

KGNU BOARD MINUTES

February 9, 2010

700 Kalamath, Denver, CO

PRESENT: Shareef Aleem

Ken Fricklas

Sam Fuqua

Barry Gilbert

Basit Mustafa - telephone

Chris O'Riley

Judy Trompeter

Marge Taniwaki

David Wilson

ABSENT: Meredith Carson

PUBLIC: Wendy Emrich

Nile Southern

Steve Strenge

The meeting was called to order by Barry Gilbert.

The agenda was approved and the Minutes from January 12, 2010, was approved without revision.

There was no public comment.

STATION MANAGERS REPORT / Sam Fuqua: The FM antenna installation is delayed by concerns from an adjoining property owner to the leased land and safety concerns regarding powering down for the actual install. The likely date will now be after the March membership drive. Denver Production Coordinator Rose Brunning will be leaving in March after two years of dedicated service. A revised version of the position will be posted soon with an expected hire sometime in March. The All Station Retreat is set for Saturday, February 13th, at the First Unitarian Church in Denver with a follow-up session for the Board and Staff in Boulder. The Spring Membership Drive will take place March 10 - 20 with a goal of \$200,000.

BUDGET COMMITTEE / Basit Mustafa: Working with a spare budget, KGNU did well in the 1st quarter. We need to continue to be judicious, working with donors, on grants and membership. Increased success with underwriting and tight has been a large factor. Special events is one area that can be picked up.

DEVELOPMENT COMMITTEE / Judy Trompeter: Special events continue to be a challenge. Grants from small family foundations will be pursued and more house parties are planned heading into the spring. A gathering to honor those involved in Denver development and outreach will be held in May at 700 Kalamath.ha

NOMINATING COMMITTEE / Nile Southern: Nile presented Steve Strenge to the Board for membership consideration. Steve brings to the Board many years of volunteering with the station, a strong interest in outreach and the ability to bring disparate groups together. The vote was unanimous in favor of accepting Steve as the newest member of the KGNU Board.

OTHER BUSINESS: Barry Gilbert clarified the requirement for Committee Chairs to provide a written report to the Board every other month. Judy Trompeter will contact Committee Chairs requesting those reports.

Ken Fricklas moved for adjournment.

Submitted by Marge Taniwaki, Board Secretary

Station Manager Report

February 2010

FM antenna update

Two problems delayed the planned January 24 installation of our new FM antenna:

1. The adjoining property owner claims the City of Lafayette did not adequately address terms of his lease in approving the new agreement with KGNU. Lafayette owns the tower and is our landlord but Lafayette leases the land the tower is on from a man who lives next door. He was apprised of our project by me over a year ago but is upset that Lafayette did not keep him fully in the loop. He has been asking for a separate agreement with KGNU, independent of our current relationship as a tenant of Lafayette on the tower. We will not enter into any additional legal agreements but are trying to satisfy his concerns about increased radio interference.
2. Cell phone companies on the tower are required to power down so that our tower climbers can work safely. One of the companies (Sprint) has been unresponsive to our attempts to schedule the power down. But we need to clear things up with the property owner first.

If the issues with the property owner can be cleared up within the next two weeks, we will try to install on the last Sunday in February. If not, we will wait until after the March membership drive.

Denver staffing change

Rose Brunning has given her notice as Denver Production Coordinator. She'll stay on through March. She will also complete the 2010 Program Guide (due in May) and volunteer when she can. Rose has been a dedicated KGNU staffer and she deserves major credit and thanks for both the increased usage of our Denver studio and KGNU's higher profile in the independent music scene in Denver.

We plan to post a revised version of the Denver Production Coordinator position by next week and expect to hire someone in March.

All Station Retreat and Board/Staff follow up

We are set for our annual retreat this Saturday, Feb. 13, 9:00-4:00 at First Unitarian, 14th & Lafayette in Denver. Agenda attached. We need to schedule a follow-up session with board and staff, preferably a weeknight within a couple weeks of the retreat.

Spring Membership Drive

Our 2010 Spring Membership Drive is March 10-20. Goal=\$200,000 Pre-drive renewal currently @\$10K. Second reminder mailing going out next week. Donors of \$250 and up should consider using their gift as a challenge grant.

Sam Fuqua

Budget Committee Report 2-9-10

The BCBA and KGNU completed the first quarter of FY2010 on the close of business, December 31, 2009. Analysis of the P&L Statement and the Balance Sheet indicates a solid performance in operating budget, long-term capital projects, debt obligations/service, and cash holdings. In FY2009 KGNU did not meet its income goals, however, tight expense discipline and strong relationships with our creditors and donors created an environment where we could continue to operate normally, within our means, and build a foundation for a strong FY2010 based on a plan appropriate for the current economic climate.

Based on the FY2010 budget and its conservative growth and tight expense assumptions, 1Q FY2010's performance is on-track based on YTD performance and expectations for 1Q. Specifically, income of \$189,491 was recorded against a pro-rata budget of \$183,030 (performance at 104% of plan). This strong performance is driven by strength in underwriting, year end gifts, major gifts, and a near on-track performance in memberships (97% of YTD plan). Of course, seasonal items affect this performance (such as an uptick in year end gifts in Dec/Jan), however, the budget committee has assessed the remaining income events over the coming fiscal year and believes this performance is sustainable in so far as memberships continue to track near 100%, the underwriting pipeline velocity remains high with a focus on continuing to identify new sponsors, major gift solicitations continue to net contributions, special events maintain a near-plan performance, and the grant pipeline progresses at expected rates.

The budget committee feels Underwriting, Grants, and Memberships have a credible pipeline and business plan to achieve their yearly goals with the right continued focus and help. While current YTD figures appear satisfactory, additional focus and clearer roadmaps/action plans are needed to boost confidence in our ability to achieve the full year budget in the Special Events line item. While not reflected in the operating budget, it is equally important that the FM signal conversion project be completed so KGNU can collect on an approximately \$35,000.00 receivable upon completion.

Expense discipline has continued in 1Q FY2010 - with significant under-target performance driving cost savings throughout the organization. However, these savings are largely achieved through lack of contributions to cash reserves. When payment is considered, the expense picture becomes less rosy. By not paying into our cash reserves we continue to lean on our long-term cash assets to service our debt instead of providing support for debt stewardship through operating margin.

This pattern of "lending to ourselves" has created a stress on long-term assets. While the balance sheet continues to show strength, with sufficient liquid cash reserves and credit facilities for continued operation and disaster recovery purposes, lack of funding in this line item forces KGNU to rely more heavily on loan forgiveness/renegotiation and weakens available cash.

In summary, the first quarter of the FY2010 was a very positive time for KGNU, showing recovery in several key line items back by what we believe to be sustainable trends. The budget committee believes a strong focus on special events, continued grant and underwriting pipeline

development, and successful execution of our core mission in membership development while working with our creditors/donors will lead to an on-target performance in FY2010, with a chance for modest over-achievement of our goals.

Basit Mustafa