

**OREGON SHAKESPEARE FESTIVAL  
BOARD OF DIRECTORS MEETING  
June 10, 2011**

**PRESENT:**

**Board:** Karen Allan, Mary Arnstad, Rick Bleiweiss, Susan Cain, Kevin Cartwright, Julie Dixon, Mary Driver, Brad Edgerton, Laurie Gibbs, Harold Goldstein, Pam Hammond, Ken Hitz, Heather Johnson, Peter Koehler, Jr., Gail Lopes, Kathryn Ma, Ed McCurtain, Penny Percy, Fred Rehms, Jim Risser, Danny Santos, Perry Simon, Maria Underwood, Roy Vinyard.

**Trustees:** Chuck Butler, Bill Nichols, Robert Porter, Dan Thorndike.

**Staff:** Christopher Acebo, Claudia Alick, Kimberley Barry, Alison Carey, Freda Casillas, Lue Douthit, Linda Fern, Joan Langley, Sunshine Lampitoc, Paul Nicholson, Jacob Padrón, Mallory Pierce, Bill Rauch, Jerry Roos, David Taylor, Nancy Wells.

**Guests:** Guadalupe Guajardo- Audience Development Consultant, Rachel Hauck- Scene Designer, Lisa Peterson- Director, Betty Van Trump, Tudor Guild Liaison.

**ABSENT:**

**Board:** Yogen Dalal, Bertie Bialek Elliott, Mort Friedkin, Louise Gund, Paul Hill, Rudd Johnson, Henry Wessinger.

**Trustees:** Bill Meehan, Kelly Meldrum, Mick Seidl.

- A. Welcome:** Vice President, Mary Arnstad, called the meeting to order and a quorum was noted.
- B. Approval of minutes:** Arnstad asked if there were any additions or corrections to the minutes of the March 11, 2011 Board meeting.

**Motion by Susan Cain, second by Kevin Cartwright to ratify the minutes of the March 11, 2011 meeting as distributed. Passed unanimously.**

**C. President's Report:**

Arnstad read a prepared statement from President Rudd Johnson, thanking everyone for attending today's meeting. He regrets that he is missing his first meeting as President but he is at a very important family event. Paul Nicholson, Executive Director, introduced the Festival's new Director of Development, Nancy Wells. Wells stated she is happy to be here and looks forward to meeting every Board and Endowment member personally. Nicholson also introduced Guadalupe Guajardo, Audience Development Consultant, who is working with focus groups within the Latino community in the Rogue Valley and will present a report later in the meeting. Arnstad presented Johnson's talking points; he acknowledged Board member Perry Simon at his first Board meeting. He also thanked past Board President Jim Risser for his fantastic leadership over the past two years. Arnstad reminded the Board that the agenda was very full, so she encouraged discussions to move along; She reviewed the agenda and noted that this meeting will be followed by an Executive Session, where staff members will be asked to leave. She stated that a Transition Committee has been formed to oversee the transition of Nicholson's position as he moves toward retirement. Karen Allan, Board Secretary, will lead the discussion during the Executive Session.

- D. Tudor Guild Report:** Betty Van Trump, Tudor Guild Liaison, reported that this is the 63<sup>rd</sup> year the Guild has been supporting the Festival. They are also raising money for the Summer Seminar scholarship program. At their first "garage sale", they raised \$4,600, and acknowledged that the members realized there are other avenues to explore when it comes to raising funds to

support the Festival.

- E. Endowment Trustees Report:** Bill Nichols, President of the Endowment Trustees, reported the Endowment assets at April 30, 2011 are \$28.0 million, up \$0.2 million since February 28, when we last met. The investment return on our marketable holdings, representing about 85% of the total, for the three years ended 4/30/11 was 1.1% compared to a benchmark of 0.7% (note that this period still includes the 2008/09 downdraft); for the year ended 4/30/11 our return was 11.2% compared to the benchmark of 10.0%. These returns do not include our private equity/venture holdings, about 15% of the portfolio, which are still at an early stage of development. The strong recent performance currently results in a projected 2011 payout to the Festival \$60,000 above budget (about 5%). However, a cautionary note that the market have slipped a bit in May. The key discussion item on tomorrow's Endowment Trustee meeting is continued exploration of the concept of moving our funds to a single multi-asset class manager. On one hand, this has appeal, given our relatively small asset base, but at the same time has some negative concerns.
- F. Issues from the Field:** Nicholson reported that the National Endowment for the Arts (NEA) Chairman, Rocco Landesman, has eliminated the Shakespeare in American Communities Program, which will impact OSF. California has passed legislation to enact Card Check for agricultural workers – this could be the start of a national card check program. Theatre Communications Group (TCG) has issued a report following the completion of the annual Fiscal Survey; the average theater ended in the black in 2010, thanks to robust growth in single ticket income (largely driven by price increases) and endowment earnings. Some key numbers: the average working capital ratio has fallen from -24% in 2006 to -35% in 2010. For Group 6 theatres (like OSF), ticket income represents 46.8% of total income; earned income represents 63.2% of expenses; paid attendance was on average 75% of capacity; they had 957 actor weeks on average. On a sad note, Florida Stage closed with a \$1.5 million deficit.
- G. Audience Development Report:** Guajardo presented her findings from three Rogue Valley Latino focus groups. She commented that OSF is a learning organization, willing to try new things. This is articulated in our vision statement and Audience Development Manifesto. OSF will make itself relevant in an on-going manner to the Latino community by continuation of successful existing efforts, providing fulsome cultural events for groups (meal, preparation, play), and by providing more expressions of the Latino-specific experience, not just having Latino artists. The local Latino community wants more orientation of the OSF experience such as: how to buy tickets, where to buy tickets, what to wear, bilingual signage on campus and a video tutorial of what the plays are about. Some difficulties identified include lack of familiarity with Ashland, ticket prices, difficulty with Shakespeare's language in English and Spanish, and dedicated Audience Development resources. For OSF to be more accessible and appealing to the Latino communities, it needs to understand the community and work within this specific community's experience. It is a collective culture; socializing happens with immediate and extended family. It is a relational culture; connections are made by invitation, not by announcement. The Latino community is an "in-time culture" not an "on-time culture", meaning, "we come when we can and we leave when we have to". She recommends continuing the current discounted pricing model (\$12 introductory ticket price, \$20 ticket and 19.35 program). Preparation initiatives are important, not just regarding the play content, but also the entire theatre-going experience. She encouraged OSF to continue to find how OSF can speak best to this community and other new communities in a welcoming and engaging manner. The focus group also shared that open captioning in Spanish was not that helpful. Mallory Pierce, Director of Marketing and Communications, stated the new website design will focus on bilingual patrons, providing more Spanish options in video and other content.
- H. Artistic Presentation:** Bill Rauch, Artistic Director, introduced Rachel Hauck, Scenic Designer and Lisa Peterson, Director and asked them to share their experiences as collaborators on the production of *Henry IV, Part Two*. Hauck stated it is very moving to be back at OSF; they have

noticed change and higher benchmarks since they were here last. Peterson spoke about the process she uses to get into a play that she is to direct, looking for the thing that sparks her imagination in the first read through. Next comes the set, the building block upon which everything else sits. Peterson meets with Hauck, they talk about the play, and she shares what resonates with her. She explains her vision and thoughts about the play. Peterson's vision for this play includes four different worlds: the streets of London, Boarshead tavern, the court and the country; four different layers on the stage representing four different layers of society. Hauck also reads the play and together they discuss the "whys" and "hows" of doing it. They see this play as a world under construction, changing leadership, rebuilding. The play is set in a very masculine world, and the set reflects that. Another challenge is to remember to build the set for a repertory, one that can be taken in and out repeatedly. Peterson said the next step after scenic design is the costume design, which in this case is medieval modern, followed by the lighting, then music, which is the last piece to add to the production.

## I. Strategic Issues:

**1. Striving for Artistic Excellence:** Rauch reported that two more plays have opened since the last Board meeting, and three more open this weekend in the Elizabethan Stage. The two productions – *Julius Cesar* and *August: Osage County* – are two very different plays but both actor driven. The actor is really at the heart of the event. Joan Langley, Director of Education, shared letters to Rauch from students who heard Spanish on the stage for the first time in *Measure for Measure*. Amina Henry, Actor/Teacher, has been working with this student group and we had a positive impact on the students' lives. It was very affirming to Rauch to provide Spanish in a Shakespeare text.

Space Issues: Rauch thanked the Board for recognizing the need to expand our facilities. Since this spring, we have experienced the worst space challenges the Festival has ever seen. Doing a musical requires more rooms for music, dancing, rehearsing, etc. Audience events, donor events, rehearsals and education events are increasingly clashing, especially at transition times. Meetings and rehearsals start late because of the turnaround time to set up the room – it has been unbelievable this spring. The energy is thrilling, but we need to resolve this issue soon.

Previews: The outdoor shows rehearsed in the pouring rain, and previews were all done in the rain, until the second preview. The idea of a retractable roof has become more desirable. The actors never complained and the crews were great. We reached a milestone to have costumes in the technical rehearsals for the entire cast. This made an enormous difference. Rauch feels this is the best-balanced season in terms of the outdoor shows.

New Commissions: Alison Carey, Director of American Revolutions, US History Cycle, announced three new commissions for this year; Tanya Barfield, Bill Cain, and collaborators Rebecca Taichman and Paula Vogel. Continuing the OSF and American Revolutions commitment to partnering with other theaters, this Taichman/Vogel project is a co-commission with Yale Repertory Theatre.

New Musical Commissions: Jacob Padron, Associate Producer-Company, announced two new musical works by Michael John LaChiusa and Shaina Taub supported by the Edgerton Foundation.

Other Commission Work: The Hitz Foundation has provided support for the translation of Shakespeare texts. We are still in the early phase of this project to get the first play underway. With the volume of new work next season, there is a lot of new work in development; *Medea/Macbeth/Cinderella*, *Party People* and *All The Way* will all be work-shopped later in the season. Lue Douthit, Director of Literary Development and Dramaturgy, represented the Festival at the Public Theatre for a workshop on *Troilus and Cressida*, which we will produce next season. Rhiana Yazzie's commissioned work is being work-shopped at

the Playwright Center because of our space crunch. However, we are lucky to be able to do this work at other theatres and to share the conversation across the field.

Casting for 2012 Season: The Festival will have two shows on the road at the beginning of 2012 so approximately 24 actors will not be here at the top of the season. Rauch stated the actors are beginning to believe that if he does not offer a role to them one season, it does not mean they are out for life. The Artistic staff does not announce the casting until all the actor contracts have been signed. The Marketing department has to be very careful with this as we use actors' images in our season brochures.

Leadership in the Field: Theatre Communications Group (TCG) holds its conference in Los Angeles this year. Several members of the senior staff are attending along with Board members Brad Edgerton, Kathryn Ma, Gail Lopes and Rudd Johnson. Blackstone Audio has now released the audio recording of our production of *Hamlet*. It is also for sale in the Tudor Guild Shop. Rauch noted how proud we are of the final product and want it to do well.

- 2. Deeply Engaging with Our Audience, Students and Teachers:** Joan Langley, Director of Education, reported there have been ongoing discussions regarding the Festival's use of technology for educational purposes. Langley stated that for the past ten years OSF's focus in its education programs has been on impact, not size. She commented that Rauch has made it clear that we can use education as a tool to attract new audiences, to communicate and enhance what we do, but not to replace the live experience of theatre. She spoke about how technology can be used in three ways: as assistive in supporting a live experience (such as PowerPoint), as being the entire learning experience (such as online with no human interaction at all) and the middle ground where there is technology as well as online learning (such as Webinars.) This middle area is of great interest to the education staff. This summer we will hold several focus groups to learn what kind of technology could be used most effectively in the classroom; we will do further research and share it all with the Education Committee. Arnstad, Chair of the Education Committee, thanked the Board members that attended the Prologues and Park Talks to learn more about the Festival and the work that takes place off stage.

**Marketing Report:** Pierce reported that at this point in the season, we evaluate how the season is progressing and if we are meeting our benchmarks. We continue to sell our Flex Passes; these are sold primarily to locals and are for designated shows. May is the largest summer planning month. Nicholson stated the senior staff is looking into ways to have the more popular shows play longer. Because we are a repertory theatre, it is very difficult to do, but worth exploring. Rauch noted his staff is looking for options to build more flexibility into the season calendar. Pierce continued by reporting on the website re-design. This is a huge project. Once it is implemented, we will be able to promote and sell two seasons at the same time. Pierce stated that staff continues to dig into the Audience Survey report. We have learned that we are making ground in the younger 25-40 age group and that our student groups are our largest audience development cadre. With social media, we can stay in touch with them after they leave school. We continue to make progress with our archives initiatives, and plan to make a presentation to the Board at a future meeting. We have received funding and are excited to move forward in this area. Our social media connections continue to grow; we have 20,000 friends on Facebook and social media has become part of our job descriptions.

- 3. Making the Festival a Great Place to Work:** Danny Santos, Chair of the Human Resources Committee, reported the Committee is focused on the costs of health care, Workers' Compensation and the compensation study currently underway. David Taylor, Director of Human Resources, stated CompAnalysis, based out of Oakland, California, is assisting us in the three-step process. The first step is to ensure all job descriptions are current and

accurate, ensuring that company members feel part of the process. In the second step, the consultants meet with individual members of the leadership team to rank their positions; at the same time the consultant is obtaining market data. The third step is to create a new salary schedule and make salary adjustments as necessary and possible.

Smoking on Stage: Nicholson reported we worked with our State Legislature and created language in a bill to give theatres the right to smoke herbal cigarettes on stage. It was approved with only one vote against it in the Senate. Governor Kitzhaber signed the amendment today. This successful result reveals the philosophy of the Festival, to work with other organizations and not against them.

Staffing Changes: Nicholson reported Jason Keen, Manager of Planned Giving and OSF Business Alliance, has resigned his position. Bill Langan, Director of Major Gifts, has also given his notice and will leave at the end of July to go into teaching. He noted that new Director of Development, Nancy Wells, will use these departures to re-evaluate what kind of structure she wants for her department. Cyndi Dion, Business Office Manager, is retiring this month. Lee Pruitt has been hired at the new Accounting Manager (new title). The new FAIR Experience Manager, Sharifa Johka, will begin her new position on July 11th.

- 4. Being Thoughtful Stewards of Our Resources:** Cain, Chair of the Finance Committee, reported the 990 Form for OSF and the Endowment Fund would be sent to the Board and Trustees for review. She noted the 2012 budget process will begin shortly and the full budget will be reviewed at the September Board meeting. Jerry Roos, Director of Finance and Administration, presented the financial latest estimates as of April 2011 as follows: total earned income is projected to be \$21,689,000; total operating expenses at \$29,329,000; total contributed income at \$7,734,000. The net addition to reserves is currently projected to be \$94,000. Roos reviewed the balance sheet at April 30 as follows: total current assets, \$11,317,000; total current liabilities, \$11,484,000; net working capital, -\$167,000; Artistic Opportunities Fund (AOF), \$2,345,000.

**Development Report:** Peter Koehler, Jr., Chair of the Development Committee, reported that it is great to have Wells on staff. The energy around the Committee has been quiet for some time, and now has really picked up and is moving forward in a thoughtful and critical way. Our first order of business is to own the contributed income budget; the Board needs to support this as well. We will review the campaign study report to see what the Development department needs to move forward. Wells reported that Becky Ross of Fitzgerald and Graves is talking to many people that support the Festival. She also provided grant highlights: the National Endowment for the Arts (NEA) awarded the Festival with a \$100,000 consortium grant for *Ghost Light*; a Schubert grant for \$135,000; and a Steinberg Trust grant in the amount of \$40,000 designated for the US History Cycle commissions in support of new work. Wells commented on the staffing changes, stating she looks forward to hiring new staff to help keep the department nimble so they can do more philanthropic work, broadening the Festival's capacity to work in a campaign context, special projects, cultivate patrons, membership upgrades and building trust with current patrons. The membership program is strong and steady; the Artistic Directors' Circle (ADC) is a terrific success and Wells looks forward to finding ways to cultivate patrons into this level of membership. In terms of Institutional Giving, Small continues to work closely with colleagues and it has paid off; this is a remarkably creative and successful program. Wells noted that the Major Gifts program is in need of the most work. This will be the challenging portion of our work as we build up the capacity of our staff. We need to look at our structure, with the Board as our lead volunteers and leadership. For individual membership, we are high touch, but we do not take advantage of those who love the Festival so much and we do not ask them to increase their giving as much as we could. Wells concluded her remarks by saying it has been a pleasure to work with Koehler and looks forward to supporting the work and true philanthropy of the

organization.

- J. Capital Campaign and Space Planning:** Nicholson reported that the leadership team is looking forward to reading the report from Ross. Currently, she has completed 31 interviews; has another 12 scheduled and working to fill 12 more appointments. We are not asking Ross to test a specific amount of funding, but the report will show what the interviews indicate as supportable. Ross is receiving great responses and Nicholson asked the Board to agree to meet with Ross if she should call upon them for this study. Nicholson updated the Board on the land purchase for the new Production Building. One lot that seemed feasible is now off the table because of health issues for the owners. Since then, two additional properties have become available and Nicholson is looking into the feasibility of each. Both would allow us to build the 60,000 square foot building we require.
- K. Board Governance Report:** Karen Allan, Chair of the Governance Committee, stated that the Committee will meet in late June to take up the issue of the Board Self-Evaluation Survey. She also commented it is time to submit names of potential Board prospects, as we have members retiring in March 2012. It takes time to vet the potential candidates, interview them and determine the best match for the Board. The Committee is specifically interested in finding candidates of color. Allan reported the Committee would also be reviewing the issue of electing a Board President who does not live in the Rogue Valley.
- L. Forum for Non-Agenda Items:** Endowment Trustee Dan Thorndike announced that past Board member Jerry Taylor and his wife Jeanne received the Southern Oregon University Presidents' Award. He also noted that Rauch will give the Commencement Address at the upcoming SOU graduation ceremony. Board member Fred Rehms and his wife Marcia received the prestigious Gold Spike Award from Stanford University in recognition of their more than 50 years of volunteer leadership for Stanford and enthusiastic commitment that has enriched the Cantor Arts Center, the Graduate School of Business and the Stanford community at large. Board member Julie Dixon read an excerpt from Forbes Life Magazine regarding Shakespeare in America. She noted that OSF was not mentioned in the article. Board member Kathryn Ma praised staff for taking the initiative to work with focus groups; it is important to learn from them and try new ideas, especially since we hear that other theatres are closing. We are building relationships and it has to go beyond food and face time, it is relationships and understanding cultures at a deeper level. Pierce noted staff has been working to build our relationship with the Portland community. Kevin Bendaw, Community Marketing Associate, has met with the African-American Chamber of Commerce. Christopher Acebo, Associate Artistic Director, noted it is everyone's responsibility to cultivate people to come to the theatre who represent other cultures and communities; we all need to actively participate and staff is here to help the Board do this. Arnstad ended this discussion by reading a letter from a Latino student who participated in an education program and how it impacted his life.
- M. Executive Session:** Staff was excused from this portion of the meeting. The minutes of this session were recorded but kept in a separate document because of confidentiality.

Meeting was adjourned at 4:00pm.

Respectfully submitted,

Karen Allan,  
Board Secretary