

Beck Center for the Arts
Minutes of the Annual Meeting
Tuesday, December 7, 2010, 5:00pm

Following written notice to the membership of Beck Center for the Arts, a business meeting was held at the Mackey Theater. 28 members were in attendance, all current contributors at the appropriate level, including 17 regular board members, 4 Honorary Board members, 3 senior staff, and 4 other donors.

President & CEO Cindy Einhouse opened the meeting by welcoming the membership who were present and introducing Mary Kim Elkins, who was elected Chair of the Board of Beck Center for the Arts in September 2010.

Ms. Elkins thanked Fred Unger for his five years as Chair of the Board. She announced that this is a business meeting of the Beck Center membership. The annual presentation of programming will be Sunday, May 15, 2011 (note correction to date on invitation). She encouraged meeting attendees to write down any questions during the course of this meeting and give them to one of the Beck staff stationed at the front of the auditorium.

Ms. Elkins called for a motion for approval of the minutes of the January 12, 2010 membership meeting. After the motion and second, the minutes were unanimously approved by voice vote. She then introduced Mary Anne Crampton, Chair of Board Resources Committee.

Ms. Crampton commented upon the tremendous group of individuals leading this organization on the Board of Directors. As set in the corporation's Code of Regulations, each year at the Annual Meeting, members of the Beck Center elect a class of directors for a three year term. She noted that the Class of 2013 is highlighted on the hand-out which was distributed at the door and also called upon those individuals to stand be recognized. Ms. Crampton called for a motion to elect the Class of 2013 for a three year term. A motion was made and seconded, and the membership unanimously approved the election of this class of directors.

Ms. Crampton then recognized Bruce Wacker who was elected to the Honorary Board during the past year.

Ms. Einhouse was then called upon for the President's report which included a report on highlights and accomplishments of the past fiscal year, and the primary goals for this year.

- Pie charts, distributed in the packets, show the sources and uses of funds based upon a \$2.3 million budget. Earned revenue increased \$30k in FY10 compared to FY09.
- Beck Center has gone through some financially challenging times in the past and continues to be challenged just like many other arts organizations, but we are making great progress.
- There is a cultural shift underway in the organization which is reflected in the theme of the strategic planning process we have just begun – "From Surviving to Thriving"
- In the fiscal year ending August 2007, there was a loss of over \$560,000. In contrast, this past fiscal year ending Aug. 31, 2010 was solidly in the black. Our audit will be completed in a few weeks, and financial statement will be available in January upon request.
- We accomplished this while still maintaining the high quality programming that the community expects from the Beck Center.

- Ms. Einhouse credited the talented and dedicated staff, faculty, board and other volunteers for the organization's success, along with the membership whose generous contributions help provide quality education programs, performances, and gallery exhibits each year.
- Contributions allow us to keep our prices down as much as possible for theater tickets and classes, and also serve disadvantage students; this past year we were able to give out about \$20,000 in scholarship support.
- Ms. Einhouse noted the Volunteer Recognition event in July 2010 which is intended to be an annual event, and Georgia Burley who was recognized as 2010 Volunteer of the Year, in appreciation for the many hours she has devoted to the Beck Center.
- Primary goals over the next year are:
 - To continue to operate in the black: Offering professional theater and education programs that generate enough earned revenue and inspire enough contributed revenue to offset the costs of providing these services to the community.
 - At the same time, we must maintain an appealing, comfortable facility, seeking optimal efficiencies with energy and usage of space for programs.
 - Focus on being a relationship-building, customer-centric business, and develop programming which is responsive to our market. To do this, we must do market research and an internal assessment of our programming in order to determine our competitive advantage and position ourselves for optimal program development in the future.
- To that end, we have begun a strategic planning process which will be informed by market research.
- We'll continue to broaden our base of support from individuals in the community, and we will be attentive to environmental and green initiatives.

Ms. Einhouse turned the meeting back over to Mary Kim Elkins who acknowledged the close, productive working relationship between the board and staff. Ms. Elkins commented that this is the largest board (40 members) and the most engaged (13 board committees) in the history of the Beck Center. This organization has evolved significantly since it was incorporated in 1933. It is now a fully professional institution, with a \$2.5 million budget; one of the largest arts organizations in northeast Ohio.

The board is presently reviewing the corporate governance document and looking at revisions to ensure that it reflects the way the institution is currently operating. This is more important today than in the past for several reasons; 1) the changes in the IRS tax return reporting focuses more on governance; and 2) outside entities including foundation grant-makers and insurance companies expect the governance document to accurately reflect the current management of the organization.

Specifically, the voting membership structure which was adopted in 1948 is being considered for change to a non-voting membership structure. This would mean changing the document to reflect current practical role of the membership – which is operating as member benefits rather than member responsibilities. Currently the membership votes on the class of directors for the institution, and the proposed change would put that in the hands of the board.

In the regulated environment we live in today, we want to put the balance of responsibility in the appropriate place – with the Board of Directors. We are not proposing a vote today on any change, we are merely raising the subject to provide the opportunity for discussion and questions from the current members. Written notice will be provided to the membership for proposed action.

Ms. Elkins asked for any questions from the membership. Hearing none, the meeting was adjourned at 5:25pm.