

**The Sheldon Theatre Board of Directors
Regular Meeting
City Council Chambers
December 16, 2025**

Members Present: Board President Chap Achen; Board Members Laurie Bell, Susan Christenson, and Art Kenyon

Members Absent: Member Maria Haley (excused absence), Member Brennan (excused absence), Member Wardle (excused absence), and Council Liaison Snyder (excused absence)

Others Present: Shantel Dow, Executive Director

1. Call to Order

Board President Chap Achen called the meeting to order at 5:15 p.m.

2. Pledge of Allegiance

President Achen led the recitation of the Pledge of Allegiance.

3. Roll Call

Roll call was conducted. President Achen and Board Members Bell, Christenson, and Kenyon were in attendance.

4. Approval of Agenda

A motion was made by Member Christenson, seconded by Member Bell, to approve the agenda as drafted. A vote was conducted, and the motion carried unanimously by a vote of 4:0.

5. Oath of Office

Mayor Iocco was scheduled to swear in Maria Haley for her first term on the Sheldon Theatre Board, expiring December 31, 2029. Neither was present.

6. Public Comment

No one wished to address the Board.

7. Consent Agenda

A. Motion to Approve November 7, 2025, Workshop Meeting Minutes.

B. Motion to Approve November 18, 2025, Sheldon Theatre Board Meeting Minutes.

A motion was made by Member Kenyon, seconded by Member Christenson, to approve the minutes as presented. A vote was conducted, and the motion carried unanimously by a vote of 4:0.

8. Motions & General Business

A. Briefing on St. Paul, Minnesota Foundation Accounts by Tod Herskovitz, Nonprofit Strategies Manager.

President Achen welcomed Tod Herskovitz to come forward for his presentation.

Manager Herskovitz stated that the purpose of his presentation is to discuss the endowment funds that the Sheldon Theatre Board currently holds.

According to Manager Herskovitz, the Sheldon currently has four different funds with the St. Paul, Minnesota Foundation. Three of those funds are permanent, and the other is non-permanent.

Manager Herskovitz stated that the three permanent funds are: 1) TB Sheldon NFP Endowment Fund; 2) TB Sheldon Auditorium Designated Endowment Fund; and 3) City of Red Wing TB Sheldon Auditorium Endowment Fund. The non-permanent fund is the Designated Operating Fund.

Manager Herskovitz stated that the TB Sheldon NFP Endowment Fund is a permanent non-profit endowment with a current market value of \$1,000,203. To date, this fund has distributed \$1,055,749 in grants.

President Achen requested a definition of a “permanent fund” and a “non-permanent fund.” Manager Herskovitz stated that a permanent fund has an annual distribution with no access to the principal. A non-permanent fund allows a request for distribution at any time, and there is access to the principal.

President Achen asked what dictates whether the fund is permanent or non-permanent. Manager Herskovitz stated the Fund Agreement dictates its permanency.

President Achen asked when the Fund Agreements were established. Manager Herskovitz stated the Fund Agreements were established in 1998 and 1999.

President Achen inquired as to how the Fund Agreements could be changed, if there were a desire to do so. Manager Herskovitz stated that there is no vehicle by which to change the Fund Agreement. The Board of Directors for the St. Paul, Minnesota Foundation can review a formal request, but everything hinges on the original intent of the donations that are currently in place.

Manager Herskovitz stated that the TB Sheldon Auditorium Designated Endowment Fund has a current value of \$4,757,894. To date, \$803,000 in grants have come from this fund. Within the next couple of years, more grants will be forthcoming because of the value of the fund.

President Achen asked why there are three different permanent funds. Manager Herskovitz stated that the likely answer is that one of the funds was created directly from the City. The other two funds began as a single fund that was divided because

of a Financial Accounting Standards Board decision that stated an endowment fund could no longer have co-mingled agency dollars and individual donor dollars.

Manager Herskovitz stated that the TB Sheldon NFP Endowment Fund was created to hold all the donations from organizations. Assets that came from individual donors went into the TB Sheldon Auditorium Designated Endowment Fund.

President Achen asked why there is another City fund. Manager Herskovitz stated that he was not present at the time of the signing, and he does not know the answer to that question.

President Achen asked if the Agreements for each of the three permanent funds are the same regarding the annual distributions. Manager Herskovitz stated that the method of calculation is called a Spending Policy, and it is based on the value of the investment over twenty-one quarters averaged.

President Achen asked if the distributions are coming at different times throughout the year because of the twenty-one quarts. Manager Herskovitz stated that typically the distributions should come during the first quarter, but the Board can make a request for the distributions to come at another time.

President Achen stated that the Board has not been involved with the distribution requests. Manager Herskovitz stated that when someone from The Sheldon requests the distribution, he submits the request, and the money is sent.

Member Christenson asked if someone from The Sheldon requests the distribution or if someone from the City requests the distribution. Manager Herskovitz stated that someone from The Sheldon would make the request.

Director Dow stated that The Sheldon requests money from the non-permanent fund, and there is a one-time payment during the first quarter (at the beginning of the year).

President Achen asked for the specific investment portfolio that the funds are invested in. Manager Herskovitz stated that all the permanent funds are invested in a Multi-Asset Endowment Portfolio, which is highly diversified and currently holds about \$1.4 billion or \$1.5 billion.

President Achen inquired about the balance of the non-permanent fund. Manager Herskovitz stated that it is currently approximately \$72,000.

President Achen asked if Manager Herskovitz would share the original operating agreements with the Board. Manager Herskovitz confirmed he would share the information.

B. Motion to approve Executive & Artistic Director Annual Review.

President Achen read a summary statement below of Director Dow's performance.

During a closed session during the November 2025 Regular Sheldon Theatre Board Meeting, the Board discussed Director Dow's performance. Director Dow demonstrated strong performance in her second year as Executive Director of the Sheldon Theatre Board. Key accomplishments included outperforming budget expectations by a wide margin and building increased programming infrastructure. She drove new accessibility improvements, the approval of a new Youth Theatre Program, and a new ticketing system. The Board noted two areas of improvement: 1) Continue improving in the understanding and the operation of the finances, so that the Board can continue to improve The Sheldon's budget performance; and 2) Improve managing through conflict with internal and external stakeholders. Director Dow has terrific relationship skills, and she has a strong sense of what is needed to move The Sheldon forward. Overall, Director Dow received scores that averaged to a strong "Meets Expectations," and the Sheldon Theatre Board looks forward to many years in the future with her. The Board has approved a step increase for Director Dow to a Grade 16, Step 9, which is an annual salary of \$137,987.

A motion was made by Member Kenyon, seconded by Member Bell, to approve the Executive and Artistic Director Annual Review. A vote was conducted, and the motion carried unanimously by a vote of 4:0.

9. Communication Items

A. Director's Report.

Director Dow provided updates and highlighted information from her report:

- Director Dow reported that there were fifty highly qualified applicants from fourteen different states who applied for the Director of Youth Theatre Program. Seven interviews will be held next week. The hope is to have the position filled by late January or early February.
- Director Dow thanked Public Works and the Building & Grounds workers for their support of the Sheldon. They helped to secure the Christmas tree for the Holiday Stroll and keep the sidewalks clear for Staff and patrons.
- Director Dow stated that the holiday shows have been well-attended. Patrons have been in the holiday spirit and seem to enjoy the performances.
- Director Dow noted that the APAP Conference is next month. There will be several appointments with agents to finalize the 2026-2027 season and begin planning for the 2027-2028 season.
- Director Dow stated that the piano storage area has been completed, thanks to Public Works.
- Director Dow reported that the number of tickets sold is up 10% from 2024.
- Director Dow noted that the Missoula Children's Theatre Audition information was added to the website and sent home in backpacks at the beginning of December. Auditions will be held on January 5, 2026, from 4:00 p.m. until 8:00 p.m. Their show will be The Jungle Book.
- Director Dow stated that there was notable community outreach from the Mandy Gonzalez performance, which included the Red Wing Holiday Chorus

performing alongside Mandy Gonzalez with student soloist, Hazel Perau. Tickets were donated to local organizations, including Hispanic Students United from Red Wing High School and Hispanic Outreach of Goodhue County.

- Director Dow stated that Missoula Children's Theatre will offer an assembly at Burnside Elementary during their residency in January.
- Director Dow stated that Friends of the Sheldon celebrated a holiday party on the Friday before the Mandy Gonzalez performance with approximately thirty people in attendance. A 1,600-piece Friends of the Sheldon acquisition mailing went out on December 1, 2025, inviting patrons to join Friends of the Sheldon. Over \$20,000 in renewal mailings went out on December 2, 2025, and Friends of the Sheldon is on track to hit budget.
- Director Dow stated that an application to the MSAB General Operating Program is underway and due in mid-January. As a reminder, this is an interim application year, and funding varies based on legislative allocations to the Arts & Culture Heritage Fund.
- Director Dow stated that a Letter of Inquiry is being prepared for the St. Paul, Minnesota Foundation's Arts & Culture Grant Program. This will be a highly competitive program, which awards \$100,000 per year for five years.
- Director Dow reported that the holiday decorating and soup supper for the decorators took place on Monday, November 24, 2025, with the Holiday Stroll Muppet Movie and Santa on stage with the Sheldon Brass Band that same week.
- Director Dow stated that the Minne-Nutcracker was very well received. The abridged version was easier on the little ones.

C. Finance Report.

President Achen requested that Director Dow provide an update on the monthly snapshot of the finances.

Director Dow stated that the Main Stage Ticket Revenue is exceeding expectations. Ticket sales have been robust for the holiday shows.

Director Dow stated that Phoenix Ticket Revenue will remain the same because there are no more shows scheduled for the year.

Director Dow stated that the Education/Field Trip Ticket Revenue will stay the same because there are no additional shows scheduled for the year.

Director Dow stated that Rental Revenue will increase because there was an actual rental of the Theatre.

Director Dow stated that Grants and Donations will continue to increase.

Director Dow stated that the Endowment comes to us at the beginning of the year, and it does not fluctuate.

Member Bell requested that the previous year's year-to-date actual numbers be added for the next financial snapshot.

C. Board Chair's Report.

President Achen brought up the next steps on the Strategic Plan. The goal is to get feedback from each Board Member so that it can hopefully be approved during the January meeting.

President Achen stated that the Board's schedule of meetings for next year, the regularly scheduled meetings will be held on the third Tuesday of every month at 5:15 p.m. There will be no meeting in July.

Director Dow brought it to President Achen's attention that there was no May meeting either. President Achen stated that he would advocate that the Board meet eleven times for the upcoming year.

A motion was made by Member Christenson, seconded by Member Bell, to approve the 2026 Sheldon Theatre Board Meeting Schedule. A vote was conducted, and the motion carried unanimously by a vote of 4:0.

E. Government Relations Report.

President Achen stated that Council Liaison Snyder requested that he share the fact that the City has passed a 3.2% levy for 2026, as well as a Budget and Capital Improvement Plans.

F. Board Member Comments.

Member Kenyon stated that he is glad that Maria is on board.

10. Adjournment

President Achen adjourned the meeting at 6:03 p.m.