

Pratt Board of Trustees Minutes

Meeting of August 26, 2015

Presiding: Brian Flock

Attendance: Lee Campbell, Madeline Dow Pennington, Jan Fischer, Richard Frank-Huff, David Hensel, Jonathan Himschoot, Rhonda Miller, Jenny Pohlman, Sarah Traver; Preston Hampton, Robin Kirschbaum, Richard Openshaw, Anna Skibska, Richard Wortley; Walt Riehl.

Staff: Steve Galatro, Laura , Lindsay Walter

Advance Materials: Agenda, June 24 meeting minutes, proposed changes to bylaws, July 21 Finance Committee minutes, financial reports as of July 31, Pratt 2013 IRS Form 990 and accompanying introductory information, campus development project budget and related information, 2015-16 board calendar.

Regular meeting of the Board convened at 6pm at Pratt, with a quorum present; minutes of June meeting were approved as submitted.

New Board Members: New nominees to the Board Preston Hampton, Robin Kirschbaum, Richard Openshaw and Anna Skibska introduced themselves to the current board and other attendees. A motion was made by Rhonda Miller to approve the election of these individuals—along with nominees Cynthia Ann Hibbard and Richard Wortley—as a slate to the Pratt Board of Trustees. The motion was seconded by Jenny Pohlman and approved unanimously by the Board.

Renewing Board Members: A motion was made by Richard Frank-Huff to approve the renewal of Elizabeth Lee to the Board of Trustees; the motion was seconded by Rhonda Miller and approved unanimously by the Board.

Revision of Bylaws: Brian Flock introduced a proposed revision of the bylaws that will allow the term of office of the Board President to be extended. Specifically, a new subsection (b) will be added to Section 3.5 of the bylaws to read as follows: “the President of the corporation may continue to serve as a Trustee during his or her term as President, even though he or she may have already served two complete consecutive terms as Trustee.” Jenny Pohlman made the motion to adopt the revision to the bylaws; Richard Frank-Huff seconded the motion, which was approved unanimously by the board.

Departing Board Members: Brian Flock led the board in recognizing the service and contributions of departing Board members Greg Clark, Jonathan Himschoot, Erika Dalya Massaquoi, Ryan Porter and Bob Swain.

Executive Officers: Brian Flock reviewed the proposed slate of new board officers (below); David Hensel moved to approve the appointment of the slate, and Sarah Traver seconded. The motion was approved unanimously by the board.

Brian Flock, President,
Jenny Pohlman, President-Elect
Madeline Dow Pennington, Vice-President
Ronda Miller, Treasurer
David Hensel, Secretary

Committee Leadership: Brian Flock reviewed the lineup of committee chairs for 2015-16, including Sarah Traver (Education), Fletch Waller (Governance), David Hensel (Marketing), Rhonda Miller (Finance), and Adam Glant and Madeline Dow Pennington (Auction).

Finance Committee Report: Rhonda Miller gave a review of the organization's financial performance as it nears the end of the fiscal year. Highlights from the snapshot include \$1,393,599 in operating capital (not including \$1.5 million in restricted funds from the Klorfine gift), and nearly one month's worth of cash reserves now on hand, with zero (\$0) borrowing as we go into the new fiscal year. With YTD gross profit up over \$1.2 million vs. FYE15 and expenses up only 1%, net income to the organization is up by more than \$1.18 million versus the previous year. Overall, Rhonda believes the organization has a "really clean balance sheet."

2013 IRS 990: Rhonda Miller also reviewed Pratt's final 2013 (FYE 2014) IRS 990, along with an informational one-sheet that she included to help Board members better understand the information therein. Richard Frank-Huff moved to approved the 990, and Jenny Pohlman seconded; the board unanimously approved the motion.

Executive Director's Report: Steve presented his report on the following key topics—

- *Capital Development Project Update:* Steve Galatro began his update with a review of the basics elements and process of the project, bringing Board members up to date with the current status of the project through Phase 1 (conceptual design) and Phase 2 (schematic design). He noted that the deadline for the financial feasibility study that precedes Phase 3 (design development) has been extended through the end of the calendar year per agreement with the developer.

Steve also provided an overview of the project's budget, along with a breakout of funding sources and the total fundraising goal after monies from loans, new market tax credits and the land sale are applied.

Steve outlined the organization's next steps for this process, including i) conclude lead gift exploration, ii) apply for King County 4Culture Grant, and iii) continue exploration of bridge loan option. He also noted that he expects to have information to the Board at the October regular meeting to support a go/no-go decision on the project.

- *Other FYE16 Priorities:* Steve also gave the Board an overview of the three top priorities for Pratt in the coming fiscal year. These include:
 - Racial Equity: In an effort to improve against our goal of racial equity, a racial equity action plan is being developed for presentation to the board in the near future. A key first step will be organizing “broad training” for the Pratt staff and Board members on this issue. All board committees can expect assignments related to the racial equity action plan.
 - Fundraising Shift: Steve will be acting to reduce the organization's reliance on the annual auction. TO that end, the FYE16 budget reflects more weight to the annual fund; other funding options will be developed as part of this initiative.
 - Enrollment Growth: Following a year of (projected) 15% growth in program enrollment, the organization will take measures to boost enrollment another 10% in FYE16.

Brian Flock closed the meeting with a discussion of future topics he plans to bring before the Board—including tuition increases, Board member engagement, and how to improve the experience of Board service.

Adjourned 8:04 pm

Respectfully submitted,
David Hensel