

Midori Friends

Board of Directors Meeting Minutes

Tuesday, December 12, 2023

5:30pm - 7:30pm

<https://us02web.zoom.us/j/87622899514>

Midori
Founder

Howard Sendrovitz
Chair

Marilyn Cohen
Vice Chair & Treasurer

Marc Richter
Secretary

Larisa Gelman
Executive Director

Board of Directors

Heidi Aronin
Ron Claiborne
Marilyn Cohen
Mandy DeFilippo
Alan Fischer
Peter M. Glaser
Setsu Goto
Jennifer Hanley
Yuka Hashimoto
Megan Jakel
Deanna Landivar-Ruiz
Midori
Marc Richter
Chris Riggs
Yukari Saegusa
Howard Sendrovitz
Geeta Sharma, MD
Elana Slobodien
Makiko Tanaka
Marcelo Tau
Fernanda Ubatuba

Chair Emeriti

Ron Claiborne
John D'Addario, Jr.
Alan Fischer
Peter M. Glaser
Jill Klinow Jaffe
Peter D. Lederer

Artistic Advisory Board

Emanuel Ax
Yefim Bronfman
Regina Carter
Paquito D'Rivera
Eliot Fisk
Wynton Marsalis
Zubin Mehta
Audra McDonald
Achinoam Nini
Mark O'Connor
Dawn Upshaw

Attendees: Howard Sendrovitz, Marilyn Cohen, Midori Goto, Marc Richter, Ron Claiborne, Mandy DeFilippo, Jennifer Hanley, Fernanda Ubatuba, Elana Slobodien, Megan Jakel
Staff: Larisa Gelman, Thomas Cawley, Luz MacManus, and Jennifer Dayton

Welcome and Opening Remarks: Howard Sendrovitz, Chairman of the Board

- Howard called the meeting to order and welcomed the Board Members. He emphasized that the M&F team had many ongoing projects and we prepare for the new year. He thanked the Board for their participation and continued engagement.
- VOTE:** To approve minutes of September 27, 2023 Board of Directors Meeting
 - Motion:** Marilyn Cohen
 - Seconded:** Ron Claiborne
 - APPROVED**
- VOTE:** Compensation Policy
 - Motion:** Marc Richter
 - Seconded:** Marilyn Cohen
 - APPROVED**
- VOTE:** Bank Signatories Resolution
 - Marilyn inquired about First Republic Bank's acquisition by Chase; Tom replied that any name changes would take approximately 18 months.
 - Motion:** Ron Claiborne
 - Seconded:** Marilyn Cohen
 - APPROVED**
- FY24 Board Expectations: Howard referred to the enclosed list of Board expectations, asked the Board to review and reach out with any questions.

Organizational Update: Larisa Gelman, Executive Director

- Larisa shared that the M&F team was employing an entrepreneurial strategy to expand earned revenue opportunities and develop digital assets & proprietary curriculum. The Program Team is working with schools to identify American Rescue Plan (ARPA) funding and other opportunities for earned revenue. She continued that the Marketing Team was developing a video podcast series, Changing the Tempo, hosted by Ron Claiborne. The three upcoming episodes will feature Midori, Randall Goosby, and Board Member Mandy DeFelippo. Larisa also reported that M&F was developing curriculum videos to accompany the Play to Learn program, the first focused on ukulele. Two videos were shared:
 - [11/30 Benefit Recap](#)
 - [Changing the Tempo Video Podcast Preview](#)
- Larisa reported that Play to Learn Teaching Artists were invited to participate in discipline-based TA cohorts to collaborate on teaching strategies and address challenges as a collective. So far three cohort meetings have proved a valuable

strategy for fostering communication among TAs and M&F staff, as well as a tool to identify areas of improvement early on in the programs to allow adjustments. Lastly, she reported that Jacqueline Gillette had been promoted to Education Program Manager after one year with M&F.

- Larisa shared that the Young Professionals Board had recruited eight phenomenal members from diverse industries, with a goal of bringing on two more, for a total of 10. The members are enthusiastic about supporting M&F's mission and buzzing with ideas for fundraising & networking events. Recently, member Justin Bass hosted YPB, staff, and artists at the Wallace Foundation for a gathering. Megan attended and share that it was great to meet the YPB. The YPB will spearhead special events including happy hours, a jazz brunch, and Spring 5K. Current YPB members are:
 - Justin Bass, Operations Manager, Wallace Foundation
 - Jacquelyn Dangio, Senior Associate, TD Securities
 - Leah Dowdy, Membership Manager, Recording Academy
 - Jeffery S. King, Lead Regulatory Relations Specialist, Wells Fargo
 - Rickin Mathew, Delivery & Support Specialist, Genetec
 - Jonathan Miron, ARKAI Ensemble
 - Alexander Neave, Credit Analyst, U.S. Bank
 - Philip Sheegog, ARKAI Ensemble
- Larisa presented the revised mission statement workshopped at the September 27th Board meeting and inquired if the Board would like to vote on the new language. Marc noted that it would be best practice to include such an intent to vote on the Agenda in advance of the meeting. The Board agreed to vote on the revised mission statement.
- **VOTE:** Approve 9/27/23 Revised Mission Statement
 - **Motion:** Ron Claiborne
 - **Seconded:** Mandy DeFilippo
 - **APPROVED**

Audit Committee Update: Mandy DeFilippo, Chair

- Mandy reported that she was working with Tom and accounting firm Lutz & Carr to prepare all materials to commence the FY23 audit and expected to complete all preparations by the March 2024 deadline.

Nominating Committee Report: Ron Claiborne, Chair

- **VOTE:** To appoint Board Members to Committees:
 - i. Megan Jakel: Development & Marketing Committee
 - ii. Marcelo Tau: Finance Committee
 - iii. Heidi Aronin: Program Committee
- **Motion:** Mandy DeFilippo
- **Seconded:** Marilyn Cohen
- **APPROVED**

Program Committee Report: Elana Slobodien, Chair

- Elana reported that programs in general have commenced a month earlier than last year to allow for more sessions and the potential for expansion of programs to reach end of year. She continued that many schools do not have music educators and M&F fills that void. Elana shared that funding is scarce, impacted by decrease in ARPA dollars. And Covid has caused a learning delay – socially, emotionally, maturity, which TAs need to manage. Elana added that some schools are impacted by new students coming from migrant situations. Elana reported that Play to Learn and Celebrate Music have been integrated, which creates a symbiotic relationship and reached more students.
- **Play to Learn:**
 - Program design: 15 program offerings, instrumental and vocal combined
 - Program Highlights: Cello, Harp in the Bronx – Year 3, Oboe and Bassoon in the Bronx – Year 2
 - School Partners: 51 PTL programs have started, we expect to reach close to 60 schools by the end of the year
 - Update to Program Structure: PTL programs started earlier this year to align with the school schedules (October – March) and strategically keep most if not all school programs on the same schedule. This allows us to enhance program through:
 - Quarterly Workshops with each teaching artist cohort (strings, woodwinds, vocal, etc.)
 - Program Observations: we are prioritizing program observations earlier in the year between weeks 3-6 to help us assess, evaluate and address any program concerns
 - Community Presence: we are working closely with school partners, TAs and the marketing team to highlight programs across the boroughs through classroom spotlights, teaching testimonials, interviews with students
 - Investment in Teaching Artists: we made the strategic decision to reduce the roster and invest in TAs who are committed and exhibit high interest in working deeply with M&F and School Partners
 - 31 Master Teaching Artists actively teaching
 - ~60 Artists on the roster
- **Celebrate! Music:**
 - Program design: The program is now integrated with Play to Learn, when applicable, to enhance student learning and serve more students at each school. This led to:
 - Program Expansion and Diversity of Offerings:
 - 17 Artist Ensembles represented
 - Classical and Contemporary strings, East Asian, Folk, Classical Woodwind, Taiko Drumming, Female Salsa Orchestra, Beatbox and Acapella, Classical Ukulele and Guitar, contemporary percussion and more
 - Program Highlights:
 - Lulada Club, Hispanic Heritage Month
 - Holiday Concerts
 - 20 concerts scheduled for the spring, expecting more
 - Randall Goosby will perform and work with school partners in FY24

- NEXTGen Musician:
 - Alumni Advisory Panel:
 - Three committees: research, engagement, social media
 - Seven youth members
 - Open to all alumni
 - NEXTGen 2023-24
 - Applications & interviews completed
 - Program starts in January 2024
 - NEXTGen Alumni – attending USC, Peabody, Manhattanville, Purchase, Carleton
 - Alum Wilton Martinez received violin at the Benefit from Kolsteins
- My Musical Journey with Midori
 - In the process of developing a curriculum guide and reviewing licensing for copyright issues. Plan to roll out program in the Spring to select schools.
- Partnerships and New Opportunities
 - NYS Charter School Conference
 - NYS Charter School Association of CT
 - NYC Office of Arts and Special Projects
 - Summer Institute for the Arts
 - Brooklyn Borough Arts Director
 - Arts Partnership + Family Engagement programs
 - Opportunity Music Project
 - NYC KidsFest
- Board Opportunities
 - Program Observation
 - Career Panel and/or meet with NEXTGen

Development & Marketing Committee Report, Marilyn Cohen, Chair

- FY24 Contributed Income Update: Marilyn noted that the FY23 YTD Contributed Income chart reflects gifts received & pledged as of 12/11/2023. She reported that we have raised \$1,105,713, 60% of our budgeted goal of \$1,855,000 in Contributed Income.
- Individuals: YTD we have raised \$56,447 from 34 individual donors, which is 47% of our projected goal. The Marketing team is currently preparing an end of year appeal to raise additional funds before the end of the calendar year. Marilyn asked that the Board send along emails or addresses for the staff to reach out.
- Board Members: Overall Board giving YTD is \$87,654 (72% of projections), including individual donations, Con Edison, MUFG, the Tanaka Foundation, and Board special event contributions. On all Board lines, we still have \$78,956 to raise. Marilyn shared that she appreciated Board engagement with our great Executive and Development & Marketing teams to help us reach FY24 Board giving projections.
- FY24 Individual & Board Projection Update: Marilyn stated that M&F expected to exceed expectations thanks to consistent cultivation and outreach to individual donors, as well as the addition of new Board members and the establishment of the Young Board.

- Corporate & Foundation: Marilyn shared that M&F received several recent foundation grants, including Mitsui USA Foundation for \$10K and Brownington Foundation at \$5K, bringing our YTD Corp & Foundation total to \$73,000. The Board package includes a Development Opportunity Pipeline, which outlines the \$1.57M in submitted opportunities yet to mature and the \$933K of opportunities currently in progress with our team.
- FY24 Corp & Foundation Projection Update: Marilyn reported that the Corp & Fdn line is projected \$88,000 lower due to shifting funder priorities. Corporate philanthropy has not defined its commitment to social justice, and has been directing giving away from arts & culture to the environment, STEM, and affordable housing.
- Government: Marilyn noted that the Board package included a 3-page update from CMW Strategies, our government relations firm, featuring key takeaways from the recent PEGs, (Program to Eliminate the Gap), aka significant budget cuts to critical city services. Positions will be eliminated and school food budgets are also impacted. She added that the future looks tough, but our team is focusing on cultivating non-government contributed income sources.
- FY24 Government Projection Update: Government grants are projected at \$192,000 lower than expected due to the Mayor's agency-wide budget reductions, which in turn have had a great impact on DOE school budgets and grants, resulting in a lower earned income projections as well. The Federal Recovery grant program is ending – for the past several years, this funding source has been a major contributor to several key grants.
- Recent Special Events:
 - Crescendo Circle 2023-2024 Season has raised \$44,550 YTD. On October 31st, we hosted a recital with Midori & Jonathan Biss. We had 63 guests who enjoyed the spectacular program and a lovely afternoon reception.
 - On November 30th, we hosted the Season of Lights: Benefit for Bright Futures at the Salesforce Tower for 114 guests, raising \$37,881 for Midori & Friends music education programs. The evening was delightful, featuring the presentation of the inaugural Harmony for Change Award to Randall Goosby, a performance by the PS 62Q chorus and M&F staff, a performance by Midori, and more. Thank you to the Board Members, staff, Young Professionals Board Members, and artists for helping create such a memorable night.
 - FY24 Special Event Projection Update: Special Event income is projected at \$79,800 lower than budget. There have been challenges with soliciting corporate sponsors for smaller events. Maximizing the two upcoming Crescendo Circle concerts and planning for additional smaller events will close this gap.
- Upcoming Special Events: We aim to raise an additional \$123K from special events. Donors of \$500 and above will be able to attend one of the two upcoming Crescendo Circle concerts:
 - January 4, 2024 @ 6:30pm with Yefim Bronfman at a private loft in Tribeca.
 - April 16, 2024 with Randall Goosby at the Kosciuszko Foundation.
- The staff and Young Professionals Board Members are planning additional events including happy hours, jazz brunch, and a Spring 5K. Look forward to more updates and please reach out if you have a particular interest or opportunity for such events.
- FY24 Development Strategy & Updates, Luz MacManus, Vice President of Development

- Luz shared the FY24 Development Pipeline, representing submitted grant opportunities yet to mature, as well as opportunities yet to be submitted. She also reviewed four key strategic areas to reach M&F's FY24 fundraising goals:
 - Increase Foundation support from 8% to 15% of Contributed Income
 - Focusing on program specific request, student stories, identifying school partners in need of support, scheduling introductory meetings with Larisa and foundation leadership.
 - KPIs – program & general operating support grants, progression from Letter of Interest to grant proposal
- Expand Corporate support from 1% to 5% of Contributed Income
 - Expand volunteer opportunities, focus on larger special events, networking opportunities, and Young Professionals Board-led events
 - KPIs – program, event, and general operating support grants, corporate representative attendance at special events, program site visits, and increased employer matching donations
- Deepen knowledge of stakeholders & foster sense of community, increase percentage of individual giving from 7% to 15%
 - Engagement plans to maintain frequent touchpoints via phone calls, emails, and meetings, schedule site visit opportunities, expand cross marketing campaigns, and create volunteer opportunities and pipeline.
 - KPIs – donor engagement via meeting requests & site visits, calendar sharing & e-newsletter inclusion.
- Improve Board Engagement & Giving
 - Maintain weekly emails to Board & Committee members
 - Sustain consistent & frequent Committee meetings
 - More 1:1 conversations with Board members
 - Recruit young & innovative Board members
 - KPIs – open rate of Board e-newsletter, increased Board gifts, and two new Board members in FY24.
- **Finance & Administration Committee Report, Marc Richter, Chair**
 - Marc reviewed the Board package's financial reports including a series of notes highlighting FY23 and FY24 profit/loss, balance sheet and cash flow.
 - FY23 P&L Statement: Unaudited actual to budget shows M&F finishing last fiscal year \$44,300 in the black. However, this is \$176,000,200 less than the budget projection of a \$220,500 net gain. The \$176,000 deviation from budget reflects:
 - total revenue \$206,000 less than budget (but noted that the revenue projection was characterized as aspirational when the FY23 budget was developed)
 - total operating expenses \$30,400 less than budget
 - The financial notes show the different revenue and expense categories in which the projections were off. The year-end \$44,000 surplus is greater than the \$4,000

surplus presented at the September meeting, which are attributed in part to a lag in the amounts entered in Quickbooks being updated into the P&L statements, which has been addressed and Tom advised that no further material changes to FY23 are anticipated.

- Balance Sheet: Working capital liquidity was restored in early FY24 through collection of remaining FY23 CASA and DOE Earned Income funds, which had been delayed beyond the end of FY23. The final 20% of CASA funds had been anticipated to be received in February 2024 but is already in hand.
- FY24 P&L Statement: FY24 budget projected a \$73,000 net gain, now projecting \$187,400 loss. This compares with the financial update at the September Board meeting of a projected \$14,000 loss. For the reasons Marilyn explained, both Contributed Income and Earned Income are lower than projected. Marc noted that the projected net loss would be even higher if not for the fact that total operating expenses are projected to be \$122,800 less than budget. He remarked that the Board package included a streamlined P&L statement that the Finance Committee worked on to provide Board members a simpler overview of income and expense for the current fiscal year that may also facilitate interest, questions & discussion. He added that the traditional more detailed financial statements are included in the Appendix to the Board package for those interested in getting more into the details of revenue and expense performance. Marc noted reduced projections for Op Expenses centered on lower staff salaries, benefits and overhead.
- Cash Flow: Marc shared that the low point for projected cash flow is now April 2024 at approximately \$174,000, a change from the September meeting, where the projected low point for cash balances was June 2024 at approximately \$225,000. The drivers behind the projection update are lower expected revenue for FY24 and a change in assumption of the receipt of 80% of CASA funds from summer July/August 2024 to May 2024. Marc noted that at the September meeting the summer 2024 projection for CASA receipt was conservative, since the delay in the receipt of CASA funds in 2023 was the result of an audit that is not expected to be replicated in FY24, and because we projected adequate cash flow to meet operating expenses without these CASA funds into the summer period. This is no longer the case in light of the higher projected revenue decrease. Accordingly, the receipt of the majority of CASA funds is now projected for May, which is more typical and more in line with historical projections and receipts. Marc shared that a delay in CASA funds, because of their size, could cause M&F liquidity issues. However, as the FinCo had further reported in September, if we need additional funds, (1) we could tap supplemental liquidity from the Fund of the City of New York, which is available at a low interest rate to offset delay in the City paying to us what they owe, and (2) that the cash situation would be monitored so that a timely application for funds could be made. Under the new cash flow projection, the same is true except that absent further material changes in revenue and/or expense, we will now evaluate an application for City funding earlier, that is, in February. Marilyn inquired if the CASA grants had been confirmed? Larisa responded that the total in GL 4400 reflected confirmed grants. Marilyn also asked about the status of the bequest. Larisa reported that our team had been in touch with Gary Moriwaki, our counsel, and the

estate was given 60 days to provide an accounting of the bequest. The team shared that a calendar year 2024 payout was possible.

- Report on Proposed Amendments to the By-Laws: Following M&F's adopting amended by-laws at the June meeting, M&F took advantage of an offer by Lawyers Alliance to have our by-laws reviewed pro bono by outside counsel to verify compliance with currently applicable law. Surprising result – counsel noticed our new provision providing for proxy voting and advised that proxy voting is prohibited by Delaware law. This led to revelation that the effort undertaken by M&F several years ago to comply with the updated New York Non-Profit Law was not necessary. We now understand that since M&F is incorporated in Delaware, M&F needs to comply with Delaware Law as respects its by-laws, notwithstanding its activities and registration in New York, with limited exception. Marc remarked that M&F used outside counsel several years ago to reform its by-laws to comply with the new New York statute and to our recollection, no mention was made that such effort was not necessary. Marc stated that our general understanding is that the by-laws we put in place several years ago were more restrictive than necessary. Marc shared that to the best of his knowledge, M&F was not deficient in respect to Delaware Law but more restrictive in some ways, since Delaware Law is generally less restrictive for corporations. The M&F team, made up of Marc, Larisa, Tom, and Luz, worked with pro bono counsel to determine which changes needed to be made and which should be made, which included some judgment.
- Two examples of judgment calls:
 - On advice of pro bono counsel, we removed from the by-laws the provisions establishing Conflicts of Interest and Related Party Transactions Protocols and Whistleblower Protections, required by New York but not Delaware. However, we will incorporate these provisions as part of M&F's operating guidelines because, as Larisa pointed out, they are good corporate practice and are also practices that donors look for in potential donees.
 - Second, we did not elect to implement a statutory provision that could place more power in the Executive Committee for certain major actions otherwise requiring Board approval, and kept the restrictions applicable to corporations like M&F that were incorporated before the change in Delaware law allowing some restrictions to be lifted by majority vote of the Board.
- Marc concluded by sharing that both the clean and red-lined versions of the by-laws were sent to all Board members on December 1 and are also attached to the Board package in Appendix B. He reviewed the series of bullets outlining the major changes sent via email on December 1. Due to the requirement of a majority of Directors to approve changes to by-laws (need 11 votes), the Board was unable to vote on the amended By-Laws, as only 10 members were present.

Meeting concluded at 7:11pm.