legal term that defines the state of loyalty to a number of people or institutions. A person with a "divided loyalty" between one or more people or institutions must reveal that conflict of interest and not participate in any activity related to it. Even if the policy language is changed, the appropriate decision-making policy must be in place.

The proposal to revise the current Policy on Conflicts of Interest was tabled for further discussion following a review of other policies.

Heller An will schedule a Board meeting in mid-May to review the draft of the FY 22 budget.

Sari Hornstein asked Heller An if she planned to do an exit interview with Abby Madden, Communications Manager, who is leaving ArtStream. Heller An offered Sari the opportunity to conduct the interview.

NEXT MEETING

The next meeting of the Board of Directors will be **Monday, June 28, 7-9 p.m.**

The meeting was adjourned at 9:28 p.m.

Respectfully submitted,
Maggie Haslam

2021 MEETING DATES

All meetings are scheduled from 7-9 p.m.

Monday, June 28, 2021

Monday, September 20, 2021

Monday, November 15, 2021