

FY21: February Cantus Board Meeting

Held via videoconference due to social-distancing requirements during the coronavirus pandemic.

Present: Nancy Gaschott, Theresa Gienapp, Jon Guyton, Paul Johnson, Brian Newhouse, Jeff Reed, Paul Scholtz, Barb Thomas, Beth Anne Thompson, Bryan Fisher, Alberto de la Paz, Elizabeth Hartwell, Craig Shulstad, Kevin Stocks, Frank Stubbs, David Niles, Sam Green

Absent: PaviElle French, Bryan Fisher

Staff: Joe Heitz

Minutes

Jeff Reed called the meeting to order at 5:30 pm.

Craig moved that the November 2020 minutes be approved. Nancy seconded the minutes. David asked to be added as attending the previous meeting; Frank asked to be added as not attending the previous meeting. With those changes, the minutes were approved unanimously.

Artists' Report

Paul Scholtz and Alberto de la Paz gave an update on behalf of the artists. Brian Newhouse asked about Chris's new piece for next year's Christmas performances. Alberto said it is based on a Christmas story that Chris wrote, and he will also write the music.

Alberto added that a grant for a commissioned piece that the ensemble had applied for was not approved, however the composer has agreed to move forward with the commission without the additional grant funding.

- Theresa asked for an update about the Voices of Hope collaboration. Paul said this is the 3rd year, and it will be a virtual program. The ensemble hopes to return to in-person collaboration, post-COVID.
- Craig asked about the singers' response to the "My Cantus Valentine" event. Paul responded that the singers found it energizing and fun, and they all agreed it was great for the Cantus brand. Some consideration is being given to integrating virtual rounds of competition into the post-COVID Cantus Idol event.

- Liz thought the Valentine’s theme was fun, and wondered if “My Cantus Valentine” might continue as well, or if the group had ever considered doing personalized valentines. Craig commented that there might be some overlap with Cantus Idol donors and doing both Cantus Idol and the My Cantus Valentine programs might be too much. Paul Scholtz mentioned that there is an expanded audience in the digital competitions. Paul Scholtz also talked about the possibility of a gala late summer, as Cantus Idol will not be possible this spring, due to COVID-19.
- Craig asked if have Cantus has identified new audience members because of these online donor events. Joe said they would be assessing the data to identify first-time donors. Joe also noted that there are lots of new small donors based on extra donations made during online ticket sales.
- Barbara commended the inventive spirit of the artists and the new ways they have engaged the audience during these challenging times.

Brian Newhouse asked if Cantus would continue some of these digital offerings post-COVID. Brian also asked how the board could help with the ensemble’s plans for reemergence from this COVID period. Paul Scholtz said that the artists are in discussions about the post-COVID digital content (e.g., YouTube and live streaming, etc.), and Alberto noted that they definitely want to keep some digital offerings.

Beth Anne and Liz both expressed the view that the digital presence is a good avenue to engage our national audience. Jonathan noted that the digital events have had unexpected ripple effects that have been positive for the organization (e.g., the COVID-19 sessions album).

- Paul Johnson suggested that the ensemble should watch for emerging best practices for hybrid (digital/in person) models from other arts organizations.

Executive Director’s Report

Joe Heitz responded to questions based on his executive director’s report.

Joe noted that there is some uncertainty about the timing to return to in-person events due to ongoing COVID concerns. At this point, it does not seem realistic that we will have in-person, summer performances.

- Brian Newhouse asked if fall performances are possible. Joe mentioned that Stephanie (at IMG) is not optimistic about fall performances. Paul Scholtz commented that Cantus is a better position than most organizations to weather this storm, and has become more innovative throughout the pandemic.

- Beth Anne asked if Cantus had considered offering an online camp program for high school students or others. Paul Scholtz said a Cantus residency has been discussed, but it isn't the right time for that offering. Sam and Chris are working on the development of new educational materials right now.

Finance Committee Update

David Niles gave an update on behalf of the finance committee.

January Financials

David presented the highlights from the January Financials:

- Contributed support outpaced the budget.
- Earned revenue is a little behind the budget
- Net revenue was below budget for January, but expenses are below budget as well.
- Revenue that is forthcoming from an NEA grant will be reclassified to cover January expenses, so we will actually be ahead of budget for January revenue.

YTD Finances

David gave an overview of the year-to-date financials, and highlighted the key findings:

- Individual donations are nearly double the budgeted targets
- Government grants are outpacing the budget
- Ticket sales are double the budgeted target
- Contributed support is \$217,000 higher than budgeted
- Revenue overall is \$240,000 higher than budgeted
- Expenses are lower than budgeted. Currently, expenditures are \$39,000 lower than budgeted (approximately 10% lower).
- For the year to date, the organization is \$280,000 ahead of budget

Balance Sheet

David presented key information from the current Cantus balance sheet:

- Bank accounts and reserves are \$420,000 higher than last year
- Total asset position is approximately \$720,000
- On the liabilities and equity side, there is \$370,000
 - There is \$10,000 left on the first PPP loan but the expectation is that it will be forgiven.
 - There is \$114,000 on the second PPP loan.

- There is the EID loan of \$150,000
- The organization has a strong equity position right now.

Mid-year budget reforecast

David highlighted Joe's efforts on the budget reforecast and talked about the mid-year budget reforecast. While revenue is down \$150,000, expenses are also down \$150,000, so the organization is in approximately the same position despite the pandemic.

Highlights in the budget reforecast include higher individual donations, foundation donations, government grants, and ticket sales.

At present, salaries are lower in the budget, however it is expected that new artists and staff will be hired in the May/June timeframe. David noted that the PPP is reflected in the re-forecasted budget as it was in the original budget.

Joe added that 1) Marketing is lower because of the use of digital marketing; and 2) This is a conservative reforecast. The "Covers" event (if possible) and other fundraising this summer are not included in the reforecast.

Jeff called for a motion to approve the January financials. Jonathan made the motion to approve and Barbara seconded. The board voted unanimously to approve.

Engagement Update

Jonathan Guyton gave an update on behalf of the engagement committee. Jonathan highlighted the Individual Giving Dashboard. At the mid-point of FY21, we have almost matched all of the FY20 gifts at the \$100-\$249 level, and we have nearly double the number of donations at the less than \$100 level.

For the Direct Mail campaigns, 50% more people have responded to the campaigns compared to FY20. We have over 1100 individual donors so far this year. Jonathan thanked the Board for their individual commitments. Commitment of the Board is important in donor conversations and in grant applications.

Governance Update

Frank Stubbs gave an update on behalf of the Governance committee. A couple of revised bylaws are coming soon. The committee has a long list of prospects for new board members. We have two Board positions to fill in July. We will also nominate officers in July.

Beth Anne asked if there is a possibility of maintaining a virtual board-meeting format going forward. She noted that it could help in our recruitment of Board members, and if we wanted to have a national member on the Board, we would need to have a virtual meeting option. Frank noted that there is nothing in the bylaws that prohibited it, but that we should add it to the bylaws. Nancy agreed that a virtual meeting option is a good idea.

Old Business/New Business

Barbara asked for an update about the new baritones. Paul noted that Jeremy Wong has accepted an offer to join the ensemble. On March 1, there will be advertisement for a national search to fill the other position.

The next board meeting is scheduled for March 22, 2021. The meeting was adjourned at 6:48 p.m.