

MQ Board of Directors Financial Retreat

Date: April 24, 2010

Board Members Attending:

Char Wenger
Jill Schultz
Jean Carr
Kathleen Winters
Yvonne Curran
Miki Peine
Sue Rutford
Karen O'Brien
Mary Brandt

Staff Attending:

Linda Lysdahl

Guests:

Jan Walstrom
Wynn Martin
Carol Fisher
Sandra Weston
Laura Nagel
Linda Wines (left at noon)
Lou Roos (11:30)

Board Members Not Present:

Location: Neighborhood Development Alliance, St. Paul

Miki brought the meeting to order at 9:05am. Attendees introduced themselves to Sandra Weston and Carol Fisher, board nominees.

Our guide to resolving our financial situation should be our mission. Our logo: "Celebrating the Art of Quilting." From the bottom of the home webpage: "Minnesota Quilters, Inc. (MQ) is a volunteer, non-profit organization dedicated to the celebration of quilting. Our activities and events are structured to honor the past, celebrate the present, and nurture the future of this time-honored traditional craft in all its forms."

Action item: Display our mission more prominently on the webpage (Communications).
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We should keep our mission in mind as we review our activities. Is this still our mission? Do we need to update, revise it? Does the activity pertain to our mission? If not, maybe we should not be doing it.

We have always tried to make enough money to cover our expenses. We need to start planning to cover 15-23% over cost, not to just break-even.

We should focus both on cutting costs and increasing revenues.

Any expenditure (e.g., new computers) needs to be reviewed in light of costs. We are at a growing step; we are becoming more professional, and we need to be more accountable. Each of the operating areas needs to forecast and plan.

EDUCATION. This area includes: Meeting Coordinators, Historian, Librarian, BOM, FQ Drawing, Fall Getaway, Holiday Brunch.

Strengths

Our program speakers (there is a wide range of topics presented; we learn new skills, see new things; it's great when we can utilize MQ members and their knowledge and skills).

Meeting dates are known and regular; allowing for planned-out calendars.

Fall getaway and holiday party are heavily attended; attendees come year after year.

Weaknesses

How has our monthly meeting attendance been going? Is the number of meeting attendees shrinking, overall? Are we keeping track of attendance? (Someone thought that we might be using door prize tickets to keep track).

Action item: Determine if we are keeping attendance at meetings. If we stopped doing this, set up procedure to start doing it again (Education).

We do not offer as much for out-state members. For them, there is the annual show, MQP quilt evaluation events, newsletter.

Parking has always been a concern at the Textile Center. With the light rail construction coming, the parking situation will worsen, and some members are not used to city parking challenges.

Opportunities.

We could find another meeting place. A place with nearby parking options.

We could work to foster carpooling/rideshare (this would increase interpersonal connections as a side benefit).

Fall Getaway nice—could we do a second, perhaps with a smaller group? Hold mini-retreats in outstate areas?

Has MQ always been a “local guild”? A lot of the smaller groups have come about since the founding of MQ.

Establish “Minnesota Quilters in a box” – take a program to places outstate—like “MQ On the Road.” An example we might aim toward is the Colorado guild, which doesn’t have a homebase; meetings are held all over the state. They have partnerships with smaller groups all over the state. This program would involve a lot more work on the part of the planners.

We need better feedback from outstate members. Should we create a separate survey for them?

We could offer a “speakers bureau” program to smaller groups. If we were having a speaker come in, provide a possibility for that speaker to go to an outstate location (within a specific timeframe).

Quilting in the schools is a big opportunity—would help to attract new members.

Hold a “Bring your Daughter/Son/Granddaughter/Grandson Day.” Textile Center has Family Day once per year. Once a program has been established, it can be shared with local guilds.

We should promote Textile Center library usage. Include them in the Schoolhouse program.

Action item: Include the Textile Center library in the Schoolhouse program (Education).

We could propose legacy giving. Put MQ in one’s will? Tell your family to give to MQ if you die? Phrase it carefully, but get members thinking about it.

Threats

Light rail construction.

Parking (perception of, and actual, problems in finding parking).

Increasing fees.

Aging membership.

Lost membership.

Discussion

Grants. We could fund our education budget by applying for grants. We really haven't pursued grants in the past. It would be nice to have a grant writer. Terri Kryson, on behalf of MQ, is going to grant-writing training, will report to the MQ Board. Paperwork can be done by Becky. Our demographic makeup might preclude obtaining general operating grants. Can we pursue diversifying our membership or look for ways to serve a diverse membership? Perhaps to the Somali and Hmong communities?

Action item: Report to the BOD about grant-writing training and opportunities MQ might have (Terri Kryson).

Fall Getaway – We will be charging more this year.

Library budget (\$500/year) comes from the general fund. Could we establish a separate library fund? Get books by donation only? Use a book jobber?

Holiday party – Could we change back to potluck format? Charge more? If the amount charged goes up, could we ask members to sponsor scholarship tickets for those unable to afford the party?

Speaker fees are not covered by the charge to non-members. The \$3 non-member charge is not based on the cost of bringing the speaker in. Having a for-fee workshop can cover a lot, but not everything. So, for the "Lecture Series," do we begin to charge the members for lectures? As an historical aside, we stopped charging members when we increased our membership rates—as an incentive for attendees to become members. Could we look for sponsors for the speakers? Ask quilt shops if they are interested in having the speaker at a book-signing or trunk show? Share the costs?

OPERATIONS

Strengths

Our staff members (Becky and Linda) give us continuity. We benefit from their knowledge and skills.

Weaknesses

Our culture as an organization has really changed. We weren't thinking in terms of having employees. Employee salaries weren't budgeted for. We can't blame their hiring for our financial situation. Our shows used to make a lot more money and we thought they would always have increasing revenues. Back then, our treasurers didn't understand nonprofits. Overall, we are dealing with issues that arose years ago. We have been spending money we probably shouldn't have been spending.

Our lease at the Textile Center is somewhat ambiguous as to how "locked in" we are. If we look for a new location – what do we need? Should we set up a committee to research? Ask members what they want first? Maybe first step is to get references for a real estate person to locate possibilities. We need: meeting space, office space (for two employees), library space, storage. Office space and library space could remain at the

Textile Center; for meeting space and storage (at least) we probably need to look elsewhere. We could form a committee to scout for a new location. Need some analysis to determine what kind of move to make. Operations will start the process.

Action item: Start process to find alternative organizational space (Operations).

The Textile Center has a lot of the same issues that we have. Some members might feel that we are just “shirt-tail cousins,” giving to the TC capital campaign and not “getting anything for it.” This same perception might be held by some MQ members about MQ membership. This worldview of “us” vs. “them” seems like a weakness.

Opportunities

Now is a great time, economically speaking, to be looking for deals as far as a new location.

We should have financial reports in the newsletter on a regular basis.

We should try to engage MQ membership (starting with the Board) in participation in contributions to MQ (even if the contributions are small).

Linda Lysdahl currently provides her own office space, so she gets mileage reimbursement. If we could find space for her at the MQ office, we could save on mileage expense. And Linda would have her home space back for her own use.

We should look to change the perception of members as to what membership is about. “I am a member because I am supporting MQ (not because of what I get for being a member).”

MQ is proposing to the membership the establishment of a Membership director. This Membership director could proceed to implement fundraising efforts.

Threats

The economy.

Discussion

We should shop around for our annual audit. When a rebid was sought for our insurance, the cost of our insurance went down.

Action Item: Produce a Request for Proposal (RFP) for the annual audit (Miki and Sandra).

Should we stop paying mileage for our volunteers?

Concerning the MQ grant program: Should we decrease the \$10K annual amount? Have them be totally funded by proceeds from the Small Quilt Auction? Eliminate grants budget? Our grants support quilting-related TV shows; these shows are advertising for MQ, and show our support for our outstate members. Should the focus of the grants change from year to year? Next year’s budget has no grants line item (at this time).

Could we buy quilting-related DVDs, then send them out to members for viewing? (as an alternative to funding quilting TV shows). Operations will look at the proposal. Can we imagine streaming videos? These programs would bring up all kinds of copyright and logistical issues.

Action item: Could we buy quilting-related DVDs, then send them out to members for viewing? (Operations)

Membership. Why do we let non-members keep coming and not become members? Should we keep track of non-members who attend, give them only one or two meetings at the non-member rate?

Should we establish *new membership options*? Members could voluntarily pay more, for more recognition? Or if they feel that they want to give more? Should we offer family memberships? Or offer one-time free memberships (which could lead people to stay members)?

Should accounting be done to have *MQP* charged for the rent of the space used for their storage? Could their paper records and stored quilts be kept somewhere else? If we moved the file cabinets, we might have room for office space for Linda at the Textile Center. MQP does provide the program at one set of membership meetings.

We lease a *printer*. At one time, the monthly rental makes it still cheaper to lease the machine than to use a Kinko's type service. Is this still true? What exactly are we printing? Are we not moving to reduced paper usage?) We pay per month, then per sheet if over a number of sheets. There may be a need to get a new machine (the one we have is getting old).

Action item: Research printing costs and determine if a leased printer is still the best option (Operations).

COMMUNICATIONS

Strengths

The newsletter is a real strength. It has been a valued part of membership through all our years.

Weaknesses

Printing expenses (newsletter, membership directory).

Online programming expenses.

Opportunities

The newsletter going online only can be seen as a real positive thing. We will continue to follow up with any negative comments and situations.

We can add new features to the newsletter. There has previously been two mystery quilts published in the newsletter—a lot of fun.

We can send newsletter out to contacts in the out-state guilds to increase awareness of MQ.

We can keep the membership directory online; accessible to members only; constantly updated.

We can offer other member-only features to members to make membership more attractive; lure non-members in at the home page, then remind them that they need to be a member to see the feature.

Threats

Need to produce an annual report for the last fiscal year.

Spam, spam, spam, spam, . . .

Discussion

Publications (MQ News, annual report, membership directory).

Produce a simple annual report; hand it out at the annual meeting, and post it online as well.

Communicate to the membership in the next newsletter: where the annual report will be distributed, where the directory information will be available. Could Jean present a quick PPT at next meetings to show how to access these publications online?

Action item: Provide information to membership about accessing publications online (Communications).

Advertising rates haven't been increased in a while. It was suggested that we increase advertising rates by a modest amount, maybe 15%. Will advertisers pay the same for an online-only newsletter?

Should we establish a publicity person, under Operations?

State Fair. The process for entering and displaying quilts is being revamped. There have been complaints that the entry process is unorganized. Could we bring in MQ-trained volunteers to take in the quilts? As for budget – we've already signed on for 2010. We have to say ahead of time what we're going to provide. Do we revisit what we will provide in future years?

Concerning the MQ booth at the Fair: The Fair provides entry tickets into the Fair. MQers who staffed the booth got a few small gifts (no budget for them, but Gail wanted to reward the workers; consensus [of workers and BOD] was that the free entry into the Fair was enough reward). Gail is okay with not doing this.

Quilting for Others. The concept could be developed. Paulette founded the Girl Scout program and has carried it for years. Why not find and add a Project Linus contact? Quilts of Valor? Pregnancy and Infant Loss Center? Others? Put them all under the same banner.

Website. Jean meeting with Integra (the organization that does the phone system). Domain name situation resolved—MQ owns the name now.

Cvent. An online membership and event planning program. Much more expensive than MemberClicks (\$1500/month?), but better customer service. More things can be done through Cvent (they can do custom development).

We will be getting rid of addr.com as web host; finding a new web host. Maybe this will improve our spam situation. Generic email addresses will still be in place. Will a new web host give us a cost savings?

Merchant services account (Credit card fees). Make fee for refund payable by customer? Ask bank to do this for us? Miki will research the issue.

Action item: Research payment of fees for our merchant services account (Treasurer).

Advertisers on our website? Include coupons from merchants? Laura will send info to Jean.

Action item: Laura will send website advertising information to Jean.

THE SHOW

Strengths

The show is nationally-known and –attended. We present a volunteer-driven show.

Weaknesses

We are limited in our show venues--St. Paul is too expensive for us now; Minneapolis has always been. Mankato is too small.

Booth size. Most shows have 10'x10' booths, we have 8'x10'.

The fact that we are a volunteer-driven show is a strength and a weakness. The knowledge that one person gains in a year in a position stays with that person (except for what gets into the show books). Volunteers might be limited in the time that they can spend in their volunteering.

Opportunities

See cost savings possibilities under **Discussion**, below.

Eagan High School was discussed as a show venue. Laura Nagel provided information about the school campus. Laura is an employee, so we could have the facility use fee waived (we would pay for things like A/C, facilities coordinator, etc.) The school buildings have 21st century classrooms, lots of display space. Full professional recording studio. Eagan has increased their hotel space. Lots of hotel space nearby Eagan. Electrical and phone lines? Enough vendor space? Wifi. 3 art rooms, fabric dyeing facilities. Visitor's bureau very helpful.

We would need to develop a protocol for operating in a school (Linda L. has a start on this).

Action item: Develop a protocol for operating the Show in a school environment (Linda L.)

Threats

We need a process for dealing with non-performing volunteers. Linda does catch things that aren't getting done, and "fills in the blanks." But we need a written, quantified procedure for dealing with this situation. We need to have some written guidelines in place should we need to do a volunteer intervention.

Action item: Yvonne and Kathleen will research the volunteer review process.
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Discussion

Linda L. had created a list of cost-saving/revenue-growing recommendations.

Ribbons. We could save money (\$100-\$200) by making some of the ribbons shorter. Linda will look at 2010 ribbons. Rainbow ribbons are more expensive (\$5 rather than \$3). Be looking at other shows. Could we make our own ribbons? Judged quilt fee should include cost of ribbon.

Banquet. At the 2009 show we gave away 95 sponsor tickets, \$24 per ticket -- \$2280. Are tickets valued by sponsor? Would they be sad if they didn't get them? They're a cost whether or not the sponsor uses them. Included in sponsor fee? If we continue with banquet price break for committee, offer the sponsor the same discount instead? Any sponsor tickets not used should come back to us.

"Topped" tables – plastic wrapped. For sponsors. Giveaway, but maybe don't need to. Charge them \$3, costs us \$2, so we make a little profit? What do other shows do? At Quilt Market, vendors pay for everything. We offer— pipe and drape, 1 table, 2 chairs—in a package to vendors. We offer less cost to vendors than if they paid the venue themselves.

Booth prices. Admission numbers are a big deal to vendors and sponsors. Wisconsin has 10' by 10' booths; ours are 8'x10'. Theirs cost \$723, ours are \$500. We could increase our space to 10'x10', charge more, and everyone would be happy.

Corner space. Sponsors are not getting a corner space automatically in 2011. At other shows, sponsors are charged \$100 for a corner booth.

Number of sponsors/vendors. 66 sponsors this year; 20 vendors. St Cloud 171 booth spaces. Duluth 241, Rochester 185, St. Cloud 193. (sec'y. note: I don't know if I got these numbers right.) Sponsorship is growing; do we limit number of sponsors? Should the number of sponsors be a percentage of booth space available? Are sponsors/vendors more important than quilt space? Look at it more like low-rent/high-rent booths. Gallery space vs. vendor space—we need to have a balance. Should we find out from the attendees what they came to the show for?

Quilt entry fees. For entry of a judged quilt, we charge a fee. Should we start charging a fee for non-judged quilts (perhaps \$10)? Non-judged quilts still require pipe/drape, and insurance. Should we increase the entry fee for judged? AQS charges \$15 for members, \$25 for non-members. Should we start charging an entry fee for the Challenge?

FQ Stroll. Would merchants pay a fee to participate? There will be no FQ stroll in St. Paul (no place to go). The FQ Stroll is not getting free fabric anymore, so now it does cost. Maybe we could ask at end of each show—would vendors like to donate a bolt of fabric?

MQ tables – Make permanent signs, use quilts or fabric on the tables? Save \$300-\$400 per show. State-theme fabric? 12 tables, eight feet long, “30” wide. Vermont uses fabric from vendors to cover tables, cuts up and gives the fabric away by the end of the show.

Challenge. We need to more than cover costs when packets are sold.

Judged quilt categories. The number of judged quilts being entered is down. Sue is getting a lot of questions on categories. Are categories confusing? There is some feeling that the MQ categories are dismissed by national accrediting board. Kate Elkema and Sue will be reviewing the categories.

Action item: Sue will bring new list of quilt categories to May 18 BOD meeting; the goal is to have the new categories ready for the 2011 show.

Hand stamps vs. wristbands. We could save \$300-\$400 by stamping hands rather than providing a wristband. We would still use a wristband for the multiple-day attendees.

MQ VIP hotel rooms. We could provide hotels for MQ VIPs (critical show committee members) only if they are not in-town attendees. Give them the option to stay at home or to pay their own room.

Facility space and classes/events. Use the facility into the evening. Offer charity sewing event? Pajama party? Have stuff at different times – e.g. “An evening with Alex Anderson.” Use the facility morning, noon, and night. “Make-it and-take-its”-- “Make it University”. We have the facility until 11pm. Offer a lesson with the Quilter of the Year? Have a leadership circle event at the show? Long-arm quilting classes (but hands-on). Lecture and demo type classes. Back to basics. Something new. Not-another-project. Design, technique. Skew our demographics to the young? Aim for classes that they might be interested in? Choosing classes to present is often a big guessing game. Lou thinks that she might attempt 3-4 evening classes at MQ 2011. If teachers don't want to present short 3-hour classes, make the class into two 3-hour evening classes.

Special exhibits. Need balance between different interests.

Charges for classes. At Paducah, they charge \$75/\$45, across the board. For big names, should we charge more? Big names will draw, but are expensive.

Fashion show. Don't write it off, but use the lecture hall space as a cost savings measure. Don't go offsite.

QOY—do we still want to do this? Or revamp it? Cost to MQ is 10 banquet tickets, 4 booths, hotel room of the QOY. One alternative would be to nominate the QOY at the holiday party, then honor them until the show. Char will take charge of the issue, and come back with a recommendation.

Action item: Recommend an alternative QOY recognition program (President).

Miscellaneous. Set up “host families” for those attending the show? Adopt-a-quilter? Facilitate coordinating of car rides, sharing of rooms? Set up an advisory board of vendors, like IQA does?

RETREAT WRAP-UP

We need to be finalizing the 2011 budget in order to have it ready for June.

Action item: Directors should send their proposed budgets (with cost-cutting, revenue-generating measures) to Miki and Yvonne. Miki will assemble them.

We'll present the annual report at the June annual meeting.

Action item: Directors should send their annual reports to Char, who will assemble them into one.

The July membership meeting (Thursday night) will be largely devoted to budget discussion.

Miki adjourned the meeting at 2:30pm.

Respectfully submitted,
Karen O'Brien
Secretary
Revised 25 May 2010

ATTACHMENT A. Financial Retreat Action Items.

	Assigned To/When Assigned	Action Item	Status
1	Education, Operations, Communications, Show	Directors should send their proposed budgets (with cost-cutting, revenue-generating measures) to Miki and Yvonne. Miki will assemble them into one.	
2	Communications	Display our mission more prominently on the webpage.	
3	Education	Determine if we are keeping attendance at meetings. If we stopped doing this, set up procedure to start doing it again.	
4	Education	Include the Textile Center library in the Schoolhouse program.	
5	Terri Kryson	Report to the BOD about grant-writing training and opportunities MQ might have.	
6	Operations	Start process to find alternative organizational space.	
7	Miki and Sandra	Produce a Request for Proposal (RFP) for the annual audit.	
8	Operations	Could we buy quilting-related DVDs, then send them out to members for viewing?	
9	Operations	Research printing costs and determine if a leased printer is still the best option.	
10	Communications	Provide information to membership about accessing publications online.	
11	Treasurer	Research payment of fees for our merchant services account.	
12	Laura Nagel	Laura will send website advertising information to Jean.	
13	Linda Lysdahl	Develop a protocol for operating the Show in a school environment.	
14	Yvonne Curran Kathleen Winters	Yvonne and Kathleen will research the volunteer review process.	
15	Education	Sue will bring new list of quilt categories to May 18 BOD meeting, ready for 2010 show.	
16	President	Recommend an alternative QOY recognition program.	
17	Education, Operations, Communications, Show	Directors should send their annual reports to Char, who will assemble them into one.	