**Hubbard Brook Research Foundation**

**Finance Committee Meeting Minutes**

**Friday, April 7th, 2017, 3:00 pm**

**HBRF Administrative Offices in Woodstock, VT, and via Zoom Video Conference**

**Trustees in Attendance: Mike Smith, *Chair* (MSm),Fred Hunt (FH), Peter Martin (PM)**

**Trustees Participating by Zoom: Michael Shoob (MSh) and John Smitka (JS)**

**Other Participants in Attendance: Anthea Lavallee (AL), Brenda McCartney (BM), and Zach Ralph (ZR)**

**Absent: Steve Hamburg**

**Action items are highlighted in blue.**

**At 3:01, MSm called the meeting to order.**

**PM made a motion to approve the minutes from the 2.14.17 meeting.
FH seconded the motion which passed unanimously at 3:02.**

Financials through February 2017

BM and AL reviewed the financial statements. The annual fund is below target and in comparison with 2016. This is the result of: competing campaigns (i.e., annual fund and Mirror Lake) and a $25K point-in-time grant awarded in 2016 from the NHCF. The $50K challenge gift for Mirror Lake came at the expense of a $10K unrestricted gift which we had been receiving in December for many years. For the first time last fall, we also conducted a fiscal-year-end appeal which enabled us to get very close to our goal for unrestricted funding in 2016 but cannibalized unrestricted gifts in 2017.

The line of credit is now at $37,000. Income from Mirror Lake rentals is below target, although weekend rentals via Airbnb have helped to make up lost revenue from winter season-long leases. Our arrangement with Loon Mountain is also generating additional income at Pleasant View Farm. Our ML loan balance now stands at $138K. To date, we have received $6,000 in matching gifts toward the $50K Mirror Lake Campaign goal. This includes 8 gifts from scientists, totaling $2,500, in response to our email appeal through the Hubbard Brook list serve. If we are permitted to apply the full $50K toward the Mirror Lake mortgage, and including 3 more regular payments toward the principal, the loan will be down to $85,000 in July. PM asked what the interest rates are on the Mirror Lake loan and the LOC. BM explained that they are 4.36% and 4.75%, respectively. JS asked if we lost donors this year. AL explained that we both lost and gained donors and will conduct a more detailed analysis. MSh stated that the new donor database should improve our ability to conduct these types of analyses. AL explained that, prior to leaving the organization, Dave Thurlow transferred most of our donor record from Act! to Little Green Light. HBRF staff will need to complete the data migration process in preparation for the Early Bird Appeal in May. BM pointed out that the Forest Science Dialogues NSF grant is winding down. Last month, AL submitted HBRF’s annual Joint Venture Agreement with the Forest Service. For the first time, this was done in close collaboration with Lindsey Rustad at the Forest Service. The proposal was supported by Chris Woodall and was immediately approved by Tom Schmidt. The JVA includes support for HBRF administration, public outreach, K-12 education, and media outreach. Funds from the 6-year LTER site award, administered by the Cary Institute, are now available. This award includes support for 2 REU students and K-12 education programs at Hubbard Brook. MSh asked about cash flow. BM explained that we are in a better position than we were in February, now that consortium dues are starting to come in. Pre-season invoices for summer scientist housing will be going out soon. This is typically a more comfortable time of year in terms of cash flow. PM asked why we aren’t recording consortium dues as unrestricted income when the funds arrive. We agreed that this approach would make sense going forward and that it was consistent with the auditor’s recommendation for recording consortium dues.

Staff Changes at HBRF

AL led the discussion of staff transitions and the plan for moving forward. After 7 months with HBRF, in March Dave Thurlow resigned as development manager. Rather than searching for and training a new development manager, AL made the decision to promote Elisa Speckert, our current bookkeeper and administrative assistant, to the position of assistant director. In this new, full-time role, Elisa will oversee facilities, rental operations, special events and will assist with organizational tasks related to development. This will allow AL to focus on proposals to private foundations and major donor outreach. Elisa has been working for HBRF for more than 2 years and has demonstrated remarkable organizational skill. This staffing scenario will enable AL and Elisa to rapidly transition into their roles while saving $11,500 in staff costs in FY17 and $15,600 annually.

Consortium

We are on track to exceed our income target ($55K) for the consortium in 2017. We have already received $37,500 in consortium dues, including UVM’s new membership, and we expect the remaining members (Dartmouth and Syracuse U.) to renew this summer/early fall, bringing total consortium income to $67,500. AL is also working to recruit 2 new members at the $5K level before the end of FY17.

Plan to Address Annual Fund Shortfall
If we receive our annual major spring gift of $20K (i.e., it is not replaced by the $50K matching challenge gift for ML), and assuming our Early Bird Appeal hits its $30K target, we will still be $60K below budget for the annual fund.

**Plan to bridge the gap over the next 5 months**

- Staff cost savings: $11,500

- Consortium revenue above target: $22,500

- Recruit 3 new donors at the $5K level

- Raise $11,000 in foundation support

MSh asked if these large donations (i.e., $10K and $20K given annually) can be counted on every year. AL explained that these gifts had been coming in reliably for years. This year, our request for a major campaign gift caused the donors to reconsider their unrestricted giving. MSm expressed concern that next month we will be running two simultaneous campaigns (i.e., annual fund and Mirror Lake). AL is hopeful that, once Elisa Speckert assumes her full-time role as assistant director, we will be able to focus more attention on development projects. MSm cautioned against trying to do too much and agreed that unrestricted donations should be the priority for now. JS stated that “truth, science, and democracy are under attack” and that major donors are particularly inspired to help now. PM expressed concern about possible understaffing. AL agreed that we are understaffed across departments. A more robust development program will enable us to build toward a more comfortable staffing pattern.

PM reminded AL to prepare a short paragraph about Mirror Lake rental practices to share with the scientists. PM added that everyone at the COS meeting should have received the appeal for the Mirror Lake matching challenge. MSh will remind them at the COS meeting on April 19. AL also plans to promote the consortium at the COS meeting.

*At 3:53, the meeting was adjourned.*