

**Board of Trustees: Development Committee
December 4, 2019 – 3:30pm-5:00pm - Alumni Room, Tower Building**

MINUTES

Members attending: Karen Keane (Chair), Pamela Parisi. Ex-officio: Jan Saragoni, David Nelson. Ad-hoc: Richard Marshall, Valentine Talland.

Absent: Denise Korn.

Staff: Marjorie O'Malley (Liaison), Kathy Calnan, and Susana Segat (Board Secretary)

Call to Order

Chair Keane called the meeting to order at 3:30pm and welcomed participants to the first of two Development Committee meetings for the academic year. She appointed Valentine Talland, Chair of the MassArt Foundation, to serve as an ad-hoc member.

Approval of the Minutes: May 6, 2019

On a motion duly made and seconded, it was unanimously

VOTED: to approve the minutes of the May 6, 2019 committee meeting.

Fundraising Goals for the Year

Chair Keane yielded the floor to VP O'Malley. VP O'Malley talked about the December 2nd Foundation meeting/party and thanked trustees for attending and then asked President Nelson to report on the Surdna grant. President Nelson explained that MassArt and the City of Boston had been awarded a \$1.2m grant over three years, called *Radical Imagination for Racial Justice*, to distribute funds to working artists for racial equity. He provided some history on Surdna, the grant's expected relationship between MassArt and Boston, MassArt's role in managing the project, and the importance of being assigned a researcher for assessing impact. He said that there was no required financial match from MassArt or from the City of Boston but that the goal was to attract other local funders to contribute. Trustees discussed the projected grant recipients, whether MassArt students would be able to apply for funding, and how much of the grant would go directly to projects.

Chair Keane offered her congratulations and asked VP O'Malley to proceed with her report. VP O'Malley explained that the college had raised \$3.8m last year and expected to raise \$4m this year. She noted some staff turnover and then provided a summary of the FY2020 year-to-date revenue projections: Annual Unrestricted had reached 8% of \$1,633,000 goal; Annual Restricted had reached 31% of \$1,270,000 goal; Endowment had reached 14% of \$1,000,000 goal; In Kind had reached 583% of \$100,000 goal (due to a \$400,000 donation of leather fabrics); and the year-to-date total as of 12/4/19 was \$1,100,903 which is 45% of the \$4,003,000. VP O'Malley expects to reach 50% of the annual goal by the end of the calendar year.

Cost of Fundraising at MassArt – FY2019

VP O'Malley showed a chart on the use of college funds specifically for fundraising: the cost to raise a dollar is \$0.25; the return on investment (ROI) is \$4.07; salaries and operating budgets equal \$764,649 (Foundation comptroller salary not included); revenue equals \$3,878,341 and net revenue totals \$3,113,692. She listed the categories pertaining to fundraising in the use of college and foundation funds: cultivation \$55,000; campaign expenses \$10,000; auction operations \$668,500; other event operations (fashion show) \$80,000; total fundraising expenses \$813,500; ROI for Foundation and college funds equals \$1.97; and the combined cost to raise a dollar is \$0.51. President Nelson said that the BHE would be happy with those returns and added that the college needs to plan for a comprehensive campaign and attendant staffing. Trustees discussed the need to invest in a long-term strategy, whether data reports could be presented with a multi-year view, and the impact of the new tax code on the donor base. Trustees thanked the department for providing this requested data.

Comprehensive Campaign

VP O'Malley told trustees that her department was working on a \$25m comprehensive campaign plan that would prioritize scholarships, faculty resources, community engagement, MAAM, and innovation. Trustees discussed the value of community engagement, the need for private philanthropy for MAAM programs, and the depth and reach of the college's donor base. VP O'Malley showed a draft campaign timeline and noted that the difference between this campaign and the previous campaign would be that this new campaign involves the internal community. President Nelson explained how the state's annual appropriation is comparable to having a \$450m endowment: since the college would like to have a \$550m-\$600m endowment, we would be using this upcoming \$25m comprehensive campaign as a foundation for the next \$100m campaign.

VP O'Malley showed a sample pyramid of donor giving levels, cascading from two \$5m donors at the top to 8,500 donors who contribute less than \$1,000 at the base. Trustees discussed how to attract new donors, the importance of prospect research, and ways in which trustees could be helpful. VP O'Malley ended her presentation with a list of proposed new staff positions for her departments.

Fundraising Events

Executive Director Calnan provided an update on this year's auction preparations. The auction co-chairs this year are John Thompson and Elizabeth Lowrey and their goal is to award 300 auction lots (270 silent and 30 live) from the 1,300 pieces of work submitted for the April 25, 2019 auction. Executive Director Calnan discussed the auction preview parties: April 21 and April 23 are already scheduled and the opening reception will be held on May 15th this year. As for sponsorships, 248 requests for \$726,000 have been made this fall, with a goal of securing \$340,000: to date, we have secured commitments totaling \$81,000 and have received about \$10,000 in in-kind commitments. Trustees discussed commission rates and the possible negotiation of getting bonuses for selling art above its expected value. Trustees thanked Chair Keane for serving as the auctioneer again this year.

Executive Director Calnan distributed a notice for a January handbag design workshop that is open to the public: the leather fabrics donated to the college would be used during this workshop sponsored by the fashion design department. VP O'Malley noted that this year's fashion show fundraiser would be held on Saturday, May 16th.

New Business

There was no new business. Chair Keane announced that the next committee meeting will be held on April 1st to review the comprehensive campaign plan.

Adjournment

On a motion duly made and seconded at 5:00pm, it was unanimously

VOTED: to adjourn.