

White Heron Theatre Company
Meeting of Board of Directors
September 22, 2022

The regular Meeting of the Board of Directors was held by Zoom on September 22, 2022. Board Chair Robert Doran called the meeting to order at 9:08AM. Present virtually were Directors Chris Bierly, Mark Cunha, James Malone, Robert Doran, Victoria Hanson, Martin Tackel, Robin Hammer and Lynne Bolton. Also present were Interim Managing Director Joshua Borenstein and Michael Kopko.

Mr. Doran began the meeting by noting that White Heron has recently concluded its 10th season with a number of sold-out performances. *Dial M* and *Thurgood* were both artistic and box office successes. The Shubert Organization's recent grant of \$15,000 is another indicator of the "buzz" about our season.

We have also restructured the Theatre's debt substituting the Boltons' personal liability and guarantee with the WHT Corporation now primarily responsible for the mortgage on a long-term (35 year) basis. We now have a \$3.5MM mortgage with an initial rate, for five years, or 3.8% and a \$2MM Line of Credit floating at a half-point over Prime. Both the mortgage and the line-of-credit were used to pay off the original mortgage.

Despite this good news, our funding challenges remain, and they are significant. We have under-performed as an organization in fund-raising. Among community theatres we are not an outlier in that regard, but the fact remains that we have considerable debt and no endowment. Our financial issues have to be solved now. We appear to have several key donors who are hedging their bets wondering if we are going to succeed. Our early, original donors are still sitting on the sidelines. Our challenge is to be "sustainable." We have to get to work.

Mr. Malone moved for the adoption of the Minutes of the June 2, 2022, Board meeting. Mr. Bierly seconded and without objection the Board members present approved the minutes of the June 2, 2022, meeting.

Ms. Bolton next gave the Artistic Director's Report noting that WHT had just done four shows in two and a half months. The shows were excellent, and Ms. Bolton noted that there is interest in bringing at least a couple of these shows to Broadway. We should take pride in that fact.

More importantly, the shows were produced under budget. We saved about \$40,000 from original budget. We took a lot of tasks and expenses in-house and achieved savings. These savings helped to pay for part of the significant increase in our housing costs for our actors and technical staff. There is always staff realignment, and this year was no different. Our technical director has left for a position with Oregon Shakespeare.

Mr. Cunha next gave the Governance Report. He noted that WHT had received a \$70,000 grant to upgrade its HVAC system. We need a protocol for bidding out and signing contracts for work like this and other expenditures above a certain amount. We need some checks and balances in this process. Mr. Cunha said he would bring such a policy to our next Board meeting so that the rest of the Board can review it and approve it.

Mr. Borenstein next gave the Managing Director's Report. He noted that it had been a tough summer financially including a significant shortfall in our Education program. We have nearly \$100,000 in payables and our Days of Payments Outstanding is over 45 days.

Mr. Borenstein reported that we have hired McCaela Donovan as our new Education Director in an effort to regenerate this program. Ms. Donovan comes to WHT from Boston University.

Mr. Borenstein noted that our summer appeal was not successful raising only about \$7,000.

Several key financial questions are extant. Do we do Nantucket Christmas Carol in November/December? There would be a "reputation cost" of not doing it. We need a \$25,000 sponsor but still are looking at a loss of at least \$25,000. How can we do the production and save money? Ms. Durand offered to look around for a corporate sponsor.

Mr. Borenstein said he would shortly send out the Fall Appeal. We now have 1,400 donors on our list, so the Appeal would be the largest we have ever done. The Appeal will go out in mid-October with some social media follow-up.

There was a brief discussion about what sort of shows "sell" at WHT. The consensus was that popular shows – ones that people have heard about – sell and unknown shows do not. *The Half* and *Sea Monsters* fell flat while *Dial M* and *Thurgood* grow during their runs.

Regarding donors, Mr. Borenstein noted that some donors have taken a step back from giving to the arts and theatre in particular. We have also lost significant Education funding. Some major donors are frankly waiting to see

us make more progress toward sustainability before they will be willing to make a significant contribution. We owe a dept of thanks to Maureen Bousa for sponsoring *Thurgood*. It is time we went back to these former donors and started trying to bring their support back to its former levels. Ms. Hammer noted that we are waiting for the dam to break and we need to keep pushing.

Mr. Tackel next spoke about the success the Theatre has had this year and the problems confronting it, noting that this was a really bad time for any arts organization. He urged the Board to consider the title of the pieces we are thinking about doing. We need to be careful about doing experimental shows at least for the time being.

Ms. Bolton responded to several comments noting that we can do popular and great shows very well. With the right show, *Dial M* and *Thurgood* demonstrate that we can fill the house. Ms. Hansen remarked about the fact that there are people who have been coming to the Island for 15-20 years and still have not been to our theatre.

Mr. Borenstein noted the importance of having a full house and fund-raising. People want to be part of a winner. We must make sure that a new audience member has a great first impression.

There was a short discussion about how to make better use of the facility. One idea was a "Main Stage – Second Stage" approach. The later would be a venue for new plays and readings.

On finances, Mr. Borenstein noted that we have to raise at least \$200,000 by the end of the year. Our mortgage for the first 12 months from July 2021 is covered. Those funds are in escrow.

Mr. Borenstein also noted that WHT owes about \$19,000 to the Equity Pension and Welfare Fund. We have a cash bond of \$24,00 with them but they want to be paid as soon as possible. This is a critical account.

Christmas Carol has already sold 15% of tickets with no advertising. We are still looking for a sponsor for this show. In the past the show has cost about \$80,000 to present and sponsorships and ticket sales have not come close to matching that number. In some good news, we have changed our relationship with Theatre Workshop of Nantucket profoundly. Going forward, we are not going to compete with our Christmas productions. Each theatre will be on an every other year basis for these shows.

Mr. Borenstein gave the Education Report in the absence of Ms. Feigen. He noted that the first intensive program for college age students went very

well. McCaela Donovan was great. Running short, two-week intensive programs seems like the way to go for the future. We need put this program on at least a break-even basis going forward.

Mr. Doran reported that after four strong years Mr. Borenstein has decided not to renew his nearly full-time contract with us. That news has led us to start a search for a new Managing Director to take up Josh's duties. More on that to follow as we are just in the initial stages of our search.

There being no more general business, the Board went into Executive Session at 11:23AM. Ms. Bolton, Mr. Borenstein and Mr. Kopko left the Zoom meeting before the Executive Session began.

The Executive Session ended at 12:01PM after Mr. Doran called for a Motion to Adjourn the Board Meeting. Ms. Hammer made the Motion and Mr. Malone seconded. The vote to adjourn the meeting was unanimous.

Respectfully submitted,

James L. Malone

Clerk