

FINANCE COMMITTEE MEETING NOTES 4/18/2024

In attendance: Danielle Schira, Nathan Vandiver, Joyce Nance, Dan Shramek, Eugene Bradley,
Emma Lugo, James Neale, James Draznin, Jill Blanchard

Facilitator: Danielle

Note taker: Jill

AGENDA

- Financial report
- Cash
- Individual contributions
- Underwriting
- 6-month budget review
- Development presentation
- Joyce's proposal | 2 budgets

NOTES

Financial report

- Average monthly expenses are currently greater than average monthly income
- The first 6 months are not the biggest spending months.
 - Printing, legal, more expenses still to come in the next 6 months
- Emma: with enough cash on hand the board could pass a budget that is not a deficit budget

Temporarily restricted funds

- [Review of temp restricted/designated funds](#)
 - Temporary and permanently restricted
 - Currently held at
 - OCCU
 - Advantis
 - Nathan and Danielle have been working with operations staff to determine what expenses will be incurred in the 2nd half of the fiscal year.
- Danielle explained that the Revenue Operating Team has been evaluating what has worked in the past 2 drives and what would be improved.
 - There is energy behind improving processes in sustaining membership.
- This 6 month review will help staff review their cash flows

6-month budget review

- [Projection report](#) and [Narrative](#)

- Individual contributions
 - KBOO is shifting drive income to sustaining membership in order to make drives more concise and to better track membership income.
 - How revenues are recorded will change starting in April, not retroactive.

- Sustaining revenue -KBOO is expecting an average of \$2800 more per month
 - \$1400 result of the shift in how KBOO is recording revenue.
 - KBOO will gain new monthly donors during the Spring drive.
 - There will be a mailer asking sustaining members to increase their monthly donation by \$5.
 - Credit card lapses

- There will be additional mailers for renewals
 - plan for 1 mailing a month from KBOO
 - Most have been drive related.
 - Some will be focused (segmented) on renewals

- Community Service Grant
 - There could be an opportunity to make a case to CPB to forgive the fine
 - Could increase KBOO's CPB funding
 - Would bring funding from scheduled \$61,000 up to \$92,000

- Underwriting
 - More revenue than last year,
 - Still underperforming
 - Expecting growth in the 2nd half of the year
 - Waterfront Blues Festival
 - Cathedral Park Jazz Festival

 - Trade underwriting - included in NFFF figure to increase the funding from CPB

 - James N. is working on sponsorship packages

 - Emma question: does the underwriting position bring in as much revenue as much money as it takes to fund the position? More making a statement.
 - Nathan takes this comment to heart. Revenue positions are there to increase the revenue of the station.

 - Dan question: asked if underwriting and sponsorships would have overlap in the businesses they were targeting for revenue.
 - James explained that sponsorship packages will be more comprehensive than underwriting.
 - There will be some overlap but there will be a wider search for sponsors.

- Nathan: KBOO has a Bylaw that says no more than 10% of our revenue will be raised through underwriting.
- Emma: Station Manager, Program Director have the ability to change the rules - make more room for underwriters.
- Dan, from a programmer's perspective, it would not be trouble to build in an additional buffer for underwriting.

Development presentation

- [James' Presentation](#)
- Match pool for the spring drive is currently at \$10,000
 - After 1 round of phone calls from board members
 - Handful of other donations that came in
- Reinvigorating community presence
 - Tabling events
 - Sign up new donors
 - Sustaining members
- Planned giving
 - Current KBOO member - estate attorney
 - Will give an information session for KBOO members at the end of May
 - The tail end of the Spring Drive
- Grants
 - Nathan and Danielle and James have submitted 10 grant proposals
 - Received a few rejections
 - Waiting to hear back from others
 - Submitting new proposals on general funding and for the elections
- Sponsorship packages
 - Offset live remote work
 - Tiered opportunities
- Major donors
 - Working with the board to connect with major donors

- Working with the board to be comfortable with the “ask” for major gifts
- Cuba Trip
 - In the process of finalizing the memo of agreement
 - Market early May for a December trip
 - Option for a 2nd trip
 - \$20,000-\$40,000 total revenue for KBOO

Next steps

- Expenses
 - Staff are still working on savings in expenses for the next 6 months
- Emma: requested cash on hand at the next meeting

Joyce’s motion | 2 budgets

- Proposal: Have staff present 2 budgets in September
 - Budget A: Staff budget based on their experience and goals
 - Optimistic budget
 - Budget B: Balanced budget (within a \$100,000 deficit)
 - Realistic/conservative budget
- Second - Emma
- Discussion
 - Be careful not to reduce expenses that would reduce KBOO’s fundraising capabilities
 - Discussion needs to happen before the alternative budget is developed
 - It is important to maintain and cultivate relationships with KBOO’s donors, cutting these expenses would be detrimental
 - Danielle: consider what are we trying to achieve - what can we do with current cost.

- Would like and opportunity to review expense first
 - To show here's what a reduction might save us
- Dan: what would it cost to keep the radio station open
- Dan: We don't want to reduce expenses that would affect KBOO's fundraising ability
- James N: building relationships with members is critical, downsizing those positions that care for members would be harmful to KBOO
- James N: thinks a realistic budget, 2nd budget, is good to have in the back pocket
- James D: has not seen 2 budgets before. Has seen concern that we need to pass a balanced budget blanching by passing an unbalanced budget and eventually revenue will catch up to expenses.
- James D: This should be a concern to all board members, especially if we cannot make this year's revenue projections. Whether we put a balanced budget or a deficit with a limit, look at what our revenues will be for the coming year and what is KBOO willing to spend. James would lean toward passing a balanced budget.
- James D: Suggested putting the budget online.
- Dan: there are a number of things outside the budget that affect it like the Collective Bargaining Agreement.
- Nathan: What is the difference between a balanced budget and getting rid of the deficit?
- Danielle: we can put together budget that honors current contracts and keeps the doors open vs. a growth budget. What allows us to operate in a way that makes sense.
- Joyce agrees with James D: increase revenue before increasing expenses.

- Vote on motion
 - The Finance Committee did not vote on this proposal
 - James D suggested that the board be the body that votes on this proposal and then direct the Station Manager and Finance Committee to develop the 2 budgets
 - TheBaord will consider asking Nathan for 2 budgets
 - Joyce will bring the proposal from the Finance Committee to the board before the May meeting.

Next meeting

- Thursday, 5/16/2024 at 5:30pm
- Via Zoom