

## **Board of Directors Budget Meeting**

**January 27, 2025, 7 pm**

*(Subject to approval by the Board at the February 2025, Board meeting)*

Zoom remote online and live streamed on YouTube

**YouTube recording link:** <https://www.youtube.com/watch?v=HuGHfy9Loq4>

**Board Directors present:** John Alexander, Anthony “AJ” Jackson, (President), Sandra Bauer, George Braddock, Paxton Hoag, Kevin Levy, Jon Steinhart, John Govsky and Teresa Vaughn. Absent Board Members: John Davis and Arna Shaw. Other Board officers present: Hilary Anthony (Treasurer) and Anna DiBenedetto (Recording Secretary). Staff present: Kirsten Bolton (Executive Director), Mark Malaska (Co-Event Manager), Vanessa Roy (Marketing Manager), Norma Sax (Office Manager), Alex Zabala (Office Assistant), Sunny Arthurs (Assistant Event Manager) and Steven Berkson (Facilitator).

The meeting was facilitated by Steven Berkson.

### **Announcements**

AJ: Board had a closed session on personnel and other topics on January 13. Confidential decisions were made.

### **Agenda Review**

**The Board approved the January 27, 2025, agenda by unanimous consent.**

### **Member Input**

None

### **Treasurers’ Report**

Hilary: Going to speak on a continuation of topics discussed at Financial Planning meeting and revenue projections that they did in December. At both of those meetings, there were estimated cash flow statements that were updated, and all budgets are in range of cash flows that they did then; didn’t find huge exceptions to what they were doing. Budget Committee has reviewed them all and worked with staff on them. Staff has entered them into QuickBooks in the Budget module. Looks like we would be making money on a cash-flow basis, but it will look differently after we enter capital projects because when they budget them, they look like cash flow at first but some will then be capitalized. What we have now is operating expense which are well within the black for this year and capital projects will come from money in reserve or that has been specifically designated for those projects.

Major differences from last year: In the Board budget, it recommends restoring Board Giving and at higher level than before. Process will be different and recipients won’t come to each Board meeting. Restored at \$35,000, which is \$5,000 or \$10,000 higher than before, bringing total philanthropy of Board budget to \$75,000, including \$20,000 for endowment and \$20,000 for the match for Jill Heiman Vision Fund. Crew budgets have major changes: Biggest one is changing valuation of food voucher from \$3 to \$4 per hour. We have about 100,000 volunteer hours, which

represents \$100,000 increase. They are asking crews to take budget freeze and a pass freeze and identify how current budget is working for them. Allocated a 3 percent inflation adjustment for all supplies and services budgets. Did some transfers but very few additions. Trying not to solve problems at operational level by adding more passes. Biggest change that exemplifies that is taking some functions that were entertainment/transportation and entertainment/hosting and combining into one crew, changing the focus of that crew. Sunny and staff are working with them on the transition. Hoping that model will help them adapt to right-sizing to eliminate uncontrolled, unwanted growth. Culture Jam budget has increases that are mostly due to staffing increases. Department budgets were worked closely on with staff liaison, researched a lot, talked to vendors, contracts are already under negotiation. Budget Committee questions about those would go to staff person who has been working with them. Budget Committee questioned and informed themselves about that.

Biggest change there is continuation of is the issue that they've had for three years with toilet provider. Porta-potties used to cost around \$150,000 and now we budget \$475,000 for toilet providers. We didn't pay that much last year. Kirsten worked with the provider to point out how they didn't meet expected service levels, culminating in paying much less than estimated. Kirsten and staff are working with providers once again to increase service levels so it's adequate and safe, so we will keep that budget in case we need it.

*(YouTube video: 08:39)*

**AJ moved and George seconded to pass the Board Budget of \$146,400; Culture Jam Budget of \$79,650; Office Management Budget of \$74,400; Site & Facilities Budget of \$664,100; Event Manager Budget of \$585,779; and General Management Budget of \$1,094,890.**

Member Input: None

Board discussion:

John Alexander: Three percent inflation? Sometimes assumptions are wrong. What if it was 6 percent?

Hilary: Have been doing inflation for the last two to three years on supplies and services. Some items will go up more than others. We are making our best guess what 2025 inflation rate will be based on what it was in 2024. We can respond through the year.

Steven Berkson: Inflation will affect different parts of the budget differently, not 3 percent across the board.

Kirsten: \$20,575 is 3 percent inflation increase on all supplies and services in the Crew Budget.

AJ: If Board isn't asking a lot of questions at this meeting, it's because they've had opportunities to attend Budget meetings and ask questions for several months already.

**The motion passed: 9-0.**

*(YouTube video: 21:12)*

**AJ moved and Sandra seconded to approve the 2025 Crew Budget in the amount of \$1,219,637.**

Kirsten: Needs a Board member to move to amend the Internal Security budget from \$250 to \$750 because there are three crew leaders. This has been missed the past couple of years.

**Sandra moved and John Govsky seconded to amend the Crew Budget by increasing it \$500. The motion to amend the Crew Budget passed: 9-0.**

Member Input on main motion of the amended crew budget of \$1,220,137: None

Board Discussion:

AJ: Asks this question every year and wants to see how we've improved. Did we see any improvement in crews staying within their budget last year over the previous year?

Hilary: She could do better looking at year-over-year. In the past, crews who have struggled have done a lot better. Staff is working closely with those crews (staff liaisons). We need to understand if they are going over because they're not budgeting enough, or is there another reason they are going over? We are paying attention, but out of about 60 crews, they are doing amazing.

Paxton: Thank Budget Committee for increasing food vouchers to \$4. He has advocated for this for decades and really appreciates it.

Kirsten: Vast majority of crews are under budget. On February 3, Board members will get December financials, so they will be able to see all the crews and their budget status.

AJ: Does it make sense that a crew should budget for what it believes it will spend rather than using last year's budget? Would you rather a crew comes in under budget? How do you help them figure out what to budget so they don't consistently go over?

Hilary: The circumstances vary widely. Some coordinators, such as Entertainment, have a lot of contractors and support services, and they might have more control over some things vs. the kitchen, where you can't control how many people show up to eat. They do work with crews when an issue arises, but part of what they want to get across is that the money they are handling is sweat equity of the volunteers and the fees charged to participating booth people. We are stewards of that money and we do a tremendous job handling it. We stretch our dollars and push the ethic of using the dollars responsibly. In the past there were crews that had a defiant attitude of being efficient, but we worked on it. We have open, honest communication about the mission of the crew and what it takes to fulfill that mission.

**The motion to approve the amended Crew Budget of \$1,220,137 passed: 9-0.**

### **Meeting Evaluation**

*(YouTube video: 31:22)*

Last round for the good of the peach

John Alexander: Thank you, Steven, another great meeting. Thanks to the crews and Budget Committee!

Sandra: Thanks to Kirsten and Hilary for guidance that they showed through the whole process. Work of love and competence.

Paxton: Thank Kirsten, Hilary and Budget Committee for doing this work. These are often the shortest meetings we have and this might be close to setting a record.

**Next Board Meeting – February 3, 7 pm via Zoom**

**President's Peace**

AJ: Peace to all and thank you for your hard work. This is what makes this even happen and keeps us happy and healthy.