

ASSOCIATED ARTISTS OF PITTSBURGH
Board of Directors Meeting
August 11, 2014, 6:30 PM – Ice House Conference Room

Board Members present: John Lewis, Andy Urbach, Ann Thompson, Scott Hunter, Cecile Shellman, Mia Tarducci Henry, David Stanger, Ken Antol, Emily Meyer, Brian Siewiorek

Absent: Kathryn Stanko

Guest: Juliana Morris, Executive Director, AAP

The meeting was called to order at 6:32 pm.

Review of Juliana Morris' Work Performance and Recommendation for Merit Increase/Bonus

The Board of Directors met to review previously-submitted evaluations of the Executive Director's annual performance; recommendations were made accordingly. Minutes were recorded. A summary of these proceedings was sent to the Chairman of the Board of Directors during the week of August 11, 2014 and can be accessed by board members as needed.

Review and Approval of July 2014 Board Minutes

The business portion of the board meeting was called to order at 7:10 p.m.

Minutes of the July 2014 meeting had been sent to Directors via email prior to the meeting. These minutes were unanimously approved.

Director's Report

Juliana, John, and Emily met with Mr. Friedman. That meeting went well. Mr. Friedman is interested in art; he has an extensive law background which includes copyright law. He is particularly interested in conducting a seminar with artists concerning rights and digital media. He is willing to be an ambassador for the association. He is eager to get started. He is friends with Joe Smith; they served together on a board that successfully guided an organization through a restructuring period. He is familiar with issues and challenges involved in this kind of effort.

At this point, John Lewis defined the process for advisory member addition as: recommend, meet, vote.

It was established that Mr. Friedman is also willing to make a \$500 annual donation to AAP.

Ann Thompson made a motion to recommend Mr. Friedman to the Advisory Committee. Emily Meyer seconded that motion, and the action was voted on unanimously. He will hear from someone within the next month.

Andy Urbach indicated that Greg Barrett could advise on how to form auxiliary boards that bring in cash.

John Lewis suggested, at the question of whether a \$500 contribution was necessary for all members, that “As you build an advisory board, that money helps us get the funding we need; it’s fine to have others on the advisory board who are not financial contributors.”

Ann Thompson remarked that in 2013, toward the end of the calendar year, the board tried to get a list of ten donors, and we are closer to that now.

Fiscal Year Financial Results

John Lewis called attention to the single-page financial report found in the board packet. The report contains a cash-on-hand statement and a summary of income statement.

Regarding the drawdown and the timing of the drawdown, the Donna Bolgrem line should no longer be considered a single line item as of this meeting. The board was asked to focus on the second half of the summary sheet.

Juliana Morris explained that the -\$28,462 figure relates to the 50% Heinz ask rather than a full ask. The grant award will be split over two years contingent on the Board’s fulfilling certain stated duties. Janet Sarbaugh has indicated that we will receive \$20,000 this year and \$20,000 next fiscal year.

AAP did not receive ARAD funds, which also affected the bottom line. This ask was for \$7,000 to cover Kathy’s audit.

A discussion ensued about whether the Donna B. funds should be drawn down and whether they should be designated as income.

Juliana and John agreed that AAP needs to raise an extra \$29,000 if we do not want to draw down funds. Juliana explained that this year will be different. Andy Urbach mentioned that it would be helpful to compare the two June 30 statements from Morgan Stanley.

Juliana stressed that the report we were reviewing was just a cash financial summary rather than a summary of the audit. We can, and should, compare among three years when we have an audit.

Scott Hunter and John Lewis remarked that we are closing the gap. The Guidestar profile will look different than this internal one-page summary.

The restricted cash from DB is actually not restricted cash; it has never been restricted by Board resolution.

Andy Urbach asked: “How do we respond to Ms. Bolmgren’s family’s questions about how her money is being spent?”

Andy Urbach and John Lewis agreed that the tangibles should be communicated. The Board’s strategy should be: “As for money, spend the money, tell them how you spent it; ask for more.”

Juliana went on to report that we have collected \$15,000 in dues. Usually we average \$30,000 in dues. A big campaign is currently in effect to try and get members to renew. Some of the responses may be dependent on who wants to exhibit.

We have a year-end starting balance of \$7,500; we need the drawdown; we don’t want to be out of cash. John Lewis said we have to stop psychologically restricting the DB funds.

Andy Urbach said that because this money is invested, it will continue to support programming.

Ann Thompson asked whether we can start publicly recognizing her more as a supporter, saying “This money helped support the show.”

Juliana Morris said we could add a phrase such as “Graciously supported by the Donna Bolmgren Estate.”

We are not comingling this money with Foundation money. Foundation money has different stipulations. The Heinz Endowments has stipulations that restrict the percentage of funds that can be moved.

Juliana stated that the AAP Board of Directors has never decided what we are doing with the \$23,000 endowment from the building fund. It is in cash. We could keep it restricted, but put into a security. \$2,500 of it was given by Donald Robinson. He wanted this to stay in the building fund. \$5,000 was given by individual donors.

Andy Urbach said that we will have a building someday. Mia Tarducci Henry suggested making a motion to unrestrict the \$23,000.

John Lewis said that for the record, we should have a detailed report with chronology, context, etc. Mr. Lewis explored questions about the facts of the matter and conjecture about where the money could go if unrestricted. Since a board resolution was made, the matter needs to be made public.

David Stanger suggested that the money earn something; keep it restricted, and stop talking about the actions of the old board concerning those funds.

Juliana expressed concerns about how tight the AAP budget currently is; she wants to have a cushion. John Lewis suggested moving \$26,000 to PNC, with the remaining \$40 cash account for operations. John Lewis assured the board that we are engaged in raising funds and have plans to do so.

Budget

We have a break-even budget. For the 2014/15 fiscal year, we have planned for \$34,000 in unrestricted donations. This figure was based on a projection from analyzing last year's numbers. Last year's budget figure was \$31,000 in unrestricted donations.

Conversation turned into how the now-defunct Day of Giving could reduce donations, and that the new Arts Day of Giving in October may yield some, but not much. 2014 is the first year of the Arts Day of Giving.

Individual Donations also includes Board donations, and Board members who committed to do so were reminded of this promise.

A goal of \$20,000 was suggested for the Board to help raise. For a first-time fundraising year, \$20,000 should be a good goal. Juliana Morris said a patron letter was sent out last year, but there was no response. There was a concerted effort to improve lists. The funding community wants AAP to bet better with individual contributed funds.

An ARAD ask was just submitted in the amount of \$7,000. John Lewis will accompany Juliana to the ARAD meeting this fall.

Grants are also being prepared or have been recently submitted to the Pennsylvania Council on the Arts, PNC, The Heinz Endowments, Wm. Talbot Hillman. We won't get all of what we request, but that is to be expected.

AAP only had one sale from the Westmoreland Annual. We should do well at Butler.

If we do well this year, we should achieve our aspirations of \$156,365 in income.

Office expenditures are at \$8,000/month, including salaries.

Ann Thompson moved to approve the budget. Scott Hunter seconded the motion. There were no further questions. The 2014/15 budget of the Associated Artists of Pittsburgh submitted at the August 2014 Board of Directors meeting was approved unanimously.

Planning for Joint Advisory Committee/Board of Directors meeting in September

The final topic was planning for September events, most importantly the September 23 Advisory/Board meeting.

September 19 will be an exhibit opening at Frame House. The proposed September 23, 6 p.m. joint meeting of the Board of Directors and Advisory Committee will be a cocktail/hors d'oeuvres function where the new board committees will be discussed. The purpose of the joint meeting, which will supplant the regularly scheduled board meeting, will be to engage advisory committee members, bringing them into our process and soliciting feedback.

John Lewis led a brainstorming meeting about how to plan and inform advisory members about the meeting.

Emily Meyer was concerned about how the advisory committee members would be unformatted about the meeting and in what time frame, and with how much notice they would be told, especially since it's consistently been a problem communicating with them. Each board member has more than one advisory member as a 'buddy', but it's been difficult to get answers from them. Andy Urbach suggested just starting with phone calls to the assigned people.

Talk ensued about whether this was primarily a social event or a business meeting. It was determined that the meeting should have a little of both.

John Lewis agreed to prepare brief remarks, about 15 minutes long, that would be similar to the remarks he gave at the annual meeting. These remarks will introduce the Board and the Board's activities to date.

Cecile Shellman suggested that these meetings (social and business) sounded like two different concepts altogether, especially since most of the advisory committee members are not well known to us and have a spotty history with connecting with AAP and the Board.

Mia Tarducci Henry suggested having email conversations leading up to the actual invitations and meetings.

The menu for the hors d'oeuvres reception was discussed. Andy Urbach and Ann Thompson each committed to donating five bottles of wine to the event; red and white. There is no problem with having red wine in the gallery.

Suggestions for food included Blackbird Kitchen and Whole Foods. Elizabeth will take care of catering.

There is a budget of approximately \$300 for food.

An agenda will go out to invitees prior to the meeting. Other invitees who are not currently on the advisory committee or board include Ryan Lammie, PJ Zimmerlink and Joan Milson.

Cecile Shellman will not be in attendance at the September 23 meeting due to prior commitments.

There was no further business; the meeting of the Board of Directors was adjourned at 8:56 p.m.