GUW Joint Finance and Executive Committee Meeting Minutes 6/1/17

Present in person: K. Keegan, E. Kim, P. Sullivan, J. Weiner, N. Weissler
Participating by phone: W. Finger, A. Sherrerd, B. Urban
Staff: J. Nappi, D. Rabin

Eileen opened the meeting by reviewing recommendations, topics for discussion, and questions to be answered as previously presented in the following notes which were distributed to all participants:

Notes:
2016/17 Projections and Additional Allocations

- We are proposing a $300k increase in allocations to agencies to be made prior to the end of the current fiscal year. Using current projections, this will leave the GUW with a $49k increase in net assets for the year (profit). The projection assumes that we get our regular $45k in donor designations from Pepsi this year – but that payment is already very late so there is a chance that it is at risk. Without the Pepsi money our estimate of the increase in net assets is $4k
- With the $300k increase, our allocations to agencies would be $1.045mm for the year (vs. $1.168mm last year that included $140k that was committed in 2015/16 but paid out in 2016/17)

2017/18 Proposed Budgets

- The only difference between these two budgets is the launch of all 3 Direct Impact programs in January 2018 in the second budget.
- Main budget discussion points:
    - Assuming individual donor giving to the annual campaign down (17%) from $1.283 projection to $1.065 with designations in down (5%) to $190k
    - Other revenue is projected to be down to $20k from $162.5k as we included a large bequest in the 16/17 budget
    - Events are budgeted essentially flat to 16/17 actual performance
    - We are assuming a 3.5% "draw" on the board restricted fund (from building sale) which equals $82.25k
    - Allocations are set at $745k – flat to last year's preliminary budget
    - The budget with DI "shifts" $55k of overhead from the "main budget" into the DI budgets – additionally the budget w/ DI shows revenue to cover the entire costs of HSTS and YIP – including those costs that are included in the budget without DI
    - The budget with DI adds about $11k of expenses for Community Planning to cover 25% of 6-months of a new Director of Community Investment who would be hired to oversee program
    - All in the budget without DI shows a $20.5k increase in net assets and the budget w/ DI shows a $119k increase

ECAGS Funding Sources

- Currently we have raised $456k of the total $1.26mm ECAGS budget
- We are expecting a $250k bequest in 2017/18 from the estate of someone very supportive of early childhood education and are considering applying this bequest to ECAGS
- Additionally, we have approximately $48k in the Joan Melber Warburg Fund and $32.5k in the Stuart Adelberg Fund – both board designated funds that could also be applied to ECAGS with a board vote
- Finally, there are approximately, $85k of "fungible" DI funds that could be shifted from other buckets to ECAGS if needed
- NUMBERS:
    - Current ECAGS funding required: $803k
    - ECAGS funding required w/ bequest and BDFs: $472k
    - ECAGS funding required w/ bequest, BDFs and fungible funds: $387k

- Should we apply some or all of these funds to ECAGS?
    - A few benefits: gets traction for largest ECAGS program and could speed up launch – possibly for September start of school year. Gets the $'s needed down to a more digestible, less imposing size. Cleans up our balance sheet and puts board designated funds to good use to causes that the honorees feel/felt strongly about.
    - A few negatives: If we apply "fungible" funds – the 2 other buckets are further from funding goals – and since we have been "using" some of the YIP gifts for 16/17 funding of those programs, that bucket would be close to zero for future programs. Does having the Warburg and Adelberg Funds outstanding provide any boost for fundraising?
- If we didn't apply these funds to ECAGS – what would the FC recommendation be for the use of these funds?
- If we do recommend using these funds for ECAGS – when should the board vote on this decision?

Discussion ensued.

Eileen conducted straw votes for Finance Committee approval as follows:

Additional $300K community investment to be dispersed on or before June 30th – approved unanimously.

Preliminary 2017/18 budget w/ DIP - approved unanimously.

Presentation of the 2017/18 budget w/ DIP for Board vote at the June 5th Board meeting - approved unanimously.

Recommendation that the Board designate the expected bequest to be spent on ECAGS - approved unanimously.

Recommendation that the Board designate the Stuart Adelberg Fund to be spent on ECAGS - approved unanimously.

Recommendation that the Board designate the Joan Melburg Warburg Fund to be spent on ECAGS - approved unanimously.

Recommendation that the Board designate all fungible funds pledged to DIP to be spent on ECAGS - approved unanimously.