



Southwest Virginia Cultural Heritage Foundation Board of Trustees

Thursday, December 10, 2020 | 1:00 to 3:00 p.m.

Digital Meeting:

<https://zoom.us/j/6687672858>

Phone Number: +1 646 558 8656 US (New York)

Meeting ID: 668 767 2858

Due to the Governor's Declared State of Emergency due to COVID-19, it is impracticable and unsafe for the Board of the Southwest Virginia Cultural Heritage Foundation to assemble in a single location, so the Board meeting and public hearing will be held electronically, by video conference and telephone options, pursuant to 2020 Amendments to the 2020 Appropriation Act. The purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Board and the discharge of its lawful purposes, duties, and responsibilities. The public is welcome to use the link and phone number options made available by staff to attend the meeting electronically. The Board will make available a recording or transcript of the meeting on its [website](#) in accordance with the timeframes established in Sections 2.2-3707 and 2.2-3701.1 of the Code of Virginia.

Minutes

Call to Order

Delegate Will Morefield, Chair, called the meeting to order and gave welcome at 1:02 p.m.

Jenna Wagner conducted roll call at 1:03 p.m. Quorum was met.

Trustees in attendance:

Senator Todd Pillion

Delegate Will Morefield, Chair

Delegate Sam Rasoul

William Smith, Treasurer

Dean Chiapetto

Kevin Byrd

Duane Miller

Jimmy Morani

Robyn Raines

Ellen Reynolds

Kathy Shearer

Dr. Adam Hutchison

Larry Yates

Nancy Brooks

Erik Johnston

Becky Nave (for Rita McClenny)

Staff in attendance:

Jenna Wagner



Krystal Mosley
Jamee Gillespie
Ida Walker
Gwyn Hill
Chad Thompson
Tina Murray

Guests in attendance:
Carrie Beck, The Crooked Road
Rob Goldsmith, People Incorporated

Staffing Update

Erik advised that Jenna sent an email on his behalf letting the board know that Chris Cannon, Executive Director, resigned effective November 30, 2020. He had been on medical leave for several months and thanked Chris for his service to the Commonwealth. The Executive Director, the Deputy Director role Jenna is in, and also Krystal Mosley are the staff that are in state positions. We really want to thank the whole team, especially Jenna, for stepping up in the acting Executive Director role during this transition. Jenna has been working closely with myself and Matt Weaver on our policy team. Erik gives additional thanks to the board, leadership, and General Assembly members. He also emphasized the importance of the mission and creative economy efforts, especially in recovery from the pandemic. Appreciates the board's support and guidance in 2021.

Erik added he would take any questions. No questions were asked.

Delegate Morefield spoke about Chris playing an integral part in the restructuring of the organization. He knows we're in good hands with the team in place.

Financials – Jenna Wagner

FY21 Q1 Financials – Jenna advised that board members could find the financial statements in the board packet that was sent out via email. Spoke to a variety of changes to the overall presentation of the financials. Thanked Krystal Mosley and finance committee for their work over the past few months. The team and committee have been doing a deep dive into operations and grant items, cleaning up processes and procedures, and putting the organization on a good trajectory for the future.

Jenna - These financial statements are through the end of September 2020 (Q1). The last budget that the board approved for FY21 was in June 2020. We presented FY20 EOY financials at the end of October. This format, in general, shows less historical information. We're working with the finance committee heading to 2021 on a concise and streamlined document from Quickbooks for the FY22 budget and financial statements. This format will be consistent through our meeting in March of 2021.

- PPP award for Friends of SWVA totaled around \$94k. As of June of this year, we've received about \$91k of that total. Questions and discussion from finance committee was whether to list the PPP as a payable or revenue. We also received feedback from our auditors on this inquiry. Determination was to list the PPP as a revenue.
 - Payable - We did receive a \$10k EIDL award. We have determined that this



amount will have to be re-paid because we received PPP. We will be able to pay this amount back over the next two years.

- We have until July 2021 to file the forgiveness paperwork.
- Our audit for FY20 is in progress.
- Almost \$200k in cash on hand (as of September 30, 2020)
- Total receivables around \$120k (as of September 30, 2020)

FY21 Budget Revisions – Jenna pointed out some discrepancies between approved FY21 budget in June 2020 and presented financials in October 2020. Adjustments have been made to fix errors.

- Ended the year \$170k in the black – We found some grant funding being calculated twice. The marketing expenses were also not being totaled accurately. Adjustments have been made.
- Venue and events expenses – Note that this number is over budget, as we paid out Leah Kidd’s salary to her family.
- We added a PPP revenue item showing around \$91k in revenue. FY21 Q1 has a \$2,600 in carryover remaining.
- Partnership Program – Jenna gave an overview of the partnership program between Friends of SWVA, The Crooked Road, and 'Round the Mountain. 100% of all partnership program funds come to Friends of SWVA and then 35% goes to 'Round the Mountain, 35% goes to The Crooked Road, and 30% goes to Friends marketing. The Crooked Road’s portion are the only funds that leave our account. We have been working with Carrie Beck and The Crooked Road about how our partnership moves forward and how to approach the Partnership Program in a creative way. We’re being mindful and sensitive to the pandemic, the challenges localities are facing, and how our organizations can continue creative economy growth and development together.
- Development program support has been shifted. We are working with funders to transition Personnel funding allocations to Project Oversight and Administration. We have had some transition in staffing over the past few months, especially in our development programs. Now, have more flexibility to work with the Planning District Commissions, especially in their areas of expertise. We have zeroed out the Grant Support and Just Transition Fund line items, as we are not aware of any additional development program support awards.
- Marketing reserve fund – We are now including a portion of the marketing reserve fund in the marketing revenue line items. The marketing reserve fund has around \$182k. We are planning on using \$77,500 this year. Initial presentations showed the marketing was operating at a deficit. Now, with a marketing reserve usage line item, we’re able to show that we are not operating on a deficit. We are looking for a sustainable option for the future so that we don’t have to keep drawing down so rapidly.

Delegate Sam Rasoul – Based on our current drawdown level, how long do we think the marketing funds will be there to support of our activities, if nothing were to change?

Jenna – You will see that we are being much more conservative with our marketing expenses because we have shifted more towards content generation and are not doing as much paid advertising. As projected right now, we have about a year and one half to two years left of marketing funds in the reserve. Our Marketing Manager, Chad Thompson, is going to talk more



in his presentation about the sustainability for our marketing programs.

Jenna continued to present the financial statements and budget revision information.

- We are starting to build a maintenance reserve for the Cultural Center. We do have an agreement for maintenance services, which is included in the budget; however, this fund would be specifically for larger maintenance issues that come up.
- We are also including some additional funds for pursuing tenants for the Cultural Center.
- Marketing expenses have been adjusted to be more conservative. We do have a monthly retainer with our marketing agency for marketing services and expertise. Those funds have been added to the revised budget.
- Restricted funds and cash flow were also explained more in depth.

Jenna concluded the financial report and asked if there were any questions.

Dr. Adam Hutchison – On the tenant process, could you talk a little bit more about the recruitment and the nature of the relationship that we are exploring?

Jenna – Over the past year, we have been trying to determine to best fit and use for the Cultural Center and revenue generating opportunities. When we closed for the pandemic and didn't reopen the café, we found that the Cultural Center had a lot of underutilized space. We were mainly looking for a restaurateur to occupy that role. We have someone who is interested in coming in for an expansion of his current restaurant. This opportunity opened the door for a retail business to assume some of the gallery space. These two potential businesses are the farthest along in conversations. Once we started exploring this opportunity more, we realized that we needed some additional expertise on setting up any agreements.

Erik Johnston – Jenna has been working with the Executive Committee, due to the nature of the confidentiality of the potential businesses being pursued. The Executive Committee has been looped into the specifics of those companies and determining if this direction is where the board wants to go long-term with potential revenue opportunities. The goal of the rental opportunity we are looking for is to ensure that it aligns with the mission, as well as to bring in more customers for the artisans, The Crooked Road, and outdoor recreation opportunities. It's not just the revenue piece.

Dr. Adam Hutchison – You hit upon the crux of the question which is, the nature of the activity the tenant would be engaged in and I think we all want to make sure it is in line with the mission of the Center.

New Business

- a. Consent Agenda – Delegate Will Morefield, Chair
 - i. Adoption of Agenda
 - ii. Approval of Minutes from October 2020
 - iii. FY21 Q1 Financials
 - iv. FY21 Budget Revision

Delegate Morefield - Advised what is in block to be voted on and asks if anyone would like to remove an item from the block. No one asked for anything to be removed. Delegate Morefield



asked for a motion to approve the block. Kevin Byrd made the motion, Delegate Sam Rasoul seconded.

Consent Agenda Roll Call Vote:

- Senator Todd Pillion - Aye
- Delegate Will Morefield, Chair - Aye
- Delegate Sam Rasoul - Aye
- William Smith, Treasurer - Aye
- Dean Chiapetto - Aye
- Kevin Byrd - Aye
- Duane Miller - Aye
- Jimmy Morani - Aye
- Robyn Raines - Aye
- Ellen Reynolds - Aye
- Kathy Shearer - Aye
- Larry Yates - Aye
- Nancy Brooks - Aye
- Erik Johnston - Aye
- Becky Nave (for Rita McClenny) - Aye

Delegate Morefield – The block was approved at 1:36 p.m.

Executive Director Report

Jenna – I wanted to give the board some additional staffing and visioning updates and items for the board to be thinking about headed into Christmas, the New Year, and our March board meeting. Staff has been putting in the time to follow through and organize projects and programs. There's still a lot in the works, so we are going to give it a few more months before we make any decisions regarding staffing changes. We've been assessing everything and looking at programming holistically. The staff will share more specifics on programming.

Sustainability is the focus moving forward. We've been considering how to market the region, bring in visitors, but also encourage people to stay. We've stayed in conversation with Virginia Tourism and are learning more about the newly launched Drive 2.0 campaign for Virginia. We're trying to align our efforts with what the state is doing, as well as partners throughout the region.

We've met with committees over the last few months and talked through a few different opportunities that have presented themselves. We've been taking a step back in our development efforts to make sure we're approaching everything in a strategic way. We've also been discussing with the development committee about the organization of our current programs, including the POWER 16 and POWER 18 funding. The POWER 18 funding includes our Bridge Builders / Interstate Collaborative. It will focus on how Friends of SWVA, The Crooked Road, and 'Round the Mountain work with our partners across state lines. We can begin conversations around the overlap of our cultural and natural assets, storytelling, and how can we work together on recovery from the pandemic. You will be hearing more about this program in the coming months.

We also received funding for 5 AmeriCorps VISTA positions. The Friends of SWVA VIATS



position is being reprogrammed to focus on the Bridge Builders / Interstate Collaborative program. The other 4 positions are going to be with UVA-Wise. They will strategically place their VISTAs to support their efforts. Our focus will be getting this program off the ground in the coming months.

We will be working with The Crooked Road and our partnership with the 'Round the Mountain board on what the Partnership Program will look like moving forward. We're having a lot of conversations on how to integrate musicians and artisans into the larger body of work in the region. 'Round the Mountain and The Crooked Road are their own organizations that focus more specifically on venues, shops, galleries, musicians, artisans, and more, but how do we really start to integrate everything together? We want to come up with creative ways to track the tangible product and this integration. You'll see some of this reflected in our annual report for this year, especially with a shift in programming due to the pandemic. More to come at our March 2021 board meeting. We want there to be a dedicated focus on a comprehensive integration and the role that the Foundation and Friends of SWVA will play in the region moving forward. At our March meeting, we will give the board additional insight and ideas into this approach. Our annual report should be ready to send out to the full board in the next few weeks.

Jenna reminded the Foundation board members that they would be receiving a conflict of interest form from the Commonwealth. This information should come via email in January. Feel free to reach out with questions.

Jenna concluded the Executive Director report.

Division Updates:

- Chad Thompson gave a marketing and communications update.
- Idalina Walker gave an update on community development programs.
- Krystal Mosley gave a product development program update.
- Jamee Gillespie gave a cultural heritage program update.
- Tina Murray gave an update on the Cultural Center.

Partner Organization Reports:

- 'Round the Mountain – Jenna Wagner and Ellen Reynolds gave an update on 'Round the Mountain.
- The Crooked Road – Larry Yates and Carrie Beck gave an update on The Crooked Road.

Approval of Next Board Meeting Date

Delegate Morefield asked for someone to make a motion to approve next meeting date of March 11, 2021 at 1:00 p.m. - more than likely will be virtual. Kevin Byrd made the motion to approve, Nancy Brooks seconded. All were in favor.

Adjournment

Meeting was adjourned at 2:14 p.m.