

Meeting notes
KBOO Foundation Finance Committee
October 18, 2018
4:30pm at KBOO

Present:

MacRae Bogdanov (Finance Coordinator), Delphine Criscenzo (Station Manager), Ruban Lawrence (Board Treasurer), Eugene Bradley, Marc Anderson, Dan Shramek

Facilitator: Delphine Criscenzo

Note taker: Dan Shramek

Marla Davis bequest

As of October 1, the Marla Davis bequest fund balance targeted for Native American programming was \$44,286. Delphine detailed the progress that has been made so far to develop a proposal application that potential beneficiaries could submit for projects benefiting the Native American community. While there is not a proposal review committee in place yet, she is reaching out to Native American programmers and KBOO members.

Gene suggested that having a dedicated fund to benefit the Native American community could be strategic to attract like-minded donors, who might add to the fund over time.

We discussed several questions that need to be answered before potentially investing any of the Marla Davis bequest funds, including:

- What is the likely lifespan of the bequest?
- Should we invest some, or the entire bequest as a long-term endowment?
- Will we target a certain dollar amount, or percentage, of the total bequest to award each year?
- Should the proposal award size be capped, and if so, at what amount?
- Should we have the flexibility to award a larger amount of funds for a worthy project?

We agreed to keep the bequest funds in a short-term checking/savings account for now, and not invest it longer term until we have further defined the goals and objectives for the bequest, finalized specific details regarding the likely award size and annual distribution amount, and realized how many proposals we receive and award funds for in the first year or so.

Staff wage renegotiation

Ruban distributed an overview that outlines some of the issues we are facing in the process of renegotiating staff wages with CWA. He requested that the committee members review the information to inform further discussion in the coming months.

Gene pointed out that despite having large operating deficits in recent years, KBOO has not had any lay-offs. He also discussed the importance of budgeting for unfunded liabilities such as sick leave pay, and of anticipating the possibility of employees leaving KBOO with accumulated benefits. MacRae discussed the ways that she is currently tracking these liabilities, and we agreed that more research is needed regarding how to handle unfunded liabilities.

Gene discussed potential alternatives to COLA adjustments that might be beneficial to consider for the renegotiations.

Check signing schedule for authorized signers

Del explained how important it is to have a set day of the week (Friday, for example) for authorized check-signers to sign KBOO checks. She suggested that multiple potential check signers could rotate check-signing duties on a given day of the week to make the process easier for all.

Gene suggested that, as a financial control, the two people who generally should not sign checks are the Station Manager and the Finance Coordinator. In addition, he recommended that the Board President not be designated a check signer.

Action: Ruban will consider and recruit at least two potential check signers, and check in the week of October 22nd with Delphine regarding next steps.

Removing names from Advantis credit union account

Delphine and MacRae discussed the difficulties they currently have in accessing even the account balance of the Advantis Money Market account (Operating Reserves), and suggested we remove access for two people on the account and give access to two new people. Delphine also proposed that MacRae also be given non-transactional access that will allow her to easily check the account balance.

Delphine suggested that she be one of the people with access to the accounts. Gene suggested that a board officer be one of the people with account access

Action: Ruban will consider and recruit two people for account access to the Advantis money market account (KBOO Operating Reserves). He will then present a proposal to the board at the next board meeting to remove the two names currently on the account, and give account access to two new people (to be determined). In addition, the proposal will approve non-transactional access for MacRae.

September and FY18 financials

MacRae reviewed the September and FY18 financials, including the Profit & Loss and Current Cash Position reports. She explained that the operating deficit for FY18 was \$53,919.92, which was less than the \$71,191 operating deficit anticipated after the mid-year budget review. She also clarified the appropriate uses of the CPB Restricted funds, including for certain personnel expenses related to developing national programming.

She reviewed the Current Cash Position report (9/30/18), and discussed the restricted cash obligations. Dan had a question regarding the restricted obligations for CPB Restricted and Grass Roots Radio, and MacRae said she would research the current amounts and adjust the reports appropriately, if needed.

Action: MacRae will research and clarify the restricted obligations for CPB Restricted and Grass Roots Radio and update the Current Cash Position report as needed.

Dan requested clarification regarding how the 50th Anniversary Campaign surplus has been allocated. As Gene explained, the intent for the surplus was that 50% of the surplus (\$24,151) should be deposited in the Operating Reserves, and the remaining 50% (\$24,151) should be allocated for Capital Reserves.

This is what he recommended to board members present at the September 17, 2018 board meeting. The board has not yet approved the proposal to move the funds to the Operating Reserve. The committee agreed that our recommendation continues to be to transfer \$24,151 from the 50th Anniversary Campaign to the Operating Reserve. Ruban will discuss and present the proposal at the next board meeting.

Action: *At the next board meeting, Ruban will discuss and present the proposal to move \$24,151 of the 50th Anniversary Campaign surplus to the Operating Reserve.*

FY19 Finance Committee work plan

Gene suggested that we develop a work plan and calendar that outlines the major committee focuses for the coming fiscal year, including:

- Finalizing the Executive Summary format for the monthly report to the board
- Standardizing the monthly committee agenda
- Reviewing the board policy on Operating Reserves to ensure that the intent of the Operating Reserves is clear to the board and management
- Developing a “lean” annual budget model for base operations, including base staffing levels
- Agreeing on a calendar for committee budget reviews, perhaps including one after the December membership drive, the mid-year review, and the July-September new budget discussion and recommendation.

The committee agreed that this is an excellent idea. Del suggested that we also review the KBOO Strategic Plan to understand how it aligns with committee work plans such as this.

Revision of board minutes

Marc suggested that Ruban revise the wording of the September 24 2018 board meeting minutes regarding the FY19 operating budget that was passed.

Dan also suggested that the 9/24/18 minutes be revised to reflect the anticipated operating deficit of the board-approved FY19 Operating Budget, which is \$41,933.06, not the \$23,953.46 that is stated in the board meeting minutes currently posted on the KBOO web site.

From 9/24/18 KBOO board meeting minutes:

*“Approved FY2019 Budget dated September 17, 2018. Attached.
The board is approving a deficit budge with a deficit of \$23,953.46.”*

Action: *Ruban will revise the 9/24/18 board meeting minutes to reflect that the board-approved FY19 Operating Budget includes an operating deficit of \$41,933.06.*

The Finance Committee will hold their next monthly meeting on Thursday, November 15th at 4:30pm.

Meeting adjourned

6:00pm