

Delaware Symphony Orchestra
Meeting of Board of Directors
Thursday, January 7, 2016
Community Service Building – Wilmington, DE

-MINUTES-

Directors Present: Charles Babcock, Matthew diGuglielmo, Lanny Edelsohn, Jennifer Golek, Shelley Kinsella, David Kubacki, Grace Kwon-Kubacki, Elena Norman (telephonically), Theresa Pietrucci (telephonically), David Plaza, Jeff Ruben, Lee Tashjian.

Others: Maestro David Amado; Martin Beech, Musician Representative; Barbara Cairns, Development Director; Alan Jordan, Executive Director;

Welcome and Call to Order: President, Charles Babcock called the meeting to order at 5:30 PM.

Approval of the Minutes: Upon motion by Lanny Edelsohn, with a 2nd by Lee Tashjian, the minutes of the November 9, 2015 meeting were unanimously approved (Attached).

Finance Committee: Jeff Ruben, in Lynsey Eppeneder's absence, reported on behalf of the Finance Committee and presented the following Monthly Financial Review, which included a presentation and analysis of the FY 2016 Budget vs. Actual as of December 31, 2015, the Cash Flow Projection Report as of January 3, 2016 and a Draft FY17 Budget (all attached).

We are on pace for our income of \$1,404m vs. expenses of \$1,440m, representing a deficit of \$36,000. This is \$15,000 better than last month. We've raised \$538,000 to date of our contribution goal with \$400,000 to go. Key Points: Ticket Sales (Row 1) were adjusted down by about \$30,000. Performance Fees (Row 2) reflect a net profit of \$3,000 for the Grand Gala. The overall deficit of \$36,000 (Row 31) assumes that the contribution budget of \$938k will be met. Cash flow report: We have a reserve of \$250,000, \$100,000 of which was added last year. We withdrew \$25,000 in November and will need to withdraw another \$75,000 in January or February. We expect more cash in March and can perhaps replenish in March but still expect the negative cash flow to continue through year-end. Fundraising will mitigate that and is the plan.

David Plaza added that he and Alan had a successful meeting with Mrs. Copeland, Chair Emerita, who confirmed the commitment to the Executive Director Search fee plus expenses (check received). Mrs. Copeland also committed to a contribution of \$200,000 in January of 2016 for this fiscal year, which is not reflected in the numbers presented. This will bring fundraising closer to goal.

Jeff Ruben resumed and reminded the Board that the Cash Reserve is separate from our \$200,000 Line of Credit. Jeff indicated that a Draft of the Budget for 2017 is in process and is still very fluid. The final should be presented to the Board in March. Currently planned Income and Expenses have been increased by approximately \$100,000 to \$1.5m. We will discuss further next month. Programming will be increased by \$98,000. Marketing expenses will be increased from 5% to approx. 10-15% and education expenses increased by approximately \$64,000.

The Board Restricted Investment (Beekhus) was valued at \$624,000 as of 1/4/2016. The investment strategy has held up well.

Lanny Edelsohn remarked that with the contribution from the Copelands should put us over budget, but again cautioned us on our over-reliance on several individual major gifts.

Consent Agenda: The reports of the Executive Director, the Development Committee and the Education Committee were presented in advance of the meeting. The following updates were provided: Executive Director, Alan Jordan reported on the recording project that we have raised \$45,000 towards the goal of \$85,000. Adjustments for musicians' fees and two significant individual gifts and a corporate gift were received. With the planned follow-up coming up and the Kickstarter Campaign at the end of the month, the \$40,000 gap is achievable. Alan and David Amado provided an update that the Governor's press conference about the State Parks and Recreation and development firm project with the DSO regarding the Yorkland NVF site, was postponed to March. Interested in seeing if there is anything we can do out there and take advantage of the existing and planned facilities, perhaps for outdoor concerts or tent and stage available to transport around the state, potentially. Is it potential rehearsal space, office space? We will continue to monitor and explore all potential opportunities. David Plaza provided a Development update as well, again recognizing the generosity of Mrs. Copeland and her willingness to entertain or host certain events. Lanny Edelson remarked that he appreciated the graph charts in the presentation. David Plaza also thanked the Board for pledging and contributing with 100% participation 13% in excess of goal. Grace Kwon-Kubacki provided an Education Committee update remarking that the Stuart Goodyear performance on Sunday at Tatnall was well attended by students from the Build the Orchestra pilots. Marty Beech also remarked that a number of them came. Jennifer Golek asked what we plan to do about the recording project if we don't meet our goal. Alan responded that the plan is to be caught up by February. There being no further discussion, the Board unanimously approved the reports as presented (All attached).

Marketing Committee: Lee Tashjian reported that the Marketing Committee is "re-engaged" with 7 or 8 active members. He mentioned that there are 5 or 6 key components of marketing: Research, Sales, Communication, Distribution and Product/what we're playing. With our objective being to sell more tickets, there are three areas of focus:

- 1) Marketing Committee will be recommending a tiered pricing strategy. Don't agree with the notion that one size fits all. Thinking \$15 - \$45 - \$75 and can pick seating. \$15 is more accessible to many. There will be a formal recommendation to come.
- 2) Frame-up new idea: Five concert classic series on Friday nights at the Grand Opera House. We get lots of comments about the customer experience at the Grand. It's the place to be. Thinking of using Survey Monkey to survey ticket buyers regarding venues and other items regarding customer experience.
- 3) Marketing Audit request. Sending a Request for Proposal (RFP) to marketing entities to take a look at how we're marketing the orchestra and our webpage. Give us a proposal after analysis. The cost to engage such a firm is approximately \$25,000 but there are places to go for funding and it builds capacity. The Delaware Theatre Co. is using TRG. They have lots of experience working with symphonies. There will be more discussion to frame-up the RFP.

Lanny Edelson asked if Survey Monkey could incorporate questions regarding transportation/bus service to other areas. If you buy a ticket and we provide bus service will you come? Can Survey Monkey help? Alan mentioned that we used to belong to the Philadelphia Arts Alliance but we didn't continue it because the fees are high. We could resurrect participation in that.

DSO Wells Fargo Account: At year-end we had to process a number of Stock gifts and realized that we need to update our signatories on our Wells Fargo Account. On motion made by Matt diGuglielmo with a 2nd by Jeff Ruben, the Board unanimously resolved to change the current authorized signatories to officers, Charles Babcock, President, I. David Plaza, Treasurer, and Alan Jordan, Executive Director; as well as, DSO staff members Elizabeth Burgazli and Barbara Cairns to facilitate administrative duties

Artistic Committee Report:

Maestro Amado gave a report of the planned new season:

We have a wonderful, balanced season planned with 5 Classics concerts and 4 Chamber concerts.

The Classics concerts series opens with a double concerto of Andre Previn and Mahler's epic 5th Symphony.

The second classic is anchored by Korgold's glittering violin concerto and Bernstein's symphonic dances from West Side Story. Later in the season we'll feature both Beethoven's 7th Symphony and first piano concerto (on different programs) as we embark on a multi-year survey of his works. Other highlights include Brahms' Second Symphony, El Amor Brujo of de Falla and Tchaikovsky's 4th Symphony.

Our chamber programs run the gamut from baroque (Vivaldi's Four Seasons featuring our concertmaster David Southorn), to 20th C. with Morton Feldman's Words and Music—a work he wrote in collaboration with Samuel Beckett. We are planning a string quartet concert featuring Dvorak's American Quartet, as well as a chamber orchestra concert featuring Schubert's 5th Symphony.

Musicians Committee and Artistic Committee are discussing shuttle buses and transportation issues. Grace Kwon-Kubacki noted that it would be great if you could purchase tickets on-line. The Grand Box office is an issue. Lanny mentioned the use of Fandango or Stub Hub if that is even possible. David Plaza asked about the Playhouse and no one is sure what will happen there. David Kubacki indicated that the venue discussion was right in time as it leads into our Strategic Plan discussions.

Strategic Plan: David Kubacki distributed his report of the Strategic Plan SWOT analysis results (attached).

A draft of the Strategic Plan will be presented at the February Meeting for Board review and approval. The Longwood Grant application is due March 1st and it will be critical to have the Strategic Plan finalized for that. Lanny Edelson remarked that David's presentation is a wonderful document and wondered whether an Executive Summary Page might make sense. David Kubacki replied that we will have a timeline and prioritization to address the items in the Strategic Plan. Lee Tashjian mentioned that this is an excellent effort – great job!

There was a call to adjourn the meeting at 6:58 p.m. and we then entered into an Executive session of the Board at 7:04 p.m. The Board went out of Executive session at 7:37 p.m.

Meeting Schedule for 2015-16: Next Board meeting will be February 8, 2016.

Respectfully submitted,

Tess Pietrucci

Secretary