



**Minutes of the
Lexington Arts and Crafts Society, Inc.
Board of Directors Meeting
October 26, 2022**

Unless otherwise defined in the text of any Vote, all capitalized terms have the meanings as defined in the Bylaws of the Corporation, as adopted March 23, 2019 and subsequently amended.

Documents referenced in pre-meeting materials ("PMM") are attached hereto.

The Oct 26th Board of Directors Meeting of the Lexington Arts and Crafts Society was called to order at 2:01 pm, conducted in person at LexArt, and via videoconference, chaired by Wayne Davis, Chair of the Board.

The following board members were in attendance: Jennifer Bergantino, Peter Demuth, Jessie Chen, Nichole Mordecai, Wayne Davis (Chair), Matthew Siegel (President and Executive Director), Michael Lawson (Treasurer), Casandra Goldwater, Lauri Hugentobler, Louise Hara, Molly Nye, Nancy Cornelius, Diane Gordon, Mike Lawson, and Rachel Rosenblum.

The following Guild Observers and administrators were in attendance: Malcolm Sole (Woodworkers), Terumi Irizawa (Metalworkers & Deco Arts), Alison Lauriat (Ceramics), Susan McFarlane (Painters), Jerilyn Heinold (WFA), Steven Goldstein (Photographers), Shirley King (Needle Arts), Chase Jones, Emily Taylor, and Hannah Wolfe (Clerk). Heike Arendt also attended.

1. Review and Discuss 2022 Marketing Study with Consultant Heike Arendt (PMM p.2) [Link to report](#)

Wayne introduced the marketing study conducted by Consultant, Heike Arendt. He noted that a competitive analysis was the first portion of the study, and the second and major portion of the study was a survey. The purpose of the survey was to understand what would be attractive to certain demographic groups less well represented amongst LexArt's current membership and students, including those younger demographics, broader socioeconomic categories, and more diverse ethnic groups, and what would be the barriers for the participation of these groups. An additional part of the survey was created for current membership. Heike has been working on the marketing study for the last year, and she presented her findings to the Communications Committee over the summer.

Heike was present to summarize the report. She explained that a key question was whether the different demographic groups answered the survey questions differently, and to better understand how LexArt can reach out to these groups to make our services more attractive and accessible.

Overall, Heike found that there were slight differences in the responses of people with different incomes, but there were no major differences between responses from those identifying as Caucasian *versus* those identifying as people of color (“POC”). In terms of taking art classes, affordability was more of an issue for POC respondents, and different priorities (i.e. the challenges of balancing life priorities) were more of an issue for Caucasian respondents.

Some other findings of the study were that 59% of teens surveyed said they would not sign up for an art class; LexArt and Munroe (the other community art center in Lexington) have the same level of awareness locally; and LexArt has a good driving awareness (i.e. people who are interested in art know LexArt exists).

Heike indicated that one area where LexArt fell short in the competitive analysis portion of the study was its conversion rate, which was a low 27%. Some of the barriers that kept survey respondents from participating at LexArt were: unsure of LexArt’s offerings, didn’t know what offerings to choose, and had other priorities. For people who considered taking a class at LexArt, but didn’t, the main issues were the logistics of getting to LexArt and scheduling. Some people were also concerned about their skill level.

Lastly, Heike said people heard about LexArt either from walking by, through family and friends, or social media. She pointed out that following individual LexArt artists online and social media are great ways to create awareness.

A discussion of the presentation followed.

Cassandra Goldwater recommended that people who are on social media should get together to share the language they use to promote events. Nicole Mordecai suggested that we consistently tag artists in social media posts.

Diane Gordon brought up the question of teens and their interest in LexArt. Jennifer Bergantino said that she doesn’t think we should abandon teens based on the survey results, since LexArt could be a huge asset to local teens. Steven Goldstein and Cassandra mentioned that families of teens who take classes could and have become supporters of LexArt. Matthew Siegal noted that LexArt should reach out and engage with teens in other ways besides marketing classes to them. One example he gave was that local teens have community volunteer requirements, which LexArt could support. Cassandra mentioned that LexArt could maybe let teens use the facilities, such as the parking lot, for their personal community service efforts.

Matthew then brought up that there is no street presence after dark and LexArt’s doors are not open to the public at that time. Matthew and Rachel Rosenblum recalled before COVID there was a successful night-time event, and they suggested that night-time events should be brought back and happen more regularly.

Nicole mentioned that young families are a demographic LexArt should explore. Laurie Hugentobler mentioned that there are no directions on the LexArt website about how to get to LexArt via public transit. Jessie Chen pointed out that Instagram and Twitter are more popular for younger demographics, and Facebook is more popular for older demographics, and that tags should be utilized more overall in our marketing. Alison Lauriat mentioned that there are people with social media who want to promote LexArt, but do not know how to post. Emily Taylor offered to help people learn how to post.

Wayne ended the discussion by thanking Heike for her work and noted that there have already been positive changes since July as a result of her findings. Heike left the meeting.

2. Approval of Minutes (PPM p.10)

Rachel Rosenblum then moved that the minutes of the May 23rd, 2022 meeting be adopted. Seconded by Cassandra Goldwater. Thereafter, it was:

VOTED: That the Board of Directors hereby approve, the minutes of the Board of Directors Meeting of Members held May 23rd, 2022. The motion was adopted unanimously.

Provided that the draft misspellings are corrected, Rachel Rosenblum then moved that the minutes of the June 13th, 2022, meeting be adopted. Seconded by Alison Lauriat. Thereafter, it was:

VOTED: That the Board of Directors hereby approve, the minutes of the Board of Directors Meeting of Members held June 14th, 2022, as corrected. The motion was adopted unanimously.

3. Treasurer's Report (PPM p.19)

Mike Lawson reported, consistent with the Investment Policy approved by the board in June, he had opened a LexArt account with Enterprise Bank, and he has opened a third Vanguard account as well, and transferred \$265,000 into that account. The Finance Committee had approved a long-term Asset Allocation Plan calling for a split of 70% equity and 30% bonds, but Mike has held off purchasing equities due to market volatility.

Rachel inquired about how the endowment fund would work. Mike explained these funds are invested at Vanguard, with amount allocated to operational use, capital use, and long-term investment. Steven asked if we could sell bonds in case of an emergency and Mark said yes, and there is a procedure in place for extracting funds in the case of an emergency as well. Following further discussion, Cassandra Goldwater moved acceptance of the Treasurer's Report. Seconded by Louise Hara. Thereafter, it was:

VOTED: That the Treasurer's Report be accepted. The motion was adopted unanimously.

4. Development Report and Stewardship Discussion

Wayne reported that the text for the annual appeal letter is 98% done and set to go out mid-November. He noted that while some people are uncomfortable asking for gifts, development is part of the responsibility of being a board member. Wayne indicated he would like to be put in touch with any individuals board members know who might be interested in LexArt's new direction, so he can start a conversation to see if there is any interest. Peter recommended using language such as. "thought this would be interesting to you," and "we would appreciate it if you could consider supporting [...]" when reaching out to friends to ask for donations.

Wayne also noted research into non-profit philanthropy shows that timely thank-you's after donations are extremely important to donor retention and increasing giving. He would like board members to work together to ensure that they have called everyone who donates within a couple of days (ideally in the next 72 hours after a donation) to say thank you. Rachel has volunteered to lead and organize the effort.

Wayne also asked that everyone forward the annual appeal letter to at least two or three people. In addition to electronic copies, hard copies of the letter will be made available to board members along with envelopes with windows.

Jerilyn Heinold suggested that donors receive reports in the future that show what their specific donations have done for the organization.

5. Executive Director's Report Discussion (PPM p.23) [Link to report](#)

Wayne stated that he assumed everyone had read the Executive Director's report and so, rather than having Matthew repeats his observations, he would like to hear from each member of the board about if the big picture assessment of the Executive Director's Report seems correct to them, and if they agreed with the report that the current LexArt model is broken and needs to be addressed. Second, if the answer is yes, then what should be done about it.

Cassandra noted that the old model has not worked in the past, and the process of change has already begun over the past two decades. She said this discussion is long overdue, and the changes of opening up membership and access are critical to LexArt existing for the next 85 years. She said we need an administrative structure that supports LexArt's new values and theory needs to meet practice. Although the details must be worked out, she fully supported the changes.

Rachel also fully supported changing the model. She noted that it will be complicated and a major challenge to accomplish, but she is all for it.

Diane said she completely agrees with what she read in the Executive Director's Report. She noted that to make change we need to include others in the process. She wondered how LexArt got to its current state given what its mission and goals are and believes it's worth exploring what behaviors have historically kept LexArt from achieving its mission.

Matthew noted that the idea that the organization would serve the membership made sense back when the organization was originally founded. He pointed out that the organization should not serve membership, but membership should serve the organization.

Diane agreed with Matthew that the notion needs to be flipped, but points out that it is a daunting task, and that people need to be included in the conversation who are not invested in the current membership structure.

Laurie asked about the main issues in the report, bringing up membership shrinking and under-utilized studio spaces. Matthew said he didn't intend to have specific goals relating to issues in the report, since he didn't want to assume he had board support initially. He said he will need help going forward with the new model, and he does agree that the studio spaces are under-utilized and is interested in

separating the sales from studio use. He pointed out that due to the studios' inclusion in the current artisan membership level, only people who are geographically close by sign up.

Diane then questioned if Matthew is proposing renaming guilds or eliminating guilds. Matthew explained that while the guild's sense of ownership of the space has been good in that it encourages people to take care of the space, it has proved to be ineffective in growing membership. He said he would like to take away the ownership aspect of the space but keep the social aspect. There would still be groups that gather together and use the studio, but LexArt would pay staff to manage the studio space, take care of the equipment, and decide when classes will run.

Matthew said overall LexArt needs to be more welcoming. He provided examples to the board of other models he has considered, along with reasons why those models would make the ownership culture worse instead of getting rid of it.

Jennifer believed Matthew did a good job of explaining why the existing model does not work. She liked that we have elements of a plan in place, but now wants more details of the plan if there is going to be a new operational model.

Matthew said he didn't consider the elements of the report a plan yet, but rather just observations. He also noted that there is a massive gap between earned revenue and the operating budget, and he did not expect much to change going forward in terms of the importance of fundraising. No matter what the earned revenue becomes he said everyone needs to be more attentive to donors.

Nicole said it seemed everyone agreed that the current model is broken, but people will want to hear options about how the business model might change going forward.

Alison said we should involve people in the new model in different ways. She noted that many members have enjoyed being involved in different aspects of LexArt, like the gallery.

Nicole brought up the attachment amongst many members to the current guild structure, and Cassandra mentioned that although the organizational structure will change the personal relationships shouldn't change.

Cassandra then noted that while guild structures just happened to be how the organization was run in the past, presently it exists as a tradition of ownership, status, and power.

Wayne and Nicole agreed on the importance of keeping membership informed. Wayne noted that with changes the "what" and "why" need to be fully communicated to membership.

Wayne also noted that one of the only things lost with the proposed changes would be the unnecessary elements of bureaucracy. He then gave an example of how groups can still gather and organize and use the space. He said a group could form, email Chase for a meeting space and time, and announce and report on their activities in the newsletter.

Diane and Cassandra both think that there needs to be clear communication for the board and general membership about the vision and plan going forward.

Louise pointed out that a lot of changes have already been made in the past year, but there hadn't been a clear structure on educating everyone on what the changes have been. People don't have the full context and need to know more. Matthew responded that most of membership has not responded to his attempts at communicating, and he doesn't know how to make people listen or talk to him. Matthew provided some examples of his attempts at communicating with membership that he felt were not responded to.

Nancy Cornelius said the current business plan doesn't work and the building is mostly empty. She thought several of the ideas people came up with about how the public can better use LexArt's resources are fantastic. She especially liked the idea of having events at night. She supported the Executive Director's report and agreed that LexArt needs to think about how to pursue the proposed changes. She thought the current studio managers are the start of the shift. Rachel agreed that the studio managers have been extremely helpful.

Mike said that he is a complete outsider from the guild structure. His opinion as an outsider looking in was that the guild structure is a problem and hiring professionals to manage the studio spaces instead of guilds is a solution he supports and recommends as an outsider and a finance person.

Matthew agreed that additional funds should be raised to hire people to run the studios and sit in the gallery. He said people should be able to just come to the studios and work and not have to volunteer their time doing clerical work. If people come just to work and volunteering is no longer a requirement, it makes membership much more straightforward and the bureaucracy and bylaws that come with the guilds go away.

Steven says it is important to educate membership on the content of the Executive Director's Report, and Wayne agrees and says the report should be shared freely, especially since the board supports its direction.

Molly Nye said she agreed with everything and noted it was also essential to keep information flowing freely out so everyone will know what is going on. She also noted that volunteers are still needed.

Peter Demuth said that while the vision needs to be clearer, he agreed with everything he's heard. He said LexArt is a public community arts center and we need to operate that way. While some aspects of a sense of ownership are valuable, overall it is unproductive to have self-governing studios inside of a public facility. The idea that anyone cannot just become a member or use the studios, when the space is nowhere near full capacity, is not good. LexArt needs to move to a model where it is publicly available.

Matthew then asked the board if they agreed and believed in moving forward with the new model, and many voiced yes. Laurie then said "we're all in agreement."

Jennifer inquired about the primary fiscal investment and Matthew responded that it would be more staff. Jennifer and Diane then expressed that there should be a financial framework in place, and Wayne said he would work with the board to create a spreadsheet model. Wayne also noted that individual board members would need to help with this change.

Wayne then said that more research is needed on other makers spaces that have a user fee system.

Cassandra Goldwater then moved that the board endorse the Executive Director's report. Seconded by Diane Gordon. Thereafter, it was

VOTED: That the Board of Directors endorses the Executive Director's assessment that a new business and operational model for the organization needs to be developed that is in line with the mission, vision, and values previously adopted by the board. The motion was adopted unanimously.

Matthew noted that membership could still be involved in some aspects of studio management once there are paid staff members and the studios are no longer open 24/7. He does not have an answer at the moment as to exactly what that volunteerism for members would look like.

Matthew finished the meeting by saying that he was very pleased with the high level of participation and discussion.

Nancy Cornelius moved that General Authorization resolution. Louise Hara seconded, and thereafter it was unanimously:

VOTED: That, the Primary Officers of the Corporation be, and each of them acting singly hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all certificates, agreements and other documents, take any and all steps and do any and all things which any such officer may deem necessary or advisable in order to effectuate the purposes of each and all of the foregoing votes.

4:21 pm Adjourn

Respectfully submitted,
Hannah Wolfe



**Lexington Arts and Crafts Society, Inc.
Board Meeting
October 26, 2022**

- Who:** Board of Directors; Guild Board Observers
- When:** October 26, 2022. 2:00 pm
- Location:** **In person – Plummer Studio, 130 Waltham St., Lexington, MA**
Via Zoom Video Conference. [LINK](#). ID: 847 6305 4295; **Passcode:** Sparks!
Phone: (301)715-8592 Meeting ID: 847 6305 4295; Passcode: 7960509
- Contact:** Chase Jones (781.862.9696)
- Please Bring:** Documents distributed electronically
- Purposes:** **Votes:** Approve Minutes; Accept Treasurer’s Report
Review and discuss: Marketing Study; Development and Stewardship; Executive Director’s Report
- Agenda:**
- 2:00 Welcome
 - 2:10 Review and discuss 2022 Marketing Study with Consultant Heike Arendt (p. [2](#))
 - 2:45 Approval of minutes
 - a. Annual Meeting (p. [10](#))
 - b. June 14, 2022 Board Meeting (p. [13](#))
 - 2:50 Treasurers’ Report (p. [19](#))
 - 3:10 Development – Discussion of stewardship concept (report)
 - 3:20 Executive Director’s Report – discussion (p. [23](#))
 - 4:20 Wrap Up
 - 4:30 End

Marketing Study

Note: This file contains just the Executive Summary (next seven pages). The full report has been circulated as a separate file. We encourage you to review the full report.

LEXART MARKETING STUDY

SUMMARY REPORT

JULY 2022

arendt CONSULTING
MARKETING & RESEARCH

CONFIDENTIAL

OBJECTIVES

- Understand LexArt's competitive landscape and if, or how, LexArt is differentiated
- Identify barriers to participating in LexArt programs for the following groups:
 1. Socioeconomically disadvantaged individuals
 2. Non-European ethnic and racial groups
 3. Teenagers
 4. Adults, aged 21-50 across all groups
- Understand how these barriers could be removed so that the four groups would be motivated to participate in for LexArt programs
- Identify how best to reach the four target groups

METHODOLOGY

- Online survey that was divided into three sections with the following respondent counts:
 1. 95 Respondents who are not members of LexArt and are aware of LexArt
 2. 38 Respondents who are not aware of LexArt
 3. 24 Members, 39 Guild members and 13 former members of LexArt
- Survey was fielded from June 1 – June 22, 2022
- The link to request input from current and former members were sent out via the LexArt's database.
- The link to request input from non-members was sent via LexArt member's connections and 100 responses were collected via a panel.
- All respondents who were not members of LexArt needed to be somewhat or very interested in taking an art class in the next 3 months; be at least 14 years old and make all the decisions or share in the decision making process when it came to deciding on art activities for themselves or their family.

DATA OBSERVATIONS

- There are NO differences in responses from 138 white* and 72 POC respondents in total and/or when broken down by age.
- There are some slight differences in responses between income levels but can only be viewed directionally due to the small sample size. It was not possible to look at the income data broken down by age.
- There were 39 respondents who answered the teenage-related questions. 59% (i.e. 23 respondents) would NOT sign up for classes.

*) One respondent identified as white and POC, therefore the combined count is 210, which is one more than the total number of respondents

EXECUTIVE SUMMARY

Awareness

- LexArt's awareness is high within it's competitive set. Munroe Center for the Arts' awareness is slightly higher than LexArt.

Barriers

- Among those who did NOT consider taking a LexArt class, barriers were: not knowing which classes and when they are offered, and juggling the class within their personal schedule.
- Those who considered taking a LexArt class were held back by travel logistics in getting to LexArt and the cost.
- Schedules and not being skilled/advanced enough prevented many from signing up for studio time.

Quality: Class Satisfaction

- 1/3 of those who took a class at LexArt thought it was better than expected. The reason someone would not take a LexArt class again was because of expense or lack of time.
- LexArt has a large group of people who put LexArt in their consideration set. However, LexArt can do a better job converting prospects into student. This could be done by offering better class times (i.e. weekends and evenings) and possibly helping members get to LexArt. Other art centers were said to offer better time slots and have a more convenient location.

Driving Awareness

- The most common way that respondent have heard about LexArt is by driving passed it, or hearing about it from friends/family (via social media or talking) or Lex Art shows.
- Other art centers drive awareness in similar ways to LexArt, with the exception that other centers are mentioned in local artists' social media that people follow.

EXECUTIVE SUMMARY (CONTINUED)

Teenagers

- Almost 60% of respondents did not appear to be interested in the arts.
- A lack of interest in teenager classes is due not only to inconvenient timing but also costs and desires of teenagers.
- The interest in teenager classes might improve if alternative timing options were offered.
- Ideal time for classes is from 2-5pm over school vacations.

Membership

- Top benefits of membership are: Learning and being inspired by other artists; Being affiliated with like-minded people (meaning valuing art & the creative process); Being part of a community; and working in the LexArt studios.
- Respondents would like dues to be lowered with membership longevity and better deals with existing benefits.
- 46% of members volunteer more than 15 hours per year. 47% believe that the 15-hour volunteer requirement is “just right.” 53% of the membership believes that volunteering is important.

ADDITIONAL OBSERVATIONS & HIGHLIGHTS

Initial impressions of Marketing Committee

Overall

- Volunteering is valuable to members by making them feel more a part of the community. Need to find ways volunteering can assist with broader engagement efforts.
- Opportunity: People say they like the “newsletter” (probably mean weekly emails) and we get good “open” rates, *but* our conversion rate is lower than competitors.
- Surprising number of people not liking studio space ... does this refer to ceramics (cramped space?)

Education

- Improve class schedule communications
- Offer more evening/weekend classes
- Opportunity to help get people to class (e.g. create a volunteer program for transport)

Social Media

- Need to encourage more social media usage by members, students, visitors
- Encourage artists to post/share with their friends about shows

Next Steps

- Hire Marketing & Engagement Director (done)
- Complete focus groups to test out ideas

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**Minutes of
Lexington Arts and Crafts Society, Inc.
Annual Meeting
May 23, 2022
7:00 PM
130 Waltham St., Lexington, MA**

NOTE: Attachments to be included with record minutes.

The 2022 Annual Meeting of the Lexington Arts and Crafts Society was called to order at 7:04 pm by Wayne Davis, Chair of the Board. The meeting was conducted in person at LexArt, and via videoconference.

The following members, including members of the board (with *) attended in person: Casandra Goldwater*, Mike Lawson* Lauri Hugentobler*, Matthew Siegal*, Louise Hara*, Wayne Davis*, Molly Nye*, Carol Baran, Linda Langdon, Diane Johnson, Laurie Krigman, Cindy Samuelson, Sue Schiffer, Judy Monossan, Jerik Tornheim, Ruth van Merlo, Peter Bain, Bobbi Tornheim, Amy MacLeod, Jasmine Lipman, Amy Stevens, Wilda Ward, Doug Urban.

Wayne reported that 113 members had submitted proxy votes prior to the meeting, which exceeds the quorum requirement of 25% of the membership (total 290).

1. Approval of 2021 Annual Meeting minutes (Attachment A) Mike Lawson moved that the minutes of the May 18th, 2021 meeting be adopted. Seconded by Susan Schiffer. Thereafter, it was:

VOTED: That the membership hereby approve the minutes of the Annual Meeting of held May 18th, 2021.

The motion was adopted unanimously (all present in room, plus 85 via General Proxy authorization).

2. Volunteers of the Year. Wayne gave the podium to Casandra Goldwater to introduce the Volunteer of the Year Awards. Carol Baran and Lauri Hugentobler received the award for supporting LexArt with hours and hours of their time and talent. The Weavers Guild nominated Carol for her practical and positive attitude and for transforming the space and organization of their guild. Lauri has contributed to LexArt in innumerable ways including, developing the online shop, overseeing the gallery point of sale system, and contributing to the website development. She is busy helping with Matthew and Chase almost daily. Matthew noted that both women gave a great deal of their time through the difficult Covid years.

Wayne also recognized several other members whose volunteering has been critical to the success of LexArt. He named Jerik Tornheim for his support of the Simple Consign system, Roberta Norin for website development, and Karin LaPann and Jen Fuchel for their work on the newsletter.

3. Treasurer's Report. (Attachment B) Treasurer Mike Lawson reported that the Society's finances are on solid footing as of April 2022. He expects to present the FY 22-23 budget and the new Investment Policy at the June board meeting. Wayne Davis then reviewed several financial documents. Of note was that fundraising and donations have increased significantly over recent years and now comprise the majority of the Society's revenue. With increased expenditures, LexArt can no longer maintain itself solely on operating revenues. This means that it is now critical for LexArt to promote a mission that donors will support. LexArt must operate as a non-profit that serves the broader community, not as a private artisan club.

Amy MacLeod moved, with a second by Jerik Tornheim, that the Treasurer's Report be accepted as presented. Thereafter it was:

VOTED: That the membership hereby accept the Treasurer's Report of the Annual Meeting held May 23rd, 2022

The motion was adopted unanimously (all present in room, plus 85 via General Proxy authorization).

4. Year in Review & Executive Director's Report

Matthew Siegal described for those in attendance a very good year. LexArt is back to pre-covid membership levels. The society hired an Education Coordinator to expand and enhance our class offering. LexArt also hired several studio managers who help new students and novice members to the functional of several guilds. He noted a great year of fundraising from government, individuals, and membership. That revenue will allow for the creation of both an endowment and a capital reserve fund to make upgrades to the building. The Nye Gallery is signaling organizational renaissance to the community and hosted many community focused exhibitions. Several guilds now offer beginner classes to promote their art and encourage new membership. Guilds have also been more and more open with alternative uses of their studio space. LexArt has also expanded class and membership tuition forgiveness to individuals in need. He then reviewed the need for the new consignment split between LexArt (40%) and artists (60%).

5. Election of Directors

Nancy Cornelius, Molly Nye, Cassandra Goldwater, Alison Lauriat comprised the slate of nominations to Directors. Mike Lawson moved, with a second by Bobbi Tornheim, that the slate of Directors be accepted. Thereafter it was:

VOTED: That the membership hereby elect Nancy Cornelius, Molly Nye, Cassandra Goldwater, Alison Lauriat to the Board of Directors, with terms expiring in 2025.

The motion was adopted with overwhelming support (unanimous in room, plus the following proxy totals: Nancy Cornelius (94); Cassandra Goldwater (101); Alison Lauriat (95); Molly Nye (97).

6. Bylaw Amendment

Wayne Davis briefly described the need to update the wording in the bylaws regarding Board of Director terms. Peter Bain moved, seconded by Louise Hara, that the changes be adopted. Thereafter it was:

VOTED: That Article IV, Section 2 of the Bylaws of the Lexington Arts and Crafts Society, Inc. be amended as follows:

BY DELETING: At each annual meeting of the members or special meeting in lieu thereof

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following such initial classification directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire the 3rd succeeding annual meeting of members or special meeting in lieu thereof after their election and until their successors are duly qualified.

AND REPLACING WITH: At each annual meeting of the members or special meeting in lieu thereof following such initial classification directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire the 3rd succeeding annual meeting of members or special meeting in lieu thereof after their election and until their successors are duly qualified, except that in order to achieve a more equal division of classes or to provide for additional directors upon an increase in the size of the board of directors pursuant to Article IV Section 1 of these bylaws, the directors may authorize the election of directors at the annual meeting or special meeting in lieu thereof to more than class and to terms of less than 3 years and the terms of such directors shall expire with the terms of the members of the class to which they shall have been elected.

The motion was adopted, with unanimous vote in the room and proxies voting Yes (100); No (4); and Abstain (7).

8:24 pm Adjourn

Respectfully submitted
Peter Bain, Clerk

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**Minutes of
Lexington Arts and Crafts Society, Inc.
Board of Directors Meeting
June 14, 2022
10:00 AM**

Unless otherwise defined in the text of any Vote, all capitalized terms have the meanings as defined in the Bylaws of the Corporation, as adopted March 23, 2019 and subsequently amended.

Documents referenced in pre-meeting materials ("PMM") will be included in record minutes.

The June 14th Board of Directors Meeting of the Lexington Arts and Crafts Society was called to order at 10:06 am, conducted in person at LexArt and via videoconference, chaired by Wayne Davis, Chair of the Board.

The following board members were in attendance: Jennifer Bergantino, Peter Demuth, Jessie Chen, Nichole Mordecai, Wayne Davis (Chair), Matthew Siegel (President and Executive Director), Michael Lawson (Treasurer), Casandra Goldwater (Vice-Chair), Alison Lauriat, Lauri Hugentobler, Louise Hara, Molly Nye, Nancy Cornelius, Christina Gamota, Rachel Rosenblum. Clerk Hannah Wolfe also attended.

The following Guild Observers were in attendance: Malcolm Sole (Woodworkers), Terumi Irizawa (Metalworkers & Deco Arts), Susan McFarlane (Painters), Jerilyn Heinold (WFA), Wilda Ward.

1. Approve May meeting minutes (PMM p.4)

No one had any corrections on the minutes from the May 2nd meeting. Rachel Rosenblum then moved that the minutes of the May 2nd, 2022 meeting be adopted. Seconded by Alison Lauriat. Thereafter, it was:

VOTED: That the minutes of the May 2, 2022 meeting be accepted as presented. The motion was adopted unanimously.

2. Executive Director Report (PMM p.8)

Wayne brought up the discussion that took place during the Executive Director Report at the annual meeting on the new commission split for the artists who sell their work in the gallery. The previous commission split was 70/30 and it was changed to 60/40. Based on discussion at the Annual Meeting, Matthew subsequently recommended that the extra 10% the society will receive be devoted to various community outreach projects. The Executive Committee approved of the use of these funds for these purposes. Matthew suggested that there should be signage in the gallery that 10% of all sales go to

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public service (examples: collaborations with other service-oriented community organizations and nonprofits, need based scholarships and subsidized class tuition and member dues, etc.).

Jerilyn Heinhold inquired into the logistics of subsidizing fees for members. Matthew stated that members seeking need-based aid can inquire either to their guild or come directly to the office. If the guild pays the scholarship (because the person in need feels uncomfortable asking the office directly), the society will reimburse the guild. Reimbursement will be 50% of the total dues. Christina recommended anonymous sponsorships by members as well. Wayne suggested that Jerilyn and Christina speak on the phone and write up suggestions for Matthew.

3. Treasurer's Report and Budget Discussion (PMM p.11-p.15)

Treasurer's Report

Mike Lawson (Treasurer) noted that Society Cash and CDs are in great shape, but restricted assets have declined. He also made note that the accountants have not given him the May report yet. Mike says overall we are on track (specifically, membership is above target and the revenue from classes and workshops exceeds the budget). There is still the aforementioned timing issue with the gift shop, but he expects it will be cleared up by the end of the year. Our cash balance is over \$800,000, and Mike will provide an additional report in the next couple of weeks when the accountants send him the May fiscal report.

Wayne explained the circumstances surrounding why the gallery sales are less strong this year. Specifically, the "State of Clay" had big sales occurring in the final month (May) of the prior fiscal year, but the commission payout occurred in the current fiscal year (July).

Matthew noted that it would be good to find out the exact cost of running the gift shop and the gallery, because that's part of the marketing budget, not sales. He noted that if he moved money from marketing to sales, sales would have looked weaker. This led to a discussion about if marketing should be split into different areas (gallery, education, etc.)

Summary of the marketing split discussion: Mike says it would be possible to make separate accounts to show what is attributed to different categories. Cassandra pointed out that knowing how many volunteer hours are used in day-to-day operations would be helpful for allocating funds and tasks. Jen expressed her interest in prioritizing hiring a part time marketing coordinator. She would not prioritize tracking marketing categories due to the heavy overlap, but she would like to track which programs bring in membership. Matthew said we need to wait for the results of the marketing survey in order to plan. Once that plan is in place we can then discuss tracking allocations of funds. Wayne pointed out that we have to make choices about how much precision is worth the effort. Cassandra then asked for an update on the marketing survey and Wayne mentioned that the data will be collected by the end of the week, and the final results will be presented at the end of the month.

VOTED: That the Treasurer's Report be accepted. The motion was moved by Alison Lauriat and seconded by Cassandra Goldwater. The motion was adopted unanimously.

Budget

Mike noted that the prior year budget projected a \$43,000 dollar deficit, and that instead there will be a surplus due to fundraising. He mentioned that some of the excess funds from fundraising will be added in an extra line in the budget for next year. The noted line item will be under income and titled "un-restricted income."

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Mike then mentioned that office and payroll expenses are up because we now have studio managers and an education coordinator. He also reiterated that we have the firm Juna as our Bookkeeper and Nardella and Taylor as our auditor.

Matthew noted that the budget is presented differently this year than last year (this year he presented the budget and the Board Committees presented it last year). He broke down the aforementioned payroll and office expenses and made special note of the importance of the studio managers in helping bring new unskilled members into the guilds, helping students who take classes, and allowing Artisan members to use all the studios in the building through their Open Studio Hours.

Matthew mentioned that half a million dollars a year is what our business will hopefully be going forward. He then broke down professional services and business expenses of around \$121,000 (specifically marketing and IT assistants to consolidate the software used). Matthew then mentioned the expansion of high school scholarships and need based scholarships. He then discussed the programmatic upgrades and improvements that need to be made. He also mentioned that we will look into new technologies and digital craft practices, but he expressed that he feels strongly about pursuing programs in traditional regional crafts going forward. This statement led to a discussion on types of crafts the Society could pursue, member engagement, and funding.

Summary of regional crafts and budget discussion:

Matthew cited a potential soda or salt kiln as an example of a traditional craft offering that would set the Society apart from other regional offerings in ceramics. Alison and Matthew agree that there needs to be a planning group for this idea due to safety concerns. Nancy expressed additional safety concerns over the current raku kiln structure out back, and the outdoor space in general. The discussion then turned towards recommendations for pursuing traditional and indigenous crafts. Matthew pointed out the indigenous populations in Lowell, Lawrence, and Worcester have traditional crafting, and Christina mentioned the nearby historical societies, specifically the many embroidery resources in the area. Cassandra suggested a potential exhibit on cross stitching then and now, and Christina and Wayne both expressed interest in basketry coming back to LexArt. Alison asked if we should have a separate committee or task force for this discussion and Matthew said we could potentially have a mixed committee of members and board members. However, for the time being would look towards the guilds and the Education Coordinator to continue to research and make suggestions. Wayne would prefer that instead of a committee being formed, the guild observers present at the meeting should report back to their guilds and ask for ideas. He would like people to come to the office with their good ideas as soon as they have them, instead of waiting for a committee to be formed. Matthew then encouraged everyone to go out this summer to international craft fairs to keep an eye out for traditional craft techniques that inspire and excite them. Jerilyn ended the first half of the discussion by thanking the new studio managers for their work, particularly Krysten Morganti in her guild who has been a great addition and extremely helpful.

Jerilyn then brought up the topic of capital expenses. Mike mentioned that the Mass Cultural Council provided the Society with a grant and one aspect of the grant was assessing the facilities. He suggested a funded depreciation line to be added to the budget after the future assessment of the physical state of the building. Matthew then brought up that capital expenses are a separate budget and not part of the annual budget. He stated that \$50,000 was put aside this year in a capital reserve fund and he hopes that fund will continue annually as such. He also asked the guilds to put together their own depreciation schedule for their equipment and their studios. He says the guild's annual budget should include "asks"

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going forward, and sometimes these asks will be granted. Matthew and Wayne stated that the best organized and documented requests will get precedence. Mike Lawson then moved, Cassandra Goldwater seconded that the budget resolution be adopted. Thereafter, it was

VOTED:

WHEREAS, the LexArt Capital and Operating Budget for Fiscal Year 2022-2023 (June 1, 2022 to May 31, 2023) has been recommended for adoption by the Finance and Audit Committee and by the Executive Committee, be it therefore

RESOLVED, that the Capital and Operating Budget attached hereto is hereby approved and allocated.

RESOLVED, that the Primary Officers of the Corporation are, and each acting alone, is hereby authorized to do and perform any and all such acts as such officers shall deem necessary or advisable, to carry out the purposes and intent of the foregoing resolutions, provided however that such acts are consistent with this Budget.

RESOLVED FURTHER, that any actions taken by the Primary Officers of the Corporation prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed and approved as the acts and deeds of the Corporation.

The motion was adopted unanimously.

4. Allocation of Sales Proceeds.

Wayne suggested that even though the Executive Committee already approved that 10% of the top line of total gallery sales should go towards community service endeavors, the Board should still vote on the motion.

VOTED: That 10% of total gallery sales be devoted to community endeavors. The motion was moved by Cassandra Goldwater and seconded by Laurie Hugentobler. The motion was adopted unanimously.

5. Investment Policy (PMM p.34-p.39)

Mike stated that we need to set aside some funds to create an endowment for the Society as fundraising continues. LexArt had previously adopted a Cash Management Policy, but that did not adequately address how we allocate and invest funds for an endowment. The proposed Investment Policy sets the procedures for how we will make decisions. The precise amount of money assigned for operations and endowments needs to be determined soon in order to move ahead with the creation of funds for the endowment. Lastly, Mike stated that there should be an emergency component to the endowment. He also mentioned that the endowment can be self-directed by the audit finance committee for the time being unless and until the endowment becomes so large in the future that hired help is needed. Mike Lawson then moved, seconded by Cassandra Lawson that the Investment Policy resolution be adopted. Thereafter, it was

VOTED:

WHEREAS, the Board of Directors adopted a "Cash Management Investment Policy Statement" at its September 10, 2019 meeting with the stated purpose "to establish guidelines and procedures for the management of [LexArt's] non-operating cash;

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WHEREAS, the Board of Directors has not previously adopted a policy regarding the investment of funds to be held for longer terms;

WHEREAS, the Corporation's fundraising efforts since 2019 have resulted in gifts of sufficient magnitude as to permit prudent investment of funds for longer terms; and

WHEREAS, the Finance and Audit Committee and the Executive Committee have recommended that the Cash Management Investment Policy Statement be replaced with a policy that establishes investment and cash management objectives, policies, guidelines, and eligible securities related to all assets held by LexArt and any Guilds or other subsidiary organizations; be it therefore

RESOLVED, that the "Investment and Cash Management Policy" attached hereto is hereby approved and adopted;

RESOLVED, to establish one or more investment accounts in the name and on behalf of the Corporation with such financial institutions as the Chair, President and the Treasurer shall determine from time to time in their discretion;

RESOLVED to authorize the Treasurer acting singly to purchase, sell and reinvest in such account(s) in accordance with the foregoing resolutions; and

RESOLVED to approve and adopt the standard resolutions prescribed by any financial institution in connection with the immediately preceding resolutions as though set forth in full herein, and to attach such standard resolutions hereto.

The motion was adopted unanimously.

6. Termination of Cash Management Policy

Wayne noted that the Cash Management Policy from 2019 should be discontinued immediately, since the new policy addresses the same questions but in the broader context.

VOTED: that the "Cash Management Investment Policy Statement" adopted September 10, 2019 be terminated, effective immediately. The motion was moved by Mike Lawson and seconded by Jerilyn Heinold. Adopted unanimously.

7. FY 22-23 Meetings (PMM p.3)

Wayne brought up a social gathering for the current board, hosted by Christina. Tentative potential dates for this event are September 10th or September 17th.

Wayne explained the times of the year the next 5 board meetings should be held. He has five suggested times (PMM p.3). Susan mentioned that the first proposed date for the upcoming board meetings overlaps with the classes that have already been scheduled in the Plummer Studio on that date. Wayne said he will look into when the Plummer studio is open in the fall and suggest a new date. Wayne also said that while he would like to keep the week the same for the five dates mentioned (PMM p.3), he is open to changing the day and finding a time of day that works best for a majority of participants. He would strongly prefer board meetings be held in the Plummer Studio, but Laurie suggested the seminar room as a backup.

VOTED: To accept the following approximate dates listed for the next 5 board meetings, subject to further adjustment following consultation with the board.

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Tuesday, September 20, 2022
Thursday, January 26, 2023
Tuesday, March 21, 2023
Tuesday, May 23, 2023 (following Annual Meeting)
Tuesday, June 21, 2023

This motion was moved by Mike Lawson and seconded by Rachel Rosenblum. Adopted unanimously.

8. General Authorization. Mike Lawson moved, Rachel Rosenblum seconded and thereafter it was

VOTED: That, the Primary Officers of the Corporation be, and each of them acting singly hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all certificates, agreements and other documents, take any and all steps and do any and all things which any such officer may deem necessary or advisable in order to effectuate the purposes of each and all of the foregoing votes.

11:42am Adjourn

Respectfully submitted
Hannah Wolfe, Clerk

Treasurer's Report

TO: LexArt Board Members
FROM: Michael Lawson, Treasurer
DATE: October 26, 2022
SUBJECT: Treasurer's Report

This Treasurer's report contains three parts: 1) the balances in our various accounts for both the Society and the Guilds as of September 30, 2022, 2) budget versus actuals through September 30, 2022, 3) a summary description of the investment activities of the Finance Committee following the approval of an Investment Policy by the Board at its June meeting. Please note that the May 31, 2022 year-end audited financial statements are close to completion and will be distributed via email, along with our Form 990, when that is ready for filing.

Account Balances as of September 30, 2022

- Society Cash and CDs in various accounts: \$ 748,588.27
- Restricted assets: \$ 187,962.25
- Guild Balances: checking, savings & CDs \$ 114,403.19

Budget vs. Actuals Year-to-Date

The budget vs. actuals, year-to-date, for the period June 1, 2022, to September 30, 2022, can be found in the financial statements prepared by Juna on page 3. *Included with board package as separate file.* As can be seen, revenue from class/workshops and membership have substantially exceeded budgeted amounts. On the other hand, revenue from gallery sales and donations have not, as yet, met budgeted amounts. On the expenses, general administration appears well over budget, and this seems to be driven by unbudgeted advertising expenses.

Investment Activity

At its June 2022 meeting, the Board approved a new investment policy for the Society. The new policy incorporated the existing cash management policy and sought to "create an Endowment from existing funds which are currently not required to support either the annual operating budget or short-term capital expenses." The policy further laid out the responsibilities of the Board, the Finance Committee and management and, provided guidelines for investing. Finally, the policy authorized the Treasurer to investment funds on behalf of the Society. The policy was developed by the Finance Committee and was adopted unanimously by the Board.

Two primary tasks were undertaken by the Finance Committee before investments could actually be made. The first was to determine the short, intermediate, and longer-term cash needs of the Society for its on-going operations. Secondly a summary needed to be created of all of the various funds held by the Society. (At the time the Committee met, it used the fund balances as of March 31, 2022, as show in attached *Appendix A – Status of Various Accounts.*) These determinations would then further highlight the funds that could be invested, the amounts and for what duration.

Once the Finance Committee understood the status of various accounts and the cash needs of the Society, an asset allocation plan was developed by the Treasurer differentiating between operating cash, non-operating cash, current accounts, and long-term investments. Cash would be held in a traditional checking account and non-operating cash would be held in Treasury Bills.

The Treasurer’s proposed Asset Allocation Plan was reviewed, discussed, and approved by both the Finance Committee and Executive Committee and is attached as *Appendix B – Asset Allocation Plan.* As indicated on the Asset Allocation Plan, existing accounts such as Ferrara, Nagatomi, Rawding and Beasley would remain held at Brookline Bank and Vanguard. Long-term investments would be split between equities and bonds, with 70% held as equities and 30% held as bonds. These investments would be made at Vanguard where the Rawding and Ferrara are currently held and would be invested in broadly-based funds.

As of today, a new account has been opened at Enterprise Bank in Lexington. Enterprise Bank will buy Treasury Bills for the Society. Also, a third account has been opened at Vanguard. However, at the current time, I judge the markets as too volatile and consequently, at this time, funds will be transferred from TD Bank to a money market account at Vanguard. The purchase of broadly-based equity and bond funds will be delayed.

Appendix A to Treasurer's Report

Lexington Arts and Craft Society Status of Various Accounts

Reported below is the status and amount held in various accounts by the Society and Guilds. Balance as of March 31, 2022.

Known Restricted Account

1. Ferrara Account (Vanguard) -- \$105,434.05
2. Society (Powell Scholarship Fund, (Brookline Bank CD) -- \$8,270.85
3. Mary Nagatomi Fund (Brookline Bank CD) -- \$14,298.77
4. Delores Rawding (Vanguard) -- \$17,881.38.

TOTAL RESTRICTED FUNDS: \$145,885.05

Balances at TD Bank

1. Society -- \$666,193.15
2. Painters -- \$19,413.76
3. Metalworkers -- \$6,983.69
4. Needlearts -- \$337.82
5. Woodworkers -- \$12,522.22
6. Beasley -- \$8,001.76
7. Ceramics -- \$24,358.22
8. Polymer and Beading -- \$3,593.40
9. Weavers -- \$3286.71
10. Deco Art -- \$543.48
11. Ceramics -- \$7,407.84
12. Nye Account -- \$3,540.43
13. Weavers --\$2,094.31
14. Metalworkers -- \$10,940.62

TOTAL HELD AT TD BANK: \$838,435.49

Balances at Brookline Bank

1. Permanent Fund (CD) -- \$48,999.75
2. Operating Fund (CD) -- \$67,892.65

TOTAL HELD AT BROOKLINE BANK: \$116,892.40

TOTAL RESTRICTED FUNDS:	\$145,885.05
TOTAL UNRESTRICTED FUNDS:	\$955,327.89
TOTAL FUNDS:	\$1,101,212.94

Appendix B to Treasurer's Report

Asset Allocation Plan for The Lexington Arts and Crafts Society

Operating Cash \$100,000
Business Checking Account
Bank 1

Non-Operating Cash \$544,000
2-year Treasury Bonds
Quarterly investment of \$136,000, cash to be
held in a money market account
Bank 2

Current Accounts
Ferrara (held at Vanguard) \$ 96,525
Nagatomi (held at Brookline Bank) \$ 14,305
Rawding (held at Vanguard) \$ 16,303
Beasley (held at TD Bank) \$ 8,002
Total **\$135,135**

Long-Term Investments
Equities – 70% \$185,850
Bonds – 30% \$ 79,650
Total **\$265,500**

Quarterly investment of \$66,375, cash to be
held in a money market account
Vanguard

Equities:
Vanguard 500 Index Fund VFIAX (30%) \$ 79,650
Russell 2000 Value Index Fund VRTVX (25%) \$ 66,375
Vanguard Developed Market Index Fund (15%) \$ 39,825
Total **\$185,500**

Bonds:
Vanguard Total Bond Market Index Fund (15%) \$ 39,825
Vanguard Short-term Bond Index Fund (15%) \$ 39,825
Total **\$ 79,650**

Executive Director's Report

Observations Assessments from a director's two-year tenure

I would like to offer my observations and assessments of the Lexington Arts and Crafts Society organizational structure, business, and culture through the lens of my thirty-three years in arts management. I served in nine administrations for four arts non-profits, and three administrations in two arts for-profits in a total of four U.S. states. In these capacities, I partnered with and worked within hundreds of arts and culture entities – schools, universities, libraries, galleries, exhibition halls and museums. I pride myself on being an astute student of what led to successes, what led to failure, and why. I will share my findings as dispassionately as I am able. Before doing so, I would like to express my deep respect for the history of LexArt, for the vision and drive of the founding members and for everyone that has put heart, soul and sweat into maintaining the organization throughout its eighty-seven-year history. I recognize that LexArt is only here today, because of everyone that has come before me. I will offer this context to my commentary, no one has spent more time at LexArt than I have over the past two years, and no one has spoken to more people in the community about LexArt than I have during this time.

LexArt Mission and Purpose

Below is the mission language that this board approved and adopted in 2021.

OUR MISSION

To spark joy, enrich lives, and build community through the practice, teaching, and sharing of art and craft.

OUR VISION

The human need to create is celebrated, encouraged, and embraced.

OUR VALUES

We are welcoming, inclusive, and accessible to all

We embody generosity and a spirit of service

We foster curiosity, creativity and collaboration

We demonstrate kindness and respect for one another.

We fervently believe that creative exploration helps us understand ourselves, each other, our commonality and binds us together.

OUR GOALS

Cherish and pass-on traditional methods of craft.

Acknowledge and welcome diverse and contrasting voices.

Celebrate new perspectives and ideas.

Increase the community's knowledge, appreciation and awareness of art and craft

Be a vibrant center of creativity and growth, providing ladders of learning and pathways of access and engagement.

To summarize the above language: The desire and need to create that is fundamental to our humanity and defines us as a species, does not stop, is not complete or fulfilled with our individual act of making.

It is completed by sharing our creations, by learning from and teaching one another, and by providing the opportunity for others to create. That must be our imperative and that must be our purpose and we must strive to make this organization reflect that purpose.

Challenges of our Membership Structure and Impact on Mission

A healthy non-profit, a stable and sustainable non-profit, is a three-legged stool of earned revenue, returns on investment (endowment) and yearly contributions. The development of the latter two, are contingent on providing community service, being a mission driven organization, serving a broad public and demonstrating goals and values consistent with and engaging civic philanthropic support. LexArt as any non-profit, cannot exist on earned revenue alone. Trying to do so, is in direct opposition to keeping costs of membership and building use modest, and LexArt financially accessible to the broadest possible audience. As costs go up, accessibility and appeal go down and produce diminishing returns. There are many alternative art spaces in the surrounding areas, vying for engagement of users, volunteers, and funders alike.

Given its current model, the number of people that LexArt can serve as “members” will forever be limited to those that can or are willing to make a year commitment, those that have the free time to fulfill Society and guild volunteerism and responsibilities, attend guild meetings, and hopefully work in the studio. This precludes most individuals that work full-time, are raising families or caring for others and don’t have ready access to transportation, including the young. Couple this with requirements of existing competence in a craft, or the time and the cost of gaining competence in a craft through several training courses, and the population that remains, becomes reflective of our current membership, mostly but not exclusively, older, white, retired, upper-middle-class individuals (not families or young people) with prior craft training. It is not hard to see why we struggle to grow our membership. The idea of requiring competence in a craft, as well as the same contribution from everyone as a function and requirement of membership must have made sense to our founding members, building an ideal, cooperative “society”, but in present day it does not. Today our model serves a severely limited audience. Today we live amongst a broadly varied population, racially, ethnically, religiously, socio-economically, by age, by genders, by reasons for wishing engagement with the arts and crafts. We cannot be accessible, inclusive, diverse, and financially viable, unless we develop an organizational model that provides for the broadest possible community engagement.

The financial structure of our current guild-membership model divides the costs of running the individual studios or shops, and the costs of running the building, its infrastructure, and the overall business. That is what we refer to as guild fees and LexArt (Society) dues respectively. Guild fees are the cost of annual access to, and maintenance of a studio, Society dues are the annual cost of all other member benefits and operational costs including utilities, insurance, maintenance of the building, its grounds and systems, and use of the parking lot. The volunteer commitment is a means to keep the cost of annual membership modest.

The division of annual cost of LexArt membership between guilds fees and Society dues has been structured, or evolved over time, as to cover 100% of the operating costs of the guild studios, but at best, only 30% of the operating costs of the overall facility and business. This year we may realize \$60K in membership dues, against an annual operating budget of \$440K. With the costs of operating the studios secure, guild members have had little incentive to assist with realizing the revenue goals and needs of the annual operating budget in the form of sales of artwork, hosting studio classes, making or soliciting financial gifts, recruiting, or even accepting new members, or in helping to operate the overall

business in the form of volunteerism. Guild members have regularly provided impediments to these revenue-generating activities in numerous ways, primarily by limiting access to membership, and to the studios for both students and instructors. This has and continues to directly affect the reputation and the health of the organization, both financially and culturally. Part of what I have learned in my two-year effort to engage Lexington and its surrounds, is that LexArt is viewed unfavorably by much of the community. This sentiment has been shared by a wide variety of people – members of town government, officers of other local arts and culture organizations, granting agencies and the general population. All have made their comments unsolicited, and based on their positions, I would assume have some good context for making them.

Internally these behaviors stymie artistic and creative growth, encourage, and breed insularity, and beg the question as to the fulfillment of our mission and the reason for our existence. They are not consistent with the charge of a charitable non-profit to operate in the public interest and are wholly counter to the singularity of purpose that is necessary for any organization to be successful. How can we exist in the absence of a single common mission?

One of the most damaging outgrowths of the given structure of the organization is the necessary negotiation to hold studio classes. That is, for the Society to have access to the studios, and the tools and equipment therein, for purposes of public engagement, education, and revenue generation. LexArt has needed to negotiate the use of its own assets. Further to this arrangement, LexArt has paid the guilds for the use of its assets, in the form of a percentage of class revenues or a studio fee. It is not possible to envision any successful business model that compromises or handicaps LexArt's primary mechanism of revenue generation, the use of its principal assets to engage others in arts and crafts education.

Although the guilds are not uniform in their approach to studio use, the majority of members prefer to work in groups at regular but relatively infrequent meeting times. As a result of the above approach to management and use of the facility, the studios sit empty or unused much of the time, costing us, rather than earning us income.

To summarize the above dynamic, the guilds have had decision-making capability regarding the management and use of the studios, the organizations primary assets, without the responsibility of meeting or helping to meet the bottom-line of the business. It is easy to see how this has led to the evolution of the above-described behaviors.

We have two intersecting issues or dynamics in play. The first as described above is that the annual guild membership and volunteer model of our organization serves a limited population or audience and has led to the cultural environment as described above. The second is, this limited population cannot possibly support the current membership-based business model. All our earned revenue is tied to membership. Our membership dues are limited by the audience that we can or are willing to serve, our sales are restricted to what this limited membership can or will produce or are willing to sell through LexArt as opposed to other outlets, and our number of classes and class schedules are limited by guild control of the studios. On top of this, philanthropic support is tied to the number of people and populations that we serve and is thus severely limited as well. Our current membership/guild-based business model fails in every category.

The concept or rubric of a consistent and uniform volunteer contribution as a condition of membership was one of the founding principles of the "Society" and is primary to the architecture of our business

model and practice. I have already opined that it may have been a socially functional model in the first half of the 20th century, amongst a much more homogeneous and narrowly defined community with a great deal more discretionary time, but that it is a poor social model today amongst a much more varied and broadly defined community. It is also proving a poor financial model. A significant volunteer contribution from every member is part of the calculation that determines the necessary dues and fees of membership, as well as the member benefits that the organization can afford to provide. In the present absence of uniform volunteerism, this aspect of the membership/guild business model is failing as well.

The cooperative foundation of the organization, the contract if you will, between LexArt and its members that makes or has made members stakeholders in the organization, is a two-way contract. The organization provides service to its members in turn for its members providing service to the organization in the form of support for and fulfillment of its mission, goals and values, conduct and comportment consistent with the obligations of a charitable non-profit, and concern for the reputation, health and success of the business. In the absence of such organizational cooperation and support, the historical model of member as organizational stakeholder collapses, as does the business based on such a contract.

A Path Forward

In addition to the moral imperative of making the arts accessible to all, we have financial and legal imperatives as well. We need to broaden the base that we serve, as well as revise our business model away from one solely tied to, dependent upon, and limited by membership. We need our mission and our practice to reflect and embrace the current goals of philanthropic giving to almost all present day arts and culture organizations and causes, diversity, equity, inclusion and access (DEIA), that is serving underserved and under-resourced populations, trying to address social and economic disparities by providing equal opportunities, calling attention to issues of social justice, supporting and partnering with other like-missioned arts and culture organizations in our and surrounding communities, and that is not acting as gatekeepers to a resource that has been, continues to be, and must be operated in the public interest. As I have articulated previously, individual members are not obligated to these moral, legal and financial imperatives, but everyone must understand and accept that the LexArt is so obligated. This organization has these obligations and responsibilities to our community and to our society.

We have been working to reflect this approach in the use of our facility and in our public engagement. We expanded our high school scholarship program, which offers cash awards and recognition to graduating seniors pursuing careers in the arts. Historically only available to Lexington High, it is now extended to five area communities and will be further expanded next year. We offer these awards in concert with our annual high school exhibition which features the work of students of up to ten area high schools, including hosting individual receptions for each participating school.

We have started offering need-based membership dues and tuition subsidy and forgiveness, unlimited class scholarships to clients of the Lexington Refugee Assistance Program (LexRap) and the Lexington Housing Assistance Board (LexHab). This past spring, Orshi, a young Afghan refugee was able to come to terms with her PTSD through painting classes at LexArt, and Daniel, a young chef attending drug and alcohol treatment at Tharros House, located next door to us on Waltham Street, was able to include woodworking at LexArt as part of his therapy.

Last year we shared the gallery with the Lexington Human Rights Committee to promote race amity, held the sixth annual exhibition of the Korean Cultural Society of Boston, reached out to LexSeeHer in

partnership with the Lexington Historical Society, who helped us celebrate Black History month by telling the story of Margaret Tulip, a freed slave who lived in Lexington in the latter half of the 18th century. We invited eight other Boston area community art centers to help us celebrate the grand re-opening of our gallery following renovation, by exhibiting their artwork around the theme of *Reflection, Reawakening, Resilience*, our collective response to the pandemic, and we celebrated our Nonagenarians, mounting an exhibit of our nine, ninety-plus year-old members.

This year we have opened the gallery to and partnered with the New England Sculpture Association, whose exhibition activated our gallery space in new ways and filled a vacant summer time slot, the foundation of Middlesex Community College, to display student and faculty work and host a fundraiser to support student financial aid, to the Refugee Artisans of Worcester who tell a great story of using the arts to help support and establish resettled refugees in the Worcester area. We are giving one hundred percent of sales proceeds to the refugee artists. These projects forged new, sympathetic and lasting relationships. We will once again open the gallery to LexSeeHer to celebrate Black History month and the Korean Cultural Society, to the Lexington Housing Board and Refugee Assistance Program to examine the theme of home, and LexArt will host an exhibit of Chinese brush painting in tandem with events celebrating Chinese New Year and our local Chinese community.

Concurrently, we are working to improve the quality of our instruction and our overall level of artistry by seeking out additional, more varied, and highly skilled instructors looking to teach intermediate and advanced level studio classes. We will place much more emphasis on educational components of gallery programs and hope to restart artist and scholarly talks that are available to everyone, including the public. We are looking to further our programs in traditional New-England craft, to distinguish ourselves from other area art and craft centers, while at the same time looking to expand into new areas of craft and technology to engage new and younger audiences. To this end, and with the help of the Community Endowment of Lexington (CEL), we commissioned a marketing analysis to determine possible barriers to our engagement of younger and more diverse audiences. I believe CEL has taken notice of LexArt's community work and expanded mission and wishes to encourage and aid it.

We would not have been able to move in this direction of public service and engagement without a solid foundation of support from a core group of dedicated board members and membership. Unfortunately, this limited group is not adequate to transition the organization and carry the business forward. Perhaps I have not clearly articulated and defined the organization that I am pushing us to be. It may not be clear to present membership, where they may fit or how to apply themselves, or they may be uncomfortable in an environment not as limited, clearly defined, and well-known as the guild structure and the walls of the studio. There is much that can and should be carried forward from our present organization. There are wonderfully positive aspects of the membership-guild structure I have observed. The social, cooperative, supportive, sharing, and instructional nature and qualities of guild-member relations are positive, desirable, and admirable. Our challenge is how to maintain and encourage the positive and remove the causes for the negative. Our members individually would not behave as described above. The guild structure and ensuing behaviors are both the cause and the result of the organization remaining in stasis. I know that the current guild structure (at least operationally) cannot persist if the organization is to survive. The question is, can any semblance of the membership and guild structure be salvaged, and if not, what will take its place.

The Lexington Arts and Crafts Society was founded in 1935, in the midst of the great depression. Its founding principles in no way reflected the desire to provide public service, to give back to community and greater society, to be open and inclusive, or to look to the future, that are outlined above, and that

an arts organization must embody in present day. Our financial structure reflected the mindset of the times, how to maintain at minimal cost. Historically our strategy and practice was to rely solely on earned revenue to meet the expenses of a desired breakeven annual operating budget. When situations arose that required additional capital, the hat was passed, and the small membership contributed necessary funds. This was a successful model. It provided for the purchase of our lot, the construction of our original building, two subsequent building additions, the outright ownership of all, and it has maintained our organization throughout its history. Regardless of any other commentary and discussion, the maintenance of LexArt thru eighty-plus years must be recognized and celebrated. But therein also lies the issue. In the 50 years since the completion of our last addition in 1972, we have done little but maintain and not done a substantial job of that. We have not saved or put aside funds to upgrade, much less keep our facility up to date. We have not made investments in financial instruments, in our growth, in our mission, in our community, or in our future. Our model to the extent it served us in the past, has limited us to the practical and the possible of 1935. It left us with little to no savings, alienated us from our community and left us as the island of Utopia from which the "Society" draws its name. I am lauding our organizational model's past success, while trying to make the case that its time has long passed.

I understand how and why the culture of our organization has developed or evolved as it has. The overriding sentiments are not unique to LexArt. They are based on what has been described as a paradigm of scarcity. Any organization founded in 1935 must have that sentiment in its DNA. That is resources are limited, the size of the pie to be shared is finite and a larger piece of pie for you, means a smaller piece of pie for me. If there is anywhere that the paradigm of scarcity does not apply, it is in the arts. The arts are not the arts, unless they are shared, unless they are accessible to all. If what we are defining is available only to a limited few, then it is an endeavor, a practice, or pursuit, but it is not the arts. The greater our public engagement, the more people that we serve, the larger the pie grows and the larger the portions become. Our membership model has and continues to be self-defeating. The path forward is one of openness, sharing, accessibility and public service. It is by going out of our way to demonstrate our contributions to community life, health, and vibrancy. It is by working to infuse LexArt into every aspect of civic life, by making ourselves invaluable to the community and making it unimaginable that we would be allowed to fail. It will attract others wishing to support, fund, and make contributions to civic life. In this way, the resources that we have will increase vastly and will benefit all. Not only will the pie grow, it will better reflect the make-up of our community, it will be richer, more varied, encourage curiosity, experimentation, creativity, personal growth and enrichment.

Transformation

Our members are not monolithic in their reasons for membership. Some singularly value the benefit of exhibiting and or selling their art and handicrafts. Some don't value these benefits at all and singularly value studio access. We should:

- separate out the exhibition and sales program from studio use and access. Membership would be akin to many other area art centers, that do not have makers spaces or studios. It would be modest, around \$100, and would have all the present benefits of membership, with the exception of studio access. It would include the right to exhibit and sell in the gallery, retail space, online, in fairs and Holiday Market, scheduled use of meeting and classroom spaces and discounts on classes. This would make membership attractive to a far greater number of people, including those that have their own or other studio space, and those far outside our geographic area.
- Provide access to the studios to anyone via a monthly user fee. Fee will vary by studio.

- Pay professionals part to full-time to manage the studios that need it. There are presently four, Ceramics, Woodworking, Metals and Fiber.
- Studio managers would help research, identify and secure outside instructors with the goal of increasing the overall level of craftsmanship of the organization. Presently the guild practice or using only or predominantly member instructors, has led to forcing members and the public to look elsewhere for intermediate and advanced training.
- Pay to staff the gallery
- Do away with volunteer requirements altogether. Not volunteerism, but volunteer requirements. Studio managers would manage volunteerism in the studios. We could develop a volunteer program for non-studio related tasks akin to other non-profits, including attracting non-member volunteers either to support our mission or to gain experience.
- Determine name, form, and function of makers groups to replace current guilds. Continue to provide email groups and access to calendars for these groups if desired. Makers groups need not be limited to “members” but can be comprised of everyone using and sharing studio spaces and individuals would be free to participate in as many makers groups as they wished. Dedicated studio time/use could be scheduled for makers groups. Makers groups or other project groups could easily form on an ongoing or temporary basis around specific topics or activities and easily disband as necessary.

The building is the organizations primary asset, and its use must be maximized, professionalized and be consistent with the values and goals of the society. Currently the studios are empty much of the time or simply vastly underutilized.

- We could schedule many more classes and possibly rent the studios to other organizations or instructors.
- The studios would be available for use by the general public.
- We could have scheduled focused studio time for youth, teens, couples, families, and members, *etc.*
- We could offer corporate packages for studio use for employee rewards and enrichment
- The business possibilities grow enormously and would reflect the pervasive business models of other like art centers.

I offer my observations, assessments, and recommendations as a starting point for discussion. I recognize the work necessary to provide detail and suggest feasibility. Simply stated, we must start any strategic planning or discussion with the examination of our present guild-membership model. It is not possible to contemplate or engage in moving the organization forward without doing so.