



THE DELAWARE SYMPHONY ORCHESTRA

DAVID AMADO, MUSIC DIRECTOR

**Finance Committee Meeting – Thursday, September 8, 2016 – 9:00 a.m.
Panera Bread, Fairfax, DE
Meeting Minutes / DRAFT**

Committee Members Present: Jeff Ruben, Interim Chair
Charles Babcock, President
Myunghee Geerts
David Plaza, Treasurer

Ex-officio Directors Present: Alan Jordan, Executive Director

Ruben called the meeting to order at 9:05 a.m. Finance Manager Libby Burglazli was caught in traffic and unable to participate.

It was moved by Charles Babcock and seconded by David Plaza that the minutes of the July 18, 2016 meeting be approved; motion passed.

The committee agreed that future meetings would begin at 9:00 am, except for Thursday, October 13, 2016, which will begin at 8:30 am.

2016-2017 Forecast

In Burgazli's absence, Jordan walked members through the July 31, 2016 Profit and Loss Statement and the Cash Flow Forecast. These reports only reflect one month of actual activity, so there is little to be gleaned. Of note is the revised forecast of a \$131,960 deficit for FY16. This mostly resulted from overly ambitious budgeting of ticket sales and contributions; investment income also underperformed.

Operating Reserve – Request to Borrow

Discussion turned to cash flow. At this time, we will need to borrow up to \$100,000 from the operating reserve fund to cover expenses in September and early October. By consensus, the committee agreed to request this draw from the Board at its September 12, 2016 meeting. (Following this meeting, a revised estimate of \$150,000 required was determined, and the committee endorsed requesting this amount from the Board via an e-mail poll.) We should be able to repay the entire draw by December, 2016.

BGD recording Budget

Jordan provided a brief re-cap of the history of this project and explained the distributed budget document citing the need for another \$54,189 to complete the project. The total project is expected to cost \$126,871. Jordan suggested raising the funds by re-approaching major donors who had previously

supported the project. While some reluctance was expressed, it was agreed that the best option was to complete the project, and the committee agreed to recommend that the Board adopt this additional budget at its September 12, 2016 meeting.

ARTCO Fund

The committee reviewed the distributed performance and 10-year projection of the DSO allotment of the entire Delaware Arts Stabilization Fund administered by The Delaware Community Foundation. Plaza agreed the estimated future gains were reasonable, but expressed concern about the relatively high administrative fees. All agreed that this fund is the “worst performing asset we have.” Discussion ensued about taking steps to reduce the value decline. While no decisions were made, there was some openness expressed for taking the full allowable annual 8% draw instead of losing it to the market, and eventually depleting the fund. A future Board discussion should take place.

Board Restricted Fund

The fund value was \$642,512 on September 2, 2016.

Marketing Audit

Ruben raised the issue of the upcoming Marketing Audit report, to be given at the September 12, 2016 Board of Directors meeting. Trellist has proposed an ongoing consulting relationship with costs of \$12,500-15,000 per month in the first year and \$7,000-10,000 in year two. The committee agreed this far exceeded what the DSO could afford. Jordan offered to identify how much budgeted marketing dollars could be used for Trellist work.

Meeting Adjournment

The next meeting will take place Thursday, October 13, 2016 beginning at 8:30 a.m. at the Fairfax Shopping Center Panera Bread. There being no further business, the meeting was adjourned at 10:10 a.m.

Respectfully submitted,

Alan Jordan, Executive Director