



Minutes for Approval

NEFA Board of Directors

March 8, 2018

Attendance

Board participating: Christal Brown, Taylor Ho Bynum, Andrew Cornell, Amy Zell Ellsworth, Geoff Hargadon, John Henry, Doug Keith, Ginnie Lupi, Karen Mittelman, Barbara Murphy, Chip Newell, Kristina Newman-Scott, Barbara Murphy, Chip Newell, Julie Richard, Randy Rosenbaum, Larry Simpson, Ann Smith, Pam Tatge, Ted Wendell, Lisa Wong, Carrie Zaslow

Staff Participating: Jug Chokshi, Cathy Edwards, Steven Fenton, Jane Preston

Guest Speakers: Don Burnham

Notetaker: Steven Fenton

BOARD CHAIR LARRY SIMPSON CALLED THE MEETING TO ORDER AT 1:00 PM

Call to Order & Framing

Board Chair Larry Simpson welcomed the board and staff and thanked them for accommodating the change in plans due to inclement weather, and for their willingness to participate in the board meeting via Zoom Call rather than in person. He acknowledged that due to the unusual circumstances of meeting remotely, the board would not take any official votes during the call because there is not yet a provision in the bylaws that permits electronic or remote voting. As a result, minutes from the NEFA October 27 2017 board meeting will be approved at the June 2018 board meeting. Larry also welcomed NEFA's attorney, Don Burnham, and thanked him for agreeing to talk the board through proposed changes to NEFA's governing documents.

Executive Director's Report

Executive Director Cathy Edwards highlighted some of the major points from her report in the board book. The strategic plan went live on the NEFA website earlier in the year and staff have been pushing the plan out via social media so that NEFA's constituents and stakeholders can engage with it. The staff is currently engaged in setting priorities and work plans for fiscal year 2019.

For the first time NEFA reached and surpassed \$100K in individual giving as part of the annual fund drive. Cathy acknowledged and thanked the board for their leadership role in that accomplishment. The challenge ahead will be to build relationships with donors in the year to come, and strategize how to maintain this momentum.

Another first for NEFA, the Doris Duke Charitable Foundation (DDCF) invited the organization to apply for a general operating support grant. The application was a success and the team was thrilled to be awarded two years of funding. The fund has been active for some time, and Cathy learned NEFA was invited to apply this year because of the organization's commitment to field-building activities and programs.

The Advisory Council held its first meeting at the end of November. Cathy shared it was a great first session and she looks forward to working with them. She also shared some of the outcomes of that first meeting including one member joining NEFA's Investment Committee and two others collaborating with Cathy on establishing a peer network for new executive directors in the arts in New England.

To close her report, Cathy shared some of the feedback NEFA received on its proposals to DDCF and the National Endowment for the Arts. Both panels expressed admiration for NEFA's stability, especially NEFA's stewardship of unrestricted assets as long-term support for the organization. They also cited the strategic risk reserve and healthy balance sheet as assets for any institutions interested in making financial commitments to the organization.



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Finance & Audit Committee Report

Committee Chair Doug Keith acknowledged how much work it took to get to a final budget for FY18 following the staff transition in the finance department. Doug thanked Cathy for her oversight and Director of Finance & Administration Jug Chokshi who came on board and immediately went to work building up the department. The new team is in place and working with the auditors to close the FY17 audit. They are also working with the committee to refine the organization's financial reporting and presentations. Jug added financial transparency is both internally and externally important. Internally, the team is planning to offer a budget presentation to the full staff and conduct quarterly checks-in with each department, to build transparency and knowledge. They are also considering a presentation for the full board.

Investment Committee Report

Committee Chair Ted Wendell was pleased to share for the first time NEFA's investments totaled over \$9M. Ted credited this success with the committee's strong relationships with the fund managers and familiarity with their individual disciplines and approaches to the market. The committee appreciates managers with strong disciplines in all climates. Ted cautioned when markets hit significant heights there are still risks. The committee and managers are mindful of changes in the market, but try to remain steady rather than risk being too reactive.

Trustees Committee Report

Committee Chair Randy Rosenbaum reported the Trustees' work this year is focused on stability, growth, and expansion. They have been in conversation with all members of the Class of 2018 who are eligible for term renewal. Geoff Hargadon, Ann Smith, Ted Wendell, and Pam Tatge all enthusiastically agreed to serve another term. Randy also affirmed the group's desire to identify the next generation of board leadership. Cathy shared the committee would like to hear from board members who might consider a leadership role or other position on the Executive Committee. She encouraged interested members to contact Randy to express their interest.

Development & Communications Committee Report

Committee Chair Andrew Cornell thanked John Henry for stepping in as co-chair of the committee. Andrew reiterated Cathy's comments about the historic achievement of the annual fund reaching \$100K. He added his thanks to the board for their continued commitment to the organization and shared that for the third year in a row there was 100% board participation in the annual fund. Andrew talked about the strategies that contributed to these achievements and described the work that happens after NEFA receives a donation, including the committee's role in making thank you calls to donors. He enjoyed the experience of talking with donors and learning about what inspired them to give to NEFA. He recommended the exercise to the whole board and encouraged others to volunteer to make calls next year.

John Henry previewed a new tool that will help board members introduce NEFA to new contacts. The communications team created an elevator pitch card that will be mailed to board members following the meeting. The card features a set of highlights about NEFA's work and mission and is a great piece to leave behind with someone or at an event.

John closed with a reminder that the committee would normally be sharing plans for a spring donor event. For the last few years, the events, while fun and inspiring, have had low attendance. As an experiment the staff and committee will attempt smaller scale events in different areas across the region throughout the year. Board members will hear about the first three dates soon.



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Articles of Incorporation & Bylaws Review

Cathy Edwards introduced the board to NEFA's attorney, Don Burnham of Eckert Seamens, and offered context for the decision to update the organization's articles of incorporation and bylaws. At the fall Trustees Committee meeting Cathy identified some points in NEFA's bylaws that felt limiting or outdated. Using the current meeting as an example, Cathy noted there is no provision for electronic voting, and any motion to vote requires a physical quorum of the board. Both make it impossible to conduct important board business when members are participating remotely. Another point of interest for Cathy and the committee was to make room in the bylaws for state arts agency (SAA) directors to choose how they participate in NEFA's governance. Currently, the bylaws mandate each director serves on NEFA's Board of Directors with no other option. NEFA has a strong and meaningful partnership with the Massachusetts Cultural Council, but Executive Director Anita Walker is electing to serve on the Advisory Council instead of the governing board. The committee agreed it would be wise to bring the governing documents into alignment with current practice. Due to the complex nature of updating an organization's bylaws, the committee engaged Don Burnham to lead the work of reviewing and revising the bylaws.

When he began this work, Don recommended it would be the right time to conduct a review of NEFA's Articles of Incorporation as well. In addition to the recommendations from the committee, Don reviewed the documents to check for any areas that could better reflect current Massachusetts law or best practices. In his review, Don discovered NEFA's Articles had not been fully updated since the last complete restatement on file from 1979. Don's proposed draft restatement incorporates all details from the 1979 document and updates to reflect federal and state requirements for 501(c)3 charitable organizations.

Don walked the board through the revisions he proposed in each document. He highlighted one section to remove, which was a provision that gave state arts agency directors the right to approve or veto changes to the bylaws. Removing this provision will bring NEFA more in line with how most nonprofits conduct their business.

Don fielded several questions from the board. One member asked if there was a provision for proxy voting, which Don explained was not permitted by Massachusetts law. Another member asked whether there were any requirements for provisions around conflict of interest or whistleblower policies. Don reminded the board that NEFA does have a strong conflict of interest policy in place and that state law does not require a whistleblower policy. There was some discussion about what is required of the state arts agencies as it pertains to the current provision that requires their approval of changes to the bylaws. Don reinforced that it was critical to have an affirmative vote from each of the six directors. Don and staff will work with Anita Walker to obtain her approval for the vote in the event she does not attend the June retreat.

Larry thanked the board for their questions, and Don for his guidance through the process. He acknowledged Cathy, Steven Fenton, Randy Rosenbaum, and the Trustees Committee for their work on this project. He reminded the board they would hold a vote in June. He recommended any additional questions or comments be sent to the Trustees Committee who will discuss whether they merit further consideration or revision.

Board Retreat Planning

Cathy Edwards updated the board on current planning for the upcoming retreat in Grafton, VT. The annual retreat is an opportunity for the board and staff to move beyond business and create space for strategic, big picture thinking. In keeping with conversations over the past year, Cathy proposed the retreat would be the right moment to discuss the facets and principles embedded within goal three of the strategic plan: "Equity, Diversity, Inclusion, and Accessibility." Over the last year, the staff has been engaged in significant learning and growth in this area. The board's input will be critical to advancing the actions and impact of the objectives set out in the strategic



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plan, including those related to goal three. A standing committee of staff have been the chief stewards of this learning process. Cathy suggested a similar structure for the board might be helpful in planning the retreat agenda. Kristina Newman-Scott, Taylor Ho Bynum, Carrie Zaslow, Barbara Murphy, Christal Brown, and Larry Simpson volunteered to serve on the planning committee.

As with past board retreats, NEFA aspires to connect with local artists and arts organizations in the region. The Grafton, VT area offers a unique chance to learn more about the experience and needs of artists working in a rural context. Vermont Arts Council Director, Karen Mittelman, offered some thoughts on ways to engage, suggesting a site visit to a studio, a trip to see a performance, or a conversation with members of the Vermont Creative Network. Cathy and Karen will follow up to discuss possible plans.

Closing Remarks

Larry Simpson thanked the board for their flexibility and willingness to try a new meeting format and asked them to share feedback on using Zoom for remote board meetings. He also thanked them for their input and questions throughout the conversation, and for their generous and continued commitment to the organization.

BOARD CHAIR LARRY SIMPSON ADJOURNED THE MEETING AT 2:27 PM

Next Steps:

- Submit the minutes from this meeting for approval at the June Board Retreat
- Submit the minutes from the October 27 board meeting for approval at the June Board Retreat
- Staff will mail board members new elevator pitch cards
- Work with Anita Walker and the Massachusetts Cultural Council to obtain approval of bylaws changes
- Submit the proposed changes to NEFA's governing documents for approval at the June Board Retreat