



**Finance Committee Meeting – Thursday, January 10, 2019 – 4:00 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
Patricia Zaharko
Jimi Honochick

Committee Members Not Present:

Matt Di Guglielmo
Brian Kelley
David McBride

Ex-officio Members Present:

Libby Burgazli, Finance Manager
Alan Jordan, Executive Director (*telephonic*)
Ruth Kreider, DSO Musician (*telephonic*)

The meeting was called to order at 4:02 p.m.

Upon a request from Edelsohn, no members noted conflicts of interest, and the Committee welcomed Kristin Peterson, Development Director, to the meeting.

It was moved by Zaharko and seconded by Ruben, that the November 15, 2018, minutes be approved as presented; motion passed.

Burgazli announced that she has formally resigned her position of Finance Manager at DSO effective January 31, 2019. Burgazli assured the Committee that she will be able to assist Alan with priority items on a reduced part-time basis while an employment search is underway.

2017-2018 Budget v Forecast

Burgazli did not provide any updates to the Operational Activities report. However, the Contributions Outlook Table was updated with recent year-end gift activity to show that 52%, or \$723,652, of total forecasted contributions have been identified as of January 8. The remaining \$667,229 are amounts expected, but not yet committed, for the remainder of FY19.

Discussion regarding Major Contributors with gifts not yet committed was led by Edelson. The Committee understands that three major donors are expected to provide approximately 45% of the \$667,229 in uncommitted contributions.

Development Update and Benchmark Report

Peterson reported that the calendar year-end appeal [CYE-18] generated \$59,500 and is comparably higher than the CYE-17 appeal. Peterson is also expecting a similar or increased grant from the Presser Foundation in March 2019, and the Development Committee is expected to meet and discuss the reported results of a recent consultant review of current development efforts. The FY19 Benchmark report will be updated once operating actuals are available; however, results are anticipated at or below the red income target due to a delay in securing commitments from the three largest individual donors. Significant delay in these commitments may result in operating cash flow deficiencies.

Cash Projection for FY19

The January 8, 2019, report projects cash availability for the remainder of FY19 based on known revenue sources and budgeted expenses. The report reflects the Operating Reserve will be essentially depleted to a minimum required balance in January and a red status resumes for the entire second half of FY19 unless adequate major gifts are received. The Finance Committee will seek approval from the Board for an amount up to \$50,000 from the Board Restricted Fund for operating use during the month of February.

Board Designated Fund

The Board Designated Fund value stood at \$723,076 as of January 8, 2019.

FY20 Budget

Burgazli discussed assumptions supporting the \$1.544 million "Core" FY20 Budget which include no change to ticket prices, limited growth on new ticket sales, no change to FY19 contribution goals, maximum ARTCO draw, and reduced Grand Opera House subsidies. Programming includes only the Core concert series (5 Classics, 4 Chambers, 1 Explorer) with 0% increase in CBA wage and service commitments. Organizational costs are kept at current cost levels with 0% change to current staff wages. The resulting preliminary FY20 Budget depicts a <\$45,558> deficit. The Committee discussed the reality of attaining over \$1 million in contributions in FY20, and Edelson requested a comparison of realistic FY20 income vs FY18 Operating Actual income for our next Committee meeting. Jordan offered to provide a revised FY19 contributions forecast as a part of this comparative exercise.

Meeting Adjournment

The next meeting was scheduled for Wednesday, February 6 and a second meeting for February 20, with both meetings beginning at 4:00 pm, at the DSO office. There being no other business, the meeting adjourned at 5:21 p.m.

Respectfully submitted,
Libby Burgazli, Finance Manger