

Minutes

PACRC Board

10/21/15

Present: Kristol McKie, Dennyce Korb, Brad Berens, Ross McKie, Pat Goetzinger, Anna Huntington, Darla Drew Lerdal, Jason Reuter. Also present Nick Johnson. Board member Mike Gould arrived at 8:10 a.m.

Absent: Jeff Nelsen, Ken Ketel

Meeting called to order at 7:33 a.m. by President Kristol McKie.

The Board received the minutes of the September meeting. R. McKie moved approval of the minutes, seconded by Reuter. Motion carried.

R. McKie presented the financial report. The board was asked about its preference as to how we would like to see fundraising income and expenses broken out on the P & L. It was decided it would be more beneficial for the board to see a more clear picture of the success of fundraising events. Huntington moved approval of the financial report. Goetzinger seconded. Motion carried.

Lerdal told the board that the city has just approved letting entities (including the PAC) sell donated beer and wine.

Johnson presented the Executive Director's report. He reported that, although they are behind on their pledge, the Children's Chorus has paid an amount toward their pledge to the PAC. To date BHSO and A Cappella Showcase have given us nothing additional toward their pledges. BHSO's share is \$40,000 and they have paid \$12,000. BHCT has paid their \$60,000 in total. Rapid City Children's Chorus obligation was \$20,000 and they have paid \$7,629.00. A Cappella Showcase obligation was \$20,000 and they have paid \$1,500.00. K. McKie suggested that the organizations who are making no effort toward payment of their obligations need to be presented with the option that if they don't make some significant effort, they will lose their benefits of reduced rent for performance and rehearsal space and priority of their dates on the facility calendar. R. McKie emphasized the necessity of making sure we have all of our facts in order and then go to their boards to make a presentation as to the nature of their agreement with the PAC. Huntington inquired whether this would be something that would perhaps be appropriate to go to the Vucurevich Foundation with. The goal is to sit down with the boards by December to lay out a plan for our expectations.

At this point board member Mike Gould arrived.

Johnson reported that there is now the ability to access most parts of the building that anyone would need to access by way of the key fobs.

Lighting instruments were installed, some prior to Mary Poppins and some after. Because the company was quite late providing the equipment, Johnson feels we have lost confidence in the company in terms of providing services for sound equipment. Johnson reported that BHCT has discussed the fact that they

are really the only entity that would ever have a need for 10 additional microphones, and perhaps in the future they will be in a position to purchase additional microphones. Reuter mentioned a gentleman named Bryan Adams from SDPB who works also as a sound consultant and the Playhouse is working with him.

K. McKie requested a calendar of events for the whole year in the future.

Johnson reported that there has not been a head house manager hired yet.

There was no update on the progress on preparation of tax returns.

Huntington thanked the board and Johnson for putting together a very well-thought-out presentation for Arts Rapid City. The Rapid City Arts Council will be the new manager for that site. The PAC-RC Board will be supportive of their efforts to continue and grow this valuable resource.

Goetzinger reported that he had a very good meeting with the BHCT reps regarding the Foundation, Marnie Gould, Mary Stein, Kelly Foreman, Pete Kappa and Nick Johnson. Goetzinger reported that Allied Arts Fund has developed a model for a foundation as well, but it is his feeling that this model defuses control away from the entity (i.e., BHCT) and gives it instead to the Board of Directors of the South Dakota Community Foundation in Pierre. In the traditional model you have a board of directors for the entity (i.e., BHCT) and a separate board of directors for the foundation. There is concern, however, of creating confusion in the community, and Goetzinger feels this board, the PAC board, could serve that purpose with a foundation, segregated account. Although Goetzinger said he couldn't give a 100% guarantee that those funds wouldn't be available to judgment creditors, he could 100% guarantee that they would be safer than they are now. Goetzinger stressed that he has now realized the resolution he drafts for creating this foundation needs to be more flexible to include endowment, quasi-endowment, and totally undesignated funds coming in. There will also be back-up policies this board would adopt with regard to the governance of that foundation. There were questions about transparency, and Goetzinger stressed transparency is of utmost importance. Protection from PAC liabilities and having access to the funds were the two biggest concerns. There would be a distribution committee formed to give recommendations to the Board as to where the designated funds would go. While we do not need BHCT's buy-in to begin this venture, the Board agreed we would like to have that. In any event, however, Goetzinger stressed the importance of moving ahead with the governance structure, and then getting marketing materials developed. K. McKie stressed that we need to get some significant gifts to get this going. Goetzinger feels this is a huge opportunity for this organization to build its brand and tell its story. No one else has this story to tell--this facility, the partnership with the city and with the school district--are a unique story.

At this point Goetzinger and Berens left the meeting.

Johnson discussed the school district's policy regarding guidelines for closing of schools. The policy is very broad. Since the School District owns this building, if they wanted to shut the building down, they could. Johnson emphasized that we need to have the flexibility to make our own call on cancellations of events. If RCAS decides not to have staff present to shovel and sand, but PAC-RC employees are present

and able to do that, Johnson feels we should have the ability to go ahead with a scheduled event. It was determined that Johnson needs to work with Berens and whomever else is necessary and bring a policy recommendation to the next board meeting.

K. McKie stated that the Joint Management Committee will begin executive director review this week.

First People's Fund will be holding their event here next October. There had been discussion of the PAC partnering with them in terms of providing free rent and support, but a condition of this would be that we share in any revenue from that event. This would be a co-promotion event.

R. McKie moved that the meeting adjourn. Reuter seconded. Motion carried. Meeting adjourned at 9:19 a.m.

Respectfully submitted,

Dennyce Korb, PAC Secretary