

**OREGON SHAKESPEARE FESTIVAL
BOARD MEETING MINUTES
January 25, 2008**

PRESENT:

Board: Karen Allan, Mary Arnstad, Ray Bacchetti, Bertie Bialek, Rick Bleiweiss, Susan Cain, Kevin Cartwright, Yogen Dalal, Sid DeBoer, Bill Findlay, Lyn Hennion, Paul Hill, Peter Koehler, Jr., Rudd Johnson, Ginny Lang, Jim Risser, Angelica Ruppe, Nancy Tait, Jerry Taylor, Roy Vinyard, Brenda Williams

Trustees: Chuck Butler, Bill Nichols, Robert Porter, Fred Rehmus, Dan Thorndike

Staff: Linda Fern, Joan Langley, Paul Nicholson, Mallory Pierce, Bill Rauch, Peter Thomas, Jerry Roos, Bruce Wand

Guest: Carolyn Peake, Tudor Guild Liaison

ABSENT:

Board: George Bell, Bobbie Foster, Mort Friedkin, Louise Gund, Julie Dixon, Celia Meese, Jody Patton, Guy Saperstein, Noell Webb, Elisabeth Zinser

Trustees: Beth Cotner, Mick Seidl

- A. **Call to Order:** President Jerry Taylor called the meeting to order and a quorum was noted.
- B. **President's Report:** Taylor asked if there were any additions or corrections to the Minutes of the last meeting.

Motion by Angelica Ruppe, second by Roy Vinyard to ratify the Minutes of the September 7, 2007 meeting. Carried unanimously.

- C. **Tudor Guild Report:** Carolyn Peake, Tudor Guild Liaison, reported the Tudor Guild is celebrating 60 years of support to the Festival. Over the years, they have contributed nearly \$5 million towards the Festival's programs. The primary function of the Guild is to provide financial support from the profits of the Tudor Guild Shop. The 170 members are required to become Festival members annually and many choose to donate to the Bowmer Society or the Endowment Funds as individuals. Tudor Guild also provides a scholarship fund to support the Education Departments' Summer Seminar for Juniors. The volunteers have worked a total of 17,221 hours this past season. The Guild's new website is completed and integrated with the Festival's website; web sales have increased to three times the amount from last year.
- D. **Endowment Trustee Report:** Fred Rehmus, President of the Endowment Fund, reported that the investment portfolio was at \$36.9 million in total assets at year end. The portfolio earned 13.7% last year. Asset allocations are in line with the Fund's benchmarks, with the exception of the private equity funds, which need to be done each year until the desired amount is reached. The Fund's diversification has been very helpful with the downturn of the market over the last three weeks. Beth Cotner will be retiring March 2008. The Trustees reviewed 12 prospective candidates and have selected Kelly Meldrum. She has 20 years experience in the investment business and in depth experience in private equity. Rehmus believes she will be a good fit for the Endowment and the Board. She supports the arts and looks forward to working with the Festival. The Endowment Trustees recommend Meldrum to the position of Trustee.

Motion by Susan Cain, second by Lyn Hennion to appoint Kelly Meldrum to the position of Endowment Trustee. Passed unanimously.

Rehmus reported the Endowment will be providing the Festival with \$1.5 million for 2007 - a 10% increase over the previous year. He also noted that the Endowment does not raise funds, only manages the money. He added that he believes more effort is needed in planned giving; this is an important issue which needs further discussion.

E. Issues from the Field: Paul Nicholson, Executive Director, reported on the news from other theatre organizations in the country; he hopes this process will help the staff and Board focus on where the Festival fits in the bigger picture. Theatre Communications Group (TCG) is the service organization for professional theatres in the United States; Nicholson currently serves on the Board of Directors. TCG is a highly effective organization that supports theatres throughout the country in many ways including gathering and disseminating data on the field, publishing *American Theatre* magazine and many theater-related books, and hosting an annual conference that many OSF Board members and staff have attended. The new Executive Director is Teresa Eyring. TCG is working with other arts service organizations including opera, symphony and dance in putting together a national performing arts conference in Denver on June 6th. Bill Rauch, Artistic Director, will be a participant on a panel. Any Board members interested in attending the conference should contact Nicholson. In other news, Nicholson advised that the National Endowment for the Arts (NEA) has decided to stop site evaluations because of budget concerns. He noted that Congress has voted to add \$20 million to the NEA budget, which is the largest single year growth for the NEA. This brings the funding to where it was 18 years ago.

F. Artistic Presentation: Christopher Acebo, Associate Artistic Director, provided a conversation about the artistic journey that brought him to the Festival and to his work on the stage. After prior experiences with OSF as a student he was persuaded to pursue a career in costume design. Upon graduation Acebo moved to Los Angeles where he met Rauch at Cornerstone Theatre and became a member of the artistic team. During this time, Acebo taught at California State, Los Angeles and freelanced. In 2005, he received a phone call from Libby Appel asking him to design *Two Gentlemen from Verona*. Acebo felt his "Broadway" was OSF. In the fall of 2006, Rauch asked Acebo to join him as an associate at the Festival. This season, Acebo is the scenic designer for *The Clay Cart* and *The Further Adventures of Hedda Gabler*, and costume designer for *Othello*. Rauch noted that Acebo is modest and one of the most sought-after artists. For him to say he wants to be at the Festival is a big deal. Rauch trusts Acebo and wants to underscore the importance of having a designer in this position.

Alison Carey, Director of the U.S. History Cycle, provided the Board with information regarding her background. After graduation she co-founded Cornerstone Theatre with Bill Rauch and wrote many of their productions. She noted that the History Cycle was recently funded by a \$400,000 grant from the Collins Foundation. The goal is to take advantage of the enormous energy from playwrights and historians about "where we are as a country and where we are going." The initial step is to reach out to four different playwrights who will come to Ashland and explore issues with a small group of historians. The process will not be limited to only American playwrights. Carey is looking at creating 37 plays over the next ten years. The project is called American Revolutions.

Claudia Alick, Associate Producer – Community, shared that she grew up in Montana and attended college at George Washington University in Washington, D.C. She majored in theatre and has worked as an actress, playwright, and in theatre marketing. She has her own production company, Smokin' Word, which is funded through educational grants. Alick received her M.A. in performance studies at New York University. Alick is the producer of the Green Show which has received more than 50 submissions from both local and national performers with a great variety of ideas for consideration. Plans are being developed to host Festival de Latino in July when Latino artists will be invited to perform. Performances for the Green Show will be announced through the media, website and posted notices.

G. Strategic Issues:

1. **Striving for Artistic Excellence (Goal 1):** Rauch reported the 2009 season selection is currently in progress, which includes getting the rights for new plays. We are attempting to get exclusive rights

to several new plays. The Festival does very well in obtaining the rights to non-commissioned work, but would like to focus on getting more premieres. Rauch reported on theatre trends: Theater in repertory is very appealing to the younger audience because they multi-task and we offered multiple opportunities to learn and attend theatre. Rauch noted there are several new changes in the artistic office including the producing director position which had grown beyond one person. Each artistic staff member has been assigned to serve as an artistic office producer (liaison) for each show. Their role is to provide a presence during on stage rehearsals, see the show once a month during the run, give moral support and to check in with actors. The cast and staff can feel really ignored during long runs and this new restructuring will give continuity and support. Scott Kaiser and John Sipes have been given full time positions; Kaiser is Director of Voice and Text, Sipes is the Fight and Movement Director. Together they have created a skill building workshop for the acting company, and guest teachers will be here throughout the year. Rauch reported that three plays have been commissioned: an African- American *Pygmalion*, *Lady Precious Stream*, and *Don Quixote*. However, the *Pygmalion* is no longer being considered, but the Festival will continue to work with the playwright. Libby Appel is being commissioned for a Chekhov cycle. We are still in negotiation with Bob Smith, who wrote *Hamlet's Dresser*. Lisa Loomer is commissioned to write a play specifically for the Festival about disenfranchised teenagers.

Nicholson noted that LORT (League of Resident Theatres) negotiations have been set for January 2009. The Festival is the largest theatre in the country that is not a member of LORT; when OSF signed its first contract with Actors' Equity in 1985 it was felt the Festival needed to be completely independent and as a result we have to negotiate an Independent Producer Agreement with Equity every three years.. We are now considering whether it might be beneficial to become a LORT member and participate in those negotiations. A firm decision will be made later in the year.

2. Creating a Supportive Company Environment (Goal 2): Rudd Johnson, chair of the Human Resources Committee, addressed two changes to the Festival's Sick Leave Policy. The Oregon Family Leave Act recently expanded the definition of family members. The HR committee recommends a further expansion that includes domestic partners (not just same-sex partners) and siblings in the definition of "family member."

Motion by Paul Hill and second by Rick Bleiweiss that OSF add domestic partners and siblings to the definition of "family members" for the purposes of OFLA leave. Passed unanimously.

Johnson presented the HR Committee's recommendation to increase the time spent caring for family members from five days a year to ten. He noted that under the current OSF sick leave policy, individuals may accrue sick leave up to 120 days (960 hours) to use when they are sick or have a serious health issue. The main benefit of this accrual bank is that it acts like a short-term disability policy for many seasonal members who could not otherwise get a short-term disability policy because of their seasonal work. Currently, company members may use up to five days of sick pay annually to care for sick family members. Over recent years a number of company members have needed to care for family members in locations away from the Rogue Valley. The HR department surveyed 24 theatres comparable to OSF and several local large businesses as well as receiving national information relating to paid time off to care for family members. Survey results show that the majority of those surveyed offer more liberal "family care" sick leave policies.

Motion by Paul Hill and second by Rick Bleiweiss that the OSF sick leave policy be amended to increase paid sick time from five to ten days to care for sick family members. Motion carried with 20 votes yes, 1 vote no and 11 absentees.

Janet Shalda, Director of Human Resources, reported on an important compensation issue. Several company members are close to or at the maximum of their salary ranges; some have not had raises in two or three years. Senior staff and the compensation team are looking into whether our compensation system needs to be modified to respond to this issue.

3. Developing our Audience Partnership (Goal 4): Mallory Pierce, Director of Marketing and Communications, reported 50% of the season's tickets are typically sold in the first four weeks of pre-

sale. Free tickets to *Welcome Home, Jenny Sutter* have been offered to veterans; out of 2,500 tickets sold so far, 450 tickets have been allotted to veterans. Fewer performances of the play were scheduled into the calendar during the early part of the season to increase the demand for tickets. The Festival has been participating in branding workshops with consultants and also profiling audience members with in-venue surveys and a mail-in survey. The results of the surveys will be presented in March. The Board also requested a presentation of the past logos used by OSF.

4. Ensuring Fiscal Health (Goal 6): Angelica Ruppe, Finance Committee Chair, reported that the yearly audit will begin next week. At the March Board meeting, she will present the findings of the audit. The Reserves Committee continues to meet to develop a policy on the Festival reserves. Jerry Roos, Director of Administration and Finance, noting record attendance of 404,730 for 2007, commented that the finance report is provisional pending the final audit. Earned income for 2007 is \$18,725,000; total operating expenses is \$24,704,000; total contributed income is \$5,931,000; net loss to reserves is \$47,000. Artistic Director transition cost were \$256,000. The operating expense was higher than budget because of an unexpected Workers Compensation claim that came in just before the books were closed.

5. Creating Strong Development Relationships (Goal 7): Peter Koehler, Jr., chair of the Development Committee, reported the Development staff has proposed raising the Festival's membership levels. In the 25 years since the inception of the membership program, there have been only three minor changes in benefit levels. There has never been an across-the-board increase in membership levels. Koehler stated that the Development Committee agrees with staff that the time has come for such an increase. The budget goal for 2008 is very aggressive and the increase in membership income will be extremely helpful in our being able to attain that goal. Peter Thomas, Director of Development, reported he expects to see an overall increase in contributed income of approximately \$310,000 for FY2008 and slightly more than \$500,000 for FY2009. If approved, the change will be part of the 2009 membership renewal and acquisition program which launches in June 2008. The Development staff will be clear and direct with members as to the practical reasons for the change while stressing the benefits, tangible and intangible, of philanthropy at OSF. The Development Committee has recommended that the membership levels be reviewed every five years. Thomas noted that the Festival's supporters are loyal and he does not anticipate a problem with the new membership levels relating to the downturn in the economy.

Motion by Angelica Ruppe and second by Brenda Williams that the Board adopt the proposed changes to the OSF membership categories with the understanding that these changes, and the reasons for them, will be conveyed to the membership prior to their receiving their requests for renewal. Passed unanimously.

Thomas noted that Rauch continues to work with the Artistic Directors' Circle and he has passed the goal with increases in membership and gifts.

6. Maintaining and Enhancing Education Programs (Goal 5): Susan Cain, chair of the Education Committee, reported that Rauch has been working with the Education staff and has been sharing his vision with the Committee. Rauch looks forward to creating a new Black Swan that allows space for reaching out to the community, creating new works and building an education center. The Education staff does a phenomenal job preparing the audience for the performances and would like to offer more pre- and post-show activities. However, the Festival has a significant space issue and cannot accommodate an increase in educational events. Joan Langley, Director of Education, reported that she would like to provide more family-oriented activities in the future. Langley referenced the statistics report in the Board packets which showed more student groups participated in events on campus. However this cannot be repeated in 2008 because of the lack of space. The education participation goals are going back to the 2006 levels because Langley felt a cap needed to be placed on the number of groups attending. She has looked into renting space in the community, but that became very complicated.

7. Developing a Diverse, Fully-Informed Board (Goal 9): Ray Bacchetti, chair of the Board Governance Committee, reported on the Board Self Evaluation from 2006 and highlighted the

following: the Board is proud of the Festival and the concerns are reported as few. Half of those surveyed were self critical in that they do not give enough to company and its artistic excellence; directors generally feel useful to the Festival; they feel that an added benefit of serving on the board is the opportunity to learn more about the theatre; they value each other as Board members; 96 percent of the Board agreed strongly that their roles were stimulating and rewarding. The concerns are the Board would appreciate more guidance on how they can be helpful. Bacchetti also reported on the outcomes of the retiring and renewing Board members' interviews. He noted members agreed to serve because of love of theatre. The most meaningful areas for them included the diversity of issues, interaction with the actors and company members, the openness of the administration, the relationship between the Artistic Director and Executive Director. When asked what stood out for them, they replied the scope and quality of the education program including staff and teachers, the opportunity to help shape fundraising and the annual retreats. Recommendations were to have committee work completed two weeks before Board meetings; have specific assignments for fundraising—they are willing but would like more direction; assign a mentor to new Board members; find ways of better utilizing the Board, encouraging them to be ambassadors for the Festival to attract more members and support for the education programs. Bacchetti noted that all retiring and renewing Board members will be interviewed each year; the Board Self Evaluation Survey is completed every two years. Bacchetti reported that all renewing Board members for 2008 have agreed to serve for another term. Kathryn Ma, Board candidate, has agreed to serve and will be attending the next meeting in March, at which time she will be voted into membership. She is a retired attorney and comes to the Festival as an experienced Board member. Nicholson stated that a position is currently open for someone of Hispanic background. The Governance Committee continues to search for this candidate. The Committee expects to have a second new nominee by the time of the March Board meeting. The Board is able to appoint someone after the March Board meeting.

8. Expanding OSF Diversity (Goal 10): Nicholson reported that Joseph Quinoas has retired as the Festival's diversity consultant and a search is currently underway for a replacement that is able to work with company members on a continuing basis. The position will also serve as a resource for audience development and recruitment.

9. Dealing with Space and Facilities Challenges (Goal 11): Nicholson provided an update on the courtyard renovations. The construction is planned to begin at the end of the 2008 season. Adroit Construction will do the project, which was held off until this year to allow time for Rauch and Alick to review the design ideas for the Green Show space. Board members suggested sponsorship, name on the bricks, selling the old bricks and placing names on the new seats as a method for raising funds to help pay for the project. Nicholson presented a Space Planning schematic outline. In order to accomplish the Festival's goals for the next five to 10 years, he proposed the following: Phase One: Construction of a new Production Building; Phase Two: Conversion of existing Production Building into a rehearsal center; Phase Three: Construction of the Black Swan Education Center; Phase Four: Reallocation of offices. Nicholson noted that no money has been spent by OSF at this point with regards to the design of the new Production Building although the owner of the land has funded preliminary design work. A pre-application has been undertaken and the Planning Commission could review the proposed design in April or May. The construction should take 120-140 days. A motion was presented to enter into an agreement for the completion of the design phase of the new Production Building and the preparation of construction documents, but was later withdrawn after some discussion. Nicholson stated he would meet with the owner and firm up the lease agreement to present to the Board for approval. The Board recommended an ad hoc committee to help evaluate the site and the design.

K. Capital Campaign: Nicholson updated the Board on the status of the campaign. Becky Ross will again be the campaign consultant to help develop strategy. A new campaign study group will be developed; President Jerry Taylor hopes to appoint the members of the group prior to the next Board meeting. If the Board provisionally approves moving forward with a campaign, a six month feasibility study would be undertaken; Ross would present the findings at the March 2009 Board meeting.

FORUM FOR NON-AGENDA ITEMS:

1. **Check Presentations:** The check presentations from the Tudor Guild and the Soroptimists will take place at the annual non-members meeting in March, not during the Board meeting. This will provide an opportunity for the community to see the support from these two organizations.
2. **Website:** The Board members expressed pleasure with their biographies that are now posted on the website. It is a good resource for them to learn about each other as well as for company members and patrons to know who is serving on the Board and to see the experience they bring to the Festival.

The meeting adjourned at 4:00 p.m.

Respectfully submitted,

Ray Bacchetti
Secretary