



**Finance Committee Meeting – Tuesday, February 13, 2018 – 5:30 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 – *by phone*
Brian Kelley

Committee Members Not Present:

Cris Coconcea
Matt Di Guglielmo
Ruth Kreider, DSO Musician

Ex-officio Members Present:

Alan Jordan, Executive Director
Libby Burgazli, Finance Manager – *by phone*

The meeting was called to order at 5:35 p.m.

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

The January 18, 2018 minutes were approved by consensus.

2017-2018 Budget v Forecast

Burgazli offered highlights from the Operations Forecast (Profit and Loss) with actuals through January 31, 2018.

- The current forecast reflects a break even scenario, but still relies on ambitious contributions projections. In addition to the \$1,055,976 of recorded actual revenue, deferred ticket sales for future concerts total approximately \$75,500 of additional income.
- An anticipated major gift brings the remaining contributions to be secured to \$328,521. Corporate and foundation gift targets remain the most challenging to reach.
- The One-Twelve Fund Drive status report shows \$137,173 of new/increased gifts secured. With further expense savings adjustment for the Explorer concerts, the remaining funds to be raised to achieve our \$500,000 goal (which now includes \$235,540 of expense savings) are \$127,173. Currently, there are eight requests totaling \$157,000 outstanding.

- The updated Benchmarks chart shows total actual income at 89% of full target, through January 31, 2018. The Committee awaits a report from the Benchmarks and Triggers task force regarding prescribed actions when certain targets are not achieved. Kelley offered that this new tool should serve more as a guideline than a prescription.

Edelsohn expressed serious concern over our ability to bring in the remaining forecast FY18 income.

Cash Projection for FY18

The February 12, 2018 report reflects delay in the complete depletion of the operating reserve funds until March. Absent additional significant funds, we will need to make a special draw from the Board Restricted Fund. The need remains for an additional \$50,000 of revenues beyond what is forecast each month from March on to keep us from using Board Restricted Funds.

Board Restricted Fund

As of January 16, 2018, the fund value stood at \$845,932. This follows the FY18 annual 5% draw of \$42,299.

Preliminary FY19 Budget

The updated draft core activities and overhead budget module reflects a \$25,800 deficit, which is equal to the amount of CBA-obligated services not fulfilled through core activities. The Marketing Committee recommended new pricing and scaling that will yield \$18,000 of increased sales; this and increased Explorer ticket sales, based on FY18 actuals, have been incorporated. Investment income is based on 4% growth on a fund balance of \$850,000 (or 5% on a \$650,000 balance). Rental fees at The Grand Opera House will be increased by 25% as the first part of a four-year reduction of the special discount negotiated in 2012. This weaning plan must still be approved by The Grand's board of directors.

Edelsohn expressed concern over the current total expenses figure. Jordan noted the ArtCo. draw could be increased by 1% to yield \$22,788 of additional revenue. Edelsohn charged staff with identifying \$65,000 in additional expense cuts in the next and final budget draft.

Meeting Adjournment

The next meeting will take place Thursday, February 22, 2018, beginning at 5:30 pm. There being no other business, the meeting adjourned at 6:55 p.m.

Respectfully submitted,

Alan Jordan, Executive Director