

BOARD OF TRUSTEES ANNUAL MEETING MINUTES
THE WILD CENTER
January 22, 2018 – McKinsey & Co., New York City
1:00 PM – 4:00 PM

Board Present:

Paul Alioto, Joe Beck, Terry Birdsong, George Cigale, Lynn Fox, Sally Hart, Thomas Jorling, Peter Kindler, Betsy Lowe, Chris McFadden, Jack Ryder, James Schoff, Nancy Simpkins, Karen Thomas, and Joel Treisman.

Board/Advisory Board/Staff Present via GoToMeeting:

Michael Bettmann, Martha Bullock, Charles Frenette, Rick Godin, Gary Hartwick, Nancy Howard, Michael Hunsinger, John McHugh, and Charlie Svenson.

Advisory Board Present: Linda Carroll-Pitts, Derrick Pitts, and Brooks Reynolds.

Board Absent:

Tom Aydelotte, Rich Malloch, Paul Maroun, Linda Rosenstock, and Sandra Strader.

Staff/Consultants Present: Marci Bencze, Hillarie Logan-Dechene, Robin Ellis, Bob Kronenberger, Stephanie Ratcliffe, and Will Maitland-Weiss.

Welcome

Discussion:

Nancy Simpkins called the meeting to order at 1:06 pm and welcomed all in attendance in the room and on the phone. She then stated that Board members had participated in a wonderful dinner the night before and thanked those in attendance for joining.

I. Board Elections

Discussion:

Nancy then called on Lynn Fox in her role as Chair of the Committee on Trustees to present Board Members and Officers who were up for election and re-election. She said that there were some members whose terms were expiring who would need to be re-elected, one person being elected and officers who would need to be elected.

Action: A motion to elect Terry Birdsong as well as re-elect George Cigale, Rick Godin, Nancy Howard, Mike Hunsinger, Tom Jorling and Peter Kindler for three year terms (1/18 - 1/21) was unanimously approved.

Nancy Simpkins motion, Karen Thomas second

Action: A motion to elect the following officers to the Board of Trustees was also unanimously approved:

- Nancy Simpkins - Chair of the Executive Committee
- Chris McFadden - Vice President
- Nancy Howard - Secretary
- Joe Beck - Treasurer

Paul Alioto motion, Jim Schoff second.

Lynn Fox also took a moment to welcome the following recent additions to the Advisory Board:

- Linda Carroll-Pitts
- Robert Gillis
- John McHugh
- Derrick Pitts
- Brooks Reynolds

II. **Approval of Minutes**

Discussion: Minutes of the October 6, 2017 meeting were unanimously approved as presented.

Joe Beck motion, Lynn Fox second.

Action: N/A

III. **Executive Director Report**

Discussion: Stephanie Ratcliffe began her report by sharing the following 2017 highlights:

- 2017 School Group visits
 - Attendance strong
 - Showed a map of who we serve
 - New staff member Michael Trumbower is doing a fantastic job.
 - Large spike in school group visits in June as well as a nice bump in the Fall.
- International Science Museum Day
 - 480,000 people viewed.
 - One of the most successful ASTC social media events.
- Wild Walk featured in Design & Play magazine article
 - The Wild Center has a place in this traveling exhibit.
 - Wild Walk was chosen as an innovative play space.

Stephanie then shared the 2017 Year in Review:

- 1,000,000th visitor came through the doors.
- Eclipse Day – An amazing day for science.
 - Derrick Pitts stated that it was the kind of experience that opens door to engage people about science.
- New Parking Lot – solved essential infrastructure challenge.

- iForest opening – utilizing new parts of campus, encourages people to be contemplative in the forest.
 - Will continue to experiment with it to use it in different ways.
 - Michael Bettmann stated that it speaks volumes about TWC, a wonderful experience.
 - Original agreement is for three years (years 2 and 3 at our option).
- NOAA funds have been a game changer for Youth Climate Program - \$493,868 (over 3 years).
 - Need to leverage as much as possible for PR, etc.
- Special Appeals – the new normal.
 - The Intern House
 - Goal was to raise \$120,000, raised \$155,000+.
 - Non-Board gifts, raised sights of volunteers, education and intern staff part of fund-raising.
- Planet Adirondack - funds raised to expand program
 - Directing donor interest to identified need.
 - Activated education staff as solicitors.
- Implications of tax reform
 - Fewer people will itemize, concern is that fewer middle income people will donate.
 - May see a shift in giving patterns.
 - Large giving one year, none the next resulting in unpredictable fundraising results.
 - State and Federal funding sources could dry up as programmatic burden shifts to states. Health insurance costs are also anticipated to rise.

Impact Theories

- We will know in December 2018.
- Donors advised funds will be used as giving vehicles to retain deduction.
- Gifts could increase, receiving large gifts to meet threshold but given sporadically, instead of in a predictable pattern.
- No impact – if relationships are strong and donors are giving to mission and not strictly for the deduction.

What is Your Prediction? - Stephanie asked Board members to provide input/feedback on the following:

- Will charitable giving really change?
- How are you thinking about personal giving?
- What are you hearing from other non-profit Boards? Friends? Financial Advisors?
- How do you think TWC should prepare and adapt?

The following was some of the feedback provided:

- Chris McFadden: Needs to be a reason for people to change economic behavior.
 - Provides a natural excuse to change way they prioritize giving, who to give to?
 - A risk and opportunity.
 - Economic park benefit, provide a return on investment narrative.
- Jim Schoff: Should encourage people to consider The Wild Center as an investment, not a donation.
- Terry Birdsong: Passion! Might turn some people around and make them look at their relationship with nature.
 - To appeal, what nature provides them in terms of a richer life.
- Betsy Lowe: Adirondack statistics are incredible, wonderful stories to tell.
- Karen Thomas: Change giving perspective. Bloomberg, etc. taking a stand – we should learn from them.
- Nancy Simpkins: Be the solution to the biggest problem on Earth.
- Paul Alioto: Use the current political climate to our advantage.
 - Learn how to transition to rely on financial performance and move away from donations.
- Joe Beck: We have allies within New York State, can we help those allies to get a broader audience? Maybe there is a political strategic element to this?

Stephanie also shared the following goals for the upcoming year:

- Launch a multi-faceted collaboration with the Akwesasne Cultural Center and Six Nations Museum.
- Execute staff reorganization.
- Explore and execute multiple experiments to increase admission and group sales, emphasis on shoulder seasons.
- Planning and framing to leverage NOAA Youth Climate Program investment for fundraising and national profile.
- Continue to improve customer service and visitor experience (exhibits, website, training).
- Campus Master Planning.

Mohawk Partnership

There are several pieces to project, finally being implemented after thinking about it for 14 years:

- A three year timeline, IMLS funded.
- Multi-dimensional
 - Mohawk designed exhibit renovation (marsh oxbow).
 - Temporary summer exhibit – Roots of Wisdom.
 - Mohawk curated contemporary art exhibit (Opens in October).

- Co-created programs.
- Co-created canoe programs (second year).
- Shared Mohawk staff.
- Extensive staff and volunteer training.

Why are we doing this?

- Adds missing perspective from our interpretation and honors others perspectives
- Introduce concept of TEK (traditional ecological knowledge) to our visitors
- Invites contemplation of TEK strengths with western science
- Allows us to practice co-created program & exhibit development
- Demonstrates TWC's commitment to diversity and inclusive perspectives

IV. Financial Report

Discussion: Joe Beck began by thanking Chris McFadden, the previous Finance Committee chair for his perspectives over the last few years. He stated that Chris would continue to serve on the committee but had stepped down as chair.

Joe then shared the following points:

- Forecast is for a small profit in 2017 - \$70,000
- Expected some decline after bump from Wild Walk opening but 2017 attendance was equal to 2016
- Membership revenues increased with retention being up
- Last year was a great investment year for Board Designated funds
- 2018 budget comments:
 - Will be raising admission prices and member pricing in the near future
 - Will raise additional funding through development efforts
 - We should investigate health insurance options
 - A sound budget was presented, management has done a great job at managing expenses. Chris McFadden stated that 2017 was a very successful year and agreed that the budget had a lot of thought behind it and he was satisfied that we have a good roadmap for 2018. Charlie Frenette also stated that he felt that the 2018 budget was sound.

Joe took a moment to thank the following Finance Committee members for their contributions:

- Rich Malloch
- Chris McFadden

- Jim Schoff
- Charlie Svenson
- Lynn Birdsong, ex officio
- Stephanie Ratcliffe, Executive Director
- Bob Kronenberger, Director of Finance

Joe Beck then invited Bob Kronenberger to share observations of the committee regarding the financial report:

Attendance

- 2017 total attendance was up 0.7% from 2016 but down 8% vs. 2015.
- 2017 paid attendance was down 2% from 2016 but member visits were up 5%.
- 2017 total attendance 145K vs. 144K in 2016 (vs. 159K in 2015 and 59K in 2014).
- 2018 attendance is budgeted at 140K or down 3.7% from 2017.

Admission Revenue

- 2017 admission revenues down 4% from 2016.
- 2016 admissions revenue \$1.4mm (\$30,000 under budget) vs. \$1.5 mm in 2016.
- 2018 budgeted admission revenues \$1.5mm (includes \$2 ticket price increase).

Earned Revenues

- 2017 membership revenues are up 7% (\$33k) vs. 2016.
- Overall membership retention rate @ 46% in 2017 (up from 38% in 2016).
- Store revenues are up 4% vs. 2016 despite flat attendance.
- 2018 budget for membership revenues up \$65k for price increases to selective levels.

Support Revenues

- 2017 operating support revenues on budget.
- 2017 Annual Fund about \$100k over last year and projected to increase another \$100k in 2018.
- 2018 will have reduced support from operating grants.

Annual Revenue Distribution

- 2017 revenue was \$5.2 mm.
- 2017 earned revenues estimated to be 48% total, increasing to 55% in 2018.
- Annual Fund forecasted at 33% of 2018 total budgeted revenues.
- 2017 budget includes reduced funds (\$180,000) from grants that support operating expenses.

Functional Operating Expenses

- Overall 2017 operating expenses are \$100,000 budget.
- 2018 budget includes:
 - 2 new staff positions (education and marketing)
 - Staff salary increases, minimum wage adjustments and health insurance cost increases;
 - New exhibit costs;
 - Large decrease in TV advertising, but significant increase in internet/digital media costs.

Income Statement Forecast

- 2017 earned income close to budget.
- 2017 operating expenses \$100,000 under budget.
- 2017 operating support also close to budget.
- Overall 2017 results expected to be a little better than budget.

Balance Sheet Highlights

- Bank line of credit \$750,000. \$0k drawn as of December 31.
- Wild Walk term loan balance \$900k with next \$100k principal payment due December 2018.
- Including the outstanding Wild Walk pledges and Gala commitments, term loan balance ~\$60k.

Endowment Performance

- Current portfolio weighting is 68% stocks, 32% cash and bonds.
- Portfolio widely diversified via mutual fund holdings and Treasury Notes.
- S & P gained 19.4% in 2017. Our portfolio had a 14.8% return over the last year.
- Ad-hoc committee met to review current investment policy

Conclusions

- 2018 budget proposal is supported by the Finance Committee as consistent with 2017 operating priorities, including some additional staff investments.
- Attendance levels remained strong in 2017.
- Operating (vs. Restricted) grants made significant contribution in 2017 results.
- Endowment performance continues impressive growth and providing tangible support to operating funds.
- Overall liquidity and balance sheet remains strong.
- Annual Fund support remains crucial at 29% of 2017 revenue

Action:

A motion to adopt the 2018 budget was unanimously approved.
Nancy Simpkins motion, Chris McFadden second.

Other Matters

Ad-Hoc Investment Committee Report

- Committee met to review current Investment Policy that was adopted in December 2010.
- Conclusions:
 - Based on current size of BDE (Board Designated Endowment) fund the committee does not feel the need to retain an outside investment manager.
 - The current spending policy of 4% of the average fund value over the past five years seems reasonable. The Finance Committee should review the Museum’s plans each year and approve spending for the upcoming budget year.
 - The Finance Committee should also review the Investment Policy annually.
 - The Ad-Hoc Committee reaffirms the current policy to the Board.

Cyber Security Update

- Interviewed two cyber security firms and received four proposals from cyber security vendors for varying services.
 - For 2018 utilizing Center for Internet Security membership to access software tools to scan and monitor network activity.
- Scanned our network Security Compliant Automation Protocol software:
 - Identified security issues.
 - Created plan to remediate issues.
 - Removed vulnerable obsolete equipment still connected to network.
 - Reconfigured network switches and security cameras.
 - Reviewing inventory of all network devices.
- Developed 2018 security plan with quarterly objectives.
- Will re-evaluate plan and course of action again for 2019.

VI. Development and Campaign Report

Discussion: Charlie Svenson began by thanking Hillarie Logan-Dechene and her staff for a fabulous year. Hillarie then shared her Development Committee report. She stated that 2017 had been a successful year in terms of building support. She then made the following points:

- Over \$4.4 million of gifts and new pledges.
 - Annual Fund over \$1.6 million
 - 33 grants valued at over \$1.1 million for special priorities

- Fully funded Intern House with non-Board gifts
- Increased conversion of visitors to members through improved Customer Service and Messaging.
 - More people joined as members and more people renewed

The Obie Effect

Hillarie then spoke regarding the impact of the loss of co-founder and Chairman, Donald “Obie” Clifford, Jr. on The Wild Center and shared the following facts:

- Direct
 - Loss of \$100,000 personal annual contribution.
- Indirect
 - 2017 masked by \$124,000 in Memorial Gifts given in 2017.
- Bottom Line
 - 30 people (some aging) attempting to transition to Board members and Staff.
 - At Risk - \$75,000 to \$100,000 of 2018 potential gifts.

The True Obie Effect

- **Be Obie**
- Make TWC your giving priority.
- Be willing to ask like Obie, inviting new people with capacity to be part of this great thing you have created.
- Honor Obie’s memory by emulating his model.

Endowment Fundraising: Linda Vaughan Society 2017 Highlights:

- Two new members with bequest intentions of \$160,000 or more
- Two bequests realized - \$35,000
- 38 total members
- 29 members = \$4.3 million documented
- 9 listed at \$1.00 each
- 10 Trustees
- 5 Advisory Board

Case Statement Messaging Feedback

Karen Thomas asked those in attendance to complete a case statement reflection asking the following questions of them:

- What resonated with you?
- How did you feel about the document?

Paul Alioto stated that the case statement should be turned into a video and shared with the world.

Board Generative Discussion Exercise

Nancy Simpkins stated we are in the process of creating a “year-ahead fund” as we are trying to raise funds for the next year the year before they are needed. It will be easier to plan program initiatives with this in place. Hillarie then asked those in attendance to split into six groups to complete an exercise. The question posed to the groups was “What strategies should be considered to establish the Year-Ahead Fund?” Hillarie asked groups to discuss the question but they did not have to come to a consensus, just vote individually. Board members then split into groups and discussed the following scenarios:

- A – Accelerate the growth of this fund by seeding with an allocation from the current Board Designated Endowment.
- B – Fully fund the Year-Ahead Fund from the current Board Designated Endowment Fund.
- C – Set a new policy that undesignated gifts of real property (real estate, art, and other tangible property) be liquidated and that the proceeds be directed towards this fund.
- D – Deem this fund an “imperative” and request that all Board members make a special one-time contribution to this fund to get it off the ground.
- E – Designate any operating surplus to this fund until which time the fund reaches its target.
- F – Create an operating budget cap of 3% and reallocate 5% of each year’s operating budget to building the fund until the goal is met.
- G – Fundraising only from foundations and non-Board individual donors.
- H - Ask all Board members to either make a three-year Annual Fund written pledge **or** make a 2018 Annual Fund gift and an equivalent one-time Year-Ahead Fund gift in 2018, with a verbal commitment to continue annual giving into the future at, or greater than the 2018 level.
- **Other – Write-in**

Board members then used their stickers to vote on scenarios and then chose a member of their group to report out regarding their discussions:

Group 1 (George Cigale)

- Gifts of real property and bequests should go into year ahead fund.
- Shared a write in - \$5.5 million endowment, take next \$2 million and it goes back to \$5.5 million.

Group 2 (Jack Ryder)

- Focus on endowment.
- Combine scenario A with either D or H. Some from endowment, etc.
- Change fiscal year to 4/1 or 5/1?

Group 3 (Joe Beck)

- A – Could be part of the solution
- B – NO

- C – Good way to start
- D – Important
- E – Didn't like
- F – Not prime solution
- G – Could work – need Board commitment

Group 4 (Tom Jorling)

- Not good
- Only good with gap between budget
- Want to make growing the endowment a priority

Group 5 (Phone group)

- Leave endowment alone
- Add to new year ahead fund 3 or 4% at a time in coming years
- Don't take focus from endowment

Group 6 (Lynn Fox)

- For financial stability, need a rainy day fund
- Should be a policy
- Endowment hard to raise, not direct conflict with endowment fundraising – don't use part of current endowment.
- Not sure how much money to ask for.
- Concept of it being a preservation mechanism (Chris McFadden).

Write-ins

- The next \$2mm that would go into endowment should go into the year ahead fund.
- Concentrate on endowment
- Special fundraising event effort – “Hall of Famers” in honor of donors (i.e., Obie Clifford, Joseph Cullman, etc.) who were passionate about The Wild Center. Perhaps give some sort of award in their honor?

The two scenarios that received the most votes were:

- C – Set a new policy that undesignated gifts of real property (real estate, art, and other tangible property) be liquidated and that the proceeds be directed towards this fund.
- D – Deem this fund an “imperative” and request that all Board members make a special one-time contribution to this fund to get it off the ground.

A summary of the discussion is attached as an appendix to the minutes.

Jeffersonian Event

Will Maitland-Weiss gave a brief presentation regarding “Jeffersonian-style” events which we are using to engage key prospects and get them engaged around the idea of cause centered communities. The format is to invite guests who are interested in the

chosen topic and also somehow invested in the Adirondacks. Will described the December 16, 2017 event, co-hosted by Betsy Lowe and Barbara Grose. There were Board members, a moderator, a college president, a journalist, a foundation chair, and a NYS environmental employee among many other attendees and was centered around Communicating Science. The following is a list of the follow up that needs to take place as a result of that event:

- Board and staff thank each participant.
- Each participant will be sent a copy of the new Case Statement.
- Continuing the conversation – planning is already underway for a 3/24/18 gathering at Nancy Howard’s home in Westport, NY.
- All participants will be invited to appropriate cultivation events in 2018.
- All participants will be solicited for support – reflecting their interest – in 2018.
- Ideas are welcomed (and shared with Stephanie).
- The goal is not a “to do list” but individuals engagement.
- This is about building a “Wild Center-ed Community).

Stephanie stated that it was about gaining ambassadors. George Cigale supported the concept stating that we should brand the events; another organization he volunteers for hosts a similar event called “Molecules & Martinis” which is very successful. Other Board members were encouraged to contact Will about setting up a date to plan an event.

VII. Other Business

Establishment of a Science Advisory Committee

Tom Jorling shared a proposal to establish a Science Advisory Committee which he stated would help to underscore the foundation of The Wild Center in science. He said that the Adirondacks are a place of abundant research and that TWC should be a part of that network. After a brief discussion it was the consensus of the Board that we should pursue the establishment of a Science Advisory Committee.

VIII. Executive Session

IX. Upcoming 2018 Meeting Dates

Monday, May 7, 2018 (NYC)
Monday, July 9, 2018 (TWC)
Friday, October 5, 2018 (TWC)
Monday, January 21, 2019 (NYC)

Board Generative Discussion Summary - January 22, 2018

In response to the question: **“What strategies should be considered to establish the Year-Ahead Fund?”** During the January 22nd Board Meeting, the Board had a Generative Discussion and vetted the following possible strategies both in small random groups, individually and then as a group. The Strategies were force ranked as part of the exercise using a staple of green (yes) and red (no) dots.

The full discussion will be captured as part of the Board Minutes. The discussion solidified the Board's commitment to both establishing such a reserve fund as part of prudent fiscal planning and a natural maturation of the organization, as well as emphasized the need to also continue with endowment fundraising.

The forced voting exercise reflected the consensus of the Board discussion that there was not singular strategy to develop the Year-Ahead Fund, rather that several of the presented strategies, and few exciting new ones, proposed by Board Members could be deployed to get TWC where it needed to be.

The top strategies (in order of voting popularity) that the Board Members wished to combine included:

1. Set a new policy that undesignated gifts of real property (real estate, art, and other tangible property) be liquidated and that the proceeds be directed towards this fund
2. Deem this fund an “imperative” and request that all Board Members make a special one-time contribution to this fund to get it off the ground
3. The next \$2 million that would go into endowment be redirected in Year-Ahead Fund
4. Launch a special fundraising event (perhaps with 2024 eclipse) focused on the “Hall of Famers” in Honor of Obie, Joe Cullman, ect. to build the fund

There also some support (from two or less individuals) for the other strategies, such as:

- Create an operating budget cap of 3% and reallocate 5% of each year's operating budget to building the fund until the goal is met
- Ask all Board Members to either make a three-year Annual Fund written pledge or make a 2018 Annual Fund gift and an equivalent one-time Year-Ahead Fund gift in 2018, with a verbal commitment to continue annual giving into the future at, or greater than the 2018 level
- Ask for advance payments from bequests with strong stock markets

And there was equal votes for and against on the following, thus neutralizing the strategies:

- Accelerate the growth of this fund by seeding with an allocation from the current Board Designated Endowment Fund (3 yes - 3 no)
- Designate any operating surplus to this fund until which time the fund reaches its target (1 yes - 1 no)

And the following strategies were voted down. There was no support for:

- Fully fund the Year-Ahead Fund from the current Board Designated Endowment Fund
- Fundraising only from foundations and non-board individual donors

	Scenario A: Accelerate the growth of this fund by seeding with an allocation from the current Board Designated Endowment Fund.	Scenario B: Fully fund the Year-Ahead Fund from the current Board Designated Endowment Fund.	Scenario C: Set a new policy that undesignate d gifts of real property (real estate, art, and other tangible property) be liquidated and that the proceeds be directed towards this fund.	Scenario D: Deem this fund an “imperative” and request that all board members make a special one-time contribution to this fund to get it off the ground.	Scenario E: Designate any operating surplus to this fund until which the fund reaches it target.	Scenario F: Create an operating budget cap of 3% and reallocate 5% of each year’s operating budget to building the fund until the goal is met.	Scenario G: Fundraising only from foundations and non-board individual donors.	Scenario H: Ask all board members to either make a three-year Annual Fund written pledge or make a 2018 Annual Fund gift and an equivalent one-time Year-Ahead Fund gift in 2018, with a verbal commitment to continue annual giving into the future at, or greater than the 2018 level.	Write In: Ask for advance payments from bequests with strong stock markets	Write In: The next \$2 mill that would go into endowment be redirected in Year-Ahead Find	Write In: Concentrate on endowment	Write In: Launch Special fundraising event with 2024 eclipse "Hall of Famers" in Honor of Obie, Joe Cullman, ect. to build fund.	TOTAL	
Yes Vote	3	0	10	6	1	2	0	2	0	1	5	1	5	36
No Vote	3	9	1	0	1	0	2	0	0	0	0	0	0	16
Yes as %	8.33%	0.00%	27.78%	16.67%	2.78%	5.56%	0.00%	5.56%	0.00%	2.78%	13.89%	2.78%	13.89%	
Net %	0.00%	-25.00%	25.00%	16.67%	0.00%	5.56%	-5.56%	5.56%	0.00%	2.78%	13.89%	2.78%	13.89%	
Rating			1	2		4		4		5	3	5	3	



