



THE DELAWARE SYMPHONY ORCHESTRA

DAVID AMADO, MUSIC DIRECTOR

**Finance Committee Meeting – Thursday, March 9, 2017 – 9:00 a.m.
Panera Bread, Fairfax, DE
Meeting Minutes/DRAFT**

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

Ex-officio Directors Present: Alan Jordan, Executive Director

Staff members Present: Libby Burgazli, Finance Manager
Kristin Peterson, Development Director

The meeting was called to order at 9:02 a.m.

It was moved by Babcock, and seconded by Ruben, that the minutes of the February 9, 2017 meeting be approved as presented; motion passed.

2016-2017 Forecast

Members reviewed the FY2017 Budget vs. FY2017 Operations Forecast report and the Cash Projection Report. The deficit projections presented over the previous three months have not changed significantly and the current deficit of <\$28,162> continues to be presented as optimistic, as it is based on ambitious contributions forecasts.

- The Forecast includes the removal of the Chamber Series runout and outdoor pops concerts since neither budgeted activity will actually take place. The Longwood Gardens and Video Games Live (Grand presentation) events have been added.
- The Committee discussed the timing of a possible \$200,000 Major Gift. Jordan or Plaza will reach out to the contributor for confirmation. Plaza also noted that the Development Committee will discuss plans to optimize current year giving from Corporate/Foundations, City and County government, and quarterly mailings. Jordan noted that the initial returns from the 2Q solicitation mailings have been disappointing.
- The Finance Committee notes that a \$400,000 contribution campaign will be necessary to meet a balanced P&L for FY17. The Committee will also identify a strategy for alternative funds if contribution pledges are not enough to cover 4Q expenses.
- A discussion followed regarding average ticket price. Forecasted FY17 avg ticket price is \$41 vs. \$52 during FY16. The reduction is due to availability of lower price tiers for subscription and single tickets. No increases in ticket prices are expected for FY18; however, The Grand will increase box office fees to the ticket buyer.

- Major expense variances under Other Production Costs and Consultants/Recruitment are due to the allocation of Trellist marketing project expenses and the development director search. Additionally, production savings have been identified for CL3 and CL4.
- The Cash Projection Report reflects cash needed at the fiscal year end that is in line with the contributions required to meet the budget. It also shows full repayment of the operating reserve funds.

The committee agreed that the uncommitted contributions levels should be re-evaluated in April.

Operating Reserve

Currently, \$175,000 has been borrowed from the \$250,000 Operating Reserve fund. The Committee moves to borrow up to \$75,000 based on current operating needs for March and upon approval by the Board. Borrowings are expected to be reduced in the near term with targeted major gifts. Repayment of the full amount drawn is not anticipated until June.

Board Restricted Fund

The fund value was \$663,800 on March 7, 2017. The Committee agrees to request Board approval for an annual distribution as deemed appropriate by market conditions. A 5% distribution of \$31,536 is anticipated for late 3Q or early 4Q.

FY18 Budget Planning

The \$1,960,000 FY18 Budget was approved by the Board of Directors on February 13, 2017. The FY18 Budget shows a 3% increase over the prior year budget, and 9% increase over the current forecast.

Meeting Adjournment

The next meeting is scheduled for Thursday, April 13, 2017 at 9:00 am at Panera Bread on Concord Pike, Wilmington. There being no further business, the meeting was adjourned at 10:10 a.m.

Respectfully submitted,

Libby Burgazli, Finance Manager