

**AACTMAD Board Meeting Minutes
4531 Concourse**

March 25, 2009

Called to order at 7:30.

Attending: Mark Hillemonds, Brad Battey, Marge Cramton, Abby Liskow, Ruth Scodel, Pat Micks, Nawal Motawi, Bronwen Gates. Non- Board members attending: Gretchen Preston, Carolyn Texley, Brooke Ratliff, Betsy Foote, Ray Bantle, Debbie Jackson, Greg Meisner, Dave Parthey. Carolyn Texley recording minutes for the meeting.

Minutes: Marge corrected to 'approved business plan' page 2. Mark updated minutes from Feb. 25 meeting. Ray change: legal section. add parenthetical questions and answers to/from Rumsay. Reference attachment and attach questions/answers so that it becomes part of the minutes. Ray will send it on electronically. Motion to approve, seconded. Passed.

Agenda review.

Fundraising Committee:

Committee report was distributed.

A possible donor came to Debbie and wanted commitment from the entire board before they would contribute. A capital campaign contribution from each board member is important for fundraising to demonstrate the commitment of the board to the project.

Motion: all board members will contact Mark by April 1 with their intent to contribute to the Concourse Facility or that they have already contributed.

Discussion: Debbie: it's important for the Board to present a consistent vision of the new facility and need to be ready to answer questions as a board – (see her report from finance committee). Brooke: Recommended spending time and effort on a brochure with the fundraising pitch, and a clear summary of the project. It would address questions, and help to unify the Board's response and efforts. A brochure would clarify the aims, benefits, etc. of the new facility, and help to market the campaign.

Betsy: Will help to determine how much the building will be used.

Ruth: can we persuade/compel committees to use the new facility? For grant applications, it is important to document the current need being met (first question on grant applications) as well as projected use. It's necessary to collect the anticipated

attendance/usage numbers from all committees for the new facility. The fundraising committee outlined further steps on page 2 of their report.

The committee presented a list of four key areas of concern that need to be addressed in order to get fundraising fully underway.

The vision for the new facility is for growth. The dedicated facility benefits the community for traditional music and dance. Current usage is not the full story; we will start small and grow. After the zoning issue is settled, we can promote the facility to the community as a whole

Ray: donors, grant sources do need more detail: number of hours to be used per month (8 events committees need to be contacted). Pat Micks volunteered to lead the effort to contact all 8 before the next Board meeting; Betsy Foote will help. Ray will use the information to determine grant writing priorities and/or possibilities.

Mark: will compile available information to respond to Fundraising Committee questions presented at the January board meeting (part C of the update presented at the January Board meeting) and communicate with the facilities committee before the April Board meeting.

Ray: We need to complete more of the Business Plan for the project to be ready for major fundraising. Brooke Ratliff offered to work on a Business Plan.

Discussion continued about the Board presenting a unified, informed voice on the project, even though not all Board decisions are unanimous. Fundraising Report included a Concourse Project Plan Outline that they suggest to keep many tasks worked on in parallel, which will help to build the case statement. Ruth will send a few examples of case statements to the board. Mark will draft a motion for next meeting

Mark will take lead in securing financial commitment from all Board members.

Loans

Discussion of Ralph Rumsey's (Board attorney) presentation on the advisability of AACTMAD accepting loans for the Concourse facility.

Mark proposed that we accept the loans conditionally and not spend the money before the amount has been matched in donations, revenue.

Nawal proposed that spending the loaned funds be done only with a board resolution.

Dave: Gretchen has made an offer to invest in Wagner Waters (WWLLC) first as a donation, or if not a donation then a loan to AACTMAD, which would be put into a restricted account. If the board determines that repaying loans is not feasible, then the funds would be returned to the lenders.

Motion by Ruth: accept loans on basis of a minimum 3 year promissory note (based on the form developed by Rumsey). The money will not be spent without a special board resolution. 1 against, 1 abstention. 6 in favor. Motion passed.

Gretchen will proceed with the WWLLC transaction using the promissory note (provided by Rumsey) Mark will sign the promissory note, Gretchen will send it on.

Motion by Mark to pay Gretchen the \$1,350 rent for April. Passed unanimously.

On Mar. 19th the conditional use statement was presented to the Township board. Neighbors within 300 feet will be notified; final vote of the Township Board of Appeals will be Apr. 16.

Facilities Committee Report

Mark – facilities meetings are Saturdays at 9:00. It may be useful at this stage of such a large project to create subcommittees, which the Facilities Committee would be able to do. Marge suggested that we retire the Facilities Committee and create more (specific) committees. Mark suggests that the Facilities Committee discuss the issue. David suggested that subcommittee structure under Facilities Committee would be most effective. Board is used to doing all the work, and needs to make the transition to a policy board and delegate to committees. David: suggested that Facilities Committee make some recommendations about how to scale for the project: more committees, subcommittees, etc. for next month.

Ruth: It is difficult to take on large, complex projects in all-volunteer organizations, which can break down necessary process. It's important to consider structure.

Brooke Ratliff: volunteered for the Facilities Committee and will help with the project business management, which will help the Board in setting priorities and structuring the new facility project. She suggested that the creation of a business plan would help to gauge the progress of the project objectively and help with communication. She went on to describe that a business plan spans more time than a budget (although it includes the budget). The budget will calculate break/break even points, alarms, etc. She described the budgeting process: static budget (starting numbers) flexible budget (numbers change over time/ with 'real life'). Keeping the budget under methodical control with an overall plan would help the Board to measure progress and manage the project more comfortably.

Discussion of process within the board:

- Marge: concerned about board decisions being ignored.
- Bronwen: need to listen carefully to dissenting voices, and value the process.

Mark suggested communication/meeting via email between now and the next board meeting. Brad had suggested that a month is a long time for a decision on the structure of the Facilities Committee.

Ruth: would like to amend bylaws to allow Board decisions via email vote.

Dancing in the Streets (DITS)

Joan Hellman offered to co-chair. It was suggested that the Board approach Karen Hilligonds to work on DITS logistics again this year as a paid/ stipend position. Karen did the same work last year.

Marge brought up that there is no public funding for DITS this year. \$1800 net cost: \$2500 in expenses; \$750 grant.

Mark proposed that the board decide whether to go ahead with DITS then talk to Joan (Mark will contact her).

Motion: attempt to do DITS this year. Seconded, passed unanimously.

Board supports Ruth contacting U of M about making DITS a U of M welcome week event.

Nominating Committee

Marge presented slate of candidates for the board (report attached).

Marge suggested using volunteer David Gruner, a management consultant, to help in leading and planning meetings. He could also act as an impartial facilitator if there is board interest.

Next meeting April 29, 7:30pm.

Nominating committee report - March 25, 2009

The slate so far:

Mark Hillegonds

Brooke Ratliff

Carolyn Texley

David Partey

Greg Meisner (The ballot will make his relationship with 4531 Concourse clear.)

The committee is waiting to hear from three others.

Board members continuing until 4/10:

Bronwen Gates

Nawal Motawi

Pat Micks

Ruth Scodel

Board development resource: David Gruner is a full-time management consultant who is a dancer. His job is working with boards, a lot of them nonprofits. He would be willing to work with our leadership on helping to set agendas, planning for meetings, and could possibly run some meetings as an impartial facilitator, if the board asks him to do that. Listening, collaborating, being effective with our time...Here's a page from his website: <http://www.cdcp.com/ltcoaching.pdf> His help would provide support for the president. It would also address the issues that came up last month about accountability and pre-planning. I suggest that the board request that the Executive Committee plus someone from the new slate should explore this offer with David.

Election. Pat is collecting candidate bios. The announcement with the ballot on the web needs to go out via email April 10 or 11th (bylaws say 21 days before May 3 Annual meeting). The announcement needs to include the meeting agenda (board please develop tonight). April 26 is deadline for receiving mail-ins. Annual meeting attendees can bring their ballots to the meeting.

To: AACTMAD Board of Directors
From: Debbie Jackson & Ray Bantle, Fundraising co-chairs

Date: March 24, 2009

Subject: Response to request from the FAC committee for Fundraising report

We have four key areas of concern of which the board needs to be aware. We believe these unresolved issues will continue to pose challenges for AACTMAD when talking with/soliciting donors and funds for the project.

1. We are still unclear of **AACTMAD's events/programming commitments** to use the new space. (Info that we requested back in September 2008 of the committees – see attachment). If this task is completed, results have not been shared with us. We know funders/foundations will question the **limited utilization rates** for the facility as linked to our mission. Although we understand additional renters will need to be brought in, we MUST know to what extent AACTMAD will use the building as it links to our core mission. Can we justify requesting funds from foundations based on this answer?
2. We have **not yet received any answers to the questions** we submitted to the Board at your January 28, 2009 meeting (see attachment).
3. **Current support for the project from the board.** (This was another item requested at a prior board meeting). A 'potential' major giver has already asked, "To what extent have individual directors endorsed this project financially?" The donor is not interested in amounts of your individual donations, but wants assurance that the full board, 100%, has embraced and committed to this endeavor. As an FYI, this issue of board commitment will continually arise as a standard question in all grant applications and donor solicitation efforts.
4. We understand the sense of urgency you may feel about quickly raising the needed capital. But, we cannot in good conscience, continue to assist AACTMAD in raising funds without knowing **the board is speaking with a unified informed voice**. The issues we have raised are not personal, but standard nonprofit best practice fundraising issues that AACTMAD will continue to experience throughout the life of this project whether we are involved, or the board chooses to ask others to assist in this endeavor. As we stated in our September 2008 communication – **"Many things will need to be worked on in parallel"**. In the interest of speeding up the decision making for the board as well as potential donors, we respectfully suggest a structure for the project as outlined on the following page.

Concourse Project Plan Outline
March 24, 2009

Ground Rules & Assumptions:

- *Each of the following four teams are working directly for the board and must send a written report (for inclusion in the minutes) each month to all of the directors one week before each board meeting. All directors must read all four reports prior to the monthly board meeting. Each team is chaired by at least two people and although any individual may assist any of the teams (with the one exclusion noted under legal team) no one individual can serve as the co-chair of more than one team.*
- *We are purchasing a share of the building (equity) and we are renting to internal committees, members, and outside 3rd parties.*
- *Cash flow projections include assumptions. The assumptions are stated clearly and with a statement of how they were tested in the real world. For example: contracts, proposals, rental market information, surveys conducted, interviews, etc.*

A) Fundraising: *Comprehensive recommendations for financing the overall project*

- Case Statement
- Feasibility Study
- Donor and funding prospect care
- Solicitation Materials including “Ask” scripts and training
- Cash Flow requirements for fundraising
- Comprehensive - phased Fundraising Plan (includes all cash requirements from all four teams)

B) Construction: *Comprehensive recommendations for renovations (at least through Occupancy permit)*

- Needs assessment driven design
- Builder vetting
- Bid recommendations
- If necessary - recommendations for any phased renovations after initial occupancy
- Construction and installation management
- Cash Flow requirements for design, permitting, and construction based on builder negotiations

C) Operations: *Comprehensive recommendations for marketing, operating, and managing (everything after the Occupancy permit)*

- Development of rental policies, maintenance plans, and rate tables for 3 groups (internal, AACTMAD members, and 3rd parties)
- Internal and 3rd party rental market risk assessment (given the planned renovation)
- Feasibility of pre-signing internal and 3rd party anchor tenants
- Job descriptions and recruitment of volunteers for ongoing operations and maintenance
- Cash Flow projections for operations with validated risk assumptions

D) Legal: *Comprehensive recommendations for all legal agreements*

- Purchase and operating agreement with G&G (note: G&G are not permitted to assist with this task) including but not limited to rights and responsibilities governing: (a) property improvements; (b) rental rights; (c) financial obligations; (d) quantified equity positions at year 0, 5, 10, etc.; (e) termination scenarios – rights of first refusal; etc.
- Builder contract review
- Rental agreements
- Insurance policies
- Cash Flow projections for all outside legal assistance

Concourse Fundraising Update Jan 28, 2009

A) Opening Comments - Debbie

B) Silent Phase Progress to Date - Ray

1. WW, LLC partner (including AACTMAD) donations:

deposited	\$ 52,420
pledged	16,880
allocated for design	<u>- 7,000</u>
	\$ 62,300

2. Early campaign estimate of \$225K to \$250K to be firmed up after bids and refined operating projections are available. Silent phase runs until at least 60% of ultimate goal is reached.

3. We are beginning to reach out to a short list of AACTMAD members beyond the WW, LLC partners. Any solicitation beyond the immediate membership will need to be preceded by registration with the MI Attorney General. Loans should be considered only as a last resort as they undermine the “ask” and they also further burden the operating projections with debt load.

C) Critical Questions prior to launch beyond silent phase - Debbie & Ray

1. To what extent have recommended actions been addressed that were provided at the September Board meeting (see attached)? Have they been discussed at a board meeting? Are there minutes that reflect action?
2. Has the board determined how inquiries regarding logistics and rentals will be handled? Will there be 1 key person? If a prospective donor wanted to know the details of how the facility would be managed, do we have a clear answer?
3. Is the board confident that all risk issues have been identified? i.e. If a donor asked us if we were sure there would be no problem renting to a 3rd party, or what our liability would be if there was an accident on the site, could we tell them the answer?
4. Is every board member 100% confident that they understand the legal, verbal, and/or written agreements that have been entered into regarding the new space?
5. Does the board have the capacity to pursue the AACTMAD mission as well as manage a facility? And if not, has an alternative volunteer structure been talked about to insure that we have the people power capacity?
6. Does the board have a summary sheet that would explain, “This is how it will work” and understand the 3-5 year projections needed to maintain the space?
7. If a major donor said they wouldn’t give until the questions are answered, how long do you think it might take to answer these questions?

Ray's suggestions regarding 4531 Concourse
September 23, 2008

Many things will need to be worked on in parallel. In addition to those items Nawal has outlined, I would suggest starting with:

1. Write a letter to Gretchen (see below) and meet with her to discuss it and your plan.
2. Create a list of benefits to be used in discussion with committees, members, and donors.
3. Meet in person with each committee to discuss the benefits of the project to them and the organization and to get their suggestions for design modifications. Depending on their decision to move to Concourse, fill in the rents in section 2 of the projections sheet.
4. Having completed step 3 with all of the committees, you now have a feeling for internal support and you know what your starting operating shortfall is. This impacts your overall cash flow requirements, which combined with your design/renovation costs, determines the short-term fundraising requirements.

Send Gretchen a "Letter of Understanding" and meet with her:

- Thank her for her generous offer to assist AACTMAD in developing a home for its activities at 4531 Concourse.
- Tell her that there is much work to be done by AACTMAD in order to make this project succeed over the long term. Some of the short-term tasks are detailed in the attached timeline. The highest priority task is for AACTMAD to engender wide dance community support for this project.
- Explain that your understanding is that AACTMAD would lease 4,000 ft² with shared use of an additional 250 ft² on a 24/7 basis at a monthly rate of \$1,500 with the understanding that AACTMAD will also be responsible for its share of the monthly operating expenses such as: HVAC, utilities, snow removal, lawn care, etc. which at the present time are estimated at \$1,600 per month. At this time, AACTMAD would explore signing a one-year lease with an option to renew annually for the subsequent _____ years. AACTMAD would also have the right to sublet/rent its space to its members as well as appropriate third parties.
- Explain that although these monthly operating costs are three times higher than AACTMAD's existing programming supports, you imagine AACTMAD might be able to subsidize the difference with additional fundraising and outside third party rentals but that you would need time to see if that approach can work. The goal of course would be to always support AACTMAD's internal space/time needs and hopefully over time fully utilize the building for our own programming.
- Explain that AACTMAD's goal is to make this work over the long term and if things proceed in a way that is manageable for AACTMAD and Gretchen that you would assume we would work on a plan for AACTMAD to obtain ownership in, and ultimately of, the property. It would also be understood that if AACTMAD had to withdraw from their lease, then AACTMAD would be reimbursed for any leasehold improvements it had made to the property.
- Tell her that you understand she is prepared to cash out the limited partners in the Waters Wagner, LLC. Thank her for doing that. Explain that you would like to coordinate with her on any donations those partners might like to make to AACTMAD.
- Tell her that you are excited about this project and would like to meet with her to discuss any issues or concerns she might have about this plan and the attached plan/timeline.