

Florida Oceanographic Society
Finance Committee Meeting Minutes
October 15, 2020

Call to Order: Matt King called the Finance Committee Meeting to order at 1:00 pm. through Zoom.

Committee Members Present via Zoom Conference call: Matt King, Chair, Mark Cocorullo, Allen Herskowitz, and Paul Hederman

Others Present: Lindsay Zabik and Larry Zabik

Not Present: Matt Hooks

Staff Attendance: Mark Perry, Abbie Flood, Susan Scheyder and Cathy Muir.

Discussion:

- Abbie Flood presented the Capital Campaign Worksheet: \$1,390,650 is needed to complete the building without the exhibits. This figure includes a contingency of \$69M. Zabick indicated \$40M of the contingency could be utilized toward the exhibits based on the current tracking of the construction project.
- The exhibit fabrication and installation costs are \$941,278 and our current cash position as of 9/30/2020 is \$1,724,225. After deducting the costs needed to complete the building and adding back the contingency available for the exhibits, \$373,573 is available to fund the exhibits.
- Through the collection of \$235,000 of new gifts and the receipt of pledge payments as of 10/14/2020, the remaining funding gap for the exhibits has been further narrowed. The cash shortfall is currently \$332,705.
- Our current capital pledge balances outstanding are \$236,165 as of 9/30/2020 and after the pledge of an additional \$75,000 in October and collections of pledges during the month, we anticipate outstanding pledges to be \$302,165. This would require an additional \$30,540 in fundraising for the exhibits.
- We are seeking a financing commitment from Northern Trust for a Line of Credit of \$300M with reasonable interest rates. This Line of Credit is to be used solely for the purpose of bridging the gap for the exhibits as we collected outstanding pledges and continue to fundraise.
- Lindsay Zabik reported that if we commit to the exhibits now, they could be ready by February 5, 2021. It will take another 6 weeks for the tanks to be conditioned with animals.
- Allen Herskowitz and Matt King both suggested that the finance committee make a recommendation to the Board to proceed with the contract with Color Ad on the contingency that FOS shall have a financing commitment in hand from the Bank that is consistent with the terms the bank has outlined.
- We can raise admission prices as soon as the exhibits are ready.

- Matt King researched regulations for non-profits borrowing against Endowment Funds and there are issues that need further investigation in order to consider this option.
- The September 2020 Financials are still in draft form due to some changes that need to be made on research grants.
- Admissions and the Gift Shop were better than expected in September. Memberships are lagging behind. An Education grant came in and Special Events were up due to a final Oceans Alive pledge coming in. General Contributions were up due to a successful BOD Challenge and Nancy Perry fundraising for our budget gap.
- Expenses were in line with where we have been tracking.
- Everyone congratulated Nancy Perry for her phenomenal fundraising work and she stated that she has another \$50M more committed.
- Matt King stated that we need to show the projection of the full year operating budget and give the Board the scope of what we are facing and have them understand the process on how we have arrived at choosing the progressive model.
- The Board will be presented with a 90-day budget to approve and then on a 90-day rolling schedule the budget will be updated and presented. The Board will also be presented with an annualized budget based on the progressive model. The projections can then be compared to actual numbers.
- Oceans Alive is still budgeted for \$250M even though there is a lot of uncertainty on how the event will be conducted.
- The Board needs to know that Management took action in reducing expenses. The 401K match has been suspended. Nancy Perry appealed to donors for operating support parallel to the building fundraising
- There was a discussion regarding the small amount of interest generated on our accounts. Unfortunately, there are few options right now.
- Matt King asked for approval of the minutes of the September 29, 2020 meeting. Allen Herskowitz made a motion to approve the minutes. Paul Hederman seconded the motion. It was voted on and unanimously approved.

Matt King adjourned the meeting at 2:28 pm.

Minutes respectfully submitted by Matt King, Treasurer of the Board of Directors and recorded by Cathy Muir, Administrative Assistant.

Respectfully submitted,

Matt King, Treasurer
Board of Directors