Meeting: Board of Directors	Notes prepared by: Chelsea Kotula
Meeting date: Thursday, May 22, 2014	Location: Allesee Rehearsal Hall

Participants: D'Avanzo, Davidoff, Endicott, Farber, Fisher, Fogleman, Frankel, H., Ganson, Gerson, Hawes, Horwitz, Hutchinson, Johnson, Kinglsey, Larson, Lester, M.B., Marcero, Nelson, F., O'Reilly, Parsons, Price, Robertson, Uhlig, Wagner, and Wu.
Participants unable to join due to IT issues: Lester, Mel., Nelson, D., Reuss, Saulson, Savoie and Uetz

Also present by invitation: Brenske, Evert, Harrison, Hogle, Inman, Lutz, Kotula, Priester, Stancato, Rönmark and Wilczak.

1. **Welcome and Introductions** **Phillip Wm. Fisher**
   Chairman Phillip Wm. Fisher welcomed the group. Glenda D. Price, Secretary, confirmed that the members of the Board of Directors in attendance constituted a quorum in accordance with Article V. A. of the by-laws. Before beginning, Mr. Fisher noted that unforeseen IT issues prevented calling in to the meeting via telephone. Mr. Fisher then provided an overview of the agenda and reminded the attendees that the information provided today is critical to the DSO's short and long term goals. The musicians who were both honored last week and retiring at the end of this season were recognized for their dedication and commitment. Mr. Fisher also called the members' attention to a comprehensive chart included in the materials packet that detailed the status of all the positions within our orchestra, as previously requested.

2. **Consent Agenda (*action required*)** **Phillip Wm. Fisher**
   A motion was duly made and supported, and the consent agenda was approved and submitted.

3. **Committee Reports**

Finance Committee
Ms. Linda Lutz reported that the DSO's $1.2M line of credit with Fifth Third Bank is up for renewal. She reported that during the course of the past year, we utilized the Line as intended, borrowing on 3 separate occasions. The maximum amount owed at any time was $700,000. Amounts borrowed on the Line were completely repaid on two occasions and the DSO remained out of debt for 18 consecutive weeks. We currently owe $200,000.

- **a.** The proposed terms for renewal have not changed ($1.2M on a 12 month revolving, fully-collateralized line; rate of LIBOR + 1.25%; $900 processing fee). The renewal of the line of credit has been recommended to the Board of Directors by the Finance Committee. A motion was duly made and supported, and the renewal for the line of credit as described was approved.
  On a different note, Ms. Lutz informed the Board of Directors that as of May 22, 2014, the DSO has reached an agreement with the stagehand union for wages during the 2nd and 3rd years of their current contrct. The agreement is within the constraints of Blueprint 2023.
  Mr. Mark Davidoff, Vice Chair of Financial Sustainability & Operations, reviewed the proposed Reserved Powers document and Policy on Limits of Authority as included in the materials packet (updated sheet inserted). Mr. Davidoff noted that these two documents serve to create protocols and standards to ensure best practices at the DSO and have been recommended by the Finance Committee. A motion was duly made and supported, and the Reserved Powers proposal as documented was approved. An additional motion was duly made and supported, and the Policy on Limits of Authority as documented was approved.
- **b. Nominating & Governance**
  Mr. Bernard Robertson reported that the Board of Directors currently stands at 40 elected members and 7 Ex Officio members. The committee has been asked at the request of Chairman Phillip Wm. Fisher to devise and implement a strategy to decrease the size of the Board of Directors to 18-25 members by the 2014 Annual Meeting. The committee began this process in April and will update the Directors as necessary throughout the remainder of the calendar year.
  Mr. Robertson also presented Mr. Josh Linker and Mr. Chad Rochkind forth for appointment to

the Board of Trustees. A motion was duly made and supported, and the two individuals as presented were approved for appointment.

4. President's Report **Anne Parsons**

Ms. Parsons presented her report in three areas: orchestra openings, action items for the BOD to react to, and qualitative reports in the areas of programs, opportunities, leadership, culture and resources. Given that each Director was provided with a chart summary of positions within the orchestra and that auditions were detailed in the department reports, Ms. Parsons moved ahead to briefly touching on action items for the BOD. She referenced several items that directors can engage around: making attendance a priority at the remaining BOD meetings, attending one summer concert, purchasing a ticket or making a contribution to the June gala, making an Annual Fund commitment before 8/31, and engaging in one of Leonard's 70th birthday activities as detailed on the handout at every seat. As for qualitative overviews, Ms. Parsons reported:

Programs: There will be a shift in the neighborhood strategies for Dearborn and Grosse Pointe. The Dearborn partnership has been indifferent with low house fills for full orchestra concerts. While the DSO will continue a presence in Dearborn with chamber music, the full orchestra services will be diverted to Macomb County. As for Grosse Pointe, despite sell-out concerts, the patron-experience has been undesirable in terms of parking and partner relationship. A new partner/venue is currently being explored.

Opportunities: With Charles Burke's departure as Education Director and Music Director of Civic Ensembles, there is an opportunity to explore how this position will look going forward. In the education realm, there will also be opportunities to expand our product outside of the hall and also via digital stream. The Max facility also has increased opportunity for rentals and third party events. Ms. Parsons reported that a Building Activation Team has been assembled to assess ways to leverage our asset and bring in more revenue. Lastly, there are showcasing opportunities on the horizon involving an orchestra tour to China, as well as hosting the League of American Orchestras conference in Detroit in 2017.

Leadership: An alliance of DSO stakeholder leaders has been active in quarterly gatherings to provide an informal forum for issue discussion and idea generation. Ms. Parsons also reported that the DSO leadership will be undertaking a "360" review process to gather feedback this summer. Additionally, it was noted that Leonard Slatkin is contracted through 2016, but requires a notice to renegotiate before 8/31/14 in order to reserve calendar space beyond 2016.

Culture: Ms. Parsons reported that organizational culture continues to improve and thanked Ms. Janice Uhlig for re-activating the HR Committee that will focus on performance reviews and compensation policies.

Resources: Ms. Parsons noted that two year anniversary of settling the bank deal, and the ripple effect it has had on the DSO's ability to make payroll every month since. She reminded the board that balancing the budget is critical, however, the cash requirements of the institution require us to exceed budget. She asked the members to consider making their annual fund commitment as soon as possible.

5. Resource Generation

a. Annual Fund

Mr. Paul Hogle reported that the DSO has $3.6M left to raise until 8/31/14. Mr. Hogle also reviewed several strengths (tracking ahead of last year, individual giving on pace to meet goal of 10,000 households) and weaknesses (10 directors have yet to make a pledge, fewer than 5 volunteers making effective solicitations) associated with this year's campaign.

b. oneDSO Campaign

Mr. Hogle briefed the members on the status of the capital campaign. Currently, the DSO has received $12.1M in fully-paid gifts, with a benchmark of $30M being paid in by 8/31/14 as prescribed by Blueprint 2023. He expressed the potential negative impacts of this trajectory if it continues. It was also noted that proposals totaling $28M are under consideration, with seven solicitation requests pending.

Given the information reported, Mr. Hogle encouraged the members to contact members of the DSO advancement team to inquire about making their Annual Fund commitment, volunteering to make solicitations, or request a meeting to explore opportunities for assisting in connecting the DSO to prospects.

6. Re-visioning Task Force **Arthur O'Reilly**

Mr. O'Reilly reported that a task force is currently being assembled to identify a strategy and vision for the future of our architecture and campus. The goal for this task force is to present its recommendation at the 2014 Annual Meeting.

7. Diversity & Inclusion Task Force **Shirley Stancato**

Ms. Stancato, CEO of New Detroit and former DSO Board Member, recently accepted an invitation from Anne Parsons to chair a task force charged with developing and implementing a diversity policy and diversity statement for the DSO. Ms. Stancato presented statistics to the Board of Directors including the composition of the Detroit-area population in 50 years, minority and non-minority purchasing power, the "changing face" of America, and the top countries of origin for Detroit-area immigrants.

8. A view from the stage **Randy Hawes**
Larry Hutchinson
Erik Rönmark

Mr. Hawes, Mr. Hutchinson and Mr. Rönmark participated in a question and answer session for inquiries from the Board of Directors in the area of artistic and orchestra operations.

9. Executive Session **Phillip Wm. Fisher**

10. Adjournment **Phillip Wm. Fisher**

The meeting was adjourned at 6:05 p.m.