

Minutes of the Board of Directors Meeting August 11, 2020

Members Present:

Karen Pfendler, Shannon Waterfield, Ed Sokolofski, Sachi Kubo, Alan Lougee, Darius Tandon, Elaine Frei, Chris Nelson, Steve Nichols, Shelly Murphy

Others joining:

Claire Leaman, Phil Graff, Janet Graff, Anne Giffels, Vi Daley, Lynn Smith, Corinne Svodba, Diane Sokolofski

Meeting called to order at 7:10.

Review of July 2020 Minutes. Motion to approve minutes by Sachi. Seconded by Alan. Motion approved. Chris and Shelly abstained.

Treasurer Report

Ed presented Treasurer report and noted a \$227K operating loss, in large part due to not have 2020 OTAF. Question was asked about how much of the yearly expenses were in legal fees and it was noted that in the last year there had been \$41K in legal fees. Question was asked about what happens if there is no 2021 OTAF—specifically, would we be looking at another loss of \$227K? Karen noted that the operating loss would likely be about \$200K.

Art Fair Chair

Bylaws state term for Art Fair Chair ends at end of FY July 2020 and question was raised whether Sasha would continue as Art Fair Chair. Shelly read an email to the Board that was sent by Sasha, which indicated she would not continue as Art Fair Chair.

Question was posted to Shelly about whether she is interested in being Art Fair Chair. Shelly indicated she was not in a position to make a definitive decision at this time, and indicated that within a couple weeks she should be able to make a decision. Shelly suggested that a search take place for Art Fair Chair(s) and that the Board would have the authority to have someone to finish her term if she assumes the OTAF chair but does not complete her term.

Budget for coming year

Ed indicated we are working on the assumption that there will be no 2021 OTAF—i.e., “maintenance and survival mode”. In this scenario, all expenses would be paid out of savings and reserves.

Ed received budget numbers from subcommittee chairs.

- Shannon (NIC): 2020 proposed budget \$72,500; Actual budget \$25,736; 2021 Estimate \$35,000 which would cover storms, tree damage, etc.—i.e., emergency items.
- Chris (Communications): 2020 proposed budget \$14,010; Actual 2020 budget \$11,094; 2021 Estimate \$2900 (with Art Fair \$15,794.90). Chris proposed eliminating the printed newsletter. Karen indicated support for this idea and that other associations are moving to all digital newsletters. Question is how to do a digital version that would reflect the goals of the OTTA. Sachi made a motion to

move toward digital production starting in FY2021. Second by Shannon. Motion approved.

- Chris (Membership): 2020 proposed budget \$7700; Actual 2020 \$7428.29; 2021 Estimate \$7245 (with Art Fair \$7595). Current membership numbers are 391 voting members and total 593 members. Ed asked about the \$7000 annual software budget and if there was a cheaper/more efficient process and Shannon asked if the annual fee for this software could be renegotiated. Barb indicated that multiple software packages were compared over a six month period and indicated this the current software was highly rated. It also handles student payments, downloads credit card charges, etc. Ed indicated that the software can be reframed as more than just membership and Ed and Shelly indicated that we should think about how to make better use of the database.
- Alan (Capital Improvement): \$3000 estimated FY2021 budget for capital improvement.
- Alan (Association Expenses): \$78,000 estimated for FY2021
- Program Expenses including education: If there is an annual meeting the cost would be \$5000. There will be a \$10K cost related to zoning.
- Legal fees: \$10K allocated for legal fees are allocated for the coming year.

Summary of budget review assuming no 2021 OTAF:

Total Revenue: approximately ~\$29,500
Expenses ~\$200K
Deficit ~\$170K

Sasha prepared a “worst case” scenario if the 2021 OTAF takes place, taking into consideration factors such as fewer individuals visiting/paying for the OTAF. Does not include First Sight revenue and reduces proposed revenue. The net income would be \$55K, and a version of the budget with this additional net income could be used if the 2021 OTAF occurs.

Alan made a motion to approve 2021 budget assuming no 2021 OTAF. Seconded by Shelly. Chris and Steve abstained. Motion approved.

Committee Reports

Karen asked if anyone wanted to do a committee report. No reports made.

A&O (Barb):

Barb brought up the idea of hosting education pods at the Triangle office to help families with schooling/remote learning in the fall. These pods could be offered to members. Ed indicated it could be an incentive to become a member if it was open only to members. It was suggested to consider using a reservation system. Ed made a motion to explore hosting education pods. Alan seconded. Motion approved.

Barb mentioned that there is interested in doing gallery shows in September/October. Board was supportive, provided appropriate safety requirements are followed.

Old Town swag—t shirts and tote bags are available as a way of raising funds. \$25 for t-shirts and \$15 for tote bags.

New Business

All current Board members whose terms are expiring to indicate to Karen that he/she is interested in serving again. This information will be shared with the Nominating Committee.

August 17th was the date set to send suggestions to the entire Board people who could serve on the 2021 Nominating Committee. Karen suggested that the President would vet potential Nominating Committee members and will bring the list of individuals suggested for the Nominating Committee to the September Board meeting. Chris questioned the issue of how the nominating committee is formed and there was discussion that there needed to be clarification/confirmation of how the Nominating Committee is assembled.

Chris made a motion that Board meetings be conducted via Zoom meeting for September-December. Shelly seconded motion. There was discussion about the logistics of doing Board meetings via Zoom. Alan raised a concern that a Board meeting would become a Town Hall and security issues also discussed. It was determined that rules could be set for Zoom that would monitor meeting chat from members who were joining. Chris, Alan, Shelly, Darius, Steve, Elaine voted in favor. Karen, Shannon, Sachi, Ed were opposed. Motion passed.

There needs to be verification about voting on motions via Zoom—specifically, whether all motions need to be passed unanimously.

Shannon motioned to adjourn at 9:02 PM. Ed seconded.

3:32 PM
08/18/20
Cash Basis

Old Town Triangle Association Profit & Loss Budget Performance August 2019 through July 2020

	Aug '19 - Jul 20	YTD Budget	Annual Budget
Ordinary Income/Expense			
Income			
Restricted Donations (Suzanne Flavin Scholarship Funds)	-550.00		
001 - Association Revenue	20,843.84	19,150.00	19,150.00
019 - Program Revenue	44,964.00	60,250.00	60,250.00
250 - Fund Raising Events	0.00	35,000.00	35,000.00
330 - Art Fair Revenues (Art Fair Master Account)	190,825.00	482,000.00	482,000.00
Total Income	<u>255,882.84</u>	<u>576,400.00</u>	<u>576,400.00</u>
Gross Profit	255,882.84	576,400.00	576,400.00
Expense			
66900 - Reconciliation Discrepancies (Discrepancies between bank statements and company records)	1,935.25	0.00	0.00
060 - Association Expenses	92,591.29	102,200.00	102,200.00
050 - Occupancy Expenses	42,988.98	50,000.00	50,000.00
040 - Program Expenses	57,859.79	89,862.00	89,862.00
230 - Neighborhood Improvements	29,861.15	72,500.00	72,500.00
270 - Fund Raising Event Expenses	0.00	15,250.00	15,250.00
300 - Art Fair Expenses	176,998.07	122,735.00	122,735.00
090 - Contributions Expenses	0.00	123,853.00	123,853.00
Total Expense	<u>402,032.51</u>	<u>576,400.00</u>	<u>576,400.00</u>
Net Ordinary Income	-146,349.87	0.00	0.00
Other Income/Expense			
Other Expense			
126 - Legal Fees - Defend HDP/IZ	39,271.50	0.00	0.00
127 - Capital Improvements to OTTA	38,899.83	40,000.00	40,000.00
Total Other Expense	<u>78,171.33</u>	<u>40,000.00</u>	<u>40,000.00</u>
Net Other Income	-78,171.33	-40,000.00	-40,000.00
Net Income	<u><u>-244,521.20</u></u>	<u><u>-40,000.00</u></u>	<u><u>-40,000.00</u></u>

Old Town Triangle Association
Balance Sheet
As of July 31, 2020

	<u>Jul 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
Wintrust (Wintrust Checking)	18,341.92
BMO Harris CD (Cert of Deposit 18 mos)	248,392.22
Wintrust Bank (Bring It Home Savings Acct)	4.89
Wintrust CD (18 mo CD)	210,824.47
Total Checking/Savings	<u>477,563.50</u>
Other Current Assets	
260 - Room Rental Deposit (First Sight 2020 2021)	2,200.00
Vanguard Portfolio (MM; Inter-&Short Term Bonds)	
Money Market Fund (Money Market)	57,413.27
Total Vanguard Portfolio (MM; Inter-&Short Term Bonds)	<u>57,413.27</u>
Prepaid Insurance	1,906.00
Total Other Current Assets	<u>61,519.27</u>
Total Current Assets	<u>539,082.77</u>
Fixed Assets	
Acc Leasehold Improvements	-8,389.50
Leasehold Improvements	10,378.00
Land	21,068.00
Building	119,387.00
Bldg Improvements- Boiler	45,110.00
Equipment	12,661.18
Acc Depr - Building	-119,387.00
Acc Depr - Bldg Improve	-24,281.00
Acc Depr - Equipment	-12,231.00
Total Fixed Assets	<u>44,315.68</u>
TOTAL ASSETS	<u><u>583,398.45</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2021 Art Fair Payable (Art Fair Revenue held over from 2020 to 2021)	28,500.00
2050 - Accts Payable	17,500.00
2100 - Payroll Liabilities	-0.10
Total Other Current Liabilities	<u>45,999.90</u>
Total Current Liabilities	<u>45,999.90</u>
Total Liabilities	45,999.90
Equity	
1110 - Retained Earnings (Retained Earnings)	781,919.75
Net Income	-244,521.20
Total Equity	<u>537,398.55</u>
TOTAL LIABILITIES & EQUITY	<u><u>583,398.45</u></u>