

Athenaeum Foundation
Board Meeting
Director's Room/Rathskeller
February 10, 2009

Minutes

The meeting was called to order by Greg Reynolds at 11:15am. Those present included: Dave Kingen, Patrick Dooley, Tina Connor, Giles Hoyt, Greg Reynolds, Denise Barkdull, Buddy McCart, Steve Wagman, Wayne Schmidt, Andre Lacey, Bill Witchger

Emeritus: Fred Armstrong

Staff: Cassie Stockamp, Marianne Isaacs, Kevin Gierman

The minutes of the prior meeting were approved.

Governance Committee Report

Stockamp and Barkdull moved resignations and appointments to the top of the meeting. Due to the loss of the ACT as a tenant, the board has lost Smith and White.

A motion was made to approve Wayne Schmidt as a member of the board. It was seconded and a vote was taken. The motion was approved unanimously.

Finance Committee Report

Wagman presented the 2009 budget with revisions. The budget has gone from \$15,000 to (\$57,000) due to the loss of the ACT as a tenant. Isaacs confirmed 2008 year-to-date.

It was recommended that the 2009 revised budget would be presented for approval at the March meeting.

Schmidt volunteered to join the Finance Committee.

Building Committee Report

Barkdull reported on the vacancy of the ACT and the termination of their lease. They were in violation of their lease owing five months of rent (approx. \$43,000). The terms of continuing existing sub-leases is under negotiation, but we will be functioning under an 80/20 agreement. ACT has proposed an auction to raise funds to satisfy their debt.

It falls to the Foundation to determine what to do with the theatre space and how to best accomplish that.

A discussion ensued to address the following questions:

- a. How was the most recent Lilly grant spent?
- b. Do we have any tax problems?
- c. Do we have a right to any property according to the lease?
- d. What are building improvements and what do we want to keep/change?
- e. Do we want to try to get rid of as much as possible to buy better quality in the future?
- f. Can we attach the Foundation to the ACT endowment?
- g. Can Lilly Endowment help in this process?

A motion was made to approve a task force to head up the process of negotiating vacating the ACT with the Athenaeum's best interests in mind (see attached ACT Lease Termination memo). It was seconded and a vote was taken. The motion was approved unanimously.

Development Committee Report

Romine of Dalton, Cole & Associates presented the three year fundraising plan and what the Board's responsibilities are.

Other Business

Branding Focus Group

Gentleman discussed the market research aspect of the Branding Initiative and led a conversation on what makes the Athenaeum great and how to better market it, as well as who we want to market to.

The Strategic Planning meeting was announced for Saturday, February 21 from 9am to 1pm.

The next Trustee meeting was announced for Wednesday, March 25.

The meeting was adjourned at 12:56pm.

Any deletions or mistakes to these minutes are not intentional.

Respectfully Submitted,

Kevin Gierman

ACT Lease Termination

Amounts Owed Athenaeum

- Late in January, ACT delivered notice that they would be terminating their lease with the Athenaeum.
 - Since former lease has expired, currently on a month to month lease
 - Rent for November, December and January not paid
 - Requires 60 days notice to terminate; ACT owes rent through 3/31
 - Approximately \$43,000 owed to Athenaeum Foundation
- ACT subleases (Indy Metro Church/Young Actors Theater) will be assumed by the Athenaeum. Payments made to Athenaeum who will credit 80% of payments to ACT rent and 20% of payment will be retained for additional costs of performing under agreement (lighting, cleanup etc).
- Athenaeum will assume all insurance costs for space beginning immediately.
- Similar 80/20 split for other uses through March 31.
- \$2000 deposit will be returned to ACT upon complete vacation of space, removal of ACT owned items (as well as all unwanted items), and repair of any damage.
- Lease requires, at the option of the Athenaeum, that ACT must remove any installed improvements on surrendering the leased space.
 - ACT instructed to remove all ACT signage (including awning)

Equipment/Improvements

- Lease states that all alterations, improvements and changes to space are done at ACT expense, but become the property of Athenaeum.
- ACT claims to own all assets and equipment at the theater, including shades, stage curtains, lighting, bar, etc.
- ACT prepared a list of all assets at the theater and categorized them by type, condition and replacement value. ACT claims that replacement value of all assets at over \$280,000.
 - Much of this property is old and in questionable condition.
 - ACT feels equipment more valuable than debt owed Athenaeum.
- ACT wishes to conduct auction for all assets at the Athenaeum.

Strategy

- Keep only what assets are needed to allow the lease revenue from IMC and YAT to continue in the near term. Consider cost to rent any needed items.
- Identify improvements we want them to remove.
 - Take theater space to "blank slate"
 - Several people interested in space do not want and will not use what ACT has
 - Return space to ballroom flooring (require ACT to remove tiered flooring)
 - Ensures we do not buy "old" stuff or stuff no one may want/need.

- Identify items we believe are improvements, alterations and changes that properly belong to the Athenaeum pursuant to the lease.
- Allow ACT to hold auction with proper oversight
 - Make sure ACT provides that Athenaeum with proper insurance
 - Ensure proper oversight; make sure items are properly removed and building not damaged
 - Ensure Athenaeum receives first credit of auction proceeds
 - Athenaeum can purchase items it wants/needs at auction at market value
 - Trade auction "purchases" for debt owed

Action Required

- Process moving very quickly
- Request that board approve a task force to handle the ACT termination and vacation of the leased space and authorize task force to take action on its behalf to finalize the agreement with ACT. Authorize the task force to "purchase" any assets it deems necessary at the ACT auction up to the full value of the ACT debt (approx \$43,000)
- Recommended task force of Greg Reynolds, Denise Barkdull, Giles Hoyt, Bill Witchger, and Tina Connor.