

APPROVED MEETING MINUTES

PUGET SOUND PUBLIC RADIO

February 13, 2019

FINANCE & AUDIT COMMITTEE AND FINANCE & INVESTMENT SUBCOMMITTEE

JOINT MEETING

3:00 – 4:30 PM

Upon notice duly given, the JOINT MEETING of the **FINANCE & AUDIT COMMITTEE** and the **FINANCE & INVESTMENT SUBCOMMITTEE** (the “Committees”) of KUOW, Puget Sound Public Radio (PSPR) Board was held on February 13, 2019 at 4 PM at the KUOW Office.

ATTENDED: Jon Schorr (Chair), Christopher Jay (FISC Chair), Randy Hodgins, Haeryung Shin, Demetria Elmore, and Irwin Goverman

ALSO ATTENDING (STAFF): Caryn Mathes, Janice McKenna, Fieta Robinson, Justis Phillips (note-taker)

GUEST(S): John Patnaude of Bernstein

I. Meeting Called to Order

Chair Jon Schorr welcomed the Committee members and called the meeting to order at 3:04 PM.

II. Conflict of Interests

There were no conflicts of interests.

III. Approval of Minutes

Mr. Schorr called for a motion to approve the October 16, 2018 Joint Finance Committee and Finance & Investment Committee Meeting. Haeryung Shin motioned, Christopher Jay seconded; with no objections minutes were approved as presented.

IV. 2018 Annual Investment Portfolio Report

John Patnaude of Bernstein provided an update of the capital markets and review of KUOW investment portfolios. The fourth quarter of 2018 was very volatile as equity markets sold off based on fears of global recession, and concerns that the Federal Reserve was to err with policy moves. Bernstein's view is that we are seeing the rate of growth slow, but not nearing a recession, especially in the US, as the consumer is incredibly strong (as evidenced by low unemployment, rising wages and a strong financial obligations ratio). The overactive market quickly reversed itself in the new year, as the Fed assured markets about future interest rate increases, strong earnings. Other economic readings have also reassured investors of the current strength of the economy.

The Intermediate portfolio was down 3.5% over the last year and recovered in January, up 4.5%. The endowment was down 5% over the last year, while the January rebound was up 5.6%. John also asked the committee to consider changing the ETF's to better align with the index, and an opportunity for more international exposure.

V. Station Report

Ms. Mathes gave a brief summary of the six core initiatives and board approved budget for the FY19. KUOW is on year three of its current 5-year Strategic Business Plan. The six core initiatives remain while each department adjusts its metrics every budget year accordingly. In revenue and expense overview, Ms. Mathes predicts more spending ahead of the curve and reported that capital projects are projected for completion by 2020. Management expects to see an increase in KUOW's liquid reserves as projects are completed.

APPROVED MEETING MINUTES

PUGET SOUND PUBLIC RADIO

February 13, 2019

FINANCE & AUDIT COMMITTEE AND FINANCE & INVESTMENT SUBCOMMITTEE

JOINT MEETING

3:00 – 4:30 PM

The committee discussed the layout for the budget presentation. Members agree that the current design is okay. Mr. Jay suggested that the “interest and dividends” line in the revenue and expense overview be renamed to reflect what’s captured currently in the line item. There was a question about the revenue forecast for dividends. Management will provide an breakdown of items in that line.

Ms. Elmore requested that future updates include a breakout of revenue to show what % of gifts are from major gifts categories, bequests, sustainers and one-time donations. Committee would like a slide provided when providing dashboard updates.

Management reminded the committee that board approved 4% draw from LTF endowment moved to the STF for operations. No monies have been moved year-to-date. The committee will revisit the policy and procedure for the LTF endowment with Development.

VI. Adjournment

With no further business, Mr. Schorr adjourned the joint meeting of the Finance & Audit Committee meeting at 4:30 PM.

Respectfully Submitted by

Jon Schorr, Chair, Finance Committee

Christopher Jay, Chair, Finance & Investment Subcommittee

Fieta Robinson, Board Liaison

Justis Phillips, Deputy Board Liaison

APPROVED MEETING MINUTES

PUGET SOUND PUBLIC RADIO

February 13, 2019

**FINANCE & AUDIT COMMITTEE AND
FINANCE & INVESTMENT SUBCOMMITTEE**

JOINT MEETING

3:00 – 4:30 PM

ACTION ITEMS (for committee only)

1. Schedule 45-60 min meeting with Co-Chairs, Karyn, Janice, Caryn to discuss the annual endowment draw process and %.
2. Jon and Chris to discuss Investment Manager's recommendation to portfolio re: EFT alignment
3. Jon and Chris to review and update ISP for review at next FISC meeting
4. Management to include a breakdown slide of individual giving to show MG, bequest, and sustainers at FIN/BOD meetings. Also show what % is in the individual MG brackets - \$1000, \$2500, etc.
5. Committee to look at what is captured in the "interest & dividends" line item on the budget. Janice to provide information to Chris and John.

FINANCE RELATED BOARD AGENDA ITEMS

1. Motion to approve the 2017 Audit