

# Pratt Board of Trustees Minutes

Meeting of October 28, 2016

**Presiding:** Brian Flock

**Attendance:** Lee Campbell, Greg Clark, Jan Fischer, Adam Glant, Preston Hampton, David Hensel, Cynthia Ann Hibbard, Robin Kirschbaum, Ronda Miller, Piper O'Neill, Richard Openshaw, Jenny Pohlman, Anna Skibska, Sarah Traver, Fletch Waller, Richard Wortley

**Staff:** Steve Galatro, Laura Hammarlund

**Guest:** Bob Swain, Walt Riehl

**Advance Materials:** Agenda, August 26 meeting minutes, draft minutes of October 20 Finance Committee meeting, financial reports as of September 30.

**Regular meeting of the Board convened** at 6:25 pm at Piper O'Neill's studio, with a quorum present; minutes of August meeting were approved as submitted.

**Finance Committee Report:** Ronda Miller gave a review of the organization's financial performance one month into the new fiscal year. Highlights from the snapshot and review of the balance sheet and income statement include very strong results for earned income in the first month, with total revenue right on target as per budget; expenses are under budget by over \$40k; the -\$49k in available cash, and the \$72K in accounts payable, is in general due to the large purchasing of supplies typical at the start of each program year; Pratt's \$250k line of credit has been extended through 2015. Ronda characterized Pratt's overall financial statements to date as a "very positive start."

**Annual Fund Kickoff:** Laura Hammarlund addressed the board to announce and gain support for the 2015 Annual Fund campaign kickoff. The overall goal of the campaign is \$150,000, with a goal for board donations of \$17,000. The deadline to contribute is December 31, and Laura said she will be in touch with board members to get us started. She also noted that Pratt will offer a new online "click-and-pledge connection" for contributions.

**Racial Equity Update:** Steve Galatro and Preston Hampton presented an update on Pratt's work on racial equity, a key strategic initiative for the current fiscal year. In its continuing work on this initiative, the racial equity task force created and distributed and RFP covering racial equity training for the board and Pratt staff. The task force

received four responses, from which it selected New Transitions Consulting to conduct the training. New Transitions will customize single training day for Pratt board, which is currently penciled in for December 5.

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

- *Annual audit:* Peterson Sullivan is on site at Pratt to conduct the organization's annual financial audit. Steve reported that there are "no major issues" and that he expects the audit to be complete by early December for presentation at that month's Finance Committee meeting.
- *New Marketing Director:* Lindsay Walter has departed as MD and Pratt has opened the position for new candidates. Steve expects to interview in mid-late November and to make an offer to a final candidate by the end of that month, with the goal of having the new MD in place sometime in December.
- *Seattle Arts Commission:* Steve has been nominated to the Seattle Arts Commission. Should he be elected, his term will start in January 2016 and he expects that his participation on the commission will raise the public profile of Pratt and provide other benefits to the organization.
- *Other matters:* One hundred artists have been accepted for the Pratt Holiday Art Sale, with about 40% of those new to the event... Efforts among the Central District and city government continue towards the creation of the Historic Central Area Arts and Cultural District; Steve will provide more details to the board on this issue after attending and representing Pratt at a meeting on November 14... Pratt will commemorate its 40<sup>th</sup> Anniversary in 2017.

**Capital Project Update:** Bob Swain and Walt Riehl, along with Steve, gave board members an update on the capital construction project. With the fundraising feasibility study recently concluded, it was reported that the fundraising goal of \$6 million does not seem to be reasonably attainable and that the organization therefore cannot afford to proceed with the project as currently proposed.

Steve and other project leaders believe that a raise of \$4 million is attainable. This amount corresponds to the cost of the original ¾-block project design, and as such they have already taken steps to pursue the project under these parameters. They met recently with Daniels Real Estate (DRE) to share the funding news; DRE is "on board" and "has gone off to figure out how the mechanics can work on their end." Among the key tasks for both Pratt and DRE is to determine how the "yellow building" can be converted to a hot shop. Swain & Associates has made architectural drawings in this regard, and Walt is spearheading the effort to develop new high/low budget estimates for the entire ¾-block project.

Bob, Walt and Steve discussed several related matters with the board... New market tax credits will no longer be needed to fund the reduced-scale project; move-in is expected to be in mid-2018; Pratt expects to hear in November if it will receive a 4Culture Grant from King County; in December work on the project will focus on funding, value engineering, and legal agreements; as before, costs of the project will be split with DRE if we move forward to Phase III, through the organization will be responsible for all costs if Pratt decides not to complete the project.

**3D Printer Update:** Steve discussed the impact technology is having on the art world, and the resulting discussions at Pratt regarding the organization's purchase of a 3D printer for a variety of applications across many classes and disciplines. He relayed how staff and stakeholders have been working to better understand the both the practical and philosophical impacts of such a purchase on the organization. A brief discussion among board members ensued as Steve sought input from trustees, and he promised to update the board on future developments.

Brian Flock closed the meeting with a discussion of board member engagement and how to improve the experience of board service.

**Adjourned** 8:07 pm

Respectfully submitted,  
David Hensel