

Minutes of the October 28, 2020 Meeting of the Arena Theater Board of Directors

1. Call to Order – Beattie called the meeting to order at 6:07 p.m.

2. Roll Call - Present: Pratt, Beattie, Fernandez, Joakimides, Andersen, Wilkinson, McMurtry, More, Archer, Boyd, Marrinan, Moseley, Montag
Also attending Lena Bullamore, Jeff Gyving and Eric Dahlhoff

Absent: None

Minutes: Archer

3. Privilege of the Floor/Correspondence/Suggestion Box - None

4. Approval of Minutes from September 30, 2020 Board meeting – Archer had previously circulated the Minutes of the September 30, 2020 Board meeting. Wilkinson moved and Andersen seconded. They were adopted unanimously.

REPORTS:

5. President's Report -

6. Treasurer's Report, including PPP update – Fernandez reported that Finance Committee met again this month and will discuss financial information later. The Committee is trying to balance transparency and confidentiality. Our Form-990 for years 2016, 2017 and 2018 will be posted on our website.

We are on track to use all of the PPP funds we received. We have used approximately \$16,200.00 so far and we have 3 more payrolls up to November 13, 2020 and by using these funds for their stated purpose – payroll – we are well-positioned should there be another round of PPP funds. 11/13

The Have-a-Seat Goes Green has sold two more seats.

We received \$14,000+ in membership dues last month (higher than the prior month).

The Drive-In has received over \$4,000 in donations and we still have \$1,500.00 in unrestricted funds remaining. Each Drive-In has produced a profit of approximately \$400.00.

The draft financial estimates from May through September show a \$26,700.00 net (including the \$16,200.00 from the PPP loan).

Beginning with the next Finance Committee meeting we will begin running various scenarios re our re-opening, modeling with different occupancy levels.

The Finance Committee is still focusing on our insurance, increasing the property damage coverage for our building and its contents and checking on the premiums for our E&O coverage.

7. Standing Committee Reports

a. Finance Committee - Archer inquired as to whether the Theater can provide some type of documentation of donations- in-kind for tax purposes (for Chris Campbell and Scott Jones). Montag confirmed that we can provide such documentation. Archer suggested that this would be something that should be sent to them with a short thank you note..

Update on addressing financial transparency – Archer began by explaining what the Finance Committee's goal is: greater transparency while maintaining necessary confidentiality. He

explained that we now have a working Board and a very active Finance Committee (on which 4 Board members serve). The Committee receives monthly reports from the Bookkeeper and reviews ATAs finances in detail at every meeting. The Finance Committee makes the following recommendations:

1. The Treasurer give informational reports at every Board meeting which can be summarized in the Board Minutes and become available for review on our website.
2. Post our last three fiscal year Form-990s on our website.
3. Use more detailed Quarterly Financial Reports as the basis to answer members' questions rather than the monthly spreadsheets that the Bookkeeper give to the Committee.
4. Develop a protocol so that any member can feel free to ask the Treasurer and Bookkeeper any questions and expect to receive a substantive response in a timely fashion.

The Finance Committee has instituted the first two of these recommendations as of this date and will continue to discuss the other recommendations.

A long discussion ensued. Andersen pointed out that every government or non-profit that he has worked at uses quarterly finance reports as they provide a more accurate picture than monthly reports which have greater variability.

Pratt objected to not being able to use the monthly spreadsheets and questioned what the confidential information was. She recognizes that it is a working document and believes there is value to other Board members, members, etc. who would be sophisticated enough to realize that it is a working document. She also made the point that the quarterly report is jammed together and takes more time to review while monthly reports are more timely. Pratt feels that the details of the monthly reports are easier details to absorb.

Montag reminded that the Finance Committee was trying to establish a protocol to facilitate timely and factual responses to member questions from the Treasurer/Bookkeeper. Pratt responded that many members don't know what to ask until they see the report. Montag reminded this protocol was for specific questions.

Wilkinson made the point that a quarterly report is more detailed and there should be a process to be transparent and he did not understand why monthly data was preferable.

Boyd added that the Finance Committee was working hard, putting together detailed financial reports for the Treasurer to provide to Board, that the minutes are posted online and that any member could ask a Board member questions at any time.

Joakimides added that most members don't want to attend our Committee meetings, notwithstanding that all are welcome. She feels that members rely on our Committees for this work.

b. Fund Development Committee – Pratt reported the crowd-funding platform has not been completed and she will complete it with Boyd. She also reported on the quilt donation and we are trying to decide whether to raffle or auction it off. The Committee has selected a date for the next Talent Show in early December as the launch date to announce the raffle/auction with a goal to keep the bidding open through the close of business on December 21.

Pratt reported that she had researched an auction software program which ties into our Donor Perfect database. This would cost \$1,200.00 for a one year license and would require less staff time because it connects to our database. Joakimides inquired as to whether this might be a good subject for a grant application. Archer advised that there was not enough time to submit a grant application and have it approved before we will need to purchase the license and that we would be

out-of-pocket for the cost of the license before we knew whether our grant application would be approved. Pratt reminded all that grants can apply to retroactive costs/purchases.

Wilkinson pointed out that RCMS has done online auctions and they recommended a non-profit site Bidding Owl and he believes that it might be free to non-profits. Pratt will investigate this option.

Pratt reported that the Fall/Winter Donation Letter is at the printer now and is scheduled to be mailed out before mid-November.

Beattie reported that the new Heaters have been received and need to be installed. HEPA filters won't fit with our system, but air scrubbers will. The current state of the art air scrubbers cost \$900.00 each and could fit with our existing ductwork. He also pointed out that the technology of these air scrubbers is improving. In response to a question he agreed that purchase of any air scrubbers could be deferred for now. Once purchased, they could be installed within a month. Archer suggested that we need more details about the air scrubbers and that we could defer a decision on this for now.

More reported on the Dragon's Breath fundraiser. Notwithstanding that it did not perform well, the producers are going to make a \$500.00 donation to the Theater. Boyd confirmed that they have already received a thank you from the Donor Perfect donations software.

Boyd announced that Chris Campbell's time' donations for front fill speakers has been successful and they have been purchased. Chris will work with Jake Stillman to connect them prior to our reopening. Once installed they will provide more sound for the front of the auditorium which will be more noticeable at live performances. Archer suggested a thank you letter to Chris which should include the necessary tax documents to allow Chris to take a deduction for his in-kind donations. Pratt suggested this might be a subject for the Publicity Committee.

b. Membership Committee – Joakimides reported that in the last month we have received over \$2,000 in membership renewals, the Have-a-Seat Goes Green campaign has sold another seat for \$1,000.00, we have unrestricted donations of \$1,313.00, our first 30 for \$30 Membership has been opened, and we have a sustaining member that has renewed at \$100.00/month.

Joakimides is still working on the lapsed membership follow-up. She is working from a list of 300 people. Pratt assists emails while Joakimides makes telephone calls on this project and we've gotten a good response with 45 lapsed members promising to renew so far. As of last week we had \$1,180 donations on PayPal or check from both new and lapsed members. Boyd added that we have 6 more memberships through PayPal now, including two Patron Level memberships.

c. Programming Committee (includes cinema, live, telecasts, publicity and film club), drive-in –

Cinema – Marrinan reported that we remain closed due to COVID-19..

Virtual Cinema - Moseley reported that the process is ongoing and we are up to date on reporting that the film runs are over to the distributors. We are awaiting accountings and disbursements from the distributors.

Drive-In – Boyd reported that Coco was well-attended by many families and we have two more events calendared (11/7 Ferris Bueller's Day Off and 11/21 The Grinch). McMurtry reported that some of the planters have been moved back and that will allow a few more vehicles to attend the upcoming events.

An early draft of the Drive-In video is loaded up for our viewing. More will circulate a link to view it individually. If approved, a higher resolution version will be finalized with a link on our website. This has been turned around in a month by Scott.

Live – Boyd reported we decided not to do anything for Halloween. The date for the Talent Show is December 12, 2020. Blake and Paul will MC and it will be holiday themed.

Moseley reported that our candy stock is old and it is probably best that we not donate it. Joakimides suggested there are a couple of other opportunities to donate it through the Co-Op. Pratt suggested selling it at the upcoming Drive-Ins and Joakimides confirmed that we are already doing that.

Telecast – Nothing to report.

Publicity – Moseley reported that there will be a Taj Mahal livestream on November 17 and she will be working to get that onto the website. Tickets will be \$20@ and we get a % of the price.

d. Facilities Committee - McMurtry reported that he will install the sneeze guards in the Concessions area next week. Most of his time has been devoted to the Drive-In events. McMurtry also gave a special thank you to Lena for the artwork on the front of the Theater. The solar panels will be cleaned in the next month or two. The new heaters will be installed. Tim will prepare the 25% capacity seating chart in anticipation of re-opening.

e. Personnel Committee – Nothing to report.

OLD BUSINESS

8. Reopening committee update – Boyd reported that the Re-Opening Committee is meeting and that it is composed of Marrinan, Moseley, Joakimides, Andersen, Beattie, McMurtry and Boyd. Their first meeting was devoted to information gathering. At that time Mendocino County was in the purple level, but that changed last night to the lower red level. The Committee's next meeting is in two weeks and the members will discuss their findings as to the tasks assigned at the first meeting. Financial modeling will be necessary to decide how many days to be open, how many showings, etc. The Re-Opening Committee may reach out to membership for a survey to see how people feel about going back to the movies. Archer pointed out that the response could depend on the hard safety information that we make available. Moseley will include that info in any survey.

The Committee also wants reach out to our furloughed staff to see their concerns and whether they would balk at returning when we re-open..

The committee members are reaching out to other movies theaters, art houses and health officials to determine the best practices to follow when reopening..

Marrinan will reach out to distributors to see if they are negotiable as to their percentage demands while we have limited seating and, depending on their response, we may decide to initially show older films for cheaper screening fees, but also pointed out that they have not been negotiable in the past. Archer asked how we would handle new transactions in the concession area. Moseley suggested we make a decision and if it is pre-order only then we should stick with that. Marrinan suggested that we use the Drive-In as a model for pre-sale only. The committee will consider this at length next month.

Beattie emphasized that the safety of patrons and staff is paramount in the committee's decision-making. The occupancy % is also subject to being lowered by our committee to add safety if needed. Wilkinson reminded us that opening with reduced occupancy could be problematic with higher operating costs and we need to be careful to manage showings/attendance and balance that with risks to the staff.

9. Phone lines report, Shauna – Boyd reported that she explored the phone line issue. She has cancelled one line (fax). She got some more information about VoIP but it will need some wiring. Her research on this led to the conclusion of keeping the land lines because we don't always have power and/or a stable internet connection. She recommended the at least one line should be kept as a landline as well.

Joakimides reported that Ooma is 19.99/line and that might be something to explore. She pointed out that we would need to purchase a wireless unit (ooma telo) and they are regularly on sale, less than \$100. Pratt suggested Black Friday might be a good opportunity for this.

NEW BUSINESS:

10. Next meeting date and time –It was agreed that our November meeting would be advanced to November 18, 2020 to avoid conflict with Thanksgiving. Archer suggested that given our closure and the uncertainty as to re-opening, combined with the financial issues that the closure has generated, that we should have a meeting in December and it was agreed that a meeting will be held on December 16, 2020.

Wilkinson moved we adjourn, Archer seconded and it was approved unanimously at 7:49 p.m..

11. Board adjourn to Closed Session