

**Delaware Symphony Orchestra**  
Meeting of Board of Directors  
Monday, March 14, 2016  
Community Service Building – Wilmington, DE

-MINUTES-

**Directors Present:** Charles Babcock, Lanny Edelson (telephonically), James Ellison, Lynsey Eppeneder, Shelley Kinsella (telephonically), David Kubacki, Grace Kwon-Kubacki, Elena Norman (telephonically), Theresa Pietrucci, David Plaza, Jeff Ruben, Lee Tashjian (telephonically).

**Directors Absent:** Matthew DiGuglielmo, Jennifer Golek (both excused)

**Others:** Maestro David Amado; Martin Beech, Musician Representative; Barbara Cairns, Development Director; Alan Jordan, Executive Director; Libby Burgazli, Controller. Special Guest: Mark Fields, Executive Director of The Grand Opera House.

**Welcome and Call to Order:** President, Charles Babcock called the meeting to order at 5:35 PM. The introduction of our special guest, Mark Fields, Executive Director of The Grand Opera House, was made by Alan Jordan.

Remarks by Mr. Fields: We're building a stronger more effective partnership including cross-promotion of one another's events. We will be co-presenting one event as well, "Ethel" Chamber ensemble. The DSO will also participate in The Grand's season preview parties. There are 60 shows for the coming season and they are including the DSO again as a viable choice in the "My Choice" program. The full impact of the purchase of the Playhouse is not yet known but there is only 20% overlap in the two audiences, which presents significant opportunity for increased ticket sales. They will be cross-pollinating those two audiences, integrating ticketing systems, databases and websites into Tessitura. This will create efficiencies and enable all events to be seen in one system. There is significant targeted marketing earmarked for the 16-17 Season and you will be able to see the DSO's events as well as The Grand's. The DSO will benefit from this exposure though precisely how much we will benefit is not known at this time. Jeff Ruben asked if the Hotel du Pont will be sold soon. Mr. Fields responded that it would but that the agreement with the Playhouse continues regardless of sale. Lanny Edelson asked if "The Queen" has had an impact on lost subscriptions. Mr. Fields does not believe so, he attributed the decline in the Playhouse's subscriptions to the fact that it was being run by a chemical company rather than theatre professionals and that less and less attractive events were booked which resulted in declining sales. He indicated that "The Queen" is more of a nightclub and thus not really a competitor. David Plaza indicated that there are frustrations with the box office at The Grand and asked if there were plans to increase efficiencies with calls and processing reports. Mr. Fields responded that the DSO has a site license on Tessitura so we should be able to produce our own reports with proper training. He indicated that we should focus on relationship building with the box office staff.

**Approval of the Minutes:** President Babcock noted two corrections to the proposed minutes: 1) Page 2, Strategic Plan, correct the spelling of Rick Linn's last name, and 2) Page 3, Board Nomination correct the sentence regarding the by-laws to say that "we can elect someone to fill a vacancy". Upon motion by Jeff Ruben with a 2<sup>nd</sup> by David Kubacki, the minutes of the February 8, 2016 meeting were unanimously approved with noted corrections. (Attached)

**Finance Committee:** Lynsey Eppeneder presented the Monthly Financial Review on behalf of the Finance Committee, which included a presentation and analysis of the FY 2016 Budget vs. Actual as of February 29, 2016, the Cash Flow Projection Report as of March 9, 2016 and the FY17 Budget (all attached).

Key Points: 1) FY2016 Budget vs. Actual - Income of \$1.452 million, against expense of \$1.5 million for a \$48,000 deficit. Last month it was a \$43,000 deficit and at the same time last year we had a surplus of \$58,000. Contribution status, Row 10, known/collected contributions are at \$769,000. We need another \$237,000. Campaigns to raise additional income to cover expenses are in progress. The Spring Appeal is planned and there is an additional \$100,000 pledged but not received from a major gifts donor. Lanny Edelson remarked that it appears that we are approximately \$300,000 short including ticket sales and everything. Lee Tashjian asked that aside from the fundraising efforts do we know where the difference will come from. Barbara Cairns replied that there are some individual sponsors with interest as well as a major event upcoming that was a part of the business plan for this year for both individual and corporate sponsors. Executive Director Alan Jordan is also involved in the planning and hosting of that event and it is on track. Jeff Ruben inquired about the Longwood Foundation application. Alan responded that it has been submitted but that it is earmarked for the Strategic Planning Initiative. 2) Cash Flow Projections - \$100,000 Withdrawal from the Operating Reserve was approved by the Board in November of 2015. We have only taken \$50,000 to date and it was returned on 3/14/2016. We are still projecting negative cash flow in April 2016 of \$35,000. We need to continue our development efforts. The Development Committee: David Plaza, Barbara Cairns and Lee Tashjian need everyone to be more involved in fundraising and development efforts. This report was generated to illustrate the cyclical activity we experience in the financials. We also plan to take approximately \$30,000 in distribution from the Beekhuis funds. In the prior year at this time, cash was positive through August. Our Operating Reserve was \$150,000 and is now \$250,000. 3) FY17 Budget – The Finance Committee is proposing that we approve the FY17 Budget. \$1.562 million compared to \$1.4 million this year. On the income side, there is a \$200,000 increase in income. Noted ticket sales of 16% of total revenue represents a decrease, normally ticket sales should be at least 25% of revenue. The contribution category increased by \$169,000. The Development Committee met and provided a list and a plan the Finance Committee Reviewed to help us attain these goals. On the expense side, programming expenses are up \$122,000, \$75,000 of which is marketing. Programming represents 69% of total expenses. On motion by David Kubacki, with a 2<sup>nd</sup> by Jeff Ruben, the FY17 Budget was unanimously approved.

**Consent Agenda:** The reports of the Executive Director, the Development Committee and the Education Committee were presented in advance of the meeting. There were no comments or questions. On motion of David Plaza with a second by David Kubacki, the Consent Agenda and attached reports was unanimously approved.

**Nominating and Governance Committee:** Elena Norman welcomed Dr. Jim Ellison. We're working with various organizations to identify potential Board candidates and in the process of developing a matrix to help us determine our needs. David Kubacki presented a "Prospect Form" to aid us in identifying and gathering information on potential Board members. The Committee submitted DSO Board requirements/guidelines and requested Board approval of same. A suggestion by Shelley Kinsella to include the ability to make exceptions was recommended. Upon motion by Tess Pietrucci with a 2<sup>nd</sup> by David Kubacki a majority of the Board voted in favor of adoption. Jeff Ruben opposed the motion citing that he did not want us to rule out a qualified prospect due to personal financial situations.

**Marketing Committee:** Lee Tashjian presented the results of the Survey Monkey Patron Survey. The Committee is recommending (serves as a motion) that we conduct all 5 of the Classic Concert Series at The Grand next season. David Plaza asked if we would have any flexibility. On a 2<sup>nd</sup> by David Ruben, a majority of the Board members voted in favor of having all 5 Classics Concerts at the Grand. David Kubacki opposed the motion citing that he worried that it's putting a lot of eggs in one basket and is worried about not having matinees.

**Strategic Plan:** David Kubacki reported that the Strategic Planning Committee will be working on branding. The Executive Summary has been added and on page 4, a legend was developed to explain the charts. There is a meeting next week or the week after to add a column for the action steps and identify same and to prioritize the 13 goals. The plan is intended to be a live working document.

**Naxos Recording Project:** Our Kickstarter program was successful, however, there were several unfortunate incidents that occurred leading up to and during the concerts that caused us not to have acceptable recordings going into the patch session. The patch session was then used to record one piece in total. The musicians were very upset about the events that occurred and a meeting was conducted with their leadership to respond to their concerns. A letter of explanation was developed by the DSO President, Music Director, and Executive Director explaining the unfortunate events to the musicians, which is set to be mailed on March 15th. There will be a follow-up in-person meeting on March 30th to address any outstanding questions or concerns. Unfortunately, there was no way to avoid the incidents that occurred and a successful recording is still the goal so Alan will be reaching out to those involved to determine next steps. After discussion, the Board approved sending the letter to the musicians.

**Announcements:** Barbara Cairns submitted her resignation and will be leaving the DSO effective March 24, 2016. The Board thanked Barbara for her service to the DSO. An updated Roster for the members of the Board was provided.

There was a motion to adjourn the meeting by David Kubacki with a second by Jeff Ruben. The meeting was adjourned at 7:25 p.m.

**Meeting Schedule for 2015-16:** Next Board meeting will be April 11, 2016.

Respectfully submitted,

Tess Pietrucci

Secretary