

**Athenaeum Foundation
Board and Annual Meeting
Veterans Room - Rathskeller
May 23, 2012**

Minutes

Board Members Present: Gregory Hahn, Stephen Wagman, Mary Ann Sullivan, Tina Connor, Meghan DeMars, Carrie Henderson, Giles Hoyt, Charles Kennedy, David Kingen, Gerald Lamkin, Rich Rardin, Rozelle Boyd, Steve Yeager

Staff: Cassie Stockamp, Corey Behmer, Marianne Isaacs, Spencer Valentine

Guests: Mike Alerding (Alerding & Associates), Steve Alspaugh (Schmidt & Associates), David Wright (Acoustic Engineer)

The meeting was called to order by Gregory Hahn at 11:10am. Meeting minutes from the March 28, 2012 meeting were approved.

Finance Committee Report

Wagman presented the current financial report. The Foundation is on budget year-to-date. Expected income at this time was \$265,000 and actual income is \$263,000. Expenses are less than budgeted at this time. Financials do not currently reflect the awarding of a \$50,000 operating grant from the Allen Whitehall Clowes Charitable Foundation which will be paid out in July 2012. The finance report was approved by the Board.

Stockamp presented a theatre report for this year. The theatre is currently billed out for \$96,000 this fiscal year and it is expected to exceed \$100,000 before the close of the year. While the theatre is still under-utilized during the day and weekdays, the theatre is producing over the annual income realized from the American Cabaret Theatre tenancy two years ago.

Mike Alerding (Alerding & Associates) is the independent auditor for the Athenaeum Foundation. Alerding presented the 2011 draft audit. To be completed yet are the note to the financial statements and the audit report. Even though there has been positive growth in the financials of the Athenaeum Foundation over the past two years, the note to the financial statements explains the continuing losses. The biggest asset of the Foundation is the building itself. Of concern is the mortgage on the building due on August 1, 2012. The note to the financial statements explains how this outstanding concern is to be addressed. Alerding ascertains that when the National Bank of Indianapolis and the Foundation complete negotiations to wrap the current debt into a new loan agreement, the auditors will then revoke this concern from the note. The audit will not be finalized until after the bank negotiations are complete. Overall, the audit reflects an above average report of the lean expenses of the Foundation and money being spent in a large percentage towards the mission (the building).

Governance Committee Report

There are still two open positions on the board. One is the YMCA designated slot and the other is an open slot. Stockamp asks for board recommendations to fill the open slot.

Building Committee Report

Hoyt reported on the current state of the proposed IUPUI lease agreement with the Foundation. IUPUI is trying to use the Community Learning Network within the university to find funding for this project. There are several schools and departments interested in using the facility for classrooms and projects. The IUPUI real estate office has not yet developed a concrete proposal.

Note: Prior to this discussion Hahn withdrew from offering any opinion or statement about any part of the McMichael lease negotiations due a conflict of interest.

Henderson gave a report on the current state of the negotiations with Dan McMichael towards a lease re-negotiation. McMichael insists that his lease terms of 6.9% payment do not include the biergarten gate fees. In the meantime, McMichael offered the Foundation 50% of the gate fees in the biergarten if the Foundation will drop the current suit towards re-negotiation of his lease. There was an initial court hearing whereby an official mediation has been set for the end of May. McMichael Inc. revenue from the last four years (2007-2011) is being analyzed. The independent forensic auditor does not want to make an official report until it is complete. At this time the only comment is that business at the Rathskeller appears to be in order in so much as it is a restaurant, which is largely a cash business. McMichael maintains that he does not use the usual computer method to record sales in the biergarten because it is too busy. McMichael insists that if transactions were maintained the same way as they are in the restaurant, it would adversely affect sales. The Foundation is committed to seeing this negotiation through to a fair resolution for all involved.

The Monument Development Company is interested in developing the parking lot. The proposal would add a multi-level parking garage with rental apartments included. There are many concerns over how the plan would pan out that would need to be worked out at a later date.

The Rathskeller is currently being charged \$2,500 for wedding events by the Foundation. There has been a drop in the number of events booked since this fee has been imposed. The Rathskeller in turn charges customers \$3,500 for the theatre.

Upon adjournment, the Board will move to the biergarten and the theatre to listen to actual tests of decibel levels. Exceeding the current 90 decibel levels in the biergarten directly causes damage to the physical structure of the building and the wall surrounding the biergarten. The proposed sound monitoring system would maintain the decibel level at 90 regardless of any manual overrides, etc. The proposal also includes adding a buffer level in the theatre of practice rooms, closets, etc from floor to ceiling on two levels (second and third floors) between the outer wall the theatre that would be effective in muting sound from the biergarten. Alspaugh and Wright spoke of sound transmission acoustics and the proposal.

Development Committee Report

Spencer Valentine was introduced as the new development coordinator for the Foundation.

The spring appeal was mailed the last week of April and as of May 23, 2012 has netted \$7,880. The 2011 result was \$5,700. There are 22 donors compared with 56 last year. This report is not complete, as donations continue to come in.

With the added Roof Sitter event prior to GermanFest, this year's event will be even more publicized. The exposure and awareness this creates for the building is immeasurable. There will be individual events each night (Time for Three, ComedySportz, Beer 'n' Brats, etc).

The donor appreciation event is set for June 7, 2012. Invitations were sent and David Willkie will be recognized for his roof sitting twenty years ago as well as kicking off the new roof sitting event.

In other development areas, strategic planning is currently focused towards the youth theatre component that the Foundation is already hosting. The Foundation was invited to apply for the Gene B. Glick grant this year. The brick program is on-going and board members are encouraged to sell bricks.

The meeting officially adjourned at 12:30pm.

The next Trustee Meeting will be July 25, 2012 at 11:00am in the Veterans Room of the Rathskeller. *(Changed to August 1, 2012)*