

**OREGON SHAKESPEARE FESTIVAL
BOARD MEETING MINUTES
June 18, 2004**

ROLL CALL:

PRESENT:

Board: Mary Arnstad, Ray Bacchetti, George Bell, Chuck Butler, Susan Cain, Sid DeBoer, Lew Frederick, Lyn Hennion, Ginny Lang, Ken Lewis, Ann Otter, Lee Pelton, Jim Risser, Angelica Ruppe, Guy Saperstein, Patsy Smullin, Nancy Tait, Jerry Taylor, Dan Thorndike, Roy Vinyard, Mary Wilcox,

Elisabeth Zinser

Trustees: Beth Cotner, Marty Lemke, Bill Moffat, Emily Mostue, Bob Rasmussen, Fred Rehmus

Staff: Libby Appel, Joan Langley, Paul Nicholson, Janeen Olsen, Mallory Pierce, Sharon Rogers, Jerry Roos, Janet Russ, Peter Thomas

Guests: Janet Williams, Tudor Guild; Frank Galati, Director

ABSENT:

Board: Bertie Bialek, Jack Creighton, Bob Fletcher, Bobbie Foster, Faith Gabelnick, Bill Meehan, Jody Patton, Jill Ruckelshaus

Trustees: Joanne Howard

President Chuck Butler called the meeting to order and noted that a quorum was present. Butler introduced new Board member Lee Pelton, President of Willamette University, and announced the passing away of Board member Faith Gabelnick, who joined the OSF Board in 2001. Gabelnick died last Sunday, June 13, following a short battle with metastatic pancreatic cancer. She had retired from her position as President of Pacific University in July 2003 but sadly was not able to enjoy a long retirement. Butler said that Gabelnick brought an intense curiosity and plain good sense to our committee and Board meetings, asking the right questions while clearly revealing her support for the Festival and its work. She will be greatly missed. Butler asked Ken Lewis to read a statement and resolution that will be given by Lewis on behalf of the OSF Board of Directors at Gabelnick's memorial service.

Motion by Ken Lewis, second by Elisabeth Zinser, to adopt the statement and resolution as presented. Carried Unanimously.

PRESIDENT'S REPORT: Butler asked if there were any additions or corrections to the Minutes of the last meeting.

Motion by Ken Lewis, second by George Bell, to ratify the Minutes of the March 12, 2004 Board meeting, with minor typo changes. Carried unanimously.

Butler announced that Paul Nicholson, Executive Director, celebrated his 58th birthday on June 16, while also commemorating his 25th season at the Festival, and reminded the Board that Nicholson will be on sabbatical from June 22-August 23. Nicholson also announced that he has been elected to the Board of Directors of the Theatre Communications Group (TCG), a non-profit organization with 400 theatre members in the US. Nicholson asked the Board to make contact with Butler or the department heads during his absence if they have questions or if issues of significance arise.

Butler also reminded the Board that the Board Retreat Notes and attachments that were sent earlier in the week via email are and should remain confidential. In addition, Butler said that the nomination process to fill upcoming Board positions will commence upon Nicholson's return, and asked that names of potential nominees be submitted to either himself or Nicholson. Butler announced that the evaluation process of the Executive and Artistic Directors is upon us, and requested that comments from the Board be directed to him, which he will share with Nicholson and Appel. Their contracts expire in October of this year, and new contracts will be negotiated prior to that time and

will again have a three-year renewal clause. Butler asked Nancy Tait and Dan Thorndike to be part of his negotiating team.

Chuck also asked the Board to direct their comments on establishing a drug policy to Janet Russ, Director of Human Resources.

Butler announced that a committee will be established to identify properties that may hold an interest to the Festival concerning the housing needs of visiting actors and directors. Butler will be in touch with those individuals selected to sit on the committee.

TUDOR GUILD REPORT: Janet Williams, Past President of Tudor Guild, gave the report. She said that the Tudor Guild will provide a minimum of \$1,000 in scholarship for the Festival's Summer Workshop for High School Juniors, as a memorial of Tudor Guild members who are deceased. She announced that Past President Edith Huenman and active member Betty Elerath have both passed away. Joan Langley, Director of Education for the Festival will be guest speak at the Guild's July meeting. Tudor Guild continues to work on the first draft of its five-year plan. Patty Romeo, former OSF Board member was recently elected to sit on the CAVORT Board. At a recent staff appreciation picnic retiring employee Tish Poe was honored; she has worked for the Tudor Guild since 1996. The Tudor Guild will also sponsor a float in the July 4 Parade. Sales to date are down from last year, but are in line with OSF attendance. Expenses are within budgeted guidelines. The main challenge this year is turning a soft beginning into a sustained sales increase, and the main focus will be on providing financial and operational assistance to OSF and services to patrons of the Festival.

ENDOWMENT TRUSTEES REPORT: Bill Moffat, president of the Endowment Fund, reported that the trustees met yesterday, with all participating in person or by phone. For the quarter ending March 31 the rate of return on the fund was 2.8%, slightly above average for recent years. The return was in the 66th percentile of peer endowments and foundations, below average largely because bonds outperformed stocks during the quarter, and the OSF endowment holds no bonds. The balance in the fund as of December 31, 2003 was \$25.6 M, and \$25.9 M as of March 31, 2004, the result of an investment gain of \$721,722 partly offset by a \$563,061 net cash outflow. The rate of return for the fund for the twelve months ended March 31 was 42%, presumably among the highest one-year figures in the history of the fund, placing it in the 3d percentile of peer endowments and foundations for that period. Over longer periods the annualized return has been less grand: 7% for 3 years, 4% for five years, and 8% for 10 years. The trustees' discussion yesterday focused first on a fairly sharp decline in the Festival's treasury investments, normally steady through the December-May period, but dropping this year from about \$5 M to about \$3.7 M. These investments are not the property of the endowment fund, but the trustees take them into account in making asset allocation decisions since they form an important part of the financial strength of the Festival. The decline is partly attributable to low ticket sales. The trustees asked its consultant, R.V. Kuhns & Associates, to advise on possible responses to this development at the September meeting. The second focus yesterday was on the consultant's analysis of longer-term rate of return prospects, which are challenging. The payout rate is currently 5%, general inflation is forecast at 2.5%, and additional inflation at 1% due to the Festival's expense structure. The endowment therefore needs to earn 8.5% if principal is to support a given portion of Festival activity in perpetuity. Based on the consultant's forecasts, the fund as currently invested should earn about 8.9% over the long term, though a second analysis, based on "Monte Carlo" probabilistic methods, warns that the probability of earning in excess of 8.5% is only in the 45-50% range. The trustees will continue to discuss whether the endowment can continue to pay out 5% per year. Performance over the past 10 years has averaged about 8%, somewhat less than the 8.5% needed. This challenge is pushing the trustees to investigate investments other than traditional securities. Alternative assets already are targeted at 25% of the endowment. The trustees voted yesterday to move 10% of assets out of domestic equities, reducing them to 45%, and to increase international equities by 5% (to 25%) and a conservative hedge fund by 5% (to 20%). (The remaining 10% is targeted for private equities.) No new managers will be retained, and these changes will be made immediately. The effect will be a slight increase in expected return with little change in risk. The board's intention is to explore further shifts toward nontraditional assets when prudent. In response to questions, Moffat stated that the consultant's rate-of-return analysis took no account of possible gifts to the endowment fund, that the international portfolio contains securities from both developed and emerging markets, and that R.V. Kuhns has been the board's consultant for approximately seven years.

FORUM FOR NON-AGENDA ITEMS: Nothing.

ARTISTIC PRESENTATION: Libby Appel, Artistic Director, commented that she takes particular pleasure in introducing Frank Galati, director of *Oedipus Complex*. This is part of OSF's new play development as Galati is writing a translation originally commissioned and produced for the Festival. It is a major work of art, which unfortunately is being produced very late in the season. He has been a personal friend of Appel's for 35 years, has two Tony awards and is also an Oscar nominee. Appel commented that she directed his first play many years ago, and describes him as one of the finest directors in the world, in addition to being an actor and writer. He is a person of enormous intellect and is her reason for where she is today. Galati continues to teach at Northwestern University, as it continues to be a vital part of who he is. Appel describes Galati as an extraordinary, generous human being, and welcomed him as a director after trying for 9 years to get him to the Festival. Galati said he is overjoyed, thrilled and humbled to be part of the Festival. He said that it is important to live in fear in theatre—and brave enough to fail, by creating an environment that is safe to do so. He always strives to make something of value, something that is true, even if it is a failure. Galati said that two summers ago Appel called him and asked him to take on the Oedipus project. He calls it a paradigm of the tragedy of fate, and a blend of artistic, politic, religious life. When he reread Sophocles' play *Oedipus*, he was very moved and said that at the end of the play when all is done and *Oedipus* is talking with his children, the emotion is overwhelming because he is doomed to wander the world with the sick, as the chorus looks down on his misery, as the play ends, "Count no man happy until his story is over and he is free of pain." Freud said 104 years ago that it was his experience (in the practice of psychoanalysis) that every child goes through a period in which there is a murderous impulse for one parent and an erotic desire for the other parent, to master and conquer the father in the arms and affection of the mother. Galati believes that Freud's contribution is the best example of all western intellectuals coming together in one person and believes him to be more of a literary critic because our thinking has been affected by his writing from dreams to ego, subconscious to relationships. Galati began thinking about his project by looking at Oedipus through the eyes of Sigmund Freud and what if the plays were Freud giving a lecture to the medical society in Vienna in 1900 and turns into a dreamscape as the play unfolds and evolves, and if he introduced the idea of the *Oedipus Complex* in a surgical theatre setting. What if Oedipus is Freud's patient and those in the surgical theatre become the chorus. Maybe Oedipus can help us understand something about Freud and ourselves and why we have been dominated by him. At that point, he talked with Appel about the Sophocles' play and combining them with the world of the writings of Freud. He started combing the texts and is now in his third writing and translation. At the unfolding of his play, Freud is writing his dream book when his father dies. The family is tangled in generations and hidden inside Freud is a deep hostility and anger. This is what draws him. At the same time, Freud has correspondence with another colleague talking about his revelations of his inner life. There is a plot to Freud's story as the *Oedipus Complex* comes to fruition, and he also needs to deal with two endings—that of Freud and that of *Oedipus*. It is Frank's invention that Freud becomes Dieresis in the play. Galati and Appel worked together in determining actors for his play, and describes his cast as brilliant with enormous depth. He said he could not think of another city, cast or opportunity where a project of this magnitude could be done. He has come to the Festival as a fan for the past 25 years, and describes his visit as a locus of magic. Ray Bacchetti asked Galati as a teacher what kind of responses might be given to students seeing the play. Galati said that it is fragile, tender and difficult, and that the play has four children in the cast. This pathology is of great concern to Galati, but the mother of three siblings in the play has expressed such security in the ethical value of the Festival that she is comfortable with her children's participation. *Oedipus* is read in high school and Frank feels the play is natural and necessary, but the tabu is real. The purpose of the play in part is to reinforce the tabu, which is a sign of the prohibition of the offense and society guards and protects it. Galati described Freud as "the guardian of child" in that he wanted to protect the children as a devoted father. Appel said the Festival will have discussions for patrons regarding the play. Since Greek plays did not have intermissions and the play runs about 100 minutes, there will be no intermission.

STRATEGIC ISSUES:

- 1. Striving for Artistic Excellence (Goal 1):** Libby Appel, Artistic Director, told the Board she is looking forward to the Board seeing the Elizabethan plays which are very different from one another. Appel predicts that *King Lear* will be excellent, that *Much Ado About Nothing* will be delightful, and she is extremely proud of the *Henry VI* cycle which is done in one season, and is extremely proud that it was undertaken. *Oedipus Complex* is not in rehearsal. *Humble Boy* has been in rehearsal for a month. *Topdog/Underdog* closes the end of this week and is one of the most superb performances ever. *The Visit* closes in early July and is an extraordinarily interesting production. Appel is in the interview and casting process for the 2005 season. *Continental Divide* is alive and well at La Jolla Playhouse, playing to mixed reviews. It continues with some OSF actors, our designs and our name. The play will not be moving on to Dublin. Appel feels that the *Continental Divide* was a triumph in the British press. Paul Nicholson, Executive Director, said that attendance was less than expected, and proceeds should be approximately \$5,000-\$10,000 to OSF. The negotiated fee with La Jolla Playhouse will be about \$40,000 to OSF. Additional monies will come from Berkeley Rep for overcharges. The net result for *Continental Divide* will be about \$80,000 and OSF will receive 20% of any future royalties to David Edgar. The Brooklyn Academy of Music and Barbican may have an interest in *Oedipus Complex* in the future. Butler also referred the Board to page 16 of the Playbill and the listing of business sponsorships. Elisabeth Zinser informed the Board of several events and activities at SOU and announced that Nicholson has been asked to sit on the Advisory Board of the university.
- 2. Creating a Supportive Company Environment (Goal 2):** Janet Russ, Director of Human Resources, informed the Board that well over 200 company members have been with the Festival from five to over 25 years, and that the rewards and recognition program that was recently implemented has been very well received by company members. Nicholson gave the Board a brief history of Company Council, a group made up of company members from all departments who meet with Appel and Nicholson on a regular basis. The council was formed in May of 1997, and is considering a change in format. The council offers an excellent opportunity for Appel and Nicholson to connect with the various departments, with a completely different level of communication. Russ told the Board that health claims are down and the Elements Health Plan is the next step toward a fully integrated wellness and lifestyle management program into everyday life. She referred the Board to a sample of the Elements newsletter in the Board packet. She noted several advantages to the Elements Health Plan, including an in-house health team, benefits utilization education, on-line health risk assessment, personal health educator/coach, brown-bag health presentations, 24/7 prevention and intervention services, a customized website and newsletter. Russ said that OSF will pay the same or a bit less for quite a few more services. Nicholson said the Board is receiving this information today because it rises to the level of a policy decision, just as a policy decision was necessary when the Festival became self-insured three years ago. The Board will receive a specific proposal at its next meeting. Presently AAI is our third-party administrator. The health care plan that is used presently will remain the same and overlaid with additional wellness services, and care is not compromised in any way. Any Board members who want to sit on a sub-committee should contact Russ. Russ also informed the Board that the Festival has had a raise in its Worker's Compensation premiums over the last two years; therefore, we are looking at the benefits of self-insuring. Russ requested that Board members who have comments regarding self-insuring Worker's Compensation to please contact her with their input. She stated that side-by-side comparisons between our current provider (SAIF) and becoming self-insured will be done and the findings presented at the September Board meeting. Currently we pay \$170,000 per year. This year we had 33 claims, down 15 from the previous year, but the cost of claims was greater. We are also looking into retro programs as compared to a premium program. Drug and alcohol testing is also being considered by the Festival as part of pre-employment physicals, as well as for cause and accidents. She has held two supervisor management training meetings with an outside consultant to discuss the possibility of drug and alcohol testing. Since this is a major policy issue Butler asked that comments and suggestions be directed to Russ. It was noted that several Board members do test for cause in their businesses. Nicholson said that the union protects actors from these types of testing. The Festival does have an Employee Assistance Program that the Elements Health Plan will offer at no expense.

- 3. Developing our Audience Partnership (Goal 4):** Janeen Olsen, Director of Marketing and Communication, attended the Oregon Governor's Conference on Tourism in April with speaker Dr. Peter Yesawich, and said that four trends have converged affecting buying habits including the economy, babyboomers (who are not as loyal as their parents, i.e., they are grazers and are influencing travel trends), children (we need to accommodate them), and last-minute buying (time planning has a very narrow window, partly due to the emergence of the internet). Iraq-war-phobia also comes into the mix. Things are starting to move in the right direction, but we have a ways to go to get back to where we were three years ago. We are down 5.8% in presales (prior to general sales) compared to the same time last year. General sales are up 2.1% as compared to sales last year. However, the bottom line is that we are down 2.7% from last year at this time; goal was to be ahead 3.7% from last season at this same time. Thirty-five school groups have cancelled, due primarily to playbill selection and placement. Olsen reported that we are 8,300 tickets behind last year, with 7,000 being attributed to *Topdog/Underdog* being shown in the New Theatre, which is in competition with the play being performed at other locations on the West Coast. Appel said that next season we will open to a world premiere that is not suitable for students, but it will run a shorter time, thus adding more than 40 performances for *Ma Rainey's Black Bottom*, which is suitable for students. The Cycle Oregon and Robinson's-May campaigns are off and running and bringing in new ticket sales. Brand Oregon was recently shooting at the Festival. Marketing activities include on-going marketing (display ads, radio on-air promotions, TV spots and billboards in the Bay area, Bowmer Birthday savings, media cultivation and New Generation events), as well as new marketing (on-line ticketing OSF e-blasts, Robinson's May sponsorship, Widmer Brewing partnership, AllLearn on-line learning at Stanford, Yale and Oxford, Alaska Air e-newsletter, Bite of Oregon, local television spots, Sunset Magazine ads and Wieden/Kennedy National Brand Oregon campaign). Olsen noted that in the Widmer campaign, interested parties can go to any Market of Choice, purchase a case of beer and \$1 is contributed directly to the OSF Endowment Fund. Students from Roosevelt and Marshall High Schools rode on the Robinson's-May float in the annual Rose Parade in Portland, which used OSF as its theme. In addition to the students, a board member from the Portland School District and Lue Douthit, OSF Director of Literary Development and Dramaturgy were on the float, which received the Grand Award. Olsen also noted that Roosevelt High School is part of the pilot program through our Education Department. Olsen also gave the Board a brochure listing the summer programs. Arnstad complimented and thanked the Marketing Department for connecting with businesses in such a visible way. Olsen also said that the Festival is at 78% capacity compared to 84% at the same time last season, and budget is 86%.
- 4. Maintaining and Enhancing Education Programs (Goal 5):** Ray Bacchetti, Chair of the Education Committee, told the Board that the committee met earlier in the week, and thanked Lew Frederick for chairing the committee for the past two years. The emphasis of the meeting was taking stock and getting their bearings based on Goal 5 of the LRP (2003-2007), which lists 22 action programs, as well as focusing on a ten-year plan. The committee will look at issues and opportunities that Joan Langley, Director of Education, brings before the committee, including the need to prioritize the 22 action programs, articulation and coordination of the Education goal with other goals, the need to reach schools and students who have limited financial capacity to help them give theatre a priority, the need to pay attention to impact, i.e., residency programs, and leverage, i.e., teaching teachers utilizing technology, cultivating support within the Festival for the program, participation of all board members in education, and keeping ahead of what is distinctive about the education program at OSF. Langley said that 5-6 action plans specifically address education scholarships, given some of the financial realities we are faced with over the next three to ten years, and said that the committee is working to establish priorities. Scholarships include those for the Summer Seminar for high school juniors, the School Visit Partnership program, the Bowmer Project for student playgoers in the four-county area of the Rogue Valley, the Ashland Schools Project, and the School Visit Program that offers reduced ticket prices. There were 120 applications for 60 slots, with applications from over 12 states, and over half had financial needs, with only 9% of the necessary monies available. Juneteenth is Monday at the Festival, and a legacy has been established for a scholarship for a student of African-American descent to participate in the Summer Seminar program. Langley encouraged Board members to attend and join in the event. The Festival does offer several free programs including Prologue, park talks, *Oedipus Complex* discussions, and so on. Bacchetti will be in contact with other

members of the Education Committee to get their input to build and sustain momentum in the Education program and asked other Board members to contact him with their comments.

- 5. Ensuring Fiscal Health (Goal 6):** Dan Thorndike, Chair of the Finance Committee, introduced Jerry Roos, Director of Finance and Administration. He reported that ticket sales drive income, and we are down 5.3% from budget in ticket sales, and down 3.6% from budget in earned income overall. Operating expenses are up 1.3%, with the earnings gap down 6.0% from budget. Property, casualty and worker's compensation costs increased administration costs. Depreciation is up because of recent apartment acquisitions. Presently, the 1% payroll increase reserve is contributed to offsetting the anticipated deficit and company members have been informed of the likelihood that they will not receive the 1% pay increase at the end of the season. The campaign to obtain email addresses was overwhelmingly successful, developing a list of over 36,000 email addresses, which will save postage and mailing costs and help offset deficits. Total contributed income is down .8%, with no addition to net reserves anticipated at this time. The Budget Committee has started meeting, along with Boarshead (key staff in the budgeting process) as we approach the 2005 budget. Nicholson said that we are making the assumption at this time that it is likely we will be budgeting at a lower attendance than in previous years. At the same time, we hope to have a very small increase in ticket prices, i.e., 2%-3%. There are substantial increases in materials costs anticipated, i.e., lumber, steel, fabrics, etc. The result is that he does not believe we can construct a budget with salary increases. He is hopeful to put together a three-tier budget. The first will be very conservative, based on ticket sales and what it will take to mount the season, hopefully without cutting staff. The second tier would include a minimal salary increase (2%-3%) that would be implemented if attendance was better than budget. The third tier would be for non-essential items if funds are available. Appel has informed actors that there will very possibly be no salary increases for actors as well. We will have a financial Company Call in September, and Board members are welcomed and encouraged to attend. Nicholson predicts that we will achieve 83%-84% capacity by season's end. Board member Jerry Taylor believes strongly in minimal salary increases for company members in appreciation of their work during the course of the preceding season. Nicholson said that the costume rental business is moving forward. A lease has been signed for 12,000 square feet of space for the next ten years, with a ten-year rate of renewal at a very favorable rate. The costume rental manager position has been finalized and interviews will take place over the next few months. Approximately 10,000 costumes will be transferred to the new facility. A proposal will be presented to the Board in September for the inventory control system.

Dan Thorndike, Treasurer of the Board, asked the Board to approve a motion regarding signatories on the Festival's bank accounts. Board member Angelica Ruppe suggested that a Board member's signature be required on checks over \$10,000. Roos replied that it would be difficult to obtain the signatures because there were numerous instances each week when the Business Office had checks of this size. Nicholson indicated that the motion was simply a restatement of the current policy that has been in effect.

Motion was moved by Dan Thorndike and seconded by Ken Lewis, to approve new signatures for all Festival bank accounts, as set forth as follows:

- 1. Approve as authorized signatories on standard bank corporate resolutions and signature cards pertaining to Festival bank accounts those individuals currently occupying the offices or positions of President, Vice President, Treasurer, Artistic Director, Executive Director, Director of Finance and Administration, and Producing Director.**
- 2. Authorize the Secretary to sign and date such corporate resolutions and signature cards upon completion by staff**
- 3. For internal control purposes, reaffirm the following operational policies with respect to the signing of checks:**
 - a. That the facsimile signature of the Executive Director be authorized as the sole signature for checks up to \$1,000 drawn on all Festival accounts;**

- b. **That for checks over \$1,000 and up to \$10,000 any two of the individuals holding the offices or positions described in paragraph (1) above be authorized to sign, including the Executive Director either by facsimile or by original signature;**
- c. **That the authorized signatories for checks over \$1,000 be any two original signatures of the individuals holding those offices or positions described in paragraph (1).**

Passed unanimously.

- 6. **Creating Strong Development Relationships (Goal 7):** Ann Otter, chair of the Development Committee, reported that former Board member Louise Gund is now a member of the Development Committee. The Committee addressed the Board giving campaign and the possibility of Board members also underwriting plays, and informed those present they can look forward to receiving a special invitation in the mail over the summer to give, in addition to their regular gift. Invitations for premiere memberships will be mailed out earlier this year. The contributed income goal for this year has been \$4.8M, a 3.2% increase over last year's goal. It is estimated that at the end of the fiscal year contributed income will be at a 2.7% increase, off budget by \$23,400. Basic membership is the largest contributing factor to contributed income. Otter feels the figures are very respectable given the state of the economy, and we need to start focusing on the changing socioeconomics of our patrons. Peter Thomas, Director of Development, informed the Board that Mark Pigott will be underwriting *Faustist* next season, and Peter and Helen Bing are underwriting *Oedipus Complex* in the amount of \$75,000. Board members Patsy Smullin and Sid DeBoer suggested that OSF try to arrange a reception for students and faculty during the Stanford Sophomore Seminar in September. Thorndike feels we need to come up with something that makes it essential for people to want to become members. Mallory Pierce, Director of Development, responded that the box office is working on a list of suggestions regarding this. Development is working on a constituent survey in conjunction with Marketing which will come out in the fall. Pierce said that premiere memberships are up 4%, but it is unknown what the market shift is, and noted that the souvenir program lists contributors rather than the playbill. Nicholson updated the Board on the city's motel/food tax, with the Festival receiving \$112,000 this year from the city, which is an important source of support to the Festival. He said that the a new ordinance was written for \$110,000 for the next three years.
- 7. **Taking Advantage of Technology (Goal 8):** Paul Nicholson, Executive Director, informed the Board that on-line ticketing went live on June 8, and has far exceeded our expectations. Bruce Wand, Director of Information Services, was duly acknowledged by the Board for his work and the extraordinary efforts of his team to bring on-line ticketing to fruition. Staff will continue to make modifications to the system, including implementing a membership form on-line (followed in the future by on-line memberships), as well as doing membership presales immediately into next season, which should have a profound impact on the workload in the box office in November and December. Wand thanked the Board for providing funding for Tessitura and all its capabilities. Nicholson anticipates that there will be an on-line presence for memberships in June of next year, and will be part of the budgeting process. An interdepartmental task force will be established to deal with some of the details of on-line memberships.
- 8. **Dealing with Space and Facilities Challenges (Goal 11):** Nicholson presented a slide show tour of the Festival and its properties, noting concern for the safety of The Bricks. He feels the only suitable conclusion to the safety issue is to do a complete redesign of The Bricks, including both the staging and grass areas, which will need to take place in the next year or so. He also informed the Board of the potential redesign above the Black Swan and New Place. Nicholson also commented on the proposed showcase display for our use of solar energy that we sell to the city. Nicholson said that the Festival presently controls and maintains 45-50 rental units, and must rely on renting other units from private outside sources. Nicholson is anticipating creating a 20-year plan to look at what properties we might want to consider for purchase in the future. Butler asked Board members to contact Nicholson if they would like to sit on a special task force to consider future purchases. In order to comply with Equity, OSF must meet the housing needs for those Equity actors who can prove they rent living accommodations elsewhere outside the area. Non-equity actors must pay rent. Board member Mary Wilcox suggested that the Festival make contact with attorneys in the area who do estate planning to inform them of our interest in potential

properties. The Equity/LORT contract states that living accommodations must be within a ½- mile radius of the Festival campus, and this is a standard feature of the contract; Nicholson hopes to be able to modify this consideration at some point in future negotiations.

9. Creating Multicultural FAIR program (Goal 13): Appel said that Christine Menzies has been hired as program manager of the Fellowship, Assistantship, Internship Residency (FAIR) Program and will start in August. Menzies coached voice and text for two of our productions this year, and will be introduced at the September Board meeting. Appel hopes to see results from the program in two seasons. The program is designed to bring in young people, particularly those of color, who might not otherwise be thinking about theatre as a career choice, thus enabling us to fill our work force from in-house. Relationships will be set up with universities. Appel also made mention of the link to her interview for Women in Theatre on the OSF website under OSF News.

10. Raising National and International Awareness (Goal 14): Nicholson informed the Board that the proposed visit to Japan in September will not be occurring this year. However, Mr. Ei Kisei, professor of Miyagi Prefectural University and Postgraduate School, along with thirty graduate students were at the Festival this last week. Mr. Ei has invited Nicholson to speak on the topic of theatre marketing at a symposium in Japan in February 2005. They believe OSF is “the theatre” to visit in the United States, and Paul looks forward to the opportunity to share our marketing strategies with Japan.

Butler noted that Ken Lewis has asked to be placed on the Governance Committee. Nicholson noted that in 2005 OSF will be celebrating its 70th year since it was founded. He said that we will acknowledge our 70th year, but will wait until our 75th anniversary to fully celebrate. He also informed the Board that the First Folio is back in Ashland, and the Festival will have more public viewing of the Folio, i.e., 80 tickets will become available each Thursday at \$3/ticket. Information boards are now hung in the room describing the various elements and history of the Folio, and is the same information presented in the First Folio brochure in the Board packets. Nicholson will schedule a Board viewing of the First Folio in September. He also noted that the new souvenir programs are just off the press and a complimentary issue are available to Board members in the box office today between 5:00 and 6:00 p.m.

The meeting adjourned at 3:45 p.m.

Respectfully submitted,

Kenneth Lewis
Secretary