

Art Alliance of Idyllwild Board Meeting

Date: Saturday, December 10, 2016 (10am - Noon)

Purpose of Meeting: General Board Meeting **Location:** Idyllwild Library Conference Rm

Members present:

Board Member	Present?	Board Member	Present?
Shanna Robb	Yes	Darcy Gerdes	Yes
Byron Ely	Yes	Zack Steinhaus	Yes
Erin O'Neill	Yes	Peter Szabadi	Yes
Jacque Swerdfeger	Yes		
Del Marcussen	Yes		

Notes transcribed by: Darcy Gerdes / Shanna Robb

Quorum Met? Yes 8

Other Present: Martha Lumia, Jerry Baccaire, Rob Padilla, Dave Robb

Meeting called to order at 10:03am by Shanna, President of the AAI

Approval of minutes: November 2016 General Board meeting minutes were approved via email and posted on AAI website.

Transition of Board of Directors: Outgoing board members were thanked for their service to the organization over the past 19 months. It has been both rewarding and challenging. Terming out are Del, Byron, Darcy, and Erin. Shanna shared that during a planning meeting with the incoming board, she recommended stepping down as President in 2017 to take on more of a support role that will include training. The incoming 2017 board, which will be seated after a vote on January 1st, is as follows. **Action:** Shanna to send press release and picture in January.

- Officers
 - Zack Steinhaus: President
 - Jerry Baccaire: Vice President, Co-Chair Gallery & Art Hot Spot Liaison
 - Judy Hoyt: Secretary
 - Shanna Robb: Treasurer, Outgoing President
- Directors at Large
 - Jacque Swerdfeger: Co-Chair Membership Liaison
 - Martha Lumia: Co-Chair Membership Liaison
 - Rob Padilla: Co-Chair Gallery & Art Hot Spot Liaison
 - Peter Szabadi

Recent/ Current Events: Final Artist Workshop this year was a fused glass class taught by Don Dietz. Nine students received instruction. In exchange, Don donated \$50 back to the AAI. Mini Show and Art*Gift*Love events are proving to be a great way for our artist members to show and sell artwork this holiday season.

Town Crier Contract: The Town Crier sent an email to all contract clients stating that in January they will be requesting that we provide them with a credit card of EFT for automatic withdrawals. The automatic withdrawal would be \$371.16 per month. Our current contract ends August 2017. Our enrolled agent does not recommend this and the board agreed. We have consistently paid on time, with the exception of when we did not get invoices in the mail. There was discussion about paying 6 months in advance, which was dismissed after further discussion. **Action:** Shanna to email Town Crier sharing the consensus of the board.

Third Party Review of Books: Per the operations manual written by the board in April 2016, when appointing a new Treasurer or at a minimum of every two years, an independent financial and procedural review must be conducted. Del and Shanna met Craig Coopersmith who completed the procedural review and will proceed with doing a financial review. Del will be forwarding him documentation after the November closing and again in January prior to handing books over to Shanna. Upon completion, Craig will outline his finding in a letter to the board. **Action:** Del to forward requested documents to Craig.

Balance Sheet / Due Diligence: The current bank balance is \$37,246.48. The Eye of the Artist and Art Walk and Wine Tasting are our two fundraisers. With exception of events like the Appreciation Event, most events should financially break event. Directors were reminded that we all have the fiduciary responsibility for overseeing the financials. Money spent must meet the mission outlined for the organization.

Contributions: Per our enrolled agent, only 501c3 organizations should receive funding or contributions from the AAI. A review of the contributions YTD and Bank Balance was shared by Shanna, which was taken from the 2016 P&L YTD.

2016 Recipient	2016 Amount	
Associates of IAF	\$ 11,000.00	
Help Center	\$ 474.53	
Idyllwild Arts Academy	\$ 4,400.00	
Idyllwild Elementary Music	\$ 1,000.00	
Musica	\$ 2,000.00	
smARTS *	\$ 2,000.00	Additional \$1K pending
	\$ 20,874.53	
Home School Art Classes	\$ 2,194.00 YTD	

To give the outgoing board and incoming board a broader picture, a table showing the history of the yearend bank balance and donation tracking was shared. This year we led a full calendar of events, spent \$9K for new walls/lights/sandwich boards, and donated YTD over \$20K to local organizations. In 2015, we donated over \$11K. When the board took over the bank accounts in May 2015, the bank balance was slightly over \$26K. Yet, even with the record amounts of donations and the new one-time expenses, our bank account balance is currently over \$37K.

As a non-profit, the continued growth in the bank account is a concern. **Action:** Additional projects or organizations that fall into the scope of our mission will be sought out in 2017. This includes a possible public art project, additional artist workshops, etc.

The following historical look of the AAI donations versus End of Year Bank Balance was shared with the board. Considering all that had transpired over the past two years, the significant amounts of donations by the outgoing board as outlined in our mission was recognized.

Year	Donations Per Form 990	End of Year Bank Balance
2002	\$ -	\$ 1,377
2003	\$ -	\$ 8,604
2004	\$ -	\$ 7,482
2005	\$ -	\$ 6,306
2006	\$ -	\$ 8,932
2007	\$ -	\$ 17,225
2008	\$ -	\$ 19,305
2009	\$ 2,000	\$ 17,584
2010	\$ 3,000	\$ 15,757
2011	\$ 3,300	\$ 17,499
2012	\$ 6,700	\$ 22,598
2013	\$ 3,625	\$ 27,153
2014	\$ 5,900	\$ 29,375
2015	\$ 11,200.00	\$ 40,044
2016 YTD	\$ 20,874.53	\$ 37,246.48

Operations Overview: Until this year it was impossible to get a clear snapshot of the operational costs needed to run the AAI. Del elicited the assistance of Dave Robb, who has an MBA with an emphasis on Accounting, to present the board with a broader view of the financials. Dave handed out an overview of estimated fixed and committed expenses (see attached).

Estimated Yearly Operating Costs is \$16,086 or \$1,340.42 per month. With membership dues of \$18,000 year or \$1,510.17 on average per month, the organization is in good standings. Fundraisers, such as the Art Walk, raises 100% of the money needed before the event opens and holding money aside upfront is not necessary. Unless there is a specific planned expenditure, such as a public art project, bringing the bank balance down is something that the incoming board should address. Based on the operational review and overall financials, Dave recommended a minimum bank balance is \$8K. **Action:** The incoming board to discuss recommendations made.

Gallery and Art Hot Spots: Erin shared that galleries/art hot spots, in large, believe that the AAI is committed mostly to artists not them. Creating a group within the AAI is something that was discussed with the hopes of creating a connection. There is a group of four current gallery members trying to form their own Gallery Guild. According to Erin, as a whole, the galleries want more events, advertising money, and monthly meetings. The challenge is getting them to provide manpower for events, etc. Erin shared that they want more advertising off the Hill that will bring business to them. Everitts, for instance, is researching Press Enterprise.

What we are missing is an advertising lead. Zack shared that he, as the incoming President, is already starting to list committees for 2017. His plans to include an advertising committee.

Shanna shared that the AAI currently has 14 galleries and art hot spots who pay \$300 a year or \$4,200 as a group. This year the AAI spend \$5,251 on gallery guides and the Explore Idyllwild, which is strictly focused on the galleries and art hot spots. These were two marketing tools requested by them. This is a 25% investment increase on their \$300 membership, which does not include the cost of design. This is a great return for their upfront investment of \$300.

While it will be left in the hands of the new liaisons to determine the best solution, Shanna led a conversation about increasing the value of their \$300 membership investment as a group. Led by Jerry and Rob, the galleries/art hot spots will be asked to meet and create a written proposal with documentation of where they want the marketing money focused. Any proposals would then be reviewed by the board for final approval, for instance, with the execution left in the hands of the galleries and art hot spot members. Whatever solution is accepted by the incoming board will require that the galleries and art hot spots work together.

Question about how they measure success and how many AAI artists each location represents was unanswered. Questionnaire is being created by Jerry and Rob to be sent out in January. Goal is to get them to become actively involved. Erin offered to meet with locations. Shanna reminded her that Jerry and Rob were to lead the efforts and both must be involved in any meetings or discussions about this segment of our membership.

Peter shared that he also thinks we need to look at ways to help our artists outside of events, artist workshops, and educational series. **Action:** Jerry and Rob to put together a joint plan for working with galleries and art hot spots. Also to finalize the January questionnaire.

Town Baker Meeting: Jerry shared that he, Zack, and Rob met with the owner of The Town Baker. They want to become an art hot spot as long as they aren't required to only show AAI Artist work. They also want to continue having a 0% commission. While we discussed that the AAI can coach them, all agreed that we are not a juried organization thus can't enforce this. There was mention that the IRS is starting to enforce more laws for income by individuals, such as artists, but again that is their choice. **Action:** Jerry and Rob to reconnect with The Town Baker and encourage them to register online as an art hot spot.

Oakwood Village: Oakwood Village is currently an art hot spot. They themselves are the landlord and not the actual gallery or art hot spot. A discussion about their membership resulted in agreement by the board that Oakwood Village should not have been given this membership level. If they have a tenant that qualifies, that tenant would have their own membership. Effective immediately, shopping centers and landlords will not be eligible for either a gallery or art hot spot membership. **MOTION:** By Zack and second by Peter that an appropriate letter be send to Oakwood Village regarding their membership. VOTE: 8 Favor, 0 Oppose, 0 Abstain – MOTION PASSED **Action:** Shanna to write and send letter on behalf of current and incoming board to Oakwood Village. Membership to be changed to accordingly with 50% refund issued by Del to reflect their June 17th expiration date. **Action:** Erin to send breakdown of requirements for being a gallery versus art hot spot to all members of incoming board.

Business Licenses: Darcy brought up that any gallery or art hot spot should have a business license, business insurance, and resale #. All agreed. Question asked about whether we can stop the website from processing payments before accepting membership. Shanna doesn't think it is possible. **Action:** Shanna to contact website administrator to confirm.

Computer and Phone: For the past 19 months, as the AAI Treasurer, Del has been using her own computer and software. She sent an email to the board recommending a new computer with the appropriate software and a cell phone in the name of the AAI. Board quorum received

electronically via email to proceed. Del purchased a new computer with 2017 Quickbooks, Word, backup key, and check writing software for \$1,270. She also will purchase a new Verizon iPhone 7 that will replace the current flip phone. A refundable \$400 fee may be held for two years. There was question about why we couldn't get an older model. This was not recommended because of the credit card software upgrades. **Action:** Del to purchase phone.

Portable Printer: A portable printer was recommended. **Action:** Erin to research options.

Additional Contributions/Donations: Martha asked if we could identify additional donations for 2016. A list of possible 501c3's was discussed that included Doug Austin's Charity, Idyllwild Actors, Stratford, Local Color, Soroptimists, Spirit Mountain, and Summer Concerts. We needed to verify their 501c3 status. If they qualified, we discussed giving each organization up to \$500 upon receipt of a written proposal. Proposals would be requested by December 31st, 2016. Zack is also working on researching a lead with a school in Anza. **MOTION:** By Peter and Second by Del to have proposals from qualified 501c3's sent to Shanna for authorization up to \$500 before end of December. **VOTE:** 8 Approve, 0 Oppose, 0 Abstain – **MOTION PASSED**
Action: Erin – Doug Austin, Peter – Idyllwild Actors & Local Color, Shanna – Master Chorale & Soroptimists & Spirit Mountain & Stratford, Zack – Summer Concerts, Del – Spirit Mountain w/Shanna

Membership: Jacque shared that we have had 22 new artist members since September 1st, 2016. We currently have 295 active members. A breakdown of the membership categories was shared. She and Martha will work on plan to reach out to all members via phone in January/February. **Action:** Erin to send survey findings from 2015 Art Uncorked new board.

End of Year Ad: A ½ page ad in Town Crier thanking our members along with announcing donations YTD was proposed. Recommendation was made to also run ad in Hemet, Temecula, and Desert. Information needed from each publication is size, price, and deadline. **Action:** Shanna contact Janet about design and work with Town Crier. **Action:** Peter contact Anza Valley news. **Action:** Jerry contact Tidbits. **Action:** Zack contact Press Enterprise.

Future Bookkeeper: Del shared that no one during the nomination process wanted to be the Treasurer. Our enrolled agent said that we could hire a bookkeeper and issue a 1099, as long as there is also a Treasurer. None of the board members should be paid.

Middle Ridge: In May the board voted to give some marketing money to Middle Ridge since they were promoting our artist members. We felt they could bring more business and exposure to the hill and to our membership than we could on our own. The proposal at that time was to give \$35 per artist or \$500 maximum. Their two shows featured 18-19 AAI artists each and their current show is featuring 22 AAI artists. Recommendation was made that the incoming board discuss broadening the aid to galleries as a whole who feature Idyllwild artists. **MOTION:** By Del and Second by Byron to give a final maximum of \$500 for marketing AAI artists to Middle Ridge for their current show with the new board creating a group marketing plan going forward. **VOTE:** 8 Favor, 0 Oppose, 0 Abstain – **MOTION PASSED** **Action:** Del to cut check for \$500. **Action:** Incoming Gallery & Art Hot Spot Liaisons, Jerry and Robb, will create plan based on recommendations that will be subject of future discussion by new board.

Meeting Adjourned at 12:05 by Shanna Robb