

Friends of WWOZ, Inc.
Board of Directors Meeting Minutes
June 7th, 2017

Location: The New Orleans Jazz & Heritage Foundation
1205 N Rampart St, New Orleans LA, 70116

Board Members Present: Deborah Duplechin Harkins, Judge Sidney H Cates IV,
Ruth Chouest, Ronald McClain, J.R. Pegues, Bob
Edmundson, Marc Barnes, David Kerstein, Rachel
Shields, Courtney Slatten Katzenstein, Leonard Smith III

Board Members Absent: Douglas Hammel, Judge Sidney Cates,

Foundation Staff Present: Don Marshall

WWOZ Staff Present: Beth Arroyo Utterback, Dave Ankers, Arthur Cohen,
David Freedman, Beau Royster, Scott Borne, Melanie
Merz, Katrina Griffin

Call to Order: Ms. Harkins called the meeting to order at 4:34 p.m. A Quorum was declared with eleven board members participating.

Minutes:

Mr. Barnes motioned to accept the minutes of May 10th board of directors meeting. Ms. Harkins requested that approval of May 10th board meeting minutes be held up until amendments are made to reflect Piano Night Chairman - Ruth Chouest full report of Piano night. Mr. Barnes withdrew the motion to accept the minutes. Approval of May 10th minutes will not be published and was postponed until July 12th Board of Directors meeting.

Public Commentary:

Mr. Don Paul requested that May 10th board meeting minutes be amended to reflect his public comments made at that meeting. Ms. Harkins granted Mr. Paul's request and requested the May 10th board meeting minutes be amended to reflect his comments. Ms. Harkins also request a sign-in sheet be available at the next board of directors meeting to accommodate public visitors.

Report of the Chair:

Ms. Harkins distributed an abbreviated version of "WWOZ Today" PowerPoint presentation to board members and requested focus be given to the mission of the New Orleans Jazz & Heritage Festival Foundation (NOJHFF) in comparison to the mission of WWOZ. She pointed out that the foundation's mission and WWOZ's mission both are committed to local community culture and local music heritage. It is critical that WWOZ mission continues to stay aligned with NOJHFF mission in order to gain a higher degree of awareness from NOJHFF. The goal is to help NOJHFF recognize that WWOZ executes their mission and is committed to them 24 hours a day, seven days a week, 365 days a year, and is therefore one of their greatest assets.

Ms. Harkins shared two levels of concern when discussing WWOZ with NOJHFF: 1) Sustainability - a need for a greater financial commitment from NOJHFF on an annual basis and also 2) acknowledgment from NOJHFF that WWOZ has a serious housing issue that needs to be addressed in the immediate future. Ms. Harkins met with NOJHFF at their retreat and made a pitch concerning WWOZ's sustainability. She also made a pitch for WWOZ's housing issue at NOJHFF's executive committee meeting. Both issues were received well.

WWOZ's Building Committee met with NOJHFF board member Tara Hernandez, who is a well-established local real estate developer and the financial representative of NOJHFF, to review how WWOZ should prioritize when presenting to NOJHFF's Board of Directors. Ms. Hernandez gave solid and clear advice for making its case for initial capital needs regarding buying verses lease-purchase to WWOZ's Building Committee and Architects. Ms. Hernandez gave the building committee a list of needs in order for her to further evaluate the situation. WWOZ's building committee has to provide its housing prioritized list to Ms. Hernandez in time for her to present at NOJHFF's July board of directors meeting, which is within the next 30 days. Cash flow, cost of a new lease, benefits of long term lease, benefits of having a proprietor who is willing to do a build-out; why do we need to consolidate, what are our current space needs, were on the list of what's needed, and will be taken into consideration for presentation to the NOJHFF board.

Ms. Harkins distributed WWOZ's current real estate breakdown report. The report was generated by (Calvin) of John Williams's office and included WWOZ's four lease locations; Kenner, Broadmoor, Bywater, and the French Quarter – a total of 6500 square footage at a total cost of \$120,000+ per year. WWOZ needs office space enough for administration, development and volunteer departments. WWOZ also needs space for ample staff parking, garage space for two trucks, and access to public transportation. WWOZ needs to be visible in the community, a line of sight to the antennae on Canal Street, prominent signage and space with opportunity for expansion. The information and numbers that were provided to Ms. Hernandez was based on facts and real numbers, not guesstimates.

Questions that remain to be answered: What is needed to move forward, a build-out, or a lease? What are our best options? What are the expectations from the foundation as we work through this? New location options were narrowed down to four areas, the Charter street area, the St. Claude area, Magazine street area and the Lee Circle area. Ms. Hernandez suggested producing better drawings for each location and follow up with proprietors to see what it will cost for a lease or a build-out. Determination needs to be made whether to incorporate the housing cost into this year's budget or if it's something that needs further acquisition steps. The real estate committee will look into opportunities to generate funding that would annualize some of the increase in cost. Some options have already been identified for potential tenants to be explored within the next 30 days for presentation at NOJHFF's July board of directors meeting.

Mr. Kerstein suggested adding verbiage to WWOZ's mission statement that promotes the mission brand of NOJHFF. Mr. Kerstein asked if NOJHFF Finance Committee prefers a lease or a build-out. Ms. Harkins responded that they were not adverse to either option. Mr. Edmundson suggested the start of an extensive capital campaign. Ms. Utterback and Mr. Freedman are investigating a potential tenant that was identified by Mr. Freedman.

Mr. Pegues moved to accept the Report of the Chair. Mr. Barnes seconded the motion, which passed unanimously.

Introduction of New General Manager - Beth Arroyo Utterback

Ms. Harkins introduced WWOZ's new General Manager - Ms. Beth Arroyo Utterback. Ms. Utterback expressed how thrilled she is to be given the opportunity to work at WWOZ. She was Executive Vice President and Chief Operating Officer for WYES station where she worked for the past 35 years. She will use the experience gained from campaigns to promote WWOZ's brand. She has had the opportunity to meet with the staff and volunteers in the few days she's been aboard and discovered how much WWOZ means to so many people locally and from across the globe. On her very first day of work she had the pleasure of watching the premier of "Tank and the Bangas" and "Trombone Shorty" full length documentary from WWOZ videos. Both documentaries were extremely well received and extremely well done. One of the lasting impressions from the documentaries was a story told by "Tank" in the Q&A session after the video. Tank told the story of when she met an elderly man from France during a 3 month tour in England who walked up to her to tell her that he'd travelled from France on a train just to see Tank and the Bangas because he had heard them on WWOZ radio station, which is his favorite radio station. Ms. Utterback shared that she'd heard the same "favorite station" claim from so many different people again and again. The station's musical impact has such an effect on so many people. Listeners are from the Canary Islands, France, Metairie, Kenner, and Australia. Ms. Utterback read a letter sent to WWOZ station from the family of Buffas Restaurant stating that when they purchased the restaurant they set out to create a place where people could physically go that would be the embodiment of what WWOZ was on the radio, a place where people can go to experience New Orleans, a place where locals can go and say this feels like home, a place where people from out of town can go and say, so this is what New Orleans is really like. That is exactly what WWOZ does on the air and over the internet." Ms. Utterback expressed what a great honor it is to be the newest Guardian of the Groove and to lead WWOZ into the future, not only in mission but also financially.

Chief Operating Officer's Report:

Mr. Cohen announced that it was his last day in the role as WWOZ's Chief Operating Officer. Going forward he will be performing under the new title of Chief Content Officer. Mr. Cohen reported recent personnel events: Underwriting Specialist - Melanie Merz was recently engaged, Digital Content Editor – Carrie Booher delivered a newborn baby girl and will be out for 12 weeks on family leave and Pamela Wood – Chief Development Officer is out on sick leave for a couple of weeks. He then referred the committee to his electronic COO Report. Ms. Chouest thanked Mr. Cohen for his great work.

Ms. Harkins added that board members need to understand how to answer the question: "What does it mean when WWOZ says it wants to grow?" One way that WWOZ seeks to grow is by filling some of the vacant positions that currently exist at the station. These positions are in the content area: Production Director and Marketing Promotion. How WWOZ grows technically is by staying on the leading edge of video and digitally and by building production facilities, taking what we have now such as our WWOZ phones and turning them into state-of-the-art instruments in order to keep up with competition.

Mr. McClain moved to accept the COO report. Mr. Smith seconded the motion, which passed unanimously.

Finance Committee Report:

Mr. Pegues distributed a summary flash report of the financials and reported that the Finance Committee met last week to discuss several banking related topics. He reported that Whitney Bank approved WWOZ's line of credit and provided terms sheets for two different ways to sign up; a 60 month term and a 12 month term. The committee will consider both terms. WWOZ is moving its credit card program over to Whitney bank with Ms. Utterback as the primary signatory. Mr. Pegues referred the committee to the balance sheet and reported both assets and liabilities are down since last month's report. Reserves are in good position. The next three months are historically WWOZ's slim months. The line of credit will be pulled from during this time. Income is ahead of schedule. The report reflects lagging in both underwriting and major gifts, which loss ground against budget since April's month end close in all three of the development categories. It may be a struggle to catch up by the end of the year. This may create an underage to the budget. The budget reflects a favorable turnaround in the "Other" category due to the selling of Mango Freeze. On the expense side, overspending verses budget primarily was due to over spending in broadcast & video and general administration. Overspending in general administration is due to two un-budgeted events; executive search and the offsite board retreat. Overall WWOZ is ahead of budget and in good financial position. Revenues are less than they were this time last year and expenses are less than they were at this time last year. Net income is ahead of budget than this time last year. WWOZ has experienced a half million dollar turnaround in operations. WWOZ's growth means in terms of personnel, content and development that management has done a half million dollar better job with assets than it had done this time last year. The Finance Committee plans to meet several times over the next 30 days to prepare a budget that will be ready for approval at the next board of directors meeting.

Mr. Pegues submitted a resolution to add Ms. Utterback as a primary signatory.

The following Resolution was presented and adopted by the Board of Directors of WWOZ at their meeting on June 7th - "be it resolved that because of recent changes at our credit facility it is necessary for WWOZ to open additional banking accounts at the Whitney Bank. Further, it is thus necessary to execute new signature cards for the commercial accounts in the name of the Friends of WWOZ, Inc. with Whitney Bank to include the new General Manager. Be it then resolved that all notwithstanding any existing signature cards, the following names shall have the exclusive authority to sign all checking, savings, money markets accounts, business loans, and credit cards in the name of the Friends of WWOZ, Inc. Those names are Elizabeth Utterback, Arthur Cohen, Pamela Wood, Deborah Harkins, Doug Hammel, J.R.Pegues, and Ruth Chouest. Be it further resolved that the new signatories take effect immediately."

Ms. Katzenstein motioned to accept the Resolution. Mr. Edmundson seconded the motion which passed unanimously.

Mr. Barnes moved to accept the Finance committee report. Mr. Smith seconded the motion, which passed unanimously

Development Committee Report:

Mr. Barnes reminded the board of his caution earlier in the fiscal year about raising fundraising goals to meet the budget. He stated that by doing this, the budget was set-up for failure. The budget was set up for this failing position because fundraising goals were based on what was in the pipeline in capacity as opposed to what the budget needs. As the next budget is constructed, he requested to be present along with WWOZ's Development Director, Pamela Woods to better project realistic development numbers. Mr. Barnes stated that he wanted to make sure that what is put in the pipeline in terms of current donors is realistic to what we can raise.

Mr. McClain questioned if the numbers projected into the budget for development were too high? He stated that there are several barriers to consider when discussing development numbers: What was the return on the investment into development? He also asked if there are strategies that the board can assist in that would open doors to identify potential development prospects. He suggested that performance in development positions be monitored, managed and challenged in terms of accountability. He also stated that there is a need for more resources for staff positions. He requested the challenge to set goals that are consistent with WWOZ's needs.

Mr. Barnes agreed that there is work that needs to be done in the development department. Mr. Barnes also reported that development department is currently working through existing database issues that need to be cleaned up. Since the database is the back bone of the development department, if it is not set-up, the department cannot be successful. Ms. Harkins mentioned that database equipment has been purchased. Mr. Barnes agreed that the equipment had been purchased, but conversion has not taken place. Raisers' Edge software will soon be installed in the development department. Ms. Katzenstein commented that the development department has experienced extremely aggressive increases in fundraising goals that were quite unrealistic. There is a need to understand what needs to be done better. Ms. Utterback has already identified and talked with the development team. One of the issues that she identified for improvement is membership. While WWOZ has a large listening audience, membership numbers need improvement. Mr. Barnes reminded the board that membership has, in the past, been utilized as a transactional function. As of recent, membership is now been used a philanthropist tool and the results were impacting. Moving forward membership should be promoted more as a philanthropic intent, which increases potential for significant growth.

Ms. Harkins commented that major gifts and underwriting were the real issues within the development department. Ms. Utterback stated that when the process is to grow

membership into major gifts, get members in first on a certain level, get them accustomed to giving and then identify who can give a major gift, which is how major gift program are started. Mr. Barnes stated that the annual fund becomes the pipeline to major gifts. Also, reviewing where donors exist, which donors are moving up and giving more, in order to identify major gift prospects. Membership should be the annual fund for WWOZ. It is a process that happens over time with a 3 to 5 year trend.

Mr. Cohen stated that separating major gifts and underwriting from membership is a step towards better projecting fundraising goals. Ms. Utterback stated that there is lots of potential in all areas of development. She will be using planned giving programs as a blueprint for improving major gifts at WWOZ. She stated the need to convert listeners to members to donors, to major givers that lead to successful capital campaigning.

Ms. Harkins pointed out that WWOZ should avoid going after the same donors as NOJHFF and/or vice versa. Another alternative would be to team together to form a collaborative fundraising process for both WWOZ and NOJHFF.

Mr. Kerstin stated there needs to be a distinction between the budget (hard numbers) and aspirational goals.

Mr. Barnes distributed to each board member a hard copy report of their current WWOZ donations, which included Piano Night donations for the fiscal year. These reports will be updated through the year and provide each board member with the opportunity to either verify and/or make a contribution.

Mr. Pegues moved to accept the Development committee report. Mr. Smith seconded the motion, which passed unanimously.

Technology & Programming Committee Report

Mr. Smith reported that the Technology & Programming committee did not meet for the past month. Mr. Smith proposed that he, Ms. Utterback, Mr. Cohen, Mr. Barnes and WWOZ Chief Engineer - Damond Jacob meet to discuss how to improve WWOZ's utilization of social media. Mr. Smith also suggested a change of the current services of WWOZ's monthly conference call. He suggested using a different service that has a revolving passcode and not use the same number for every board of director's meeting as a means of security.

Mr. Cohen reported that work will begin next week to upgrade the security system at the station, which currently is not working. He also reported that WWOZ is ready to "WWOZ - A Closer Walk" music history app. The app is a partnership that is essentially a site based mobile website. Its official launch date is June 19th. A link will be sent to each board member for previewing. Ms. Harkins will announce the launch at NOJHFF board meeting tomorrow.

Mr. Smith proposed that the Technology Committee meeting in August. The date will be determined later.

Mr. Pegues moved to accept the Technology & Programming committee report. Ms. Chouest seconded the motion, which passed unanimously.

Real Estate Committee Report

Ms. Harkins reported that the French Market Corporation approved a 100,000 square feet build-out at the station and will be aggressively executing it. French Market offered WWOZ the use of extra office space at "dutch alley" in the event it is needed during the build-out.

Ms. Katzenstein moved to accept the Real Estate committee report. Mr. Pegues seconded the motion, which passed unanimously.

HR Committee

Ms. Harkins reported that the HR Committee is currently reviewing WWOZ's Employee Handbook and will give an update report at the next meeting.

Mr. Barnes moved to accept the Real Estate committee report. Mr. McClain seconded the motion, which passed unanimously.

Ongoing Business:

Community Advisory Board Report (CAB)

Mr. McClain reported that the Community Advisory Board met on May 16, 2017 and were very excited about the hiring of WWOZ's new General Manager, Beth Utterback. He also reported that the advisory board is looking for resources to educate musicians on copyright laws and resources to protect the intellectual properties of musicians. The board is currently in the process of creating some venue for local artist to secure their music and get paid for it.

Ms. Utterback thanked WWOZ's CFO - Beau Royster for making sure she was up to speed on the budget. She also thanked WWOZ's Office Manager - Marietta Goodman for assisting with her office and computer set-up.

Mr. Pegues moved to accept the CAB report. Ms. Chouest seconded the motion, which passed unanimously.

New Business: None

Next Meeting Date:

WWOZ's next Board of Directors meeting is scheduled for June 12, 2017.

Adjournment: 5:59p.m.