

## **MINUTES OF THE PUBLIC FORUM CONCERNING THE ARTS IN NORTHAMPTON**

February 17, 2007 1:00 pm – 3:00 pm

City Counselor Michael Bardsley opened the public forum and welcomed the members of the community who had gathered to discuss the Academy. He introduced Susan Kohler-Gray, who had agreed to facilitate the discussion. Andrew Crystal introduced the members of the Board of Trustees and thanked the IATSE Union members who had volunteered their time to staff the meeting. Ann Shanahan introduced those members of the Board of the Northampton Center for the Arts who were present, including Penny Burke, Executive Director of NCA.

Susan Kohler-Gray (“SKG”) asked the attendees to identify themselves by region. Northampton residents were present from downtown, the Fairgrounds area, Florence, Baystate, Leeds, Wards V and VI. In addition, residents of neighboring communities were also present.

SKG noted that all present were there because they care about the academy. The purpose of the gathering was to hear the range of concerns held by those in attendance. SKG reviewed the agenda for the afternoon, which included a segment for Overview, time set aside for Cares and Concerns, Themes/Preparation for March Dialogue, and Wrap-Up. A second session with more opportunity for sharing and conversation is scheduled for March 25 from 1:00 pm to 3:00 pm at the Northampton Center for the Arts.

SKG reviewed some ground rules for the afternoon. Attendees were encouraged to be open-minded, curious, respectful, focused/brief and were urged to be patient with SKG as she moved things along.

Mayor Clare Higgins gave a history of the Academy and its relationship with the City of Northampton. She indicated that Edward Lyman made a present of the building to the City when, after operating it as an opera house for two years, it was not able to turn a profit. The City accepted the gift. Under the deed of trust, the City would own the building, but the operation of the Academy would be managed by a Board of Trustees. The City was obligated to cover any debt incurred by the Academy, and any surplus was to be turned over to the City. In 1917-18, the City Council initially refused to cover the Academy’s debt, which in today’s dollars would have been \$75,000, but eventually the Council agreed to cover the Academy’s obligations. Over the years, the Academy’s fortunes have waxed and waned. In the post-war years, the City contemplated legal action to break the will but that effort was eventually abandoned. In the 1980’s, a portion of the Academy’s roof caved in, and the City provided an interest-free loan to make essential repairs to the building. After substantial fundraising, there was a modest surplus, but that was spent on air conditioning the building, which proved to be costly. The ensuing debt crippled the ability of the Academy to be profitable going forward. In 1985, an article in the Daily Hampshire Gazette indicated how difficult it was for a single screen theatre to break even, and those same issues were identified in an article in the Valley Advocate, published in 2000. State Senator Stanley Rosenburg was instrumental in gaining a \$2 million grant that enabled the Academy to become handicap accessible as well as make improvements on the façade. In 2001, the City funded a study by a consultant, Janice Barlow. The Barlow Report indicated that the only financially viable future for the Academy was to make a move away from nightly film presentations and towards live performances. The Barlow Report created a business plan, and the Board of Trustees took steps to implement this plan. In December 2006, faced with increasing debt, the Board of Trustees made the decision to stop showing nightly movies.

Currently, the City has agreed to pay the utility costs for the building and the Trustees have committed to raise the funds necessary to pay off the existing debt, which has been reduced by half over the course of the past 18 months.

Since 1893, the building has operated under a model that has never really worked. The community has gathered to determine whether there is a new model that will function more successfully. There may need to be a change in governance as part of the next phase of the Academy’s operation. Northampton has prided itself as being the region’s cultural center, and the Academy is an important part of the cultural offerings that make Northampton unique.

Michael Bardsley addressed the sustainability of the arts in Northampton. Three years ago, the City Council created the Arts and Recreational Services Committee, of which Councilor Bardsley is the chair, in response to proposed cuts in City school budgets that would have virtually eliminated arts education in the City. The City Council became concerned and determined that the City could not take the arts for granted. Maureen Carney and David Murphy are the other two members of the ARSC, which meets the first Monday of every month. The ARSC has formed an alliance with the NCA, including Ann Shanahan and Penny Burke. The goal is sustainability of private and public arts spaces, all of which are challenged. It will take a concerted effort to sustain the arts in the City. Concerned citizens are encouraged to join the Advisory Committee. Councilor Bardsley can be reached at 586-1431 or via email at [michael.bardsley@verizon.net](mailto:michael.bardsley@verizon.net). The ARSC is actively assisting the arts organizations in the City that are in the process of transformation.

Penny Burke, Executive Director of the NCA, spoke about that organization. The NCA is not the Northampton Arts Council, which is a department of the City headed by Robert Cilman that raises and distributes funds to community arts organizations. The NCA is not a City department, but has an important relationship with the City. In 1983, when the City sold the Sullivan School to a private developer, it retained the use of the auditorium space at the school under a 30 year lease. The NCA supports local artists, and sponsors arts programming, including rental of space, and also does fundraising, including First Night, which brings in a large percentage of the NCA budget. Like the Academy, the NCA has had its ups and downs but is currently stable. The 1983 lease expires in 2013, and in November 2006, the NCA Board began a conversation with other arts organization, including the Academy, Commonwealth Opera, New Century Theatre and A.P.E. Gallery about various kinds of collaboration and will survey additional arts organizations with a goal of developing the cooperation and collaboration that is critical to the ongoing vitality of the all of the arts organizations in the City.

SKG opened the dialogue of cares and concerns. Because of time limitations, the audience was asked to put their questions on 3 x 5 cards that were provided for that purpose. Volunteers gathered the cards and SKG sorted them into categories, developing questions from the collected cards. The Academy Board prepared a list of Frequently Asked Questions, which were distributed to the audience upon arrival. Members of the audience who were posing questions were asked to put their name and contact information on their card so that they could be contacted for further information if necessary. The following questions were posed to the Board of Trustees:

*Why hasn't the City been paying for the utilities all along, as it would with a school building?* Mayor Higgins responded that the Academy is not a City department, that it was accepted as a gift to be run by the Board of Trustees and that it was supposed to be self-sustaining. She noted that one of the questions that the City needed to consider was what the relationship should be between the Academy and the City, and that whether the Academy should become a City department was part of that discussion.

*Why not have a bar in the Academy to supplement income?* Mayor Higgins responded that City Home Rule made it possible for the City to grant beer and wine licenses to qualified applicants, and that indeed the Academy had in the past held one day liquor licenses for particular events. The Trustees are considering all possibilities and a bar may be an option for supplemental income. The Mayor indicated that a full service liquor license was unlikely.

*How can the Academy tap into renewed interest by individuals, especially utilizing new volunteer energy?* The Board of Trustees is established as an 11 member board, and there are two vacancies. Interested individuals should email the Academy at [info@academyofmusictheatre.com](mailto:info@academyofmusictheatre.com) and a Board Application Packet will be mailed to them.

*What are the internal organizational strengths and weaknesses at the Academy?* Andrew Crystal indicated that the current Board has a number of volunteers with specific strengths, including finance, marketing, theatre management, fundraising, public relations, as well as the Mayor and President of Smith College. The current efforts to attract new Board members will hopefully supplement the current management expertise. Linda McInerney indicated that one major frailty was the Academy's lack of success in fundraising.

She spoke about the annual campaign and the need to build a donor base, including a direct mail piece that went to 8,000 individuals but that only raised enough to pay for the cost of the printing and mailing of the solitication. The Academy Board made a number of efforts to raise necessary funds including an event held at the home of the Smith President, but ultimately, there was too much money that needed to be raised and the debt was beginning to increase again, leading the Board to suspend the showing of movies. The good news is that since the announcement in December, there has been tremendous outreach from the community, and there is optimism that future fundraising efforts will be more successful.

*Has or will the Academy negotiate with the union as part of its plan for the future.* Andrew Crystal indicated that there have been discussions with the Union in the past and that those discussions will be part of the Academy's planning process in the future.

*What is the nature of the relationship with WGBY?* The Academy's agreement with WGBY covers several areas. It represents a strategic alliance with WGBY's highly effective fundraising organization as well as the ability to tap into WGBH's programming expertise. In exchange, WGBY will have an office at the Academy to allow it to increase its presence in Hampshire County and will be able to use the theatre as a venue for programming. The hope is that this will be a working relationship that will help both organizations achieve their goals.

*What has been the financial support from the area and what private support has come from individual Board members?* Individual Board members have made substantial financial contributions to the Academy over the course of the past year, and the Academy continues to receive contributions from interested individuals. Anyone who wants to make a contribution should contact the Academy at [info@academyofmusictheatre.com](mailto:info@academyofmusictheatre.com).

*Should Board Members be elected by the residents of the City as a means of increasing accountability and gaining additional influence into the Board's decisionmaking?* If the will and deed are changed, that could be possible. This would involve going to court and a Home Rule petition before the legislature. The City has accepted other gifts, including the Forbes Library and Look Park, some of which are run by independent Boards, others of which are run as City departments. The City and the Board are open to considering all options for continued governance of the Academy. Based on the recommendations of the Barlow Report, the size of the Board increased from 5 to 11. There have been two vacancies on the Board, and these vacancies have been difficult to fill.

*What is the relationship between the Academy and Smith College? Should the College be responsible for continuing support of the Academy?* Carol Christ, President of the College, spoke about the College's role in the continued management of the Academy. The President of Smith has always served on the Board of Trustees, and the College has collaborated on many Academy ventures. It has guaranteed a number of loans to the Academy and has even loaned money to the Academy and then forgiven that debt. The College's ability to be a substantial underwriter of the Academy is limited by its own charter and its mission, which is to educate students, and it must be mindful of that mission when allocating resources. Nonetheless, the College has been and continues to support the Academy financially and through programming.

*What is the approximate yearly operating budget/overhead at the Academy?* The overall budget of the Academy is between \$400 and 500K. The fixed costs to operate the Academy (exclusive of projectionists, staff, concessions, etc.) is approximately \$130K.

*How much does it cost to keep the building in operating condition?* Expenses for utilities run approximately \$50K per year, and general repairs and maintenance run approximately \$10K per year, but major repairs can be expected every 2-3 years, so that the general upkeep of the building will likely range from \$50 – 100K per year.

*Are we thinking too small? Can we develop some way to save both the Academy and the NCA? Perhaps by building onto the existing building?* Mayor Higgins indicated that City residents need to think

bigger than the Academy because of the current atmosphere for arts organizations in Northampton. Adding an addition to the Academy building has a number of problems, including the fact that the park next to the Academy is not available for construction. But yes, this has to be a broader question than simply “saving the Academy,” and that’s why this open dialogue is so important.

*Why didn’t the Board and the City tell the citizens more about the Academy’s problems sooner?* It is difficult to raise money for an effort that appears to be failing, so the Board tried to be careful about how it communicated the Academy’s financial situation to the public. Nonetheless, in the mailing last fall, the message was clear that additional financial support was necessary to save the Academy, and the response was weak. The Board was able to reduce the deficit by half but when it began to increase again, it made the tough decision that the showing of films was not financially feasible.

*Shouldn’t the public have access to Board minutes?* The Academy of Music is operated as a private, non-profit organization, and generally, such entities do not publicize their minutes. All the Academy’s tax filings and charitable filings are posted on its website, [www.academyofmusictheatre.com](http://www.academyofmusictheatre.com).

*What are the lessons learned that we can apply to the future?* The Academy has learned that it can’t do the same thing over and over and expect a different result. Changes may come in the form of a change in governance, increased fundraising, programming developments, but it is up to public discussions to help make these tough decisions going forward. Arts organizations traditionally need between 30% and 40% unearned income in order to survive. The movie business has become increasingly difficult and complex. The Academy needs a viable financial plan and cannot depend on the City or the College as deep pockets to continue to bail it out. Paul Weinburg noted the general distress in the community when the Look Park pool closed, but the Trustees of Look Park had the courage to do the right thing instead of allowing the leaking pool to literally drain the financial resources of the Park. For the Academy, the reduced attendance at movies proved to be a similar drain on its resources.

*Shouldn’t the Board take full responsibility for the situation and show their responsibility by resigning?* Andrew Crystal noted that the Board had followed the business plan established for the Academy by the paid consulting firm, hired an executive director and tried to preserve the institution through what was a necessary transition. Linda McInerney noted the positive news regarding the partnership with WGBY and stated that nobody wants to get in the way of the future of the building. Everything, including a restructured Board of Trustees, is on the table in this restructuring effort.

*What role did the staff play in the current state of the Academy? Were interpersonal conflicts to blame?* The Board cannot comment on personnel matters, but the Mayor noted that the staff had nothing to do with the problems facing the Academy. Personalities and Board members have come and gone over the years, but the Academy’s problems seem to be the same. The new staffing model may need to be different. Duane Robinson and other loyal staff members held the place together. What the new staffing pattern will be going forward is a question that has not yet been answered. To clarify, the previous executive director resigned from her position.

*What is the Academy’s mission statement?* Andrew Crystal read the Academy’s mission statement from the Barlow Report as well as the applicable language from the Lyman Deed. The Barlow Report is available on the Academy’s website. Individuals who do not have internet access were asked to leave their names and addresses if they wished to receive a copy of the Barlow Report by mail.

*What are the programming plans for the next 6-10 months?* The Academy is available for productions. Interested individuals should email [info@academyofmusictheatre.com](mailto:info@academyofmusictheatre.com) for rental information and agreements. The Academy will continue to show films through a number of film festivals that are already booked for February and March, with possibly more festivals scheduled later in the spring.

In the open question session, the following issues were raised:

An organization is forming that is designed to raise money to provide ongoing operating expenses through an endowment. This organization will operate under the umbrella of WGBY's fundraising expertise. In addition there have been offers to fundraise to replace the marquee on the front of the building. WGBY will be consulting on all aspects of the Academy's fundraising plan. Coordination of efforts is key. There is a role and a place for everyone under this umbrella, and the need is great. Input is welcome. Individuals interested in participating in the new organization are encouraged to contact the founders at [info@nohofame.org](mailto:info@nohofame.org).

Concerns were expressed about WGBY and its role in the future of the Academy. A member of the audience expressed a desire for citizen input before future programming decisions were locked into place. The Board clarified that WGBY's role is at this point limited to fundraising assistance.

Paul Bolliver offered a solution based on a worker cooperative movement that involved a web broadcasting system, which is a new kind of approach to programming. Materials were distributed regarding this approach.

A member of the audience commented that if film showing is not a part of the Academy's plan for the future, fundraising will be more difficult.

Larry Jackson, president of the Amherst Cinema, spoke about how difficult it is to make the showing of movies economically feasible. Single screen cinemas are simply not viable in today's movie environment.

The audience and SKG identified the following themes for future discussion in March:

- The need for public input and communication about the future of the Academy
- Programming plans for the future and whether the Academy can return to showing films
- Collaboration among the various arts organizations in the City
- Board governance and oversight
- Fundraising
- Public access to information
- The future management structure of the Academy

All of these themes and more are available for further discussion in the second of these two public conversations, to take place on March 25 at the NCA from 1:00 pm – 3:00 pm.