



**Finance Committee Meeting – Tuesday, December 12, 2017 – 2:00 p.m.
DSO Office, 100 West 10th Street, Suite 1003, Wilmington, DE 19801
Meeting Minutes/DRAFT**

Committee Members Present: Lanny Edelsohn, Chair
Charles Babcock, President
Jeff Ruben, Treasurer
Cris Coconcea – *by phone*
Brian Kelley – *by phone*

Ex-officio Members Present: Alan Jordan, Executive Director
Libby Burgazli, Finance Manager
Ruth Kreider, DSO Musician

The meeting was called to order at 2:02 p.m.

Upon a request from Edelsohn, no members noted conflicts of interest.

It was moved by Ruben, and seconded by Kelley, that the November 16, 2017 minutes be approved as presented; motion passed.

2017-2018 Budget v Forecast

Burgazli walked members through the Operations Forecast (Profit and Loss) with actuals through November 30, 2017. Although Program revenues were reported as actual to date, certain expense categories include cost estimates as not all Classic 2 costs have been received.

- Total projected income and expenses have increased slightly. However, where program revenues dropped by about \$8,850 (decreases from Family Concerts <\$5,500> and Chamber runout <\$5,200> were offset with \$1,900 from contracted events), an increase in contributions are expected to offset lower than expected ticket sales (year-end appeal gifts and new major gift for Chamber runout).
- There is still uncertainty on some contributions areas, namely corporations and foundations, but several alternatives were discussed including 1) additional “asks” of existing Major Contributors of \$75,000, 2) new foundation grants are in process,

- 3) Board commitments are not fully pledged; however, Jordan and Babcock agree that the \$52,000 goal is achievable, and 4) special event fundraising is still TBD.
- Total projected contributions will be reviewed with the Development Director in early January and a new forecast presented at the next committee meeting.

Cash Projection for FY18

The December 11, 2017 report precedes the effect of contributions received from the year-end appeal; however, several donations are still anticipated which will bring December to a near break-even balance.

- The committee anticipates two actions are needed to fund January's programming activities: 1) draw the remaining \$100,000 available from the Operating Reserve, and 2) distribute approximately \$42,000 from the Board Designated Fund (5% annual distribution).
- The final five months of the fiscal year will require a minimum \$378,000 gap to be filled by operations-generated cash. Any funds to replenish the operating reserve would have to be above and beyond that minimum. Finance Committee members discussed the possibility of using Board Designated Funds to fill the shortfall if contribution goals are not met.
- A discussion ensued regarding additional expense reductions. It was noted that reductions in programming may not yield significant savings due to CBA service commitments for musicians.

Development Committee and Task Force Updates

With an acknowledgement to time constraints for today's meeting, Jordan provided a quick update on the One-Twelve Fund drive which stands at \$98,612 of new or increased contributions pledged for FY18. An update on several open (unclosed) solicitations will be available in early January at which time the committee will reassess options available to meet its committed obligations. The Benchmarks chart was also reviewed; it reflects that we are at 83% of our revenue target as of November 30, 2017.

Board Restricted Fund

As of December 11, 2017, the fund value stood at \$892,885. The committee agreed to draw the maximum 5% distribution at a time recommended by the fund's investment manager due to current optimal market conditions. Burgazli will notify the investment manager of the committee's intent.

Other Items

The FY19 budget timeline was discussed, with agreement that the **core and overhead modules** should be prepared for board approval at its February, 2018 meeting. The outreach and strategic plan modules could be evaluated and approved in April 2018. Artistic planning is underway, but Edelsohn noted that FY19 costs must come in line with FY18 benchmarks in order for the organization to plan for secured sources of support.

Meeting Adjournment

The next committee meeting is scheduled for January 18, 2018. There being no other business, the meeting adjourned at 3:01 p.m.

Respectfully submitted,

Libby Burgazli, Finance Manager