



Lexington Arts and Crafts Society, Inc.
Minutes of Board Meeting
May 5, 2020
 1:00 pm (via teleconference)
Approved September 24, 2020

Board Members Present via Videoconference

Todd Carey	Katina Leodas	Louise Hara
Susan St. Maurice	Lauri Hugentobler	Mireille Gart
Peter Bain	Peter Kelley	Jenny Pyle
Wayne Davis	Rachel Rosenblum	Nancy Cornelius
Bruce Neumann	Matthew Siegal	Joseph Brown

Prospective Board Members Present	Jenn Bergantino	Peter Demuth
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Board Members Absent None

Guild Observers Present		
Susan McFarlane (Painters)	Cassandra Goldwater (Metals)	Steve Goldstein (Photographers)
Wilda Ward (Deco Arts)	Maria Meyers (Needle arts)	Alison Lauriat (Ceramics)
	Lynne Sole (Polymer Clay &	

Guild Observers Absent	Beading)
Carolyn Reckman	
(Woodworkers)	

The Appendix to these Minutes contains materials distributed in advance to the Board, labelled in the Minutes as "Attachment A," "Attachment B," etc.

Acting President Katina Leodas called the Meeting to order at 1:05pm.

1. APPROVAL OF MINUTES

The draft minutes from March were reviewed and several changes noted. Upon motion by Rachel Rosenblum, second by Jenny Pyle, it was:

VOTED: That the Board of Directors hereby approve as amended the minutes of the Board of Directors Meeting held March 10, 2020, as shown in Attachment B to the pre-meeting Reports.

Passed unanimously.

2. EXECUTIVE DIRECTOR SEARCH COMMITTEE UPDATE

Katina reported that the job is not posted yet. The documents are prepared, but the committee decided to wait a few weeks for the initial shock and disruption from the COVID-19 situation to settle. She anticipates the universe of qualified applicants will be larger in 2 – 3 weeks. Committee members are networking and sourcing prospects. Katina has spoken with 30+ people, receiving positive responses such as, “That sounds like a great job, the right pay and you’ll probably find a very good person.” The time frame for the hire remains an offer extended at the end of this summer, with hire starting in September and one month overlap with Wayne.

3. INTERIM EXECUTIVE DIRECTOR’S AND EXECUTIVE COMMITTEE REPORT

Wayne directed everyone to the written report (Attachment A, p. 12). He noted that just a week after the last board meeting, COVID 19 forced the shutdown of LexArt’s building and many activities. He thanked Terumi Irizawa for helping to administer the shutdown as well as transitioning responsibilities and information to Wayne in the latter half of March. Terumi documented many procedures, which leaves us in a good position to move forward, especially as a new Executive Director takes over.

The first priority during this period was to keep the membership connected and engaged with each other and LexArt. Second was to move what activities we could online. Other top priorities included re-establishing relationships with donors and managing the administrative overload of dealing with the closure. Whenever possible, we tried to fix or streamline administrative tasks.

Priority is now shifting to talking with instructors to get classes online.

Moving classes and then sales online will be a major change for LexArt and not one that was high on anyone’s list just two months ago. “Crawl, walk, then run” is the philosophy as we cannot just do what we have always done, and must reinvent ourselves. Wayne noted that the Lexington Historical Society’s interview via Zoom with our own Wilda Ward about her WWII experiences growing up in Lexington is a great model of having an interactive experience with 2 people. <https://youtu.be/vrc9cLRo3tA>.

Treasurer’s Report (Attachment A, p. 16).

Joe Brown expressed gratitude to his predecessor Peter Bain for helping with the transition into the new role. Joe then reviewed the Profit & Loss statement through March. Predictably, COVID-19 has affected class and workshop revenues; we had been on track to meet the goal of \$60,000 in revenue before having to cancel classes. On the Balance Sheet, Joe noted that market fluctuations have affected the value of the Ferrara Gift, and that such fluctuations are likely to continue.

Joe stated that LexArt was eligible for a “Payroll Protection Plan” loan under the program established by Congress. Accordingly, former Treasurer Peter Bain applied for and received one of \$20K in April. The loan is forgivable with payroll records and utility bills to show that we have used the funds as required. We will need to see the final rules about loan forgiveness when it comes to end of the period.

Financial Scenario Planning Discussion (Attachment A, p. 19).

We are certain that the pandemic and subsequent closure of our facility will negatively affect our finances. What's difficult is predicting how much. To create a set of guideposts during this time of uncertainty, the Finance Committee met in April and asked Joe to develop the spreadsheet (and analysis) included in the packet for this meeting. It shows 3 scenarios (worst case, best case and "middle" case) and the likely impact of each one on LexArt, for the period June 1, 2020 Through May 31, 2021. The models do not include the \$20k forgivable loan just mentioned. In all 3 scenarios, the bottom line is sobering, with losses predicted to be \$60k (best case), \$119k (middle case) and \$194k (worst case).

A set of issues that will affect our future revenue was raised by board members, including:

- The need to keep an eye out for future loans and grants.
- Strategic positioning of our online presence.
- The enormous need for—and therefore an opportunity to create --- online arts education programs for youth during a time of social distancing.
- Ensuring the availability of inventory for sales when we eventually open.
- The likely cost to LexArt of reopening the studios when that is permitted, including the need to change our habits and behaviors; to adhere to new safety protocols; and, to install new fixtures and equipment.

Wayne stated that some kind of access will eventually be permitted. How much remains to be seen. He has asked each guild to begin planning safety protocols to make studio use possible and safe, although we will need guidance from the government. We cannot decide what is safe and what is not on our own.

Additional points discussed about our operations going forward included:

- Hosting Onsite Sales: Bruce suggested that we forego doing Fall Fair and focus our energies on running a successful HMP. Converting the first \$75 or \$100 of each member's HMP sales to donations might offset the loss of Fall Fair.
- Ramping up online sales-
 - Wayne reported that we are already in the process of moving the painters show online. It had been installed in the gallery a few days before the state-mandated lockdown went into effect. Not only does this involve creating an effective way to show the work online, but it also necessitates our creating an online sales platform that we have not had before. Items sold will be available for curbside pick-up only.
 - Photographers (whose exhibit follows the painters') are looking into Internet delivery options. Katina suggested asking other organizations for models of how to do this.
 - For Mother's Day, gift certificates will be for sale.
 - Moving Fall Fair (if we do it) and HMP online will be a larger challenge. Amassing inventory and expanding our online sales capacity will both need to be carefully addressed. Wayne and others are already identifying volunteers to form a committee that will do this work. HMP Chair Deena Dubin. should be invited to this part of September meeting to report.
 - Effective marketing will determine the success of these initiatives. Wayne is looking at social media posting, recruiting tech-savvy college or grad students (possibly even high school volunteers) to help with online activity.
- On Reopening: Matthew reported that his wife, Melinda Lopez, who teaches at Northeastern, is following the ways that universities and colleges are planning for the resumption of classes and return

of students in the fall. Likely approaches include cleaning out furniture and fixtures to create space for indoor social distancing among groups of students/faculty, and staggering student attendance so that half as many people occupy each space at any one time. We may need to adopt similar practices in our building.

Katina asked if there was a decision to be made on the “3 Financial Scenarios” report. Wayne responded that it is more about having a shared frame of reference as we move forward and to guide the Executive Committee in making decisions, in effect, a “soft consensus.”

Jenn Bergantino and others thought that a survey is needed to see when and under what circumstances members will want to come back. She said that developing an online presence will require time and a commitment of resources, and that online sales will need significant lead times to carry out.

Wayne noted that the scenarios presented in the report are not predictions, but rather illustrations of what might occur. It is hard to know what the online classes will look like.

Matthew suggested that we look at reduced utility bills or other places where our expenses have diminished during the shut-down, to fund class development.

Katina requested that Jenn, Jenny, Alison and others work together to come up with strategies and decide some priority ways to proceed.

2:00 Break

2:10 2020-2021 Membership Dues (Attachment A, p. 24).

Wayne stated that at the last board meeting (pre-pandemic), the Board had discussed the need to raise dues. He observed that, as much as we need the revenue, with our building closed and our workshops off-limits to members, any discussion of raising dues at this time would be ill advised. There was broad agreement on this point, which matched the recommendation of the Executive Committee to keep dues at current levels for the foreseeable future.

Upon motion of Jenny Pyle, seconded by Rachel Rosenblum, it was:

VOTED: That Membership Dues for the 2020-21 fiscal year be maintained at existing levels.

Passed unanimously.

Interim Executive Director Priorities (Attachment A, p. 25)

The board reviewed the materials prepared by Jenny in the packet. All agreed on the priorities to be the right choices.

Rachel Rosenblum moved the motion to accept the report on Interim Executive Director Priorities and Mireille Gart seconded. Unanimous vote of all attending. None opposed.

Development Report and Discussion (Wayne Davis) was not given due to time constraints.

Gallery Renovation Project Update & Discussion (Louise Hara, Wayne Davis)

Wayne reported on events of the last 48 hours:

- Further meeting by Peter Kelly with JWC (the Contractor) confirms that the budget for the project still stands at \$350k as reported. We have not been able to find cost savings and reduce it.
- Louise and the architect met with a second HVAC company so that we would have several options on the design and costs of the heating and air conditioning system.
- Garaventa (the lift company) has not been able to locate a circuit board for our failing old lift and informed us that we would need to replace the lift. The cost was estimated to be an additional \$40k and \$80K (beyond the \$350K) depending on location and design that is chosen (dictated mostly what the state will require).

Katina said that during COVID-19, she has been able to get lower prices from trades people, because they have less work. She asked: Why not put it back out to bid?

Louise responded that the contractors we are working with are still busy. They have gone back to the various subs to negotiate reduced prices but feel that everyone involved has already shaved off as much as possible. It may be possible in the future to look for reductions in the prices of the floor and HVAC, even realizing reductions of \$20k to \$30K, if things go well.

Bruce: Even with the increased cost, not proceeding with the renovation project would be a big shame. And now is the time to do it, because we have “a golden window” while the building is empty. If we spread the additional cost over the members as a one-time surcharge, to be paid by those who could afford it, it might be doable.

Molly: Improvements being made to the water and heat as part of the project will add enormous utility to the ceramics workshop.

Alison: The project represents and communicates that we are moving forward.

Steve G: Could we spread the cost out over 3 years by drawing on and then repaying our savings? He acknowledged that this approach entails some risk.

Katina: There are members who are opposed to our proceeding with the project before we have all the money we need in hand. These people will demand to see the numbers. We need to be prepared to withstand that kind of scrutiny.

Jenny: If LexArt is shut down over the summer, it behooves us to stay in close touch with members about the progress of the gallery project over the summer. Replacing the lift feels like something separate. It makes sense for the members to take on responsibility for the expense of replacing the lift.

Wayne: With assistance from our consultant, Diane Remin, we have had some good and unexpected success fundraising from individuals over the past month. Diane has taught us how to engage with donors in a crisis. Some members have made calls to reestablish contact with past donors and report that donors appreciated the calls and were very positive. And also 2 weeks ago we got a random donation. We called the donor who

said, “We live in Medford. We have come several times a year, enjoy it when we do and want LexArt us to be there when this is over.”

Wayne has made contact with some individuals who might make larger donations. He may call on members of the board to make thank you calls, just to build relationships. And possibly to write future checks into their estate plans. He has heard from estate lawyers that the pandemic is causing people to rewrite their wills in ways that they have not seen before. Everyone is reconsidering what is important.

Matthew: Of course, we should try to find savings. However, no contractor is going to build at a loss, regardless of the tough business environment. I don't think the project is worth doing if we don't end up with a spectacular outcome. I am against changing the design that we have. Identifying this architect was a fantastic move. There isn't a more opportune moment to do this project. At any other time, it would be an imposition to do it and that would cost us more money. I like the idea of the assessment, but we need to have a plan for the lift. Need to figure it out in tandem.

Rachel: If we have a good design and come out with a spectacular result I am confident we will find ways of supporting it. I want us to include the lift in the plan.

Peter Demuth: We have \$300k. \$180k and \$100k are needed for operations. We have limited available assets and may need a lot of it for operations in the current environment and shouldn't use it for the gallery renovation project.

Susan: Could we go to the guilds first and ask them to contribute funds to cover the cost of the lift?

Steve: We still need to go to all the members. Would contributions from the Guilds be considered donations?

Rachel: I propose that we move ahead and look for ways to go to past donors for additional money. Donating should not be mandatory. We need to proceed.

Susan St. Maurice: We need to ask in one shot ... with a letter that explains the reason we have chosen to go forward.

Cassandra: Cassandra suggested asking the membership to contribute directly to the cost of replacing the lift. A significant portion of the membership is of an age that will benefit directly from a functional lift in lieu of an elevator. Simple division – if the lift costs \$70,000 and there are 250 members, that contribution would be around \$280 per member – not a huge amount of money. Not all members would contribute but inviting them to contribute to a specific component of the renovation will give them an opportunity to “own” a piece of LexArt's future at whatever level they donate.

Bruce: What I hear is that we want to move forward. We will need more money and that may come from big ticket donors or an assessment of our members. We approve the Building Committee moving forward and we want the Development Committee to work to make up for the shortfall. And come up with a plan to be presented to the Board at the next meeting.

Wayne: Agreed. We need to pursue all of the above. The Annual meeting is coming up in two weeks and we need to make a direct ask of the membership. We will proceed with the architects and close the cost gaps. We will make bigger asks of donors with capacity to give. And we need to convene the Development

Committee. The Next scheduled board meeting is June 23 and we should call a special meeting to go over this spending.

Committee assignments (Wayne Davis)

Wayne asked Board members to think about which what committee assignments they want. Wayne will follow up over the next few weeks.

Calendar Review

Annual Meeting: May 19 at 7:00 pm

We will be sending out notices through email asking for proxy votes and suggestions/nominations for recipients of our volunteer of the year awards. The meeting is expected to be brief.

Board Meeting: June 23, 1:00 pm.

The meeting was adjourned at 4:00 pm.

Minutes prepared by Katina Leodas and Wayne Davis from notes taken by Louise Hara.



Lexington Arts and Crafts Society, Inc.
Board Meeting
May 5, 2020

Who: Board of Directors; Guild Board Observers

When: Tuesday, May 5, 2020
1:00 – 3:30 pm

Location: Via Zoom Video Conference – see calendar invite

Contact: Wayne Davis – 978-505-2710

Please Bring: Documents distributed electronically

Meeting Purposes: Hear updates on current activities. Provide guidance to Interim Executive Director and Executive Committee on how to manage short- and long-term priorities in light of current and foreseeable COVID-19 situation.

Desired Outcomes: By the end of the meeting, we will:

- Receive and approve minutes and Treasurer’s Report.
- Consider possible scenarios regarding the impact of COVID-19 on LexArt operations and set priorities and expectations for how we will manage.
- Set dues for 2020-21.
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- Hear an update on the Gallery Renovation Project and decide how to proceed.
- Reconfirm or change next meeting date (June 23, 1:00 pm.)

Agenda: [12:45] Early log-in. Check connections and socialize
1:00 Welcome and Meeting Overview (Katina Leodas)
1:05 Approval of March 10, 2020 Meeting Minutes
1:10 Executive Director Search Committee Update (Katina Leodas)
1:15 Interim Executive Director’s and Executive Committee Report (Wayne Davis)
1:25 Treasurer’s Report (Joe Brown)
1:30 Scenario Planning Discussion (Joe Brown)
1:55 Break
2:00 2020-2021 Membership Dues (Wayne Davis)
2:05 Interim Executive Director Priorities (Katina Leodas, Jenny Pyle)
2:20 Development Report and Discussion (Wayne Davis)
2:30 Gallery Renovation Project Update & Discussion (Louise Hara, Wayne Davis)
2:50 Committee assignments (Wayne Davis)
2:55 Calendar Review
Annual Meeting: May 19 7 pm
Board Meeting: June 23, 1:00 pm.
4:00 End Meeting



Board of Directors Meeting

May 5, 2020

Reports and Documents

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Proposed Motions

1. APPROVAL OF MINUTES

VOTED: That the Board of Directors hereby approve as submitted the minutes of the Board of Directors Meeting of Members held March 10, 2020.

2. ACCEPTANCE OF TREASURER'S REPORT

VOTED: That the Treasurer's Report be accepted.

3. DUES FOR 2020-21

VOTED: That Membership Dues for the 2020-21 fiscal year be maintained at existing levels.

Additional motions are expected to be made concerning operations, development, and the Gallery Renovation Project based on discussion at the meeting.

Approval of Minutes



Lexington Arts and Crafts Society, Inc.
Board Meeting
March 10, 2020
130 Waltham St., Lexington, MA

Note: All reports and documents referenced will be included in the Record Minutes.

Board Members Present

Todd Carey*

Susan St. Maurice

Peter Bain

Wayne Davis

Nancy Cornelius

Katina Leodas

Lauri Hugentobler

Louise Hara

Mireille Gart

Jenny Pyle

*arrived at 1:30. Voted on agenda items from #3.

Board Members Absent

Matthew Siegal

Bruce Neumann

Peter Kelley

Rachel Rosenblum

Guild Observers Present

Wilda Ward (Deco Arts)

Carolyn Reckman (Woodworkers)

Maria Meyer (Needle Arts)

Lynne Sole (Polymer/Bead)

Cassandra Goldwater (Metalworkers)

Steve Goldstein (Photographers)

President Wayne Davis called the meeting to order at 1:05 pm.

1. PRESIDENT'S & EXECUTIVE COMMITTEE REPORT

Wayne reported that the Executive Committee met once since the last board meeting. The discussion consisted of status updates and a discussion on contingency plans for coronavirus. The one decision that was made was to add two members to the Search Committee for the Executive Director: Alison Lauriat (Ceramics Guild Observer) and Eric Peterson (Executive Director at Waterworks Museum in Chestnut Hill and former instructor in figure drawing at LexArt).

Carolyn Reckman is now the Woodworkers' Guild observer, replacing Joe Brown.

We have had several successful shows since the beginning of the year:

- Regional High School Show
- Woodworkers' Guild Show
- Metalworkers/Polymer Clay Guild Show – just closed

The exhibits at those shows were of a higher quality than previous shows. The metalworkers/polymer clay show sold \$3,600 worth of goods during the 2 weeks.

The Painters' show is opening this coming Saturday (March 14th). The demo is from 2 – 4 pm on Sunday and the reception is from 5:30 – 7:30 pm.

Wayne, Terumi, Peter Bain and Joe Brown have been meeting to discuss the transition of the Treasurer responsibilities from Peter to Joe and the transition of operational duties from Terumi to Wayne.

Louise and Wayne have been meeting with the guilds and talking with them on what people value about their Society membership as well as reviewing Society financials. To date they have met with all guilds except for Metalworkers and Decorative Arts. Major themes heard: Guild members value the opportunity to work with, learn from and be inspired by the LexArt community. Creative collisions with other guilds are also a valued interaction. The guilds with studios (e.g. weaving, woodworkers) believe that they have good value for the money compared with market rates. For other guilds that do not have studio space, the value is less compelling. Some of those smaller guilds also have aging populations and are not doing much other than getting together once per week. As an example, the photography guild is meeting once per month, mounting a yearly exhibit, and selling in the HMP show but not really taking advantage of much else that LexArt has to offer. With the smaller guilds and older members, it is not that easy to program events or activities.

2. APPROVAL OF MINUTES

The minutes of the January 28, 2020 meeting were presented. Upon motion of Jenny Pyle, seconded by Louise Hara, it was:

VOTED: That the Board of Directors hereby approve as submitted the minutes of the Board of Directors Meeting of Members held January 28, 2020.

All in favor, passed, 9-0.

The minutes of the February 12, 2020 meeting were presented. The suggestion was made to change the working on the vote to appoint Wayne as the interim Executive Director is to add the phrase, "contract or part time", to the appointment of a business manager, such that it reads, "That the Interim Director is authorized to hire a Business Manager and to develop a business plan."

Upon motion of Jenny Pyle, seconded by Katina Leodas, it was:

VOTED: That the Board of Directors hereby approve as amended the minutes of the Board of Directors Meeting held February 12, 2020.

All in favor, passed, 9-0.

3. RECONSIDERATION OF APPOINTMENT OF INTERIM EXECUTIVE DIRECTOR

Wayne stated that in reviewing the February 12, 2020 meeting, he realized that the vote to appoint him as Interim Executive Director had followed the spirit but not the precise letter of the Society's Conflict of Interest Policy. Specifically, while the Board had some informal comparable salary information presented, the Board had not made formal findings concerning the appropriateness of the proposed arrangements as required by the Conflict of Interest Policy. He is therefore asking the Board to reconsider its decision, consider the relevant information, and make the required findings.

Wayne Davis and Louise Hara then recused themselves from the discussion, left the room, and Vice President Katina Leodas led the discussion.

Katina referred Board Members to her memo entitled “Reconsideration of Appointment of Interim Executive Director,” dated March 4, 2020, which sets out the requirements of the Conflict of Interest Policy and the comparable salary information. Following is a summary of the discussion points:

Reconsideration of the Appointment

- Need benchmarks/metrics to evaluate Wayne’s performance, three-month evaluations
- Need a process to develop priorities for this position
- Wayne should report to Katina who will provide feedback on the performance and manage Wayne. The executive committee will also review his performance
- Need to review the duration of Wayne’s tenure – can’t be open ended
- Are we getting good value by paying a higher salary? From where is the money coming?
- Conclusion: Wayne has donated a lot of his time to LexArt and the salary is fair

While the basic decision should be reaffirmed, there is significant concern that the rationale for the decision has not been fully explained to members.

- Katina should send out the letter to the guilds explaining the points below
- Need to inform the guilds as to what the Executive Director will do, have a broader reach with communication. Let the guilds know how we are paying for Wayne’s position. The perception is that we cannot afford to maintain the building and have deferred maintenance that is required. So how can we now pay for an ED?
- Need to let the guilds know that we are not using restricted funds (e.g. Molly Nye gallery funds to pay for this position)
- Need a timeline on how long it will take to hire the permanent ED, what will the interim ED do and who will do Terumi’s job (as she was the main contact with the members on a day to day basis)
- Members are not familiar with the tasks of a professional organization and probably some don’t know what Terumi’s job description and tasks are, as this was the first professional position; therefore should communicate to the organization what the requirements are for a full time ED
- Share the initial priorities with the members for the interim ED; let the members know that the interim ED will have evaluations at least once per quarter (every 3 months)
- People have experience with Louise being the president of the board and doing a lot of the day to day work – this is one reason why members do not want to serve on the board
- Explain to the members that an ED is an important step in having a well-run functioning organization. Share the budget and challenges so that if the dues are to be raised, this will have all been communicated to the members. Members will automatically think that the dues will be raised to pay for this position
- Note what the ED will do in terms of outreach and compare to what other non-profits are doing
- Outline what jobs need to get done and how that sets the priorities for the organization
- Wayne is a temporary solution to a larger problem that LexArt has in terms of becoming a well-run organization
- Jenny Pyle and Susan St. Maurice will put together a list of priorities for Wayne

Upon motion of Peter Bain, seconded by Susan St. Maurice, the following resolution was adopted:

WHEREAS At its February 12, 2020 meeting, the Board voted to proceed with a search for and hiring of a full time Executive Director;

WHEREAS At its February 12, 2020 meeting, the Board also voted to appoint Wayne Davis as Interim Executive Director, effective April 1, 2020;

WHEREAS Wayne Davis currently serves as President and a member of the Board, and is therefore considered an “Interested Person” as that term is defined in the LexArt Conflict of Interest Policy (adopted March 23, 2019); and

WHEREAS The Board has been presented with information concerning salaries or fees paid to Interim Executive Directors and permanent Executive Directors of similar organizations and has considered the advantages and disadvantages of hiring an Interim Executive Director with current knowledge of the organization compared to hiring an independent third party.

THEREFORE, BE IT RESOLVED THAT:

1. The Board finds that it is unlikely that LexArt can obtain with reasonable efforts a more advantageous transaction or arrangement for the hiring of an Interim Executive Director from a person or entity that would not give rise to a conflict of interest.
2. The Board further finds that the appointment of Wayne Davis as Interim Executive Director at a salary of \$7,000 monthly is in LexArt’s best interest and for its own benefit and is fair and reasonable to LexArt under all the circumstances.
3. The vote taken February 12, 2020 to appoint Wayne Davis as Interim Executive Director, at a salary of \$7,000 per month, effective April 1, 2020, until such time as a full-time Executive Director is appointed is hereby reconfirmed.
4. The board will define the job and identify priorities to be addressed by Wayne in his role as interim executive director, in conjunction with Wayne. Those priorities will be reviewed regularly (monthly).

All in favor, passed, 8-0. (Davis and Hara not participating in vote or discussion.)

4. EXECUTIVE DIRECTOR SEARCH COMMITTEE REPORT AND DISCUSSION

Katina presented the plan for the ED search. She anticipates that it will take about 6 months to find and hire an ED. The phases and tasks are outlined in the document that was distributed.

5. TREASURER’S REPORT

Peter Bain presented the Treasurers Report. Upon motion of Louise Hara, seconded by Jenny Pyle, it was:

VOTED: That the Treasurer’s Report be accepted.

All in favor, passed, 10-0.

6. NOMINATING COMMITTEE REPORT, DISCUSSION AND VOTE ON SLATE

Katina presented the slate of prospective board members and briefly summarized their qualifications. We are still looking for a board member with fundraising (development) experience. We didn't find one the first time around and it is proving to be a challenge this time. The Society of Arts and Crafts have discussed with Katina that this is the hardest board position to fill. Todd suggested that if we can't find someone that we use existing board members who have done fundraising before and leverage that experience.

Wayne noted that one of the nominees, Joe Brown, has extensive financial and accounting experience and is willing to serve as Treasurer. He suggested that it would make sense for Joe to join the board and assume the Treasurer's role at the same time as Wayne starts in the Interim Executive Director position. He also observed that the Nominating Committee's recommendations necessitated a vote to increase the size of the Board. He suggested that, instead of choosing a fixed number for Board size, we set a range.

Upon motion of Todd Carey, seconded by Jenny Pyle, it was:

VOTED: That Joseph Brown be appointed to the Board of Directors, effective immediately, to fill the vacant seat previously occupied by Lee Webster, with a term to expire 2021.

VOTED: That Joseph Brown be appointed to the position of Treasurer, effective April 1, 2020.

VOTED: That, pursuant to Article IV, Section 1 of the Bylaws, the Board of Directors shall consist of between fifteen and eighteen persons.

All in favor, passed 10-0

Upon motion of Katina Leodas, seconded by Peter Bain, it was:

VOTED: That, pursuant to Article IV, Section 2 of the Bylaws, the following individuals be nominated for election at the 2020 Annual Meeting to serve on the Board of Directors for the terms specified:

Nominee	Term Expiring
Jennifer Bergantino	2023
Peter Demuth	2021
Victoria Nessen Kohlasch	2023
Molly Nye	2022
Louise Hara	2023
Rachel Rosenblum	2023
Jenny Pyle	2023

All in favor, passed 10-0

7. DEVELOPMENT DISCUSSION

Advisory Committee: Alison Lauriat presented a proposal (prepared by Alison and Molly Nye) for creation of an advisory board. Meeting frequency might be 2x per year or less. The committee

might be composed of a small group of people who might be former board members, prospective board members. The role of an advisory committee is still being defined but one purpose of the committee could be to extend relationships and enable us to get support from other resources. Todd suggested that this committee might serve as a next generation advisory committee (like the advisory committee for the Boys' and Girls' club) for members aged 25 – 40 yrs. It might be an especially useful tool for succession planning

Purpose and Priorities Refinement Wayne explained that this document had been drafted after Wayne, Bill Wright and Katina had met with fundraising consultant Diane Remin. Diane had asked them to articulate certain things for use in meeting with prospective donors. This is a first draft that will be reviewed with Diane next week. He asked Board members to review the document and send comments. At that time, next steps will be defined. In the interim, Diane is researching donor prospects for LexArt. Todd asked how we were identifying people. Wayne said we will learn more next week. Terumi noted that additional facilities/equipment may be required for holding master classes. Cassandra suggested that we could leverage relationships with groups like the Refugee Arts of Worcester to demonstrate outreach and how we are supporting artists in their craft.

8. GALLERY RENOVATION PROJECT UPDATE

Louise updated the board on the meetings with the 4 building contractors. We will most likely engage with 2 of them until the design is finalized. The timeline to complete the renovation is mid- to late-September. The fiber arts show will continue to be reflected as a November show, in the gallery calendar. The Art-a-Blooming will be either the first show (3 days) in the renovated gallery or will take place in the Plummer Studio (contingency planning).

Katina was speaking to Andrew Riiska (Eliot School Woodworking instructor). He suggested that we could use lightweight MDF for constructing plinths. Carolyn asked that we engage other guilds to become actively involved in these projects and take ownership so that these ideas/tasks don't involve only the woodworkers' guild.

9. CORONA VIRUS PREPARATION & CONTINGENCY PLANNING UPDATE AND DISCUSSION

Wayne stated that, as of today, LexArt is continuing to offer classes and hold meetings. This will continue unless mandated by the town to shut down those activities. Each of the guilds is responsible for cleaning/wiping down equipment. The cleaning staff will disinfect doors and handles in the common areas. Wipes and hand sanitizer will be placed in common areas.

10. LEE FERRARA AWARD COMMITTEE REPORT & DISCUSSION

Peter distributed a copy of the summary of the first meeting of the committee. The purpose of the committee is to define a program to award prizes in painting, collage and mixed media. The committee defined mixed media as 3-D and collage as 2-D mixed media. More detail will be fleshed out and defined and a full proposal will be presented at the May board meeting.

11. MEMBERSHIP DUES DISCUSSION

Wayne presented some data on the current structure of the membership dues. He noted that dues had not been increased for several years. In considering a possible increase, he reminded the Board of the

perception that the guilds with studios tend to report much higher satisfaction with the perceived value of their membership compared with members from non-studio guilds. He asked for advice and guidance from the board and observers. Carolyn Reckman stated that If there is a dues increase, we should be clear on what we are trying to fund by doing this and/or articulate clearly where is the money going. Todd Carey observed that most institutions raise dues every year and that LexArt should do so but agreed we should explain where the money is going and not justify it simply by saying we have not raised the dues in 4 years. Most institutions ask for yearly increases. Steve Goldstein said we should think about charging more to the studio guilds. Some guild members in the smaller guilds barely break even, if at all. Again, we should highlight the value and benefit that guild members get from LexArt, but it is a more compelling value to the studio guilds. Wayne thanked everyone for their input and said that the Executive Committee would work with the Finance Committee, consult with the Council of Guild Chairs, and develop a proposal for adoption at the next board meeting.

Meeting was adjourned at 4:15 pm.

Respectfully submitted,

Terumi Irizawa, Clerk

Interim Executive Director's and Executive Committee Report

To: LexArt Board
From: Wayne Davis
Date: May 1, 2020

At the February 12, 2020 meeting where my appointment was initially discussed, several Board Members expressed concern about the fact that I would be taking on all of Terumi Irizawa's responsibilities, while continuing with much of what I had done as Board President, plus a few other items. I assured the Board I could handle it—at least for the anticipated four to six months while we recruited a permanent Executive Director. Of course, none of us foresaw the impact that COVID-19 would have on our operations, which have certainly added to the load.

In brief, much has been accomplished, both despite and *because of* COVID-19. I have had much help, and it is also clear that additional assistance will be needed.

Transition

I met frequently with Terumi throughout the month of March to learn how she managed administratively. Terumi documented procedures thoroughly, which will be helpful when we next pass the baton to a permanent Executive Director. In mid-March, we decided to postpone and reschedule most classes and workshops, though a few were cancelled outright based on instructor preferences. We refunded fees for the cancelled classes and told enrollees to the postponed classes that fees would be held and applied toward the rescheduled class but refunded upon request. Relatively few people asked for refunds. Terumi was able to handle all the notifications and refund activity before leaving. In short, she left no loose ends, finishing out her tenure with the care and dedication we had come to expect of her. I am personally grateful for her support.

Simultaneously, we were transitioning the Treasurer responsibilities from Peter Bain to Joe Brown. Although Joe officially took over April 1, finishing the paperwork with the banks and other institutions was complicated by the COVID-19 situation. Peter provided great support to Joe and me throughout March and April, including shepherding our Payroll Protection Plan loan application through TD Bank. With Peter's timely assistance, we were able to submit before funds ran out and received our forgivable loan of \$20,352 on April 27.

Focus and Priorities

The last weeks of March and beginning of April were mainly consumed by managing the shutdown of operations. Since then, my primary areas of focus have been:

- Keeping our community connected
- Moving what activities we could online and planning to move more
- Reestablishing relationships with past donors
- Learning the administrative tasks and streamlining where possible
- Pushing forward the Gallery Renovation Project.

Keeping our community connected. Members consistently say that “being part of the community” is primary value of their membership. Initially, we set up a Zoom account that the guilds and committees could use, created a new Facebook page for members to share their work, and encouraged the guilds to ensure that members were checking in on each other.

In mid-April, the Membership, Marketing and Outreach Committee (Louise Hara, Laurie Hugentobler, Jen Bergantino, Susan St. Maurice, and incoming Board member Jenn Bergantino) were joined by incoming Board member Victoria Nessen Kohlasch to refine our communications strategy in light of the evolving situation. The basic strategic goal was to keep our existing community engaged and to expand the community so that we're better positioned to succeed in the near-term as we begin to roll out on-line classes and sales and in the longer-term as we resume more in-person activities.

Laurie Hugentobler, Jen Bergantino and Louise Hara spent countless hours revamping the website, developing email campaigns, soliciting content contributions from members and instructors, and developing Facebook and Instagram posting campaigns. These include:

- Posting the Painters Guild Show online at <https://www.lexart.org/time-and-place-painters-guild-show>.
- Emails to our members showcasing current projects from their colleagues, which can be viewed at <https://conta.cc/2VDYec5> and <https://conta.cc/2xnF40K>.
- Creating a new Facebook page to share work at <https://www.facebook.com/LexingtonArts/>, along with stepped-up postings to Instagram at <https://www.instagram.com/lexartmass/?hl=en>.
- Working with the Photography Guild to mount its show online (coming soon).
- Email from Acting President Katina Leodas to our entire mailing list updating them on our response to the emergency and plans for the future, which can be viewed at <https://conta.cc/3bVz26h>.

Marketing and communication beyond our membership have long been a weak spot, leading to the frequent saying that LexArt "was the best-kept secret in Lexington." Our ability to more rapidly and vividly show what we do not only keeps us connected today, but lays the foundation for much more effective marketing in the future.

The Membership, Marketing and Outreach Committee has expended enormous effort to get this infrastructure built but will need help to keep content coming and to offer new online events. The Committee has reached out to the Gallery Committee to ask for their involvement and leadership in collecting and curating new content.

Moving what activities we could online and planning to move more. Our first step was to arrange for Photography Instructor Al Hiltz to take professional photos of the Painters Guild Show (which had been hung just before the shutdown), which we posted in an online gallery. An on-line store enabling purchase of the paintings should go live in a few days. Purchase of gift certificates is already enabled (at https://www.flipcause.com/secure/cause_pdetails/ODQzOTU=) and we are featuring these as a Mothers Day gift.

We realized that our initial approach to the online posting was inefficient and not long-term sustainable. As we mount and prepare for online sale of the Photographers Guild Show, we're trying to develop a more efficient and repeatable process. Photographers Guild members Tom Whelan, Nicole Mordechai, and Steve Goldstein have been working the with Marketing team, and have been joined with Weaver

Roberta Norin who is building a database structure that we hope can also be used to better showcase our classes, instructors, and guilds on the website.

The online shows will be tied to online sales. For the moment, we will be utilizing the online store functions built into our donor and class system (Flipcause). As we contemplate the possibility (or even necessity) to do Fall Fair and Holiday Marketplace online, we will need to reevaluate whether to adopt a technology platform purpose-built for online sales.

I have begun conversations with several of our instructors about moving classes online. This has been a major challenge since we (and most of our instructors) don't have experience with it and lack technology resources and skills. Frankly, I have lacked the time to push this along as much as I would have liked. I will be re-engaging the Education Committee to help

Reestablishing relationships with past donors. Twelve board members and observers participated in an online seminar with our fundraising consultant, Diane Remin, to learn how we should be reinforcing our relationship with our current donor base. They then made phone calls to donors to check in on how they're doing, update them on LexArt, and see what they valued most about the Society. These were *not* solicitations, just relationship-building. At our meeting Tuesday, we'll hear from board members about the learnings from these calls.

Learning the administrative tasks and streamlining where possible. Yes, there is a lot of nitty-gritty. Fortunately, the number of transactions has diminished, with no classes ongoing. This will change as online purchases start.

Pushing forward the Gallery Renovation Project. This is discussed in a separate report.

Executive Committee Actions

Decisions made by the Executive Committee since the last Board Meeting include:

- In March, a series of decisions curtailing activities and then closing the facility, all of which were taken after consultation with the Council of Guild Chairs.
- In response to several members who pointed out that some of our instructors were financially vulnerable due to the COVID-19 situation and loss of income from LexArt and other sources, created the "Support Our Inspiring Instructors" fundraising campaign, which raised \$1765 from 19 donors. The Executive Committee made a grant of \$750 to one instructor who applied, and is considering another application that has just come in. We intend to disburse all funds received this month.
- Decided to set September 1 as a presumed starting date for the resumption of regular classes. If circumstances permit, we may offer classes and workshops before then, but will not attempt to mount a full program.
- Decided to continue paying our custodial contractors (\$250/week) at least through May.
- Recommend to Board that Membership Dues and Fees be kept as is for 2020-21.

- Approved a Paid Time Off personnel policy to cover vacations, holidays and sick time that would apply to employees working 24 hours/week or more:
 - Holidays: New Years; Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas. Not pro-rated.
 - PTO (vacation, sick, personal, floating holidays at employee's option)
 - 120 hrs/calendar year, pro-rated based on 40 hour week
 - Accrued each pay period, starting January 1.
 - Max 40 hours carry over from prior year.
 - Unused time at end of employment paid out to employee at termination of employment, except if employee has been terminated for theft or other malfeasance. Written approval of supervisor required.

Treasurer's Report

The Profit and Loss and Balance sheet are each presented in a condensed format. More detailed views will be presented quarterly.

Lexington Arts & Crafts Society, Inc.

Profit and Loss
(as of March 31, 2020)

	Jun - Mar FY 19-20	Jun - Mar FY 18-19	Jun - May FY 18-19	Budget FY 19-20	
Income					
Class/Workshop Income, Net	27,155	37,062	54,213	60,000	(A)
Contributions					
Restricted	191,438			10,000	(B)
Unrestricted	60,138	28,349	39,171	125,000	(C)
Contributions Total	251,577	28,349	39,171	135,000	
Gallery / Show Sales Net	43,366	42,297	42,603	62,000	
Membership/Dues Income	58,064	49,664	49,894	60,000	(D)
Misc. Income	1,320	7,519	7,977	2,000	
Total Income	381,482	164,891	193,858	319,000	
Operating Income (excluding Restricted Income)					
	190,044	164,891	193,858	309,000	
Expenses					
Building & Grounds Total	23,477	20,515	28,662	30,000	
General & Admin Total	14,674	19,573	26,247	32,000	
Payroll Total	81,102	56,774	80,037	80,000	(E)
Professional Services Total	42,419	16,094	19,801	40,000	(F)
Utilities Total	16,358	14,788	20,572	20,800	
Total Expenses	178,030	127,744	175,319	202,800	
Net Other Income	799	1,835	4,419	4,000	
Net Income	204,251	38,982	22,958	120,200	
Net Income w/o restricted contributions	12,813	38,982	22,958	110,200	

- (A) Class income has decreased primarily due to interruption of the spring semester due to virus safety procedures. Also, some deferment of processing of winter semester net revenue yet to be recognized.
- (B) Ferrara and Nye gifts.
- (C) Increased development has led to increased contributions, particularly board contributions and charitable foundation grants.
- (D) Increase due to non-guild- sustaining and corporate- memberships .
- (E) Increase in payroll due to increase of management and administrative staffing.
- (F) Professional services increase primarily due to hiring of Juna bookkeeping and financial operating costs for credit card and Flipcause course and membership fee billing and collection.

Lexington Arts & Crafts Society, Inc.

Balance Sheet

As of March 31, 2020

	Closing as of 3/31/20	Beginning as of 6/1/19	
AS			
Current Assets			
Society Cash & Investments	299,133	349,072	
Guild Cash	96,539	100,217	
Restricted Cash & Investments	200,507	37,196	(A)
Total Current Assets	596,179	486,485	
Fixed Assets, Net			
Society	233,498	158,543	(B)
Guild	17,019	17,019	
Total Fixed Assets, Net	250,517	175,562	
Total Assets	846,696	662,047	
LIABILITIES AND EQUITY			
Current Liabilities	9,608	11,676	(C)
	837,088	650,371	
	846,696	662,047	

(A) Increase in Restricted Assets arise from Ferrara and Nye combined gifts combined of approx \$191,000. Ferrara has decreased approx \$15,000 due to unrealized losses through March 31, 2020; Nye has decreased due to funding gallery expenditures of approx \$13,500 through March 31, 2020.

(B) Society Fixed Assets increased approx \$75,000 through March 31, 2020 due to: Electrical work - \$30,000; Gallery expenditures - \$19,000; Landscaping - \$13,000; Furn&Fix - \$7,000; and, Signage - \$6,000.

(C) Accounts Payable @ March 31, 2020 comprised of approx \$2,000 in outstanding gift cards and \$7,000 vendor payments due primarily for gallery expenditures. Balance at June 1, 2019 for outstanding gift cards.

Financial Scenarios

The Finance Committee met on April 17, 2020 and discussed the potential impacts of the COVID-19 emergency may have on LexArt's operations and finances.

The Committee determined that it would be helpful to develop several financial scenarios to illustrate the range of possibilities which could inform Board and the Executive Committee decision-making. The Committee discussed key assumptions that would form the basis for "best case," "middle case," and "worst case" scenarios. Joe Brown and Peter Bain then developed the models presented on the following pages.

These scenarios are **not** set in stone. They only predict what *might* happen if we do not take steps to affect what happens.

LexArt COVID-19 Impact Scenarios: June 2020-May 2021

Best Case Assumptions	Middle Case Assumptions	Worst Case Assumptions	
<p>Classes Resume in-house classes in September using 2018/2019 \$\$ with an allowance for cannibalism by on line classes initiated in September. Net revenue from in-house classes is recognized two months after class start consistent with 2019/2020 experience. On line classes show growth from January 2021. Class revenue is net of instructor and other expenses.</p>	<p>Resume in-house classes in January using 2018/2019 \$\$ with an allowance for cannibalism by on-line classes initiated in September at more modest rate. In-house class net revenue is recognized two months after class start consistent with 2019/2020 actual. No on-line class growth. Class revenue is net of instructor and other expenses.</p>	<p>In-house classes do not resume in 2020/2021; on-line classes initiated in September at modest success. Class revenue is net of instructor and other expenses.</p>	
<p>Unrestricted Contributions 90% of 2019/2020 contributions.</p>	<p>75% of 2019/2020 contributions.</p>	<p>50% of 2019/2020 contributions.</p>	
<p>Sales Fall Fair and HMP operate at previous year levels. Initiate on line store with modest expectation for initial year (Sales of \$1,000 / month except for December with sales doubled.) Sales shown net of costs and expenses.</p>	<p>No Fall Fair, however, the HMP operates at previous year levels. Initiate on-line store with modest expectation for initial year (Sales of \$1,000 / month except for December with sales doubled.) Sales shown net of costs and expenses.</p>	<p>Assume no Fall Fair or HMP. Initiate on-line store with modest expectation for initial year (Sales of \$1,000 / month except for December with sales doubled.) Sales shown net of costs and expenses.</p>	
<p>Membership 90% of 2019/2020</p>	<p>75% of 2019/2020</p>	<p>50% of 2019/2020</p>	
Impact on Cash Position			
Beginning Cash	\$300,000	\$300,000	\$300,000
Ending Cash	\$239,660	\$180,550	\$105,200
Net Operating Loss	-\$60,340	-\$119,450	-\$194,800

Lexington Arts and Crafts Society
Profit and Loss by Month
June 2020 - May 2021
Best Case Scenario - Net Loss \$60,340

	June-20	July-20	August-20	September-20	October-20	November-20	December-20	January-21	February-21	March-21	April-21	May-21	Total
Income													
Classes													
In house						16,000				20,000			36,000
On line				1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	14,000
Total Class/Workshop Income				1,000	1,000	17,000	1,000	2,000	2,000	22,000	2,000	2,000	50,000
Contributions													-
Unrestricted	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
Total Contributions	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
Gallery/Show Sales													-
On line				300	300	300	600	300	300	300	300	300	2,400
Show Sales					16,000		26,000						42,000
Total Gallery/Show Sales	-	-	-	300	16,300	300	26,600	300	300	300	300	300	44,400
Membership													
Society Dues	18,000	2,700	18,900	1,350	900	270		2,610	1,530	5,400			51,660
Total Membership	18,000	2,700	18,900	1,350	900	270	-	2,610	1,530	5,400	-	-	51,660
Total Income	22,500	7,200	23,400	7,150	22,700	22,070	32,100	9,410	8,330	32,200	6,800	6,800	200,660
Expenses													
Total Building & Grounds	2,000	2,000	2,000	2,000	2,000	2,000	2,000	3,500	3,500	2,000	2,000	2,000	23,000
Total General & Admin	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Total Payroll	9,000	9,000	17,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	148,000
Total Professional Services	2,000	2,000	2,000	2,000	9,000	12,000	2,000	5,000	5,000	2,000	2,000	2,000	47,000
Total Utilities	1,500	1,500	1,500	1,500	1,500	1,500	1,500	2,500	2,500	2,500	1,500	1,500	21,000
Total Expenses	16,000	16,000	24,500	19,500	26,500	29,500	19,500	25,000	25,000	20,500	19,500	19,500	261,000
Net Operating Income	6,500	(8,800)	(1,100)	(12,350)	(3,800)	(7,430)	12,600	(15,590)	(16,670)	11,700	(12,700)	(12,700)	(60,340)
Beginning Cash	300,000	306,500	297,700	296,600	284,250	280,450	273,020	285,620	270,030	253,360	265,060	252,360	
Ending Cash	306,500	297,700	296,600	284,250	280,450	273,020	285,620	270,030	253,360	265,060	252,360	239,660	

Lexington Arts and Crafts Society

Profit and Loss by Month

June 2020 - May 2021

Middle Case Scenario - Net Loss \$119,450

	June-20	July-20	August-20	September-20	October-20	November-20	December-20	January-21	February-21	March-21	April-21	May-21	Total
Income													
Classes													
In house										20,000			20,000
On line				500	500	500	500	500	500	500	500	500	4,500
Total Class/Workshop Income				500	500	500	500	500	500	20,500	500	500	24,500
Contributions													-
Unrestricted	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
Total Contributions	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
Gallery/Show Sales													-
On line				300	300	300	600	300	300	300	300	300	2,400
Show Sales							26,000						26,000
Total Gallery/Show Sales	-	-	-	300	300	300	26,600	300	300	300	300	300	28,400
Membership													
Society Dues	15,000	2,250	15,750	1,125	750	225		2,175	1,275	4,500			43,050
Total Membership	15,000	2,250	15,750	1,125	750	225	-	2,175	1,275	4,500	-	-	43,050
Total Income	18,750	6,000	19,500	5,675	5,300	4,775	30,850	6,725	5,825	29,050	4,550	4,550	141,550
Expenses													
Total Building & Grounds	2,000	2,000	2,000	2,000	2,000	2,000	2,000	3,500	3,500	2,000	2,000	2,000	23,000
Total General & Admin	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Total Payroll	9,000	9,000	17,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	148,000
Total Professional Services	2,000	2,000	2,000	2,000	9,000	12,000	2,000	5,000	5,000	2,000	2,000	2,000	47,000
Total Utilities	1,500	1,500	1,500	1,500	1,500	1,500	1,500	2,500	2,500	2,500	1,500	1,500	21,000
Total Expenses	16,000	16,000	24,500	19,500	26,500	29,500	19,500	25,000	25,000	20,500	19,500	19,500	261,000
Net Operating Income	2,750	(10,000)	(5,000)	(13,825)	(21,200)	(24,725)	11,350	(18,275)	(19,175)	8,550	(14,950)	(14,950)	(119,450)
Beginning Cash	300,000	302,750	292,750	287,750	273,925	252,725	228,000	239,350	221,075	201,900	210,450	195,500	
Ending Cash	302,750	292,750	287,750	273,925	252,725	228,000	239,350	221,075	201,900	210,450	195,500	180,550	

Lexington Arts and Crafts Society

Profit and Loss by Month

June 2020 - May 2021

Worst Case Scenario - Net Loss \$194,800

	June-20	July-20	August-20	September-20	October-20	November-20	December-20	January-21	February-21	March-21	April-21	May-21	Total
Income													
Classes													
In house													-
On line				500	500	500	500	500	500	500	500	500	4,500
Total Class/Workshop Income				500	500	500	500	500	500	500	500	500	4,500
Contributions													-
Unrestricted	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Total Contributions	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Gallery/Show Sales													-
On line				300	300	300	600	300	300	300	300	300	2,400
Show Sales													-
Total Gallery/Show Sales	-	-	-	300	300	300	600	300	300	300	300	300	2,400
Membership													
Society Dues	10,000	1,500	10,500	750	500	150		1,450	850	3,000			28,700
Total Membership	10,000	1,500	10,500	750	500	150	-	1,450	850	3,000	-	-	28,700
Total Income	12,500	4,000	13,000	4,050	3,800	3,450	3,600	4,750	4,150	6,300	3,300	3,300	66,200
Expenses													
Total Building & Grounds	2,000	2,000	2,000	2,000	2,000	2,000	2,000	3,500	3,500	2,000	2,000	2,000	23,000
Total General & Admin	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Total Payroll	9,000	9,000	17,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	148,000
Total Professional Services	2,000	2,000	2,000	2,000	9,000	12,000	2,000	5,000	5,000	2,000	2,000	2,000	47,000
Total Utilities	1,500	1,500	1,500	1,500	1,500	1,500	1,500	2,500	2,500	2,500	1,500	1,500	21,000
Total Expenses	16,000	16,000	24,500	19,500	26,500	29,500	19,500	25,000	25,000	20,500	19,500	19,500	261,000
Net Operating Income	(3,500)	(12,000)	(11,500)	(15,450)	(22,700)	(26,050)	(15,900)	(20,250)	(20,850)	(14,200)	(16,200)	(16,200)	(194,800)
Beginning Cash	300,000	296,500	284,500	273,000	257,550	234,850	208,800	192,900	172,650	151,800	137,600	121,400	
Ending Cash	296,500	284,500	273,000	257,550	234,850	208,800	192,900	172,650	151,800	137,600	121,400	105,200	

Membership Dues

The Executive Committee recommends that dues remain at the current levels. Although the Board had discussed possible raises and restructuring, we now regard any such moves as likely to be counter-productive in light of the current shutdown.

SOCIETY SUSTAINING DUES			
		Society Sustaining Member	\$112
		Sustaining Member Over 80	\$80
Society members interested in North American Reciprocal Museums (NARM) benefits must pay a minimum of \$100 in membership fees.			
GUILDS	SOCIETY DUES	GUILD DUES	FALL FAIR*
Ceramics	\$260	\$150	\$100
Woodworking	\$260	\$100	\$100
Metalworking	\$210	\$50	\$75
Weaving	\$210	\$5	\$75
Decorative Arts	\$160	\$0	\$75
Needle Arts	\$160	\$10	\$75
Painters	\$160	\$25	\$75
Photography	\$160	\$0	\$75
Polymer, Beading	\$160	\$60	\$75
Guild members over 80 years old pay 50% of annual Society fees			
* Fall Fair minimum commitment of goods, defined by each guild, for sale to support our annual fundraiser. These sales help fund our operations, building and programs.			

We further recommend that members in financial distress be able to request accommodations be considered by the Executive Committee on a case-by-case basis.

Interim Executive Director Priorities

From: Katina Leodas and Jenny Pyle

At the March meeting, the Board tasked us with developing a set of priorities for the Interim Executive Director. The below list reflects the priorities discussed by the Board at that time, modified and updated in light of COVID-19.

Assumptions:

- 1) Our facility is closed through June 30.
- 2) We hire a permanent Executive Director in August.
- 3) There is a one month overlap (during the month of September) between the outgoing Acting ED and the incoming Permanent ED.

Highest Priorities

- 1) Minimize the financial fallout and other disruption to LexArt from COVID-19 and position LexArt to not only survive the next 1-2 years, but come out stronger by:
 - a) Keeping our current community connected and expanding to new audiences.
 - b) Moving shows, classes, and sales online.
 - c) Deepening relationships with existing donors and expanding the donor base.
 - d) Planning and executing a safe reopening strategy.
 - e) Planning and overseeing the member renewal process this spring, with a goal of less than 5% non-renewal occurring among current members.
 - f) Planning and overseeing a successful annual meeting and election of new board members.
- 2) Raise enough new funds to cover the full cost of the gallery renovation project without need to resort to use of current assets.
- 3) Develop a system for volunteer recruitment and management that delivers more and happier volunteers who are well-matched in their skills and interests to LexArt's needs.
- 4) Streamline and standardize administrative and financial processes and develop a proposal for administrative support for the incoming ED.

Additional Tasks

1) Leadership, Governance / Management of Membership

- a) Support a strong Board of Directors (in particular, the Acting President); Ensure effective communication and coordination with the Board and its committees, through written memos, documents, meetings and personal interaction. Working with the Executive Committee, attend and present status reports at all Board meetings that have pre-designated agendas and set finish times
- b) Actively engage and energize LexArt members, volunteers, event committees, partnering organizations, and funders, ensuring effective communication and work coordination between Board and LexArt members and staff.
- c) Attend Council of Guild Chair meetings and attend LexArt show openings.
- d) Assess the current state of membership and identify areas of concern and strengths.

- e) Support the guilds in strategizing, planning, and implementing activities and services that provide value to members and promote membership retention and growth.
- f) Lead, coach, develop, and retain cooperative culture amongst LexArts members, staff, and students taking classes.
- g) Oversee the building renovation and working with the Building Committee, monitor, identify, address any building maintenance issues as allowable per budget.

2) Ensuring the Financial Health of LexArt

- a) Budget/Accounting
Working with the Treasurer and the Investments, Finance and Audit Committee, develop and present an annual budget and ensure the financial viability and sustainability of the organization based on reasonable development projections.
- b) Fundraising/Development:
Working with a Board Committee, outline a one-year development plan that aligns with the approved budget and organization's strategic plan for growth and mission. This will include cultivating existing and identifying new funding opportunities.
- c) Develop and maintain an active donor database.

3) Growth and Vision

- a) Engage other organizations that are aligned with LexArt's mission, vision and core values in mutually beneficial partnerships.
- b) Develop and execute strategies to maximize the visibility, brand, and earned revenues of LexArt.
- c) Deepen and refine all aspects of communications—from web presence to external relations with the goal of creating a stronger brand. Promote internal and external visibility through active use of several social media platforms. Utilize interns or volunteers to post frequently and provide them with content and branding guidelines.
- d) Serve as a visible and welcoming ambassador for LexArt to all prospective, new and existing members.

Building Committee Gallery Renovation Report

Louise Hara, Building Committee Chair

This report summarizes progress since we last updated the Board in early March.

Phase 2: Design Development and Construction Budget Estimates

By early March, we had settled on a basic schematic design. We determined that, before finalizing the design, we would solicit contractors to work with us, with the intent of ultimately selecting two with whom we could collaborate to finalize a design that would be cost-effective.

Initially, we met with four builders, all of whom seemed well-qualified and expressed a willingness to work with us and develop budgets. A week later, the coronavirus hit and two of the contractors bowed out. The two remaining contractors submitted preliminary budgets. After several sessions of review by our architects, Paul Lukez Architects (PLA) and our internal design group, we John Wardwell's firm JW Construction to work with us. To be clear, this is *not* a contract, but instead an informal agreement to work together to develop a budget and final design. Wardwell indicated a strong willingness to price based on this being a community project.

Initial estimates ran higher than our budget (\$150,000 -- excluding design costs, heating and air conditioning, fixtures, hazardous materials testing and remediation, contingency, and other soft costs.) The design team made several decisions to reduce costs, such as eliminating an open ceiling up to the rafters, which would have provided a more expansive feel to the space but does not itself affect functionality. Additionally, Building Committee and Board Member Peter Kelley (himself a former contractor) has been meeting with Wardwell to see what other reductions may be possible.

As of this writing (May 1), we are likely still over budget by approximately \$50-\$100,000. Peter will be meeting with Wardwell again on Monday and we expect to have more precise numbers to report at the board meeting Tuesday.

In reviewing where we are today compared to our original cost estimates last fall, most of the cost difference emerges from design decisions that were not included in the original estimates. Specifically, PLA recommended removal of a chimney located towards the southern end (hidden behind the partitions and between the kitchen and bathroom). Removal of the chimney opens much-needed storage space, and allows for more efficient arrangement of the bathroom, storage, and office space at that end. The internal design team concurred that this design significantly enhanced the overall functionality of the entire first floor.

The chimney removal decision had the cascading effect of forcing reevaluation of the heating and hot water that serve the gallery and ceramics studio and vent through the chimney. The gas-fired furnace, although still functional is older, not energy efficient and makes a lot of noise in the ceramics studio. The tank water heater is over-sized relative to needs and expensive to operate. Both units occupy much-needed space in the ceramics studio glaze storage room.

In addition, replacement of the existing furnace would also enable us to provide central air conditioning to both the gallery and studio, a much-needed enhancement so that we can more actively use both spaces throughout the summer.

In short, removal of the chimney and replacement of the existing heating and hot water systems bring immediate and important functional benefits to both the gallery and ceramics studios, as well as long-run operational savings. But none of the associated costs were in our original budget estimates.

As noted above, we expect to have more precise (and we hope somewhat lower) numbers to share at the meeting on Tuesday.

Construction Schedule

Lexington has allowed construction work to continue, subject to safe work practices such as limiting the number of workers on a given site. Additionally, our remaining shows this spring have been postponed. Construction can therefore begin, should we choose to move forward and once we finalize the design.

Stair Lift Update

In addition to the above challenges, we received some bad news just today regarding the handicapped stair lift. Although adjacent to the gallery, the lift itself is not part of the renovation project. However, its costs are an important factor for the Board to consider.

As Board members will recall, last year the Building Committee recommended replacement of the lift as it was beyond its expected service life. The Board decided to see if we could continue to operate the lift with repair and maintenance. We had been doing fine – until the lift failed to operate at its biannual state inspection in early April, due to a failed circuit board. We were informed on May 1 that neither the lift nor the board are still in production and the company does not have the circuit board in inventory at its current location. We have asked them to search further for the part, but the company is operating in a reduced mode, with many of its most knowledgeable people furloughed. Replacement of the lift could cost \$40-70,000. The Building Committee will research this issue further and may have additional information to report on Tuesday.

Issues for the Board

We anticipate that, even after Peter Kelley's further discussions with Wardwell, we are likely to remain over budget by a significant amount for the renovation project. It would be most unfortunate if we cannot proceed to construction this summer, since the construction can hardly disrupt our normal activities more than the coronavirus already has. And the renovated gallery and improved ceramics studio will be critical assets helping us emerge from COVID-19 stronger than before. Among our options:

1. Suspend the project now and resume after we've more money.
2. Keep moving forward now and see if we can raise funds to close the budget gap by a set date (e.g., June 1), at which time we can make a go/no-go decision to proceed with construction.
3. Dip into savings to cover some portion of the gap.

Ferrara Committee Update

May 5, 2020

Committee Members: Emily Passman, Cathy Keller, Peter Bain, Jodi Colella

Mission: To propose a multi-year program to award a yearly prize, “The Lee Ferrara Award”, using the proceeds of a gift from the Estate of Lee Ferrara. The proposed program should serve the following purposes:

- Honor Lee Ferrara’s legacy.
- Recognize excellence and creativity in use of watercolor, collage, or mixed media.
- Raise profile of LexArt within region as a premier home for creation and exhibition of art.

Final Recommendations

Show Date: April

Show Duration: 4 weeks

Eligibility Geography: New England

Frequency; Annual or Biennial: undecided, see final note below

Media Accepted: painting, drawing, mixed media, collage, digital art, photography, sculpture, printmaking

Entry Fees: \$10 Member, \$20 non Member. limit of 2 entries per person

Artist Commission: 70% Member, 60% Non Member

Entry process: virtual.

Accepted Entries: 60-80 pieces (dependent on Nye Gallery space)

Prizes: \$6,000

Notes

- The name of the prize, name of the show, display of her artwork during the show, and a separate Painters Guild prize will serve to honor Lee Ferrara’s legacy
- Prizes, commission, member entry fee discount will boost LexArt publicity and membership
- New England eligibility and a virtual entry process simplify show management for LexArt
- April show date avoids competing with other local shows and the LexArt busy season, summer is considered too slow
- Wide range of media ensures high participation, and covers all media stipulated in bequest
- Annual vs. Biennial
 - annual is best for continuity, repeat participation, publicity
 - biennial is less taxing on LexArt
 - biennial allows the Painters Guild to have a very special Guild show every other year with significant prizes, boosting membership
 - Cathy Keller, a friend of Lee’s, confirms that Lee would want to ensure that the bequest supports a prize given within the Painters Guild itself, perhaps during the annual painter’s guild show

Additional Materials to be Provided Separately

Committees and Current Membership

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Committees Mission and Membership

May 5, 2020

Below is the list of current committees (other than *ad hoc* and HMP committees), along with current membership.

At the June meeting, we should update the appointments to reflect incoming and outgoing Board members.

Both existing and incoming Board members are invited to stay with existing assignments or shift to other areas of interest.

We may also need to appoint new chairs in some circumstances. *All* the chairs could shift, if desired. Among the known and potential openings:

Education: Terumi Irizawa had been chairing.

Gallery, Shows and Events: Bruce Neumann is stepping down from the board and also wishes to step aside from chairing this committee.

Membership, Marketing and Outreach: Louise Hara has been chairing in an acting capacity and wishes to focus on the Building Committee.

Please review this list and consider your preferences. Wayne Davis will discuss with each of you individually over the coming weeks.

Development

Mission: The Development Committee will work closely with LexArt staff to create and implement a fundraising plan that is both ambitious and realistic, for seeking out and securing funding from diverse sources.

Members: Molly Nye (co-chair), Alison Lauriat (co-chair), Katina Leodas, Jenny Pyle, Bill Wright, Jasmine Lipman, Todd Carey, Rachel Rosenblum, Lee Webster, and Ginny Chomitz

Education

Mission. The Education Committee oversees, develops, and coordinates LexArt educational programs, across all guilds and all art/craft disciplines.

Members: Terumi Irizawa, Katina Leodas, Ginny Chomitz, Deena Dubin, Marsha Firestone, Cathe Palo, Son-Mey Chiu, Lainie Dearden, Anne Pardo, Aimee Ratchelous, Jasmine Lipman, Peter Flister

Gallery, Shows and Events

Mission: This committee will plan and oversee all use of LexArt's gallery spaces, as well as all shows, talks, concerts, gatherings and other events. It will develop programming that increases our visibility and brings new people into our space and builds our membership.

Members: Bruce Neumann (Chair), Wilda Ward, Steve Goldstein, Mireille Gart, Susan St. Maurice, Tom Whelan, Matthew Siegel, Molly Nye, Mary McDonald, and Rachel Rosenblum

Investments, Finance and Audit Committee

Mission: The Investments, Finance and Audit Committee oversees the creation of the budget, keeps track of LexArt's assets and liabilities, monitors and reports on the financial status and activities of LexArt at each Board meeting, ensures that LexArt's financial policies and practices are followed, prepares the annual financial report and audits the work of any contractor or employee involved with the organization's finances, and oversees investments and tax strategies.

Members: Joseph Brown, Peter Bain, Todd Carey, Nancy Cornelius, Peter Demuth (to be appointed).

Membership, Marketing and Outreach Committee

Mission: Develop, propose and execute a marketing and education plan; develop and implement ideas for attracting and on-boarding new members and for retaining existing ones; develop and propose to the Board a business plan.

Committee Members: Matthew Siegal, Cassandra Goldwater, Lauri Hugentobler, Louise Hara (acting chair), Susan St. Maurice. *To be added:* Nicole Mordechai, Jennifer Bernantino, Victoria Nessen Kohlasch

Nominating and Governance

Mission. The Nominating and Governance Committee oversees the identification, recruitment, orientation, training, and retention of board and committee members, from both inside and outside the organization. It looks for opportunities to strengthen and grow the effectiveness, capacity and composition of the board, as well as LexArt's standing committees.

Members: Katina Leodas, Wayne Davis, Molly Nye (advisory), Alison Lauriat (advisory)

Building Committee

Mission. The Building Committee oversees the maintenance and repair of LexArt's current physical plant; proposes plans for upgrading it; and may propose the creation of new facilities to meet LexArt's needs.

Members: Louise Hara (Chair), Peter Kelly, Nancy Cornelius, Lee Johnson, Chin Lin

Executive Committee

Mission: Exercise delegated authority from the Board to manage and administer LexArt.

Members: Katina Leodas, Louise Hara, Wayne Davis, Joseph Brown. *To be appointed:* Lauri Hugentobler.