

Minutes Board of Director's Meeting
Monday, November 28, 2011
Meeting held at Campagnolo - 1020 Main Street

Attendees:

Doug Smardon – President
Jo-Ann Turford – Treasurer
Melissa Delamar – Secretary

The meeting was called to order at 6:00 pm.

Old Business

Review of last month's minutes – The meeting minutes are accepted as read.

New Business

Financial Report

It was discovered that the society was losing money, and after reviewing the financial report it appeared that \$2,970 was owing to Basic. Jo-Ann agreed to follow up with Quantum Accounting to find out the details.

Investing in Debentures

The Board passed at the October 17, 2011 meeting to transfer \$10,000 from maturing Van City term deposits to debentures to achieve a higher interest return. As the Vice President who is heading up this initiative was absent this discussion was tabled.

To facilitate this arrangement the Society needed a certificate of our not for profit status which we discovered we did not have on file. The VP contacted Victoria and made arrangements for an official copy, which has been received. It will be kept on file at the studio.

Corporate Rental Policy

The Corporate Rental Policy has been finalized and approved. See the document included below.

Recent Rate Increases

The Board completed an extensive review of the fee structure Society charges for sessions and determined the fee charged for the 30 Day Pass Card was undervalued and dragging down the average rate needed to sustain the cost of operations. Please see included below, *Part 1: Analysis of Breakeven Cost/Fee Structure for the Vancouver Life Drawing Society.*

A motion was made to raise the fee charged for the 30 Day Pass Card but further discussion ensued as to why we are operating at a breakeven set of rates. It was proposed that sessions be operated at a level slightly above breakeven to cushion it from fluctuations in attendance and allow a steady infusion to the operating account for reinvesting in the Society. Please see included below, *Part 2: Analysis of a Session Fee Structure To Provide the VLDS With A Small Surplus.*

A \$1 increase implemented on the cash drop-ins was determined as sufficient to raise the necessary funds and the following amended motion was passed November 8, 2011.

Amended Motion – effective December 1, 2011 the drawing fees will be raised accordingly:

*Non member drop in from \$14 to \$15
Member drop in from \$11 to \$12
30 Day Pass Cards from \$80 to \$110*

Rational: as per analysis of the VLDS costs and fee structure the Society is operating at a loss and the Board wishes to operate at a level where a small surplus is being incurred that can cushion the Society from downturns and make available funds for re-reinvestment as needed. The proposed increase of the 30 Day Pass Cards brings finances into break even status and the increase in the cash drop in fees creates the cushion we are looking for.

Lighting Committee

Cyprian Libera, Jennifer Mitton and Jack Picknell have created a lighting committee to improve the lighting at the studio and make it easier for session managers to manipulate the lights. The committee is seeking more volunteers to help with the task.

Attention all members: Basic Inquiry is currently looking for volunteers interested in joining a committee to help improve the lighting at the studio. Please contact Jennifer Mitton at jennifermitton@gmail.com for more information.

Society's Mandate

After review of the Society's mandate, please see below, the board determined the society is not achieving goals cited in 2b and d, highlighted below.

The VLDS Mandate from the Constitution and By-laws

2. The purpose of the Society is to encourage the appreciation and production of figurative art by the greatest possible number of people. To fulfill this purpose the Society shall:

- a. Educate the public in aesthetic, critical and analytical perspectives afforded by figurative art,**
- b. Provide training to the public in all aspects of figurative art practice,**
- c. Provide facilities where the public may practice and improve their figurative art skills, and**
- d. Encourage research into developing new forms of figurative art.**

It is proposed that an evening session be created that offers instruction. It would be headed up by a session coordinator who would line up a series of paid instructors through the year to teach different forms of figurative art. Payment would be by course or cash drop-in. The board will discuss the subject further at the next meeting.

Studio Holiday Hours

The studio will be closed:

Saturday December 24, 2011

Sunday December 25, 2011

Saturday December 31, 2011

Sunday for the afternoon session January 1, 2012

The meeting was adjourned at 8:00 pm.

The Vancouver Life Drawing Society

Corporate Member Rental Policy

Re: Rental of the studio for single or multiple sessions by corporate members.

Membership

- Corporate membership is \$80 for the VLDS fiscal year from May 1 to April 30 the following year.

Studio Rental

- Only members may rent the studio.
- Monday evenings are available for corporate members to rent the studio space for private drawing sessions.
- Private studio space will be rented for a minimum of 4 hours at \$40 per hour or \$160 with additional hours charged at \$40 per hour; includes time for set up and tear down before and after the private studio session.
- Prices effective January 1, 2012.
- Rentals will include a session manager provided by the Society to oversee the session, open and lock doors and ensure proper clean up and conduct of the session.
- Models can be provided by either the member corporation or through the VLDS at the prevailing modeling fee, terms and conditions and a \$10 gratuity for the model.

Items Included under Rental Agreements

- Studio rental includes use of studio amenities and infrastructure including easels, mules, props and cushions, model stand, lighting, power and lounge space.
- Concession items or newsprint can be purchased through the session manager at prevailing rates.

Board Approval

- All rentals of the Basic studio are subject to Board Approval.

Part 1 – Analysis of A Breakeven Cost/Session Fee Structure for the VLDS

An objective of the Board is to maintain a session fee structure that covers the operating costs of the Vancouver Life Drawing Society (VLDS). There are some months where Basic loses money despite fairly good attendance. Table 1 lists the Studio's Fixed Daily Costs from the 2010 financial statements estimating an average cost of approximately \$89/day. Adding the modeling costs the 1 and 2 Session/Day Total Costs are estimated at \$160 and \$230 per day respectively. Table 2 is the fee structure presently in place.

The fee for the 30 Day Pass varies incrementally to the number of sessions attended. For example assuming an average use of 10 sessions the fee would be \$8 per session. Assuming equally weighted attendance by all fee types the average value to the Society would be \$10 per **paying artist* (*A paying artist excludes volunteers who do not pay for sessions). To cover costs it would require an average attendance of 16 and **13 artists per session (**2 session days amortize the \$89 fixed costs between both sessions so each session needs an average of 12.5 attending artists or a total of 23 through the day) or a ***weighted weekly average attendance of 13.8 artists (**given 4 days are 2 session days and 3 are 1 session days).

Based on the 2011 Session Receipts (current to October 31, 2011) Basic Inquiry has averaged **13.5** paying artists per session. Any fee structure that requires a breakeven weekly average attendance greater than the 13.5 the Society earns means operating at a loss.

To estimate how well the fee structure is covering costs their value weighted by actual attendance is used. Table 3 is a compilation of data from the 2011 Session Receipts and estimates the incremental return from the 30 Day Pass Cards at \$5.25 per session (given an average use of 15.25 sessions per 30 Day period). The weighted average value of all sessions is estimated to be \$8.91 giving a breakeven weekly attendance of 14.3 artists. The present fee structure is not effectively covering costs and increasing the price of the undervalued Pass Card is the best way of correcting it.

Table 4 calculates the breakeven weekly attendance from graduated price increases of 30 Day Passes from \$90 to \$120. A price of \$110 produces the breakeven weekly attendance of 13.4 artists, about the same number as the estimated average attendance of 13.5 artists Basic presently gets. Given no dramatic change in attendance and/or costs (as the price of the 30 Day Pass increases it is expected more attendance will shift to tickets thus changing attendance distribution) this will hopefully rectify the situation where Basic loses money. The Board of Directors proposes the price of the 30 Day Pass Card be increased to \$110 effective December 1, 2011.

Table 1: Studio Fixed Daily Costs; from 2010 Finances

Rent	18,705	
Insurance	2,710	
Studio Supplies	1,722	
Utilities	1,349	
Telecommunications	818	
Repair & Maintenance	552	
Office	541	
Accounting	*2,400	
Bank Charges	433	
Sundry	1,832	
Printing	1,499	
Total Fixed Costs	32,561	
<u>Days in the Year</u>	<u>365</u>	
Daily Fixed Costs	89	
1 Session/Day Model Cost	70	
2 Session/Day Model Cost	140	
1 Session/Day Total Cost	159	approximately \$160/Day
2 Session/Day Total Cost	229	approximately \$230/Day

**Estimates based on \$200/month average cost*

Table 2: Present Fee Structure

- Non Member Drop Ins (NMDI) \$14/session
- Member Drop In (MDI) \$11/session
- Tickets \$ 9/session
- 30 Day Passes \$80/30 Days

Table 3: Breakeven Attendance for 1 and 2 Session Days Based on 2011 Estimates to October 31

Values	NMDI	MDI	Tickets	Passes	No. of Passes	Totals/Averages	Breakeven 1 Session Day	Breakeven 2 Session Day	Breakeven Weekly Attendance
Attendance	1,033	593	2,605	1,830	120	6,061	18.0	25.8 (26)	14.3 (15)
Value/Session (\$)	14.00	11.00	9.00	5.25	80	* 8.91			
Revenue (\$)	14,462	6,523	23,445		9,600	54,030			

Average number of uses per 30 Day Pass is 15.25. Payoff on the \$80 pass based on \$9 session ticket is 9 sessions.

Basic is averaging 13.5 paying artists per session. The present fee structure has a shortfall of 4.5 artists per 1 session day and is 1 over breakeven on 2 session days for a weighted average weekly breakeven attendance of 14.3 artists per session.

* *Weighted average value for all Drop Ins, Tickets and Passes is \$8.91*

Table 4: Breakeven Attendance As 30 Day Pass Increases In Price Assuming No Change In Attendance

Price of 30 Day Pass (\$)	Pass Revenue (\$) (Assuming 120 sold)	30 Day Pass Average Value	No. of Sessions to Payoff (based on \$9 ticket)	Weighted Average Value of all Fee Types (\$)	Breakeven Attendance 1 Session Day	Breakeven Attendance 2 Session Day	Breakeven Weekly Attendance
90	10,800	5.90	10.0	9.11	17.6 (18)	25.2 (26)	14.0
100	12,000	6.56	11.1	9.31	17.2 (18)	24.7 (25)	13.7 (14)
110	13,200	7.21	12.2	9.51	16.8 (17)	24.2 (25)	13.4 (14)
120	14,400	7.87	13.3	9.71	16.5 (17)	23.7 (24)	13.1 (14)

Assuming the same attendance distribution it is estimated 30 Day Pass Card Price of \$110 produces a weighted average session value of \$9.51 and a breakeven weekly attendance of 13.4 artists; more or less equal to the attendance Basic averages.

The President

6/11/2011

Part 2 – Analysis of A Session Fee Structure To Provide the VLDS With A Small Surplus

Following the Board's acceptance of Part 1 where a breakeven session fee/cost structure analysis was completed it examined the need to run sessions at a breakeven level. Proposed was sessions be operated at a level slightly above breakeven to cushion it from fluctuations in attendance and allow a steady infusion to the operating account for reinvesting in the Society. A \$1 increase implemented on the cash drop in's been determined as sufficient to raise the necessary funds and the following amended motion was passed.

Amended Motion – To raise drawing fees accordingly:

Non member drop in from \$14 to \$15

Member drop in from \$11 to \$12

30 Day Pass Cards from \$80 to \$110

Rational is as per analysis of the VLDS costs and fee structure the Society is operating at a loss and the Board wishes to operate at a level where a small surplus is being incurred that can cushion the Society from down turns and make available funds for re-reinvestment as needed. The proposed increase of the 30 Day Pass Cards brings finances into break even status and the increase in the cash drop in fees creates the cushion we are looking for.

Proposed increases are effective December 1, 2011.

In 2010 the total attendance for non member and member drop in's was 1,484 and the combined attendance in 2011 to October 31 has been 1,626. These attendance figures indicate approximately the small surplus the Board hopes to achieve.

Table 1 attached is Table 3 from Part 1 with the proposed fee increases and their effect on income and breakeven attendance shown in red assuming no change in attendance.

Table 1: Breakeven Attendance for 1 and 2 Session Days Based on 2011 Estimates to October 31

	NMDI	MDI	Tickets	Passes	No. of Passes Sold	Totals/Averages	Breakeven 1 Session Day	Breakeven 2 Session Day	Breakeven Weekly Attendance
Attendance	1,033	593	2,605	1,830	120	6,061	18.0	25.8 (26)	14.3 (15)
Value/Session (\$)	15.00	12.00	9.00	7.21	110	9.78	16.4	23.5	13.0
Revenue (\$)	15,495	7,116	23,445		13,200	59,277			

The weighted average session fee becomes \$9.78 and the breakeven weekly session attendance 13 paying artists

The President

8/11/2011