

**OREGON SHAKESPEARE FESTIVAL
BOARD MEETING MINUTES
June 13, 2008**

PRESENT:

Board: Karen Allan, Ray Bacchetti, George Bell, Rick Bleiweiss, Susan Cain, Yogen Dalal, Sid DeBoer, Julie Dixon, Bill Findlay, Bobbie Dore Foster, Mort Friedkin, Louise Gund, Lyn Hennion, Peter Koehler, Jr., Rudd Johnson, Kathryn Ma, Ed McCurtain, Celia Meese, Jim Risser, Angelica Ruppe, Jerry Taylor, Noell Webb, Brenda Williams, Elisabeth Zinser.

Trustees: Bill Nichols, Fred Rehms, Mick Seidl.

Staff: Christopher Acebo, Alison Carey, Linda Fern, Joan Langley, Paul Nicholson, Jacob Padrón, Mallory Pierce, Bill Rauch, Kimiko Shimoda, Deb Small, Jerry Roos, Bruce Wand.

Guests: Carolyn Peake, Tudor Guild Liaison; Kim Ngo, FAIR Fellowship.

ABSENT:

Board: Mary Arnstad, Bertie Bialek, Kevin Cartwright, Paul Hill, Jody Patton, Penny Percy, Roy Vinyard.

Trustees: Chuck Butler, Kelly Meldrum, Robert Porter, Dan Thorndike.

A. Meeting Convened: President Jerry Taylor called the meeting to order and a quorum was noted. Taylor asked if there were any additions or corrections to the minutes of the last meeting.

Motion by Lyn Hennion and second by George Bell to approve the minutes of March 7, 2008 as distributed. Carried unanimously.

B. President's Report: Taylor reported on the excitement at the Festival with all eleven shows either running or in rehearsal. The opening of the Elizabethan Stage is tonight and the weather looks promising for the weekend. Taylor stated how much he has enjoyed the shows this season. He noted that there will be an Executive Session during lunch - guests and staff members are asked to excuse themselves at that time. The Green Show has created a lot of "buzz" within the community and Taylor complimented Claudia Alick, Associate Producer-Community, for the new format.

Paul Nicholson, Executive Director, shared that Peter Thomas was currently at the Mayo Clinic undergoing medical tests. His condition is not life-threatening and he is getting great support from the doctors and staff. On a personal note, Nicholson reported that his daughter, Corin, who was diagnosed with Stevens-Johnson Syndrome, is now home after spending five months in the hospital.

C. Tudor Guild Report: Carolyn Peake, Tudor Guild Liaison, noted that the Guild is a support group for the Festival and during its tenure; it has given \$5 million to the Festival. The Tudor Guild is continuing to make sales during these challenging economic times. Christopher Acebo, Associate Artistic Director, was the featured guest speaker at the March meeting and luncheon and Alick was the speaker for the May luncheon. The meeting in July will focus on the Education programs with Katherine Gosnell, Education Coordinator, and David Thompson, Education Assistant, as the guest speakers. As part of the requirements to become Tudor Guild volunteers, they must also be members of the Festival. Last year, Tudor Guild volunteers worked 17,221 hours.

D. Endowment Trustees Report: Fred Rehmus, President of the Endowment Fund, reported that we are in perilous economic times, with the end of the first quarter finishing as the sixth worst quarter for the stock market since 1929. The Endowment declined 6.7% for the quarter and, under the circumstances, the trustees felt this was acceptable. We now have a balance of \$31.7 million. The fund managers are doing better than the benchmarks that were established. We are long-term players. While feeling uncomfortable, we're willing to accept the periodic down markets to achieve superior long term returns.

E. Issues from the Field: Nicholson reported that he just returned from the Theatre Communications Group (TCG) and National Performing Arts Conference in Denver. Also in attendance were Bill Rauch, Artistic Director, who presented a keynote address on theatre and community; Alison Carey, Director of the US History Cycle and Claudia Alick who was one of 20 people who received support as a Young Leader of Color. Twenty-two different arts umbrella organizations covering modern dance, symphony music, ballet, opera and theatre were in attendance - approximately 4,000 people. This was one of the most rewarding conferences Nicholson has attended. Rauch reported that the guest speaker, Jim Collins, author of *Good to Great*, shared the impact of theatre, noting that his exposure to theatre at OSF had changed his life. At the conference the notion was emphasized that because the only information other countries receive about America comes from the news, TV and movies, the arts can take a leadership role in conveying to other countries what America is really about. The purpose of this conference was for entire arts community to identify current challenges and develop strategies to adopt to affect change in our society.

F. Artistic Presentation: Tappan Wilder, nephew of Thornton Wilder, provided some history on the play *Our Town*. The play opened in 1938 and has never closed. After WWII, high schools began to perform it, and it has been a staple ever since. He noted that productions of the play have become very sentimental over the years. Through performances all over the world, *Our Town* relayed what American was all about. Wilder stated the play "restores the belief in people which Lincoln believed God loved." *Our Town* is every town. It has also been translated into French, German and Russian.

G. Strategic Issues:

1. Striving for Artistic Excellence (Goal 1): Bill Rauch, Artistic Director, reported that two more shows have opened since the Board of Directors last met; *Coriolanus* and *The Further Adventures of Hedda Gabler*. Rauch is very pleased with both productions. The Elizabethan Stage opens this weekend with productions that are very different from one another. Rauch stated he has learned a great deal about the brochure development process; by the time the production is created, the outcome is very different from what was described in the brochure. Patrons depend on the brochure and Rauch now feels comfortable telling artists "no" if it becomes too different from what the patrons are expecting. A disclaimer will be included in the 2009 brochure explaining changes may have occurred during the creative process to help bridge that gap. Rauch has met with the 90 members of the acting company and heard their desires for roles in the next season. Eleven actors are not coming back by their own choice. They are individuals who would like to have come back, but for a great variety of reason have decided not to return next season. Rauch is meeting with members of his team to have a more intensive evaluation on how they are doing. Rauch and Acebo are meeting with the creative team for each show to discuss the process; what went well, what was hard, what should be done in the future. Rauch wants to have a method for informing guest artists about the culture of OSF. Rauch has learned a lot and believes this assessment process will help him make decisions in the future.

2. Raising the profile of our literary development activities (Goal 3): Rauch made a presentation on the pipeline used to process commissions, new play development and the Black Swan Lab and how they are all interconnected. He explained the importance of

commissioning new work and how long it can take to get a play developed and onto the stage. Most of the commissions have been funded by grants which the Development department has been working on; Rauch has introduced several new contacts for grants to the Development department. He noted that several foundations are interested in funding new works that support diversity.

3. Developing our Audience Partnership (Goal 4): Mallory Pierce, Director of Marketing and Communication, reported on the ticket sales- 89% this past week and 87% year-to-date. This is a strong spring season, and one of the best ever. She noted that it appears patrons are waiting longer to place ticket orders and that advanced sales are \$440,000 below budget; this is being monitored very closely. As an example of current marketing efforts, she said that an E-blast was sent out recently to patrons and the Festival sold \$32,000 in tickets within 48 hours. Pierce stated the Marketing staff will be doing more E-blasts letting patrons know that tickets are available. Patrons know about the \$20 tickets and are very appreciative, especially seniors. The Festival was featured in the New York Times under Arts and Leisure. Work continues on branding for the Festival. The focus is on the play images for next season and possibly a new logo in 2010. Donna Walker-Kuhn, audience development consultant, will be working with the Marketing staff soon. She distributed *Festival Latino* flyers to the Board, commenting that they have been published in Spanish, a first for the Festival. Open captioning in Spanish will be provided for some of the productions during *Festival Latino* in July as well as a Spanish backstage tour. La Clinica Del Valle is collaborating with the Festival on *Festival Latino*. The Community Open House in May was brought back and was a huge success. A highlight was Christine Albright teaching both adults and children the closing dance of *A Midsummer Night's Dream* on the Green Show stage. Tours were provided of the Costume Shop and the Scene Shop. People were also able to try on costumes and participate in the Tudor Guild brass rubbings.

4. Dealing with Space and Facilities Challenges (Goal 11): Nicholson updated the Board on the Production building expansion project. The cost for construction would range between \$6 -\$7 million. With the economy and the budget constraints, it was decided not to go forward with the plans. The developer we worked with on developing the conceptual drawings told Nicholson that he understood the situation and is willing to work with us in the future. Nicholson also updated the Board on the Bricks Renovation Project. He recommended to the Board that the project be postponed because of the cost and the economy. He and Rauch believe it is not prudent to spend \$700,000 on the renovation at this time.

Motion by Sid DeBoer, second by Angelica Ruppe to defer the reconstruction of the bricks until it can be paid for without depleting OSF Reserves, in line with the Festival's Reserves Policy, and to communicate this decision to the Ashland City Council. Passed unanimously.

5. Creating a Supportive Company Environment (Goal 2): Rudd Johnson, Chair of the Human Resources Committee, reviewed the new proposed Compensation Plan Policy. He noted that the Festival has a very low turnover rate; staff is moving up in their ranges and currently around 10% of company members are at or above the top of their ranges. This means they are no longer eligible for wage increases. We will have an ever-increasing number of people reaching the top. Nicholson noted we need to support company members who have become very accomplished. There is increasing concern about this issue among our longest-serving company members; with the cost of living, this matter is important. Lively discussion ensued.

Motion by Rudd Johnson to adopt the recommendation of the Human Resources Committee to make the following changes to the OSF Compensation Policy:

- a) **Compensation ranges will be increased annually by half of the average budgeted salary increase.**
 - b) **With the approval of the Artistic and Executive Directors, company members may exceed the top of their range if they:**
 - i. **Show extraordinary merit, contribution and expertise, or**
 - ii. **Occupy positions that are significantly impacted by market conditions.**
 - c) **Surveys will be undertaken at least every three years to ensure OSF's compensation, under normal circumstances, is at or above the median for TCG Group 6 Theatres.**
- Passed unanimously.**

6. Ensuring Fiscal Health and Strong Development Relationships (Goal 6 and 7):

Angelica Ruppe, Chair of the Finance Committee, reported that the Reserves Policy has been completed. She outlined the main elements of the policy and thanked Committee members that participated in its development.

Motion by Angelica Ruppe and second by Susan Cain to approve the Reserves Policy as presented. Passed unanimously.

Jerry Roos, Director of Finance and Administration, reported on the activity statement for the six months to April 2008. Earned income is projected to be \$19,333,000 for the year, with total operating expenses at \$24,444,000; total contributed income is expected to reach \$6,685,000. The net loss to reserves is projected to be approximately \$427,000. The Board discussed the situation at some length.

Peter Koehler, Jr., Chair of the Development Committee noted that the contributed income budget and goals are growing at a faster pace than the budget; the Festival is relying more on contributed income. Grants from foundations have doubled from previous years; individual contributions are the backbone for the Festival. Koehler stated a core piece of that is the support from Board members. Each Board member received a packet stating what their gifts to the Festival have been to date. Koehler encouraged Board members to keep gifts current and to contribute. Koehler commented that the Development staff is doing great work under some difficult staffing situations; they are down two managers. Peter Thomas, Director of Development, is looking to restructure the department. Donations to the Bowmer Society were down from last year; however, it was the second best year on record.

7. Developing a Diverse, Fully-Informed Board (Goal 9): Ray Bacchetti, Chair of the Board Governance Committee, reported that it is time for another Board Self-Evaluation. Board members are asked to participate in the electronic survey which will be emailed out by the end of July. The results will be analyzed at the September Board Retreat. Bacchetti stated the Governance Committee is reviewing the Board candidate list and hopes to develop a deeper pool of prospective Board members. One Board member retires next year and five the following year. Bacchetti stated the more nominees on the list, the better the opportunity to fill the positions with strong candidates. More work will be done to ensure the entire Governance Committee is better acquainted with the candidates before bringing them to the Board for consideration.

H. Long Range Plan: Jim Risser, Chair of the Long Range Plan Committee, reported on the progress so far. The Committee, along with senior staff, has prepared new Mission and Vision Statements as well as an extensive overview of the Festival's current position. Staff and Committee members met several times during this process.

Motion by Jim Risser and second by Angelica Ruppe to approve the Mission Statement as presented. Passed unanimously.

Rauch stated the Company has been working hard together on the Vision Statement, in particular looking at the Festival's impact on the field, nationally and internationally. Nicholson commented that he likes that the statement stretches the Festival to focus on the world and not just on OSF itself. He also stated that the Plan goals will be tied directly to the Vision Statement.

Motion by Jim Risser and second by Bobbie Dore Foster to approve the Vision Statement as presented. Passed unanimously.

Nicholson presented the seven goals developed and stated the Committee feels this is the direction the Festival should move towards during the next five years. As the work continues, the wording of these goals will change but the direction should not. Board approval is not needed at this time but the Board indicated it was in agreement with the general direction as outlined in the goals. The planning process will continue; the Committee expects to have firm goals and a strong sense of action programs for review at the September Board meeting and Retreat.

I. Capital Campaign: Nicholson stated that since we have reviewed the goals, he will form a Capital Needs Committee and hopes to present a list of priorities at the September Board meeting. The next step will be to decide whether to undertake a feasibility study.

J. Presentation on the Costume Rental Business: Due to the length of the Board meeting, this item was not discussed, but Board members were encouraged to visit the website.

K. Forum for Non-Agenda Items: Nicholson noted that Carmen Morgan has been appointed as the new diversity consultant for the Festival. An exhaustive search took place and company members gave input regarding the process and the candidates. Company members are thrilled to have Morgan as part of the Festival.

The meeting adjourned at 4:30pm.

Respectfully submitted,

Ray Bacchetti
Secretary