

Minutes of Board of Directors Meeting
White Heron Theatre Company
May 18, 2020

The meeting was called to order at 9:05AM. Present were Martin Tackel, Mark Cuhna, Vicky Hanson, Sheri Feigan, Chris Bierly, Robin Hammer, Bob Doran, Lynne Bolton and Jim Malone. Martin Rhea joined the meeting at 9:37AM. Joshua Borenstein and Michael Kopko were also in attendance.

The Agenda for the meeting was as follows:

AGENDA

I. Welcome Robert Doran

RESOLUTION: Formal vote on unanimous consent action to accept PPP funding

II. Season Update - Lynne Bolton

III. Student Company Update - Sheri Feigen

IV. Financial Update - Michael Rhea and Joshua Borenstein

V. Special Events - Robin Hammer

VI. Mortgage Retirement - Robert Doran

VII. New Business

VIII. Executive Session

IX. Adjournment

The first order of business was to confirm the Board's unanimous consent email action and approve the Board's application for and receipt of the U.S. Small Business Administration's Paycheck Protection Program ("SBA and "PPP"). The amount received was \$48,000. A motion was made, seconded and approved unanimously to accept these funds. There was further

discussion about the fact that the SBA is discussing loosening the use and repayment terms for these loans.

Lynne Bolton, Artistic Director, gave the Season Update. Our goal this year is to be nimble. We are practically at a decision point for the August part of our season. If we are going to mount anything on our stage in August, we will have to sign contracts with the artists shortly and bring them to Nantucket and the theatre in early July. That does not seem possible now because of the Covid-19 restrictions. Massachusetts is in a four-phase reopening and it is unclear when we will get to a point where people are permitted in a theatre or will want to go to the theatre even if permitted. Consequently, we have determined to cancel our Summer Season.

Lynne next spoke about alternate programming for the summer. As a result of conversations with Bob, Joshua and Michael, she recommended that WHT produce programs this summer which are "valuable and not filler" and that are consistent with the quality of our brand.

The first program proposed is a one for local radio, a 54-minute radio program which will be aired on WACK/WNCK. The program will be based on the Nantucket ghost stories of Blue Balliett. Mark Shanahan and John Gromada will assist in the production. We will prepare them in Podcast form and for the radio. We could promote this effort in the I&M. Lynne explained that Blue's stories are true Nantucket stories. We would begin production of this program in the next couple of weeks and run the program from June through August.

The second program would be to produce an outdoor cabaret in the Theatre Patio. We will need Town approval for this venture but early indications are that Town will be flexible this summer in providing ways for merchants to gain extra space by operating outside. The idea would be to have 30-40 2-person bistro tables and an entertainer. We can produce either comedy or music. Michael will continue to meet with Town officials to see what sort of permit we might obtain. There was discussion about what we could produce and union requirements. There is a so-called "Stool Test" which basically says that when the performer is "just sitting in a stool" and not acting, union requirements and pay requirements are relaxed. So, singing, but not dancing. There was also discussion of alternate venues such as the VFW Hall and Almanac Farm. We might test something out downtown and then take it on the road. We may be met with some resistance here in the NIMBY context.

Sheri Feigan next gave the report on the Summer Education Program. With the PPP loan and tuition payments it looks like we will have sufficient funding for this program this summer. Details about beginning dates, virtual or in-person, how many students are still being worked out. It was observed that classes might be conducted in our empty theatre with easy social distancing. Our teaching staff is all set to be flexible and to make the program work this summer.

Josh summarized his Executive Director's Report prepared for this meeting. A copy of his report is included in the Board Portal and is incorporated here by reference. John discussed out financial picture assuming no summer season. Significant adjustments have been made to our original budget expectations. Our greatly slimmed down budget now estimates a positive cash flow of about \$18,000 before the approximate \$175,000 annual mortgage payment is made. With the PPP loan, our liquidity is pretty good for the summer.

Josh then turned the discussion to fund-raising. He noted that every Board member has already made a monetary gift to the Theatre this year. He has been talking to major donors, trying to keep them up to date with our plans. He has not yet made any specific "asks," he's just trying to make them feel involved. He will target approximately 300 regular major donors with an appeal in the near future.

The discussion then turned to the retirement of the mortgage. The debt is approximately \$6,500,000, currently at a rate of 2.9%, and with a balloon payment due on June 30, 2022. The lender, Citizen's Bank, does expect a request for refinancing of the debt at that date. In normal times we would be looking for lead gifts in excess of \$1,000,000 and a naming gift in the range of \$3,500,000. The question for the present is, given the Pandemic, what sort of fund-raising is possible in this economic downturn. There was considerable discussion on this issue with ideas including taking a condominium approach to theatre assets to improve the look of our balance sheet, determining exactly what real estate assets WHT owns, seeking contributions in the form of debt which would be forgiven by the donor over time, creating the equivalent of a low-yield municipal bond equivalent which might serve as a substitute financing vehicle, applying to various private and public agencies interested in supporting the arts, and general fund-raising.

It was observed that the Board had worked extensively on a fund-raising plan in the last year and that the first step should be to review that plan and see whether it needs to be amended given current circumstances. Josh and Bob agreed to do this and to enlist the help of other Board members in

developing a revised plan. It was agreed by all that we need to move forward on this, test the waters and see what might work.

Lynne and Robin next talked about special events. One idea suggested was to sell bricks on the patio at \$500/brick with a target of selling 200 bricks this year. This could be a digital campaign. A second idea was to reserve Children's Beach for a fund-raising event in August using the concept of selling "socially distant" WHT beach blankets. Lynne, Robin and Michael will work on this. There is no Pops this summer so there is the possibility of using their date, Saturday, August 8 – and perhaps an Island starved for an event. What we learn doing the Patio Cabaret will be helpful here.

President Doran next asked if there was any new business. No items were suggested. Doran then asked that the Board go into Executive Session and Josh and Michael were excused. The Board then conducted a short discussion which will be reflected in a different set of minutes.

After the Executive Session was concluded, a motion to adjourn the meeting was made, seconded and approved unanimously, and the meeting was concluded at 10:51AM.

Respectfully submitted,

James L. Malone III
Clerk.