

MINUTES OF A MEETING OF THE BOARD OF CONTROL OF THE ART STUDENTS LEAGUE OF NEW YORK, HELD JANUARY 12, 2022, PURSUANT TO NOTICE DULY GIVEN, VIA INTERNET TELECONFERENCE (ZOOM).

1. The meeting was called to order at 6:00 p.m. with President Robin Frank in the chair. President Frank asked the board members and staff to introduce themselves.

Board of Control (BoC) Members Present: Robin Frank, Marcie Bronkar, Yoko Cohen, Stephen Durkee, Jack Gordon, Jack Howard-Potter, Fran Jacobs, Harriet Lester, Stephen Rosenthal, Jonathan Spies, Jacquetta Szathmari, Charles van Horne

Also present: Michael Hall, Executive Director; Karen Gaines, CFO; Elizabeth Kingman; Director of Development, Manager Thomas Tacik, taking minutes.

2. **Approval of Minutes:** The minutes of the previous meeting of the Board of Control, held December 8, 2021, having been circulated to the Board Members, and upon a motion duly made and seconded, were approved.
3. **Membership Reinstatement Requests:** Upon a motion duly made and seconded, the following requests for membership reinstatement were approved:

Alexander Flikshteyn, Elijah Isaenko, Emily Via

4. **President's Report:** President Robin Frank asked Thomas Tacik to review access to the Teams application for board members. President Frank went on to review board policies, and discussed committee assignments, noting that committee reports should be distributed prior to board meetings.
5. **Executive Director's Report:** Artistic/Executive Director Michael Hall reviewed departmental presentations and discussed the January school closing due to the spread of the Omicron coronavirus variant and the increasing number of infections in New York City.
6. **Committee Reports:**

Development: Director of Development Elizabeth Kingman reviewed a report on the 2021 Gala, which honored Carmen Herrera and the Kamen Family, and was chaired by Robin and Ronald Frank. Ms. Kingman noted that the gala successfully re-engaged donors and notable guests, grossed \$289,000 with expenses of \$199,000, resulting in a net return of \$90,000. Ms. Kingman underscored that board outreach was the key to the gala's success. Ms. Kingman went on to review the annual appeal, which has raised \$173,438 to date. Ms. Kingman concluded her remarks by outlining the development departments current efforts to update the development webpage, focus on Legacy Giving, begin planning for Gala 2022, and reviving the Friends of the League program.

Finance: Committee Chair Vice President Charles van Horne discussed the shortfall in revenue and decreased enrollment due to the shutdown in January. Vice President van Horne noted the following projections:

- Even before the closure, Instruction Revenues were down significantly through December compared with the original Forecast prepared in May 2021. "Other Revenue" (essentially our operating revenues) is off by approximately 25%.
- The rest of the year is also projected to be below the original Forecast: Gross Tuition Revenue for the full year is forecast to be off our original budget by \$2.48m (40%)
- Expenses are also down (by approximately 4%)
- The Gross Margin Report brings up a number of important issues about the balance of our Instruction revenues and expenses

Vice President van Horne went on to emphasize commitment to support many aspects of the organization, and discussed flexibility within the capital budget, noting that The League was fortunate in having a large endowment.

Vice President van Horne thanked CFO Karen Gaines and her team on providing thorough financial reporting. Ms. Gaines reviewed financial statements and presented an analysis of revenues.

Board member Harriet Lester asks about pre-COVID revenue. Board member Marcie Bronkar asked about class viability and the point at which a class no longer meets its expenses. Dr. Lester asked about The League's ability to shift certain in-person classes to remote platforms. Mr. Hall described how certain classes have pivoted to online sessions. Board member Stephen Rosenthal discussed League instructors teaching at other schools. President Frank commented on the legacy of in-studio classes and instructors at The League.

Board member Jack Howard-Potter led a discussion regarding the portfolio draw, and asked if the shortfall in revenue could be covered by increasing the drawdown because of increases in the endowment. Vice President van Horne discussed the need for fiscal constraint to ensure the continued health of the portfolio. Ms. Gaines continued a discussion of the portfolio drawdown.

President Frank discussed the separation of two funds in the general ledger into board designated capital funds and operational funds. Mr. Rosenthal discussed policy aspects of capital funds. Vice President van Horne discussed options for revenue increases going forward, noted the current need to reallocate some of the draw from capital projects to operations. Mr. Howard-Potter noted that offering subsidized art education was part of the mission of The League.

Upon a motion duly made and seconded, the board unanimously approved the following resolution:

The Board of Control amends its fiscal year 2022 planned distribution of funds from the investment portfolio such that amounts allocated for Capital Projects that are unused may be reallocated to Operations as needed for the remainder of the 2022 fiscal year. The reallocated use will be funded from the Board-designated funds.

Board member Stephen Durkee asked how the drop in registration could be analyzed, and what could be done to remedy it. There followed a discussion regarding analysis of enrollment trends and classes. Mr. Hall discussed the possibility of a survey of students to help learn about enrollment trends.

The following discussion regarding online programming. Dr. Lester commented that brief surveys would be more effective, and that the idea of a survey could be raised at the next membership meeting to gauge reaction among members. Ms. Bronkar commented that the drop in enrollment might be due to "Zoom fatigue," and emphasized the nature of The League as an in-person institution. Vice President van Horne noted that continued support for programs and promoting instructors will continue to show improvement. Mr. Durkee discussed the need to build online communities.

Programs: There was no committee report.

Collections: There was no committee report.

Member Outreach & Communication: There was no committee report.

Building: Committee chair Stephen Rosenthal provided an update on recent meetings regarding lighting, noting that a mockup of studio 8 will proceed. Mr. Rosenthal went on to provide an update on the elevator modernization bidding process. Mr. Rosenthal also noted that the roof will need to be replaced, potentially including the skylights above studios 15 and 16.

Strategic Planning: Committee chair Stephen Durkee provided an update on in-progress committee organization being discussed with Artistic/Executive Director Michael Hall. Mr. Hall noted the need to take a step back and revisit The League's core values and how to preserve and enhance The League's mission and called for all voices for input into that process.

7. **New Business:** Board member Harriet Lester raised concerns regarding senior citizens on fixed incomes and tuition increases. There followed a discussion regarding tuition relief efforts.

President Frank led a discussion regarding an off-site board retreat to be planned in March, depending on COVID restrictions.

There being no further business, and upon a motion duly made and seconded, the meeting was adjourned to Executive Session at 8:10 p.m.



Robin Lechter Frank, President

2/9/2022

Date:



Thomas Tacik, Staff Member & Asst. Secretary
(Taking Minutes)

2/9/2022

Date: