

## **Minutes of the extraordinary members´ meeting of sculpture network e.V. (SN) on 28 August 2020**

### **Agenda:**

**TOP 1. Verification of the quorum**

**TOP 2. Election of a keeper of the minutes**

**TOP 3. Resignation of the board of directors**

**TOP 4. Elections to the board of directors**

**TOP 5. Dissolution of the association**

**TOP 6. Appointment of a liquidator**

**TOP 1. Verification of the quorum**

The meeting was officially opened at 11:10 am by the chairman Otto E. Vogel. He welcomed all members who attended the meeting via zoom in the name of all board members present: Cornelia Hammans, Sabine Schaedle, Yke Prins and himself. Isabelle Henn couldn't attend today, but she sent her best regards to everyone. Same applied for Hartmut Stielow. Also attending was Ralf Kirberg, curatorial board.

The meeting was called in in good order and on time, in accordance with Article VII of our Bylaws. 39 members are present today.

The attendees did not want to add any additional items to the agenda.

Nina Gramüller explained the technical features of the ZOOM-meeting and the procedures of joining the discussion via Q&A, chat or panel discussion.

### **TOP 2. Election of a keeper of the minutes**

It was proposed that Martina Fischer will keep the minutes of the meeting, there were no objections.

### **Top 3. Resignation of the board of directors**

Otto E. Vogel introduced himself and handed over to Cornelia Hammans.

Cornelia Hammans introduced herself and explained facts and activities of SN in 2019.

SN has achieved a lot in 2019. The annual report with all the fact and figures has been sent to every member in advance.

- The association had 953 members in 41 countries at the end of the 2019.
- SN organized 14 events in 21 countries in 2019, all great occasions and platforms for networking, creative input and thought exchange. More than 6.000 people participated in those events.
- Website content and information sources for research have been extended

- Social Media work has been pushed, especially Instagram, where we post at least twice a week pictures of sculptures
- Expansion of cooperation with art fairs and large outdoor sculpture events not only helped with advertising services, but also offered discounted or free admissions for our members, or offered members exclusive opportunities to exhibit their works,

Cornelia Hammans handed over to Yke Prins who introduced herself and sketched the difficulties SN had to encounter from her point of view.

- in 2020 the association had to start to work with an almost completely new board.
- The board had to work with a completely new staff at the office
- Ralf Kirberg left as chairman in January 2020, he had structured and financed the organisation for 15 years but with him leaving SN lost its main funding source from the Waldemar-Bonsels-Stiftung (WBS) and will also lose the free office space in 2021. Ralf Kirberg has done many good things for the network and made it blossom over years. But with no alternative funding, the association can't continue as it is.
- a website and the digital platform were built over a period (2016-2019) for very high costs, which left SN with financial obligations to sculpture network service GmbH (GmbH) managed by André Kirberg. Also, the proposed maintenance costs are high and bring us into conflict with the service company (GmbH).
- because of the Corona Crisis the planned Midsummer Sculpture Festival 2020 could not take place, same applies to the Forum 2020 in Málaga. We also lost members because of the Corona Crisis and some members could not pay their membership.

Yke Prins handed over to Sabine Schaedle who introduced herself and presented the figures of 2019, year to date 2020, a Forecast for year-end 2020 (FC 2020) and a preliminary budget 2021 and a Cash Flow until year-end 2020

- the figures of SN and the annual report of 2019 have been already shared to the members in addition to the invitation to this extraordinary meeting, Additionally, to this information provided Sabine Schaedle explained the development of key figures for the years 2016 to ytd 2020, the Forecast for year-end 2020 and a preliminary budget for 2021.
- the organization could win on average around 100 new members each year. But unfortunately, on average more members left every year, either by regular cancelation or by being excluded because of failure to pay the membership fee;
- Deloitte & Touche, the auditing firm who has audited sculpture network's books pro bono, since 2004, again audited the 2019 Annual Report. Many thanks are extended to Deloitte for their continued support.

- in 2019 there was an Increase in personal costs because staff members who were paid by the Waldemar Bonsels Stiftung left and the new staff had to be paid by SN resources. To run the business as it is the board believes that SN needs two fulltime employees
- the biggest change within the operating expenses were the costs for the IT-platform, the digital system used (Website, CRM and Event-Management) – i.e. license and maintenance fees
- due to the uncertain situation/ future of SN the two employees Martina Fischer and Nina Gramüller resigned and will leave end of August 2020.
- The Cash Flow projects a positive cash position of EUR 30,000 to EUR 40,000 for year-end 2020

**Conclusion:** The organization currently has not any more a sound financial situation and expects negative impacts of the corona crisis additional to the loss of the support of the Waldemar-Bonsels-Stiftung, which was very generous in all the years, i.e. management capacities (Gerhard Feigl, formerly Isabelle Henn) which could be used by SN until October 2019, other personnel of WBS supported with day-to-day activities, also the office was paid for by WBS. This support has been ceased in 2019 respectively will end in December 2020

The GmbH which was founded in 2016 in order to secure and provide long-term financing of SN and covered the costs of development and maintenance of the IT infrastructure/ platform (CRM system and webpage) used by SN. It also organized art trips in the past. Unfortunately, the project was quite a huge responsibility and it needed more time and resources than have been thought before. It has been finalised in 2019 with remaining work done in 2020.

Sabine Schaedle opened the meeting for questions via the Q&A-tool, the Chat-tool and video-discussion.

During the **Question and Answer session** answers and broader explanations were given for some of the bigger cost items as

1. **Cost for legal advise** (agreements with the GmbH concerning the license and maintenance fees for the usage of the IT-System, questions in regard to insolvency and dissolution issues).
2. **Duties of the board of directors** (to represent SN and its members, as the members in total are the owners of SN and all its activities therefore the board needs to act in good face and has to look what is reasonable according to the legal structure. The board is the legal representative of the legal structure, the association and the main responsibilities are defined in the bylaws of SN respectively in the German Civil Code (BGB)). The board of directors signs agreements and therefore is personally liable, if it acts grossly negligent.
3. Reduction of **membership fees in 2020** was discussed by the board but declined due to high banking costs and enormous administrative burden.
4. Issues regarding the **set-up of sculpture network service GmbH**:

The risk of the IT Investment is legally by the GmbH, which is owned 52 % by the Kirberg family and 48 % by SN. The IT project was funded by the Kirberg family and with EUR 84,000 by SN (this investment was written off in 2019).

The platform was designed by the GmbH and external companies with the support of SN staff. In 2015/ 2016 the project was prepared and evaluated under consideration of available market options. With members in different countries, with different payment options, an event- management tool etc. the IT-Infrastructure became complex. At the end the project cost was above budget due to unforeseen technical problems and data migration issues, but within parameters of a project of this kind.

## 5. **Yearly IT costs**

There is no signed contract, but the GmbH has expectations for payments. The claims are EUR 5,000 per year for maintenance and EUR 12,000 per year for the usage (license). No agreement could be found, none of the alternatives looked positively enough to go forward.

The platform is a necessity for SN to be able to handle all administration issues (especially the membership administration) and to serve the members with services, information etc. Designing a new platform from scratch would take time and would be quite costly.

6. The **financial situation of SN** is not comfortable, but at the moment there are sufficient funds available (EUR 30,000 to 40,000 left in the bank accounts) that can also be used for a re-start. Bankruptcy is not an issue at the moment, either the dissolution is voted for or a re-start will be done.
7. Further **grants, or public funds respectively sponsors** could not be identified respectively acquired due the legal structure of SN (SN is not a commercial enterprise).

## 8. **New board members:**

Helmut Pütz, who was a member of the board until 2017, offered himself as a new member of the board to find a future for SN assuming there are no unknown liabilities from the past.

Helmut Pütz stated that there are only two options: 1. Liquidation (anything is lost) 2. or a re-start of SN.

The main assets of SN are its brand (the logo and name) and its database, for data protection issues (General Data Protection Regulation) SN needs to keep going on. Helmut Pütz is ready to develop with other members until the next meeting possible solutions. There must be at least 2 Persons to join the board, they can be voted, established by the current board. Everyone who is

interested in joining, can contact Helmut Pütz at [helmut.puetz@sculpture-network.org](mailto:helmut.puetz@sculpture-network.org)

A job description to be a board member will be provided on demand

#### **TOP 4. Elections to the board of directors**

Redundant as no 2 candidates were presented.

#### **TOP 5. Dissolution of the association**

As the necessary quorum was not present today, no decision could be taken today.

The Invitation for another extraordinary general meeting on October 3<sup>rd</sup>, 2020 will be sent out today to the members.

The extraordinary general meeting in October will probably be redundant if a new executive board can be formed until then. If not, the next meeting has to decide on the dissolution of SN.

#### **TOP 6. Appointment of a liquidator**

**The appointment has to be postponed until we know if the dissolution will be the only option. If anybody would volunteer to dissolve the association please let us know.**

#### **TOP 7. Miscellaneous**

**No further topics were to be discussed.**

We thanked everyone who joined the meeting for their participation and constructive cooperation.

The meeting was closed at 13:30 by Otto E. Vogel.