

Finance Committee Meeting – July 29th at 5:00 pm

We are currently meeting on Zoom

Meeting ID: 874 6391 9693 / Password: 557517

Time: 5:00 pm to 6:30 pm

	Item	Lead	Mins
	Meeting Start and check in	Exec	5
	Review and approve prior month's notes (on website and attached)	Team	5
	Monthly Financials (July 2021 financials attached)	Mac	20
	FY 2022 Budget (expenses)	Mac	30

August 2021

Review YTD revenue and expenses to plan.

Review and discuss first draft of Expense Plan for 2022 budget

Forward first draft of proposed budget to Board for input and questions

TOTAL TIME: 70 minutes

Minutes

In attendance: Celeste, Gene, Jenna, MacRae, Stephanie, Mark A

- Reviewing [July minutes](#)
 - Gene: Is the net cash available (\$485,000) listed in the minutes included in endowment and restricted?
 - MacRae: no it does not
 - MacRae corrected the minutes to reflect the details of the operating reserves
- July financials review
 - Reviewed July financials
 - July FY21 projection sent out
 - additional expenses added, projecting \$164,834 surplus
 - This new projection should be sent out to the board to give a more realistic idea of how we're going to end the year
- Fundraising/development plan FY21
 - Actuals have been updated
- Comprehensive Donor Analysis sent out

- Gene - nice to see that there is high retention rate. Membership has increased a little bit.
- FY22 budget draft
 - Revenue \$687,015 still the same as from last meeting
 - Expenses \$980,276
 - Surplus \$69,440
 - Double the donation
 - Celeste - this is a possibility but nothing concrete. Still researching. It's a development tool that works with givecloud. Helps us find double donations. Costs \$500/year. This is something that could be used by our next development director. Way for people to easily donate stock. Does this sound worth the cost?
 - Gene - We've not had a strong legacy giving program. Hopes that the next development director is able to really build and promote this. Other orgs get a lot of giving through this
 - Stephanie - are there shows on KBOO that can focus on promoting this convo?
 - Gene - folk strip has this demographic. Flyers are not enough. We need to build up the infrastructure
 - Stephanie - can we hire someone to at least help us set up the infrastructure?
 - Celeste - Probably not. We need someone who can manage the system that is set up. Double the Donation could be helpful because it eliminates the middle man in managing something like this.
 - Stephanie - do we still take calls for donations?
 - Celeste - no because no one is there to take calls. Board will be doing calls for matches for the upcoming drives.
 - Gene - board should be looking at steps being taken to close the gaps.
 - Presenting this to the board
 - Budget is being presented on Monday. Stephanie will not be there.
 - Gene - We can highlight areas on the revenue plan where there's potential to close the gaps
 - Stephanie - what expenses can be cut to close the gap?
 - Gene - We will lose effectiveness by cutting the budget.
 - Celeste - part of what is in expenses is an increase of just doing business. Another part is KBOO paying for expenses we should have paid for all along. KBOO has been blessed for the in-kind donation we get on our stonehenge lease, meaning our tower rent should be much higher. We're so used to getting donations like this that we're not budgeting what we actually need to budget for. "I don't want to pay retail" mindset is coming back to bite us. We've cut expenses, but we've also had to address our real expenses such as needing to hire contractors to get the work done.
 - Gene - We can project that there will be some skilled volunteers
 - Celeste - We're not getting as many volunteers like this

- Gene - There will be some sort of offset
- Celeste - we do have volunteers that are helping recently. Electronics, HVAC
- Gene - We should highlight one time expenses in the current budget. We should create a baseline cost of operations so we have an understanding of what this is.
- Stephanie - board needs to rethink where their energy is going outside of things like nominating committee and strategic planning
- Gene - Anyone can learn how to do fundraising calls?
- Stephanie - it would be helpful to see what FY23 would look like where the surplus doesn't exist so the board can see what the budget really looks like
- Gene - we've passed deficit budgets for the last few years, we need to build the elements that will grow KBOO
- Celeste - there's 3 candidates for the open 4 seats on the board
- Celeste - what does Mac need to present this to the board?
 - Mac - good idea to take out the one time expenses. Will look through the budget to see what the one time expenses. It's important for people to also look at our very conservative goal. If we want to put money into dev director, our revenue will go up. This budget also includes an underwriting coordinator. If the UW coordinator does what Justin did, we could get the UW revenue up.
 - Gene - hopefully the UW coordinator could at least pay for themselves
 - Stephanie - do we need a backup plan for the development director? How can we recruit differently?
 - Celeste - We're always looking at ways to cover these duties. The trouble in hiring is not about recruiting but the salary.
 - Celeste - deficit will shrink in the future because we're paying for a lot of one time expenses in this upcoming year. For example, the renewal expense \$20k could be much less, but we're trying to anticipate the possibility of a higher expense
 - Gene - happy we're doing a realistic budget that's frontloaded.
 - Marc - likes that this is a realistic budget. Does management have hope for fy22?
 - Celeste - hopes that we're going to be able to meet the market cost for getting a development director to meet the current economy. If we can pay a salary that will keep them at KBOO for more than a few months, we could start seeing a turnaround. Also, hiring someone to do underwriting. We've been meeting with people try to find new tools.
 - Stephanie- what needs to happen to make that happen?

- Celeste - Union negotiations as well as possibly retooling the job we have now in order to pay for the increase in salary.
- Marc - sounds like strategic thinking process. How would you develop that? Right now there's a budget that works in 2022, but the 12 months after that...
- Gene - hope is to lay it out to the board then get approval in September. Hopefully there's a BOD meeting in Sept. Do we need to ask for time on the agenda on Monday's meeting?
- Stephanie - will put it on the agenda for Monday's meeting
- Macrae - we need 30 minutes to go over it, then 15 minutes for questions
- Marc - can we ask the board to write down some of their thoughts so we can talk about it at finance committee?
- MacRae will send materials out to the board so they can review before the board meeting on Monday
- Marc - we have 1 year of sustaining budget, but next year is a different situation