

August 25, 2020

NOTICE OF APPROVAL OF JUNE 5, 2020 MINUTES BY THE
TENNESSEE CRAFT GOVERNING BOARD

Notice to all Concerned:

For reasons beyond our control, the minutes of the Governing Board's meeting held on June 5, 2020 were not available for approval at the August 1, 2020 Board of Directors' meeting.

A special vote was called to obtain approval by the Board Members in anticipation of the need to share the minutes for an upcoming audit.

15 members approved.

This serves to document formal acceptance of the June 5, 2020 minutes.

Linda M. Nutt

Linda M Nutt, President
Tennessee Craft Governing Board

Tennessee Craft Board Meeting

Zoom

June 6, 2020

Roll Call

In attendance: Jennifer Justice, Linda Nutt, Sally Bebawy, Pat Moody, Danielle McDaniel, Natalie Cuicchi, Nick DeFord, Wisty Pender, Paige Ward, Cara Young, Synthia Clark, Kelly Kessler, Reneau Dubberley, Tammy O'Connor, Pat Chaffee, Maggie Fansher

Not in attendance: Jessica Hagar

Tammy O'Connor is the new rep for the South Chapter, which was held by Nancy Wallace for a number of years.

Motion to accept the Feb 2020 minutes made by Reneau; seconded by Wisty. All approved.

President's Report

Linda summarized that several resignations have occurred since the February meeting where an untoward event that occurred. Resignations were accepted from Dianne Hotvedt, Dana Blickwedel, Lael Caldwell, Catherine Wiley, Felicia Dean, and Lindsay Rogers. The equity and diversity training are not an unimportant issue, but because of COVID and cancellation of the Spring fair – working to shore up our financial health was deemed a higher priority. Zoom had been deemed too impersonal to engage in discussion about sensitive topics like racism and equity – we did not anticipate the COVID to propel itself the way it did. Jennifer added that we ought to move ahead with the plans for equity training considering recent national events. While Zoom is not ideal, it is okay.

Spring Fair has been cancelled and if we conclude we need to cancel the Fall fair, the cancellation could have a serious negative impact on the financial health of the organization.

Wisty pointed out that during the Feb meeting we agreed that presentations to the board will be previewed and pre-approved in the future.

Danielle called for a motion to move forward with a workshop soon and have a leader to get that done. Danielle will send the contact information for trainers to Jennifer for action.

Wisty wants it to be recorded for others if possible.

Reneau moved that Jennifer arrange a Zoom instruction on the equity issues as soon as possible. It will be mandatory for board members. Danielle seconds it. All approved.

Maggie's motion: Once the nominations committee nominates new board members, the executive committee will interview each member. Nick seconds. All approved.

Discussion about the need to vet future presentations and presenters led to a suggestion that a retreat committee, outside the executive committee approve presentations. They will plan the retreat with the president and executive director and others. Nick suggested this function falls under the event

committee's function. The event committee will need to review its role and the protocol for how we offer the presentation and survey members to analyze needed topics.

The retreat also included the strategic plan has historically served to focus the board's attention on the strategic plan; Pat Moody also added that we need to review the strategic plan which is scheduled to occur at the next retreat in February..

Linda acknowledges that Reneau has agreed to serve as the Interim Treasurer since Dana's resignation; he will be leading the finance committee discussion.

Executive Director Report

Though the Spring Fair was cancelled, it is not a huge loss to our budget luckily due to monetary gifts and a loan/grant from the PPP program. It is estimated that the next 1-2 years will be a challenge financially. The COVID budget is prepared and will be reviewed, a bare bones budget.

The staff is working remotely, only coming in when no one is in the office. Zoom has been purchased to work remotely.

Staff is working with artists to profile them, develop a resource/grant list

We are developing an e-commerce site to develop another revenue stream, to avoid complete dependence on the fairs is being explored and to expand how Tennessee Craft interacts with artists and the community.

CARES Act- received money from 2 loans (PPP and EIDL), which are spent on payroll and rent. If these are spent in prescribed ways, the loans will be converted to grants.

Emergency funding from Windgate foundation- applied but money will be coming in in July.

Strategic planning retreat with the staff- developing a timeline, budget, staff responsibilities, explored innovative ideas.

Catalyst grant in support of strategic planning, applied for \$5000 instead of \$10K to hire a consultant to begin a strategic planning process.

Reneau asked if there are updates on the deliverables from our fundraising consultant. Development report was given to the executive committee. Her money goals are lofty. She did give us a list of organizations that Jennifer already had.

Tammy asked if there is someone who does fundraising. Jennifer said that she does it plus the committee of Jane Ann McCollough and Linda. Jane Ann was going to introduce Jennifer to people, but not now because of COVID. Committee also includes: Reneau, Maggie, Synthia, and Paige. Committee will meet after this board meeting.

Linda will forward webinar that explores fundraising strategies.

Danielle asks for the staff's tactical plan. Jennifer will be working on writing it up through July and will share before next meeting. The staff suggested innovative programs that will likely have to wait until the next year. The plan will have deliverables and a timeline.

Kelly asks what the best way is to move forward initiatives to move away from dependence on the fairs for revenue. Jennifer said that she's already in discussions with staff and the exec committee and that it's up to the development committee to come up with other revenue streams, like a donor program where Jane Ann can help with because she has connections.

We do not have the constituency/major donor program to have a gala or other large-scale fundraising event.

Budget/Finance with Reneau and Jennifer (Treasurer's report)

Reneau explained the current financial position as of the end of April 2020. Assets Chapter accounts of \$27,000 are not within our control though they are included in our financial reports. We had \$96,000 in the bank and \$98,000 in investment accounts/cash reserves.

Grants receivable \$27,000 will be coming in soon. Our current assets - \$251,000 (bank + cash reserves) minus-\$27,000 of chapters, would cover our expenses for 6 months with no additional income.

Deferred revenue of \$233,000, non-restricted \$33,000 net loss = \$200,000 available to use for cash flow needs and investment in our operations and goals.

Statement of activities: gov't contributions, corporate sponsorships are continuing to be in good shape.

\$33,000 expenses over income through April, which looks like it is problematic, but it is not. Jennifer has been timely to apply for the PPP and EIDL loans, were awarded \$40,000 and \$5,000 respective in May 2020.

We will have a positive cash flow on Spring Fair because 50% of the artists let us keep their booth to rollover for the spring fair in 2021, just shy of \$20K. That fair will be our 50th anniversary and will be on the larger, upper lawn. Kim and Jennifer are exploring increasing the booth fees, which will have to be determined by the board.

2020 fy's End of Year Net income will not be in the red.

Reneau moves to accept the Treasurer's report. Wisty seconds. All approved.

Proposed budget for 2021FY

TN Art Commission will likely generate additional emergency funding which may be available in the fall.

Jennifer summarized the main points of the budget:

Income from contributions, eCommerce site, booth fees and a fall fair are projected at \$253,000. Earned income is considerably decreased with a small (or no) fall fair. Expenses have been cut radically. Spring fair is 50th anniversary, so we will want to dedicate more marketing resources. If the fall fair is cancelled, we will likely show a loss for the year.

Some routine expenses are expected to decrease while others like rent and the copy machine are stable. There was brief discussion of if the organization continues to need an office space – working from home due to Covid has been very efficient and effective. The possibility of subletting part of the office/house was suggested as a cost saving possibility. In future months we will need to decide how like to be post-COVID: keep the house (or not), plan for the fair, identify how we can maintain our presence as an organization.

Noted was that the booth fees shown in the budget does not exclude the fees that have been received and will be rolled into 2021, thus the figure is inflated by approximately \$20,000.

Wisty asks for more timely updates for budgets.

Fall Fair 2020

Considerable discussion focused on the fall fair. The application deadline is July 15, 2020 – the deadline for paid booth fees is August 25, 2020. To date, 64 applications have been received, two thirds of those 64 are pre-accepted. Further discussion focused on the cancellation and refund process and the level of restrictions imposed by the Parks/City/Health department due to the Covid pandemic.

Reneau moves to move forward with the fall fair, recognizing that it could still be cancelled, but that we need to proceed that we communicate to the artists. Natalie seconds.

*What would be our loss should we cancel later, after fees have been paid?

*How the minimum number of applications required to break even. Maintaining the organization's presence as an active organization was felt to be a priority by the majority.

*Maggie said that the break-even point according to conversations in the exec committee meetings was 138 artists. Maggie emphasizes the other alternative revenue pathways we can pursue. We cannot predict how we are going to come across in this climate.

All approved, except Linda, Maggie. The motion carries.

Sally asks for updated budgets to add expenses for social distancing/safety guidelines for the fair.

eCommerce Store

Jennifer presented the current thinking that this store, under the Tennessee Craft brand will capture around 30% commission from artists whose work is offered. This is integrated into the 2021 budget; costs are estimated to be \$8600-10K per year. Sales are expected to increase during holiday periods.

Tammy moves to create a virtual store. Linda and Pat M second.

Information requested included:

Reneau wants the stats for our website and comps for other virtual stores. Jennifer does not have recent analytics. Synthia asked if the products are shipped but break along the way, how do we save our reputation. Linda said that as we hammer out which service we use, they will ask that question. Kelly asks how do we make sure the level of quality of the products' photos are high, especially as people

grow to only know TC through this eCommerce site. Tammy asks to mandate that the UPS packs each shipment.

The motion is carried unanimously.

Next steps: proposals from web developers

By-law changes

Linda presented a list of bylaw changes for consideration and presentation to the membership for adoption in December 2020, some which have been approved by the board in prior meetings, and others she wanted consideration of. After discussion and agreement that restructuring the list in a more focused manner, Reneau suggests we table it until the bylaw edits can be spelled out. Linda asks for Reneau to give edits to the board in 1 month.

Chapter Consent Agenda

Reneau moved to accept. Wisty seconds. All approved.

New Business

Considering the recent George Floyd publicized death, Linda calls for a moment of silence to reflect on the events and our responsibility to our communities.

The board reflected silently for 8 ½ minutes, with several closing their eyes.

Adjournment

Sally moves to adjourn. Natalie seconds. All approved.