



Lexington Arts and Crafts Society, Inc.
Board Meeting
March 21, 2023



**Lexington Arts and Crafts Society, Inc.
Board Meeting
March 21, 2023**

- Who:** Board of Directors; Guild Board Observers
- When:** March 21, 2023. 10:00 am
- Location:** **In person – Plummer Studio, LexArt** 130 Waltham St., Lexington
Zoom Video Conference. [LINK](#). ID: 811 1429 4514 Passcode: 198673
Phone: (301) 715-8592 ID: 811 1429 4514 Passcode: 198673
- Contact:** Wayne Davis (978-505-2710, phone or text)
- Please Bring:** Documents distributed electronically
- Purposes:** **Votes:** Approve Minutes; Accept Treasurer’s Report; Annual Meeting and Board Nomination; General Authorization
- Review and discuss:** Development Report; Executive Director’s Report
- Agenda:**
- 10:00 Welcome and agenda review
 - 10:05 Approval of January 26, 2023 Minutes ([p. 5](#))
 - 10:15 Treasurer’s Report: Questions and discussion ([p. 10](#))
 - 10:25 Development Report and discussion ([p. 18](#))
 - 10:40 Executive Director’s Report
 - 11:30 Nominating and Governance Committee Report ([p. 23](#))
 - 12:00 Reserved time
 - 12:30 Meeting end

Additional Information

1. Proposed Resolutions ([p. 3](#))
2. Schedule of Upcoming Meetings and Events ([p. 4](#))
3. Systems Replacement Plan Project Update ([p. 20](#))

Proposed Resolutions

1. **Acceptance of Minutes**

That the minutes of the January 26, 2023 meeting be accepted as presented [*or as corrected*].

2. **Acceptance of Treasurer's Report**

That the Treasurer's Report be accepted as presented.

3. **Call Annual Meeting**

That the Annual Meeting of Members (the "**Annual Meeting**") be held on Monday, May 23, 2023 at 7:00 o'clock p.m., local time, at LexArt, 130 Waltham St., Lexington, MA for the following purposes:

- a. to elect up to four (4) Directors; and
- b. to transact such other business as may properly come before the meeting or any adjournment thereof.

That the record date for determination of the members entitled to receive notice of and to vote at the Annual Meeting shall be the close of business on April 28, 2023.

That Hannah Wolfe and Chase Jones and each of them, are designated proxyholders to vote proxies received from the members for use at the Annual Meeting.

That the President, Chair, and Clerk and each of them, are authorized and directed to prepare, or cause to be prepared, and to send a Notice of Meeting and a form of Proxy in connection with the Annual Meeting in such form as may be approved by such officers.

4. **Board Nominations**

That Nicole Mordecai, Rachel Rosenblum, Wayne Davis, and Crystal Ribich be nominated to the Board of Directors, each with a term to expire at the 2026 Annual Meeting.

5. **General Authority**

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.

Schedule of Upcoming Meetings and Events

BOARD MEETINGS

May 23, 2023 (~ 8PM). Brief organizational meeting following Annual Meeting.

June 21, 2023 (10am-noon). Adoption of budget. Committee assignments.

ANNUAL MEETING

May 22, 2023 (7 pm)

BOARD SOCIAL GATHERING

June 17, 2023 (3-5 pm). Social get together for board members and their partners in Christina Gamota's garden.

EXHIBIT OPENINGS AND RECEPTIONS

April 16, 2023 (2-4 pm). *Hue: 2023 Middlesex Community College Student Art Show*. Show runs April 15-May 7.

May 20, 2023 (all day). Lexington Open Studios (various locations in Lexington and at LexArt).
Special event: *Impressionistic Art in the Garden* hosted by Lexington Garden Club event, juried by Matthew Siegal and with the participation of LexArt members. In Christina Gamota's garden.

May 21, 2023, 2023 (2-4 pm). *State of Clay*. Reception. Show runs May 13-June 11.

June 17, 2023 (2-4 pm). Social get together for board members and their partners in Christina Gamota's garden.



**Minutes of the
Lexington Arts and Crafts Society, Inc.
Board of Directors Meeting
January 26, 2023**

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 January 26, 2023 Board of Directors Meeting of the Lexington Arts and Crafts Society was called to order at 10:04 pm, conducted in person at the Lexington Community Center (39 Marrett Road, Lexington, MA) 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, Alison Lauriat, and Rachel Rosenblum.

The following Guild Observers and administrators were in attendance: Malcolm Sole (Woodworkers), Terumi Irizawa (Metalworkers & Deco Arts), Susan McFarlane (Painters), Jerilyn Heinold (Weaving and Fiber Arts), Steven Goldstein (Photographers), Shirley King (Needle Arts), and Hannah Wolfe (Clerk).

1. Approval of Minutes (PPM. p.4)

Rachel Rosenblum moved that the minutes of October 26th, 2022 be approved as corrected. Seconded by Molly Nye. Several corrections were noted. Thereafter, it was:

VOTED: That the Board of Directors hereby approve, the minutes of the Board of Directors Meeting of Members held October 26th 2022, as corrected.

The motion was adopted unanimously.

2. Holiday Market Place (HMP) Report (PMM. p. 11)

The Board of Directors thanked Cassandra Goldwater and Terumi Irizawa for proposing the changes to HMP this year and following through on those changes with the help of Monique Heymann and many other dedicated volunteers. The new setup was highly praised by all. It also required new items being put out daily, so extra thanks was given to the volunteers by Matthew for their efforts.

Matthew noted that the society split was encouraging this year (nearly \$41,000), but we are unable to calculate exactly what the expenses were (in terms of marketing, etc.). He also pointed out that HMP lasts for over a month, requires a lot of the members, and takes up a huge portion of the building. He thinks such an event should be making at least \$50,000 (gross commission split to LexArt) not \$20-25,000 as in prior years.

Molly mentioned that we no longer have the Fall Fair beforehand with work that was donated, and Matthew said doing away with that event only makes sense if we have at least three other events throughout the course of the year (in spring, summer, and fall). He also noted that with the new business model, there might be some paid help for such events.

Matthew, Wayne, Cassandra, and Molly discussed the importance of HMP opening up on Artist Sunday this year. Although there is no way to tell how much Artist Sunday contributed to the record breaking first day of sales at HMP, Artist Sunday is believed to have had a positive impact on sales, and is something LexArt should support nonetheless.

Molly and Rachel suggested having a members' social in connection with HMP next year (this would be different from the preview party thrown in previous years).

3. Treasurer's Report (PMM. p.13, p.32)

Mike Lawson presented the Treasurer's Report. The report contains an initial statement to what our investments are with respect to the endowment. He said there are a couple more tasks but he is almost done working on the balance between foreign and domestic equity holdings.

Mike also noted that he thinks there are a couple anomalies in how Juna is reporting the budget. Matthew said we asked Juna to do something different for financial reporting this year, which is to show figures against the previous budget instead of comparing the budget to what it was at the same time last year, which we no longer want Juna to do. *Note: Subsequent to the meeting, Juna confirmed that the budget column on the Year-to-Date Actuals vs. Budget chart had not been updated from the prior quarter, though the Actuals were correct.*

Matthew then explained several apparently small anomalies, why Juna reported them that way, and what the numbers should be. Mike agreed that the explanation made sense, but he thinks we need to work with Juna to make the numbers report more straightforward, so that someone can read it and know the numbers without any context.

Wayne pointed out another timing issue in the "YTD Budget vs. Actual" report (PMM, p. 17) for December 31, 2022. He noted that the gallery sales reflect HMP revenue, but since paying out the consignment (60% of gross sales back to artists) doesn't happen until January, the net revenue will inevitably be much less. Despite the inevitable drop in the number, several board members noted that overall there was still an increase in sales this year and revenue from education as well.

Cassandra Goldwater moved acceptance of the Treasurer's Report. Seconded by Rachel Rosenblum. Thereafter, it was:

VOTED: That the Treasurer's Report be accepted.

The motion was adopted unanimously.

There was also a brief discussion about the Annual Appeal. Wayne thanked Rachel Rosenblum for calling individual donors of \$250 or more. Rachel commented that the task was pleasant and fun, with the donors appreciative both of LexArt and of receiving the call.

4. **Executive Director's Report** (PMM. p.33)

Matthew updated the board on the facilities grant from the Mass Cultural Council. A third-party engineer assigned by MCC had inspected the building and prepared an initial report with cost estimates of the replacement costs for building systems and components. The engineer's report was then reviewed by Matthew, Wayne, and several facility-savvy board members. We provided comments back to the engineer and are awaiting a revised final report.

Matthew stated that although the report contained what we already know in terms of the issues, it was beneficial to have a report organized by a third party along with professionally estimated costs, as we will use this report for capital planning and grants going forward. Although the report estimates near-term costs of approximately a million dollars, such changes may take as long as 10 or 15 years, given the total cost. He reminded everyone that we had already put \$50,000 in our savings for capital improvements as part of the current year's budget allocation.

Matthew also mentioned that the third-party report did not address the drainage issue on the north end of the building. Money has been set aside this year for a drainage study (to assess the issue and estimate costs) and for some electrical upgrades.

Malcolm Sole inquired what the third party's most pressing concern was for the building that should be addressed in the next year. Matthew responded that the windows and doors were the most pressing concerns, followed by the electrical service, including lighting and repositioning some of the electrical panels.

Matthew and Wayne noted that the doors and security will probably be the first capital improvement. Wayne said research is currently underway for the possibility of moving from keys to cards or fobs. He also noted that we hope to have a capital budget proposal for the June Board meeting.

Next, Matthew initiated a discussion about a new business and operating model for LexArt, building on the discussions and vote taken at the October 2022 board meeting. He has spoken with 5 of the 9 guilds so far and hopes to speak to the remaining guilds soon (Painters, Polymer Clay & Beading, and Needle Arts). There is currently a small group of members and board members meeting to discuss what the new business model might look like and making recommendations.

Matthew also mentioned that while the new financial structure will be in place as of June 1st, other aspects of the new business model will come a little later. He feels the responses to the new model have been mixed, but mostly positive.

Matthew responded to an inquiry from Rachel requesting more details on the new business model, which led to a brief discussion about membership and studio use. Some takeaways are that everyone thinks the studios are under-utilized, and Matthew thinks that separating studio use from membership will help increase the use of the studios. Matthew mentioned that the new model will still have levels of membership and volunteerism, and that Wayne has proposed the possibility of a rolling membership year starting June 1st.

5. Board Expectations Discussion (PMM. p.38)

Matthew began the discussion by emphasizing that we need everyone in the community to feel that LexArt is a valuable part of their lives. In order to be a valuable resource to the community, he requests that board members physically show up at local events and LexArt events whenever possible. He discussed how support can and should come in other ways, such as buying goods from the LexArt gallery as an example, but attendance at events remains extremely important.

Wayne reminded everyone to let people know that they are at events on behalf of LexArt whenever they attend, and Alison mentioned that in addition to other local nonprofit and charity events, other local meetings should be attended as well, such as chamber of commerce meetings.

There was then a discussion on LexArt having a cultural events calendar on the website. It would be a rolling calendar for arts and culture events with partner organizations that we hope to support. Examples were provided on the importance of LexArt having such a calendar.

Next followed a discussion of the draft of the Board Expectations. The expectations are as follows: Participation, Leadership and Advocacy, Financial Contributions and Fundraising, Honesty, Forthrightness, and Confidentiality. Overall, a Board of Directors member must be a positive role model and contributor to the environment of LexArt, and an advisor to Matthew and Wayne.

Rachel and Stephan brought up that they felt expectations surrounding fundraising could be clearer in general, and Stephen requested that people be informed about fundraising goals for the year at the start of each year. Wayne mentioned that once we get a lot clearer about our capital needs, which should happen soon, work will begin on a long term development plan.

Nicole pointed out that there was nothing specific in the draft about recruiting new members and that should be added to the part of the document about introductions. Wayne agreed.

No other suggestions were made about the draft. At one point during the discussion Molly and Wayne mentioned that the standing committees list needs to be refreshed and better communicated.

6. General Authority

Mike Lawson moved the General Authorization Resolution. Seconded by Rachel Rosenblum. 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.
The motion was adopted unanimously.

The meeting was adjourned at 12:33.

Respectfully submitted,

Hannah Wolfe
Clerk

DRAFT

Treasurer's Report

TO: LexArt Board Members
FROM: Michael Lawson, Treasurer
DATE: March 17, 2023
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 February 28, 2023, 2) budget versus actuals through February 28, 2022, and 4) a summary of our invested endowment funds. To streamline the board package, we are including only the Income Statement (actuals vs. budget) and Balance Sheet from the *Management Report* prepared by Juna. Additional detailed statements from the *Management Report* are available for review on request.

1) Account Balances as of February 28, 2023

The detailed balances for our various accounts can be found on page 10 of the *Management Report* prepared by our bookkeepers, Juna. Specific balances are:

Short Term Cash and Unrestricted Assets	\$463,027
Donor Restricted Assets	\$163,946
Endowment	\$463,027

Based on the balance of our unrestricted assets, I will propose to the Finance Committee that an additional amount (somewhere between \$150,000 and \$200,00) be committed to short-term Treasury Bills.

We have been working with Juna to change the format of this report to make it easier to understand and facilitate management of our funds consistent with the *Investment and Cash Management Policy* approved last June. Specifically, the report will, going forward, continue to list restricted assets and add a new category, Endowment. The Endowment category would list just those funds that are actually held as endowment as defined by the *Policy*.

2) Budget vs. Actuals Year-to-date

The Budget vs. Actuals Year-to-date can be found in the attached *Management Report* on pages 3 and 4, prepared by Juna. We are also working with Juna to change the format of this report to make it easier to understand. For example, you will note that in many Revenue components of the report, negative revenue is shown (e.g., Instructor Pay). In the future, we anticipate these sections will be

modified to show first gross revenue, then deductions from revenue (Instructor Pay) and finally Net Revenue.

3) Investment Activity

The amount agreed upon to launch our endowment is now almost fully invested. Below is a list of the funds and the amount held in each.

Vanguard Short-term Bond Fund	\$40,379
Vanguard Total Bond Fund	\$40,936
Vanguard Equity Income	\$93,235
500 Index Fund	\$79,407
Vanguard Developed Market Fund	\$26,668
Vanguard Federal Money Market	\$70,469
US Treasury Bills	\$59,734

Next Friday an additional \$30,000 in Treasury Bills will be purchased using funds from the Federal Money Market fund.

Management Company Reports: Budget vs Actual YTD

June 2022 - February 2023

	Actual	Budget	over Budget	Total % of Budget
REVENUE				
Contributions				
Unrestricted	287,171.06	150,000.03	137,171.03	191.45 %
Restricted	3,042.69		3,042.69	
Total Contributions	290,213.75	150,000.03	140,213.72	193.48 %
Uncategorized Income		122,031.72	-122,031.72	
Net Membership Income				
Net Income				
Membership/Dues Income	81,187.50	59,618.97	21,568.53	136.18 %
Guild Usage Fees	25.00		25.00	
Total Net Income	81,212.50	59,618.97	21,593.53	136.22 %
Membership Expenses	-247.14		-247.14	
Total Net Membership Income	80,965.36	59,618.97	21,346.39	135.80 %
Net Class/Workshop Income	0.00	54,371.97	-54,371.97	0.00 %
Class Expenses	-2,758.62		-2,758.62	
Gross Income				
Guild Fees	2,937.10		2,937.10	
Other Income	2,825.00		2,825.00	
Tuition	145,956.25		145,956.25	
Total Gross Income	151,718.35		151,718.35	
Instructors Pay	-74,306.09		-74,306.09	
Total Net Class/Workshop Income	74,653.64	54,371.97	20,281.67	137.30 %
Net Gallery/Show Sales		35,242.47	-35,242.47	
Consignment Cost	-85,728.67		-85,728.67	
Gallery/Show Expenses	-20,115.42		-20,115.42	
Gross Income				
Gallery/Show Donation	5,775.00		5,775.00	
Gallery/Show Other Income	2,800.00		2,800.00	
Non-Taxable Gallery/Show Sales	15,564.00		15,564.00	
Submission Fees	6,263.75		6,263.75	
Taxable Gallery/Shows	122,997.35		122,997.35	
Total Gross Income	153,400.10		153,400.10	
Total Net Gallery/Show Sales	47,556.01	35,242.47	12,313.54	134.94 %
Misc. Income	2,026.16		2,026.16	
Other		1,500.03	-1,500.03	
Total Misc. Income	2,026.16	1,500.03	526.13	135.07 %
Total Revenue	495,414.92	422,765.19	72,649.73	117.18 %
GROSS PROFIT	495,414.92	422,765.19	72,649.73	117.18 %
EXPENDITURES				
Payroll		181,352.97	-181,352.97	
Payroll Invoice Expense	779.07		779.07	

				Total
	Actual	Budget	over Budget	% of Budget
Payroll Taxes - Employer	12,962.89		12,962.89	
Wages/Salaries	177,976.21		177,976.21	
Total Payroll	191,718.17	181,352.97	10,365.20	105.72 %
Building & Grounds				
Maintenance	18,098.07	57,543.75	-39,445.68	31.45 %
Gallery/Building Improvement	5,718.46	15,000.03	-9,281.57	38.12 %
Alarm/Extinguishers	2,008.01		2,008.01	
Trash	1,219.44		1,219.44	
Total Building & Grounds	27,043.98	72,543.78	-45,499.80	37.28 %
Professional Services		53,521.47	-53,521.47	
Consulting	8,000.00		8,000.00	
Financial Services	44,324.31		44,324.31	
Insurance Expense	11,595.60		11,595.60	
Total Professional Services	63,919.91	53,521.47	10,398.44	119.43 %
General & Admin		47,216.97	-47,216.97	
Advertising	26,244.54		26,244.54	
Equipment/Software	1,443.57		1,443.57	
Fees-Operational Services	11,558.58		11,558.58	
Misc. Expenses				
Other Expenses	656.55		656.55	
Total Misc. Expenses	656.55		656.55	
Office Expenses	6,427.50		6,427.50	
Postage/Printing	1,469.14		1,469.14	
Scholarships	5,500.00		5,500.00	
Shop Supplies	5,846.27		5,846.27	
Total General & Admin	59,146.15	47,216.97	11,929.18	125.26 %
Purchases		37,500.03	-37,500.03	
Utilities		17,280.00	-17,280.00	
Electric	10,476.43		10,476.43	
Heat/Hot Water	5,822.46		5,822.46	
Phone	1,998.13		1,998.13	
Water/Sewer	809.67		809.67	
Total Utilities	19,106.69	17,280.00	1,826.69	110.57 %
Program Services		13,349.97	-13,349.97	
Total Expenditures	360,934.90	422,765.19	-61,830.29	85.37 %
NET OPERATING REVENUE	134,480.02	0.00	134,480.02	0.00%
OTHER REVENUE				
Gains/Losses				
Unrealized Gain/Loss	2,405.97		2,405.97	
Total Gains/Losses	2,405.97		2,405.97	
Interest/Dividend-Investments				
Restricted	7,289.11		7,289.11	
Total Interest/Dividend-Investments	7,289.11		7,289.11	

	Actual	Budget	over Budget	Total % of Budget
Total Other Revenue	9,695.08	0.00	9,695.08	0.00%
NET OTHER REVENUE	9,695.08	0.00	9,695.08	0.00%
NET REVENUE	\$144,175.10	\$0.00	\$144,175.10	0.00%

Management Company Reports:Current FY Balance Sheet

As of February 28, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
Cash & Short Term- Unrestricted	
Bill.com Money Out Clearing	202.66
Cash in Registers	100.00
CD Acct 6617	67,914.97
Ceramics - Checking	32,565.39
Ceramics - Fidelity	2,945.23
Dec Arts - Checking	0.52
Enterprise Investment Acct 1999	100.00
Main Operating Ckg 3283	414,608.32
Metals - Savings	10,938.00
Metals - Savings Lincoln	217.00
Needle Arts - Checking	417.00
Office Safe	131.15
Painters - Checking	-1.06
Paypal	2,867.53
Polymer/Bead - Checking	3,567.00
Weavers - Checking	6,363.50
Weavers - MMkt	2,047.15
Wix	10,177.96
Woodworkers - Checking	21,175.75
Total Cash & Short Term- Unrestricted	576,338.07
Other Assets	
Donor Restricted (Purpose & Principal)	
Masumi Mary Nagatomi CD 0337-Rest	14,298.77
Metals - Savings Beesley	8,001.28
Rawding Vanguard 3490- Restr	16,594.32
Total Donor Restricted (Purpose & Principal)	38,894.37
Donor Restricted (Purpose Only)	
Ceramics SOC 8812	675.00
Ferrara Vanguard 6425-Rest	100,963.53
Nye MM 6957-Restr	3,540.73
Powell Scholarship CD 2706 - Restr	8,273.91
SOC	11,698.00
Total Donor Restricted (Purpose Only)	125,151.17
Endowment- Board Designated	
Permanent Fund CD 1725-Restr	48,999.75
Vanguard Money Mkt 8791	414,027.63
Total Endowment- Board Designated	463,027.38
Total Other Assets	627,072.92

	Total
Total Bank Accounts	1,203,410.99
Accounts Receivable	
Accounts Receivable (A/R)	1,702.07
Total Accounts Receivable	1,702.07
Other Current Assets	
Due to Guilds	
Due to Ceramics Guild	-2,563.24
Due to Needle Arts Guild	10.00
Due to State of Clay	61.25
Due to Weaving & Fiber Arts Guild	-371.07
Due to Woodworkers Guild	-1,765.31
Total Due to Guilds	-4,628.37
Total Other Current Assets	-4,628.37
Total Current Assets	1,200,484.69
Fixed Assets	
Guild Fixed Assets	
Furniture	4,724.00
Guild Equipment	88,259.00
Guild Improvements	11,831.00
Guild- A/D	
Equipment	-67,767.00
Furniture	-1,012.00
Improvements	-8,609.00
Total Guild- A/D	-77,388.00
Total Guild Fixed Assets	27,426.00
Society Fixed Assets	
Building	198,159.00
Furniture, Fixture, & Equipment	29,090.69
Improvements	749,259.05
Land	9,387.00
Land Improvements	13,460.00
Society-A/D	
Building	-198,159.00
Furniture, Fixture, & Equipment	-6,441.00
Improvements	-125,230.00
Total Society-A/D	-329,830.00
Total Society Fixed Assets	669,525.74
Total Fixed Assets	696,951.74
TOTAL ASSETS	\$1,897,436.43

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable	3,024.04
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	Total
Total Accounts Payable	3,024.04
Other Current Liabilities	
Due from Society	-2,926.30
Gift Certificates Outstanding	3,270.00
MA Sales Tax Payable	46.25
Total Other Current Liabilities	389.95
Total Current Liabilities	3,413.99
Total Liabilities	3,413.99
Equity	
Opening Bal Equity	404,916.01
Retained Earnings	1,325,374.97
Net Revenue	163,731.46
Total Equity	1,894,022.44
TOTAL LIABILITIES AND EQUITY	\$1,897,436.43

Development Report

As shown in the Financial Report, our Year-to-Date contributions through the end of February stand at \$290,214, against a budget of \$150,000. While this total is obviously encouraging, our overall receipts depend very substantially on just a few large donors. To ensure both greater overall giving and greater stability, we need to expand the ranks of those giving more modest amounts and giving regularly. To do so, we are working on four initiatives this year, in addition to the Annual Appeal.

A. Reviving the Legacy Society

If there's a shortage of firewood, let's all get together tomorrow morning and plant acorns.

-- Source unknown

A planned giving program known as the 1935 Legacy Society was begun in 2010, with seven former LexArt Presidents and a few others committing to including LexArt in their estate plans. In 2021, following the renaming of the former Parson Gallery as the Molly Harding Nye Gallery, the Board approved the renaming of the program as the Philip and Bernice Parsons Society, in continued recognition of the contributions of Phil and Bernice as founders and long-time leaders, as well as the continued contributions of subsequent generations of the Parsons family. However, relatively little attention has been paid to the legacy program in the past ten years.

From any non-profit organization's perspective, the primary reasons to promote legacy-giving are (1) ensuring long-term financial viability; and (2) solidifying the relationship and commitment of legacy donors to the organization, which often leads to increased near-term support for annual giving, capital campaigns, and volunteering.

From the donor's perspective, the particular reasons for legacy-giving of course vary by individual, though often come down to some combination of (a) wanting to ensure that others benefit from similar opportunities to what the donors enjoyed in their lifetimes; and/or (b) creating a lasting impact for a cause about which they deeply care.

Your Development Committee has been aware of and troubled by the inattention to this program for several years, but has been unable to get it restarted properly, both due to time and lack of expertise. To put it another way, the lack of planting acorns the past 10 years is being felt today and will continue to be felt for at least another decade!

We therefore solicited a proposal from Planned Giving Consultant Hugh Montgomery, a career-long development professional with a specialty in planning giving. We are working with Hugh to finalize a proposal in which he would help us relaunch the Parsons Society. The effort would proceed in several stages:

1. **Pilot Phase.** Outreach to about a dozen potential donors to discuss legacy giving opportunities and options for how to give.
2. **Extension to a broader, targeted group.** Following assessment of the pilot and adjustment in approach, we would extend the effort to include all Board members and other identified potential donors from our community.

3. **Transition to broader community and solidifying an ongoing program.** Ideally, with a running start and a healthy list of potential donors already having committed, we encourage the broader community to engage in legacy gift planning and create the internal protocols for ensuring that we continue to focus on this in succeeding years.

Status and next steps. We are finalizing details of the proposal with Mr. Montgomery and hope to launch the pilot very soon.

We have agreed with donor and board member Nancy Cornelius to designate a \$20,000 grant to serve as seed money for a matching fund that we hope will raise \$50,000. The purpose of the matching fund is so that we can offer to prospective members of the Legacy Society: “If you commit to giving LexArt a *future* gift, our generous supporters will provide a *current*, matching gift of \$X.” We hope other board members will help support this initiative.

At the June board meeting, we anticipate having a more formal presentation of the program from Mr. Montgomery.

B. “Friendrailer” House Party Events

As we have been discussing the past several board meetings, the long-term stability of LexArt depends on having donors who are willing to support LexArt philanthropically. Bluntly, that means they give because they believe in and want to support our mission and role; *not* (just) because it benefits them personally to have a place to pursue their craft or sell their work.

As part of that effort, we need to expand our circle of friends and supporters beyond the current membership. To that end, we’d like to launch a series of “Friendrailer” House Party events. These events would be held either in the home of a board member or in the Nye Gallery. Each would be hosted by one or more board members. The hosts would invite family, friends, neighbors, colleagues ... anyone they know who may have an interest in the arts and/or Lexington and the surrounding communities. The purpose would be to introduce people to LexArt and our program. Invitations would explicitly state, “This is NOT a fundraiser.” The attachment following this report explains in more detail.

We would like to schedule three or four of these events over the coming year. As with legacy giving, this is an investment in developing relationships that can yield significant and sustained support.

At the meeting, we would like to hear some feedback on this idea.

C. Fund Raiser Field Trip to Visit

Former board member Jenny Pyle and her husband Ben Nye, own a home in Gloucester, adjacent to [Beauport, the Sleeper-McCann House](#). They have offered use of their home in connection with a possible special visit/fundraiser to Beauport. The idea would be to hire a bus and arrange for a special tour of Beauport followed by lunch or an afternoon garden party at Jenny and Ben’s house. A fee for the trip would be charged, which would include a contribution to LexArt. We are considering this for a weekend in September. We will take a few minutes for feedback on this idea.

D. Mid-Year Appeal

While Annual Appeals do have undeniable benefit, more frequent requests are a proven approach. They yield current donations, as well as keep the charity more top-of-mind for potential donors. Also, by stepping out of the “annual” mind-set, mid-year solicitations are helpful in encouraging donors to set up ongoing (automatic monthly or quarterly) donations, which are easier on their cash flow and provide stability to the charity.

Hosting a “House Party” on behalf of LexArt

What is a “House Party”?

A “House Party” is an event in your home (or, if you prefer, in the Molly Harding Nye Gallery at LexArt) to which you cast a wide net and invite family, friends, neighbors, colleagues ... anyone you know who may have an interest in the arts and/or Lexington and the surrounding communities.

The goals of the event are to:

- Increase awareness and educate guests about the role LexArt plays in the greater Lexington community
- Create an environment for you and your guests to enjoy themselves and mingle informally with LexArt board and staff

The event is designed as a “friendraiser”—donations will not be solicited unless you prefer hosting a “fundraiser.” The invitation will make it clear either way.

What is the event format?

Approximately 90 minutes:

- 30 minutes for mingling upon arrival
- 15-20-minute presentation by LexArt; 10-15 minutes Q&A
- 30 minutes post-presentation mingling

How many people do we hope will attend?

Approximately 20, which will require sending 40-50 invitations.

Who designs and sends the invitations?

LexArt will provide you with both paperless and paper invitation templates and whatever additional support you need. The RSVPs can come directly to you or to LexArt.

What about the food and beverages at the event?

That’s up to you, but LexArt is happy to make recommendations.

What day of the week and time is best?

Whatever day and time you think will be best for the people YOU know. It could be a weekday “cocktail hour” or a weekend brunch.

How far in advance should we send the invitations?

For this type of event, 3-4 weeks. Guests are increasingly making decisions close to the event date.

Who pays for what?

The host pays for the:

- Invitations (if you would like to use paper invites)
- Food & beverage, which can, therefore, be to your specifications
- Anything else you would like at the event, e.g., flowers

We thank you for your support of LexArt!

LexArt's provides:

- Staff support for the invitations, RSVPs, deliveries...
- The Gallery space if you prefer to hold your event at LexArt
- The LexArt presentation
- Thank you note cards

Nominating and Governance Committee Report

Annual Meeting. The Annual Meeting has been scheduled for Tuesday, May 23 at 7:00 pm. The Board needs to vote to formally set the date and other logistical matters. A recommended resolution is contained in the board package immediately following the agenda.

Board Nominations. The Nominating and Governance Committee has met several times since November with a focus on nominations for board positions for the coming year. The current list of board members and term expirations is:

2023	2024	2025
Nicole Mordecai	Diane Gordon	Nancy Cornelius
Jennifer Bergantino	Peter Demuth	Christina Gamota
Louise Hara	Michael Lawson	Alison Lauriat
Rachel Rosenblum	Jessie Chen	Molly Nye
Wayne Davis	Lauri Hugentobler	Cassandra Goldwater
	Matthew Siegal	

Of the board members with terms expiring in 2023, Jennifer Bergantino and Louise Hara have indicated a desire to step aside. We thank them for their service. Jenn has been on the board since 2020; during that time and for several years prior, she has provided strategic marketing advice, helping LexArt to double the size of its email list and significantly expand its social media reach. Louise has served on the board since 2017. As Co-President in 2017-18, then President in 2018-19, she led the strategic planning efforts that have resulted in dramatic transformations including the rebranding from LACS to LexArt, the complete overhaul and relaunching of the website, the reorganization of the board and governance structure (all during her tenure Presidency), followed by the hiring of an Executive Director and reorientation of the LexArt mission.

Nicole Mordecai, Rachel Rosenblum, and Wayne Davis have all agreed to continue for another three-year term. The Nominating Committee therefore sought to find two or three nominees to add to this year's slate, such that we would have an approximately equal number of directors in each class. The Committee brainstormed a list of possible candidates, as well as soliciting suggestions from the current board and from the entire membership. A total of 19 potential candidates were identified.

As in prior years, we developed a list of qualifications we were looking for. This included experience in: Technology, cultural institution (especially arts, craft, maker-space) leadership, non-profit experience, arts & crafts community, media & PR, financial management and accounting, asking for money, HR/organizational behavior, Lexington community & governmental, arts instruction, educational management.

Additionally, the Committee reviewed our addition of new board members from the past several years as well as non-profit best practices advice, and concluded that it was important to determine with each candidate one or two specific areas where we expect them to contribute their efforts before suggesting they be nominated. In the past, where we have failed to have those conversations in advance or to establish a focus area quickly, the board experience has been less satisfactory from both the member's and LexArt's perspective.

From the original list of 19, we had extended conversations with seven. Of the seven, three potential candidates expressed serious interest but were unable to consider joining this year. One of those candidates volunteered to work with us in several areas in the coming year, following return from extended overseas travel. With another candidate, we mutually agreed that board service did not seem to be a good fit with his current interests. However, he has considerable interest in volunteering in several areas with LexArt, including with our facilities management and capital planning, where he has considerable professional expertise. Further conversation with an eighth potential candidate were delayed due to personal circumstances, but this candidate has expressed interest in continued explorations. With yet another potential candidate, we plan further conversations on some special programming around his area of crafts expertise.

And, most importantly, we are prepared at this time to propose one new candidate.

Crystal Ribich. Crystal is a long-time resident of Lexington. Her field of study and degrees throughout higher education were in food science and research. Upon finishing her studies, she worked at MIT as a researcher, with her last focus being food irradiation and its relationship to food borne viruses and toxicity.

When she left MIT, she came to LexArt (1969), first joining the Weavers' Guild and later began taking ceramics classes. Discovering her true artistic love, she joined the Ceramics Guild and served as Guild Chair several times during her tenure here. She then moved on to the Radcliffe Ceramics program (now known as Harvard Ceramics) and became a student of Makoto Yabe for many years. In the mid-90's, she was asked to become a TA and soon thereafter was asked to take charge of the soda kiln and all matters relating to soda kiln firings. She went on to be the go-to person at Harvard for kiln repairs and then eventually for clay and glaze chemistry. She also planned and oversaw the construction of an impressive studio in her own residence in Lexington.

She is a lifelong student in all aspects of ceramics, traveling nationally and internationally, to attend workshops and classes that she takes to broaden her knowledge and experience. It's part of her nature to want to share this wealth of knowledge, generously, with anyone seeking to expand his/her understanding in the many fields of ceramics.

Although Crystal left active artisan membership of LexArt long ago, she and her husband Bill have been steady financial supporters of LexArt generally and specifically State of Clay.

The Nominating Committee believes that Crystal's long history with LexArt combined with her experience *outside* LexArt give her an especially useful perspective as we transform LexArt to a more mission-driven organization. Crystal's experience with Harvard Ceramics suggests the first two focus areas for her board work: advising on the further evolution of the studio manager roles and further evolution of the education program, both generally and with the recruitment of recognized artists for special workshops.

The Nominating Committee therefore proposes the following motion:

That Nicole Mordecai, Rachel Rosenblum, Wayne Davis, and Crystal Ribich be nominated to the Board of Directors, each with a term to expire at the 2026 Annual Meeting.

Further Observations. While we are only proposing one candidate at this time, we already have a pipeline of potential candidates for the coming year, as well as having recruited several volunteers who may contribute in other, significant ways. While we cannot claim that this happy by-product was intended, it suggests some important lessons for the future.

- **Start even earlier.** While we thought we had started earlier enough (November), that is insufficient especially where we wish to identify and recruit individuals who have had limited or no prior experience with LexArt.
- **Treat this as a multi-year process, with a continuing pipeline, that includes more “get-to-know” you opportunities.** For both outside candidates and LexArt, it’s too rushed to go from little or no prior experience with each other directly to a board position within just two or three months. It’s much lower risk for both the prospect and for LexArt if we can collaborate informally in some way before board membership is considered, for example by working on a special project or by providing informal advice to the Executive Director, a staff member, or committee. *Note:* We considered whether to form an Advisory Board, but concluded that informal, more individualized interaction would be easier to implement and could be at least as effective.
- **Look for prospects among newer members.** While we solicited suggestions from the general membership, we received precisely one suggestion from one member. The current list of artisan and supporting members includes a growing proportion of newcomers to LexArt (< 3 years), many of whom we do not know well and some of whom may have relevant qualifications. More concerted efforts should be made next year to identify these potential “internal” candidates, as well as longer-time members who are especially energized by and wish to contribute to LexArt’s future direction.
- **All board members can help by actively networking year-round.** Whenever you encounter or think of someone whom you believe might have potential as a board member, please do speak with them of your own engagement with LexArt and see if our mission and trajectory are of interest to them. If so, please let board leadership know, and we can arrange some informal “get to know you” opportunities. As this year’s experience shows, there may be mutually beneficial ways for prospects and LexArt to collaborate, whether board membership ultimately results or not.

Systems Replacement Plan Project Update

As previously reported, with the help of a grant from the Mass Cultural Council, we were able to engage a construction cost consultant (Olive Branch Consulting) to prepare a Systems Replacement Plan for LexArt. The final version of this Plan was delivered just this past week. The Plan contains a detailed listing of all the building and outdoor (parking lot and drainage) repair and replacement items that we will need to address over the next 20 years, along with the estimated cost (in current, *non*-inflation adjusted dollars), and estimated lifespan.

Here is a brief summary of the key findings.

- Total system replacement costs over the next 20 years are estimated at **\$2,021,365**.
- All items are for **replacement-only** of existing systems, without functional upgrades, except where required by code (*e.g.* accessible restrooms) and the installation of a lift between the parking lot level and the second floor.
- The estimated cost of items recommended for **immediate replacement or consideration** over the next three years is from **\$286,300 to \$1,063,042**. Major items include:
 - Windows \$146,450
 - Drainage/Parking Area \$250,000 (see below)
 - Sprinkler system \$98,500
 - Security/building access system \$35,000
 - Two new accessible bathrooms \$40,000
 - New lift \$260,200

The \$250,000 estimate for addressing drainage and parking is a reserve sum that we requested be added to the report. It was not provided by Olive Branch Consulting. A local civil engineer is currently analyzing the drainage issues and will be providing us with a plan and cost estimates in coming weeks.

In addition to the cost estimate provided by Olive Branch Consulting, we received a sophisticated Planning Tool prepared by the Nonprofit Finance Fund, who administered the project on behalf of the Mass Cultural Council. This Planning Tool is an Excel spreadsheet, pre-populated with the data from the Systems Replacement Plan, that shows the estimated cash flow needs on a yearly basis. We are able to enter and manipulate critical assumptions (*e.g.*, targeted replacement year per item, inflation rate, cash reserves) and readily see the cash flow needs over time.

Next Steps

We will be reorganizing the Building Committee to begin working with the Planning Tool and to develop a set of recommendations for a Capital Budget, in coordination with the Finance Committee. We have already identified one volunteer likely to serve on the committee, a retired architect with over a decade of facilities management experience for institutional and commercial properties.

At the June board meeting, we anticipate providing a more detailed presentation of the Systems Replacement Plan report, along with recommendations for first year spending and at least a first draft of a long-term Capital Budget.