



Media Factory Board Minutes January 20

In attendance: Eric Agnero, Deb Ellis, Keith Oppenheim, Seth Mobley, Jess Wilson, Shelagh Shapiro, Art Bell, Jason Raymond; Ted LeBlanc, Jane Chou, and Dean Pierce on Zoom

1. Keith called the meeting to order at 6:02 pm; Keith noted this was Jess's last meeting!
2. Seth: The celebration for Jess is this Friday, 4:30-6 at Pizza 44.
3. No Public Comment
4. Approve Minutes: November 18, 2024
 - a. Deb moved to accept the Nov. '24 minutes- Jason seconded. The minutes from November 2024 were unanimously accepted.
5. Financial Report
 - a. Deb and Seth met and decided he'll report on the finances as she's still new to this job and doesn't just want to read his notes. She does feel the most important subject is the budget process.
 - b. Seth: we're expecting ~ \$323,000 in cable revenue, which is around \$108,000 less than what we projected. Related to this, we received just over \$103,000 more in state funding than what we'd projected (~\$148,000 total), which offsets the loss in cable revenue. We'll expect that kind of state funding again in '25.
 - c. EOY campaign brought in <\$16,000 in donations. Thx to board members for support. One large anonymous for \$10,000. Just the remaining \$6,000 exceeded donations in '23. In all \$21,840 from over 85 donors. Positive changes (as compared to the donations in '23).
 - d. Income: facilities fees income – one big bill that goes to Ch 17 for use of tech core facility.
 - e. Expenses: payroll tax expenses category is about \$13,000 over. Related to increasing staff members, more projects, more hours, more compensation as a result.
 - f. 6565 – outreach/other – Comcast reimburses us for two ¼ page ads annually. That should change this number down by around \$1500, which will be closer to budgeted amount.
 - g. Roseworks accounting service did more work in '24 than what they'll have to do in '25. They regularly say it will be less expensive going forward, as they learn our systems and become more familiar with our work.
 - h. Consulting – wasn't spent in '24 but is budgeted for '25.

- i. Seth reported on the Evo price and how that affected the budget. (This had been discussed in November: *If we don't use Capital Funding, we build a capital surplus. So we would like to reallocate that money to purchase a new EVO system. The previous system was purchased seven years ago and needs to be replaced soon. No more upgrades, space issues, etc. We have a quote (\$86k) that's a great price, less than the system we purchased in '17.*)
 - j. Salary to capital – will get calculated and around \$30k will shift out of operating expenses and into capital.
 - k. Ted asked if we've ever asked cable companies for projections of what our reimbursements would be for a coming year. Seth: we've asked for certain information about subscribers and such. They're very protective of their proprietary info and not very forthcoming. We have the right to request SOME proprietary info as long as we don't share it. But asking for projections, Seth is not sure we ever have. It's a good question. He'll get back to the board on this subject.
 - l. These books are not closed. We're still waiting on some income and expenses to be processed. We'll look at it all again in February.
 - m. Shelagh moved and Eric seconded to accept the 2024 budget as it now stands. The board voted to approve this report.
6. 2025 Operating Budget
- a. Summary - Income
 - i. Expecting lower cable operating revenue.
 - ii. Expecting grants income, contributions, interest income that will help with that.
 - iii. Seems safe to budget \$60,000 for production in '25, given what '24 production looked like.
 - iv. We increased the payroll charged to capital (by \$62,000) for Jeff Botas who is now on staff. (As a contractor, he wasn't adequately covered for the work he does, and so he is now on staff for 20 hours a week.)
 - v. We are proposing to hold \$37,467 in general operating reserves for the year. Last year we budgeted for \$34,286 in reserves. Too early to tell if we had to dip into that (we'll know when '24 books are closed).
 - vi. Unrealized gains not budgeted as income to support expenses for but we might want to have a discussion about this when it comes to production department staffing in the future. Spending unrealized gains can be risky, but going forward we can look at this.
 - b. Expenses**
 - i. Projected increases in expense accounts, including staffing conversation
 1. Health/Dental rates went up over 18%
 2. We added an 11th full time position in February 2024 - Jordan Butterfield, Studio Manager

3. We are proposing increases to certain staff related to leadership transition and promotions.
 - a. Seth shared organizational chart for the org structure as it stands.
 - b. Keith asked about pay for people on the same level. Seth: there are tiers.
 - c. He then shared the proposed structure going forward, which involves creating a leadership team and redistributing some of the staff to other management options.
 - i. Jason asked about the potential for a volunteer coordinator to bring in more of the public. He's familiar with organizations where this is done and it's almost like a "Meet Up" for increased public participation and positive experience. Seth mentioned a possible route for this, but it's not presently part of the draft chart.
 - ii. Art asked about the change of director salary and how that will be budgeted. Seth addressed this but will get to more specifics in a minute.
 - iii. Seth would like to invite members of the new leadership team to attend board meetings to give each group more insight into the others' workings.
 1. Keith pointed out that his would take some pressure off Seth as the sole leader, both in the organization and in board meetings. Seth appreciated this assessment.
 2. Seth would like to invite Patrick to fill in on strategic planning in Jess's absence, for one thing.
4. COLA rate for 2025 is 2.5%
5. Rent increased by 2%
6. Phone/network and Utilities are up 9% collectively
7. Increased budget for legal expenses
8. Increased budget for Business Office Fees as Roseworks takes on more tasks
9. Potential savings/additional earnings
10. Departure of 2 veteran staff in late 2024 and early 2025 will free up some salary and benefit expenses for promotions and compensation increases, and a recent new hire in January 2025.

11. Staff salaries are budgeted through all of 2025 so we will see some savings in January prior to the transition
 12. Based on our decrease in cable funding in 2024 we should see an increase in state funding above what we budgeted if VAN continues to use the same formula which they are expected to. Loss and population formulas come into play here. If we lose more, we should see more funding coming our way. In the budget, we budgeted just for what we received this year.
- ii. A larger conversation began about salary changes and the subject of dipping into reserves (~\$37,500 out of \$1.9 million) to address changes in staff responsibility, management, job descriptions. Art feels the output needs to be consistent with the use of reserve money, which he'd rather not see used at all. He has long felt the MF needs better marketing, outreach, and branding, and spoke to this as a subject in how we manage this moment. Other board members felt the new salaries could be higher, given the work being done.
 - iii. Other conversations about who will receive an increase and who might not. But the shift in responsibilities is not yet final, and so some salaries aren't yet reflecting any change in the new '25 budget.
 - iv. Shelagh moved and Art seconded to go into executive session (such that Seth would leave for a time) to discuss director's compensation. The board invited Jess to stay. Minutes will not be taken.
 - v. Deb moved to come out of executive session and continue our budget conversation. Art seconded. The board came out of executive session at 7:42.
 - vi. Shelagh moved to approve the budget as proposed. Deb seconded this motion.
 - vii. Discussion points going forward after 2025:
 1. Ted: would like to see a reduction in the draw on reserve and to work towards a cessation on drawing on reserve to meet compensation.
 2. Initiative to also address the increase in health care costs to something more reasonable (to be redressed in COL for example).
 3. Dean: understands Ted's concern about drawing on the reserves. He agrees as well about looking at the health insurance costs.
 4. Art: we look at reserves as the exception and not the rule. Don't automatically look at it as a source of funding going forward, unless we can tie it to growth. It shouldn't just be looked at as part of our income stream.



5. The motion to approve the budget (including Seth's new salary as presented) is passed. Keith will write a letter to confirm Seth's new salary.
7. Comcast PEG Contract Update – We successfully signed a new contract with Comcast after negotiating for the better part of 3 years. The new contract is effective January 1, 2025 and is good through December 31, 2028. We agreed to the same total funding percentages that were in place for both organizations prior to the Media Factory merger and we are now expecting to receive HD cable channels in the coming months.
8. We're higher up in the list for HD channels, which is very good news as well. This could happen in a couple months.
9. Strategic Planning Check-In
 - a. Steffi sent a survey for the board to fill out. She's going to send it out again for anyone who did not receive it.
 - b. Steering committee needs to reconnect to set a meeting.
 - c. Retreat – Saturday in February or March. Seth will send out a Doodle.
 - d. She will also interview four external stake holders. Eric will help Seth choose some of these individuals.
10. Other Business – round of applause for Jess

Art moved to adjourn. Deb seconded. The meeting adjourned at 7:57 p.m.