Spokane Public Radio
Board of Directors Meeting
January 18, 2024 @ 5:30 pm
SPR Conference Room, 2nd floor

Board Members Present: Steve Faust, Dan Fratini, Megan Kennedy, Jess Ponikvar, Melanie Rose.

Staff Present: Cary Boyce, Brandon Hollingsworth, Kevin Jones, EJ Iannelli, Stephanie Ingoldby, Tom Lee, Jerry Olson, Beth Severn-Johnson

Meeting was called to order at 5:30 pm.

1) Minutes. On motion duly made and seconded, minutes of the October 19, 2023, board meeting, including the minutes of executive session, were unanimously approved as submitted.

2) FY 2022-23 Audit. Jacob Fox, of Eide Bailly, attended the meeting and provided comments on his firm’s audit report on the financial statements of Spokane Public Radio for the fiscal year ending June 30, 2023. After an opportunity for Board members to ask questions, the Board unanimously accepted the audit report on motion duly made and seconded.

In discussion of the audit report:

- Mr. Fox stated that the basis for the statement in Note 2 that the board had established an operating reserve was a discussion between the auditors and Dr. Boyce. Dr. Boyce stated that ‘at some point’ they had decided SPR’s endowment fund at Innovia was equivalent to such an operating reserve.

- Mr. Fox indicated that the $5,000 referred to in Note 10 as “subject to expenditure for specified purpose – emergency funds” relates to a gift of like amount which the donor had restricted such that SPR cannot spend these funds unless they are the last funds available to SPR.

- Mr. Fox indicated that SPR has obtained an extension to file its Form 990 for FY 2022-23, and that Eide Bailly was in the process of preparing the 990. Mr. Fox added that SPR is seeking to qualify for employee retention credits (“ERC” – related to federal COVID funding) in its 2022-23 tax return in an amount yet to be determined.

3) Financial Report. A financial report was provided in the board packet, consisting of a balance sheet as of 12/31/2023, a profit & loss statement for July through December 2023, and an estimated cash flow analysis.

Dr. Boyce answered questions from the board regarding the report. In discussion, Dr. Boyce observed that SPR continues to experience insufficient cash flow, and that cash flow always drops in April, but that he felt the situation was improving and that SPR should receive a third grant from the CPB for approximately $50,000 predicated on SPR submitting responses to a CPB survey, and that these responses would be submitted by mid-February. He also mentioned that SPR had applied for a third “SAGA” grant from Spokane Arts in the amount of about $10,000.
4) **Operations report.** Minutes of the January 10, 2024, CAB meeting, and staff reports from the department heads for Engineering, Membership, Underwriting, Arts & Music, Programming/News, and Events & Volunteers were provided in the Board Packet.

The CAB report referred to a discussion by the CAB of ideas to more fully use SPRs performance space, possibly as a small music venue. Board members discussed this idea without taking specific action. It was observed that there may be issues with liability insurance, and particularly if wine or beer is offered.

Stephanie Ingoldsby reported on the upcoming record sale event. Donations are going well, key volunteers have been secured, and board members are encouraged to volunteer.

Discussion then turned to problems with the heating system in the Firehouse building. At the board’s request, Dr. Boyce and Jerry Olson reviewed the history of these issues.

The building is heated and cooled by a heat pump installed about 10 years ago. There may have been problems with the original installation, for which there was a one year warranty. (The system itself is covered by a Daiken warranty which covers the compressors, but not problems arising from the installation.)

There are frequent failures of the compressors in the heat pump system, and Jerry believes the problem is with ash particles and dirt in the system. A vendor, Airreps, has recommended replacing the motor actuators on valves. We are working with Zone Mechanical for an install date for the actuators.

The weather has been extremely cold these last few weeks, and yesterday Dr. Boyce and Mr. Olson purchased several space heaters for the lobby area and performance studio.

Board members asked whether there is flexibility to install a different system. Mr. Olson said this might require ‘major surgery’ on the building, but Zone Mechanical says there is a new heat pump system available that would allow them to keep the ‘mini-splits’ in the building.

Discussion followed on the possibility of installing a replacement of the heat pump, and the possibility of asking the state legislature to assist during the few remaining weeks that it is still in session. Dr. Boyce indicated the original system cost nearly a half million dollars.

Director Melanie Rose then asked about the results of the fall fund drive. Ms. Severn-Johnson indicated she had prepared a report but was unable to print it before the start of the board meeting. She will send it to board members after the meeting adjourns.
5) Committee Reports. Steve Faust reported that the executive committee is recommending the board increase the frequency of its regular meetings from quarterly to bi-monthly. This would mean the next regular meeting of the board would take place on the third Thursday in March instead of in April, with another meeting in May, and then a schedule of 6 meetings for FY 2024-25 beginning with the annual meeting in July, and then in September, November, January, March, and May (each on the 3rd Thursday of the month).

After discussion, on motion duly made and seconded, the Board determined to accept the recommendation of the executive committee and move to 6 regular meetings a year as described above.

Megan Kennedy provided a report from the Strategic Planning Committee regarding its progress on updating SPR’s employee handbook, the relationship with Omnia, and a review of SPR’s arrangements for IT support. The committee is meeting with Philantec on January 31 regarding IT. Megan also requested that SPR revise a current job posting for a development director to remove reference to underwriting commissions as part of the compensation for that post.

6) Appointment of Treasurer. The Chair advised that Catherine Kashork was willing to serve as Treasurer in the upcoming year, and that Jen Westra had agreed to resign that position effective on Catherine’s appointment.

After brief discussion, on motion duly made and seconded, Catherine Kashork was appointed as Treasurer to serve through the remainder of FY 2023-24 and during FY 2024-25. The Chair thanked Jen for her service as Treasurer.

7) Conflict of Interest Policy. SPR’s conflict of interest policy was included in the board packet. The chair asked that each director become familiar with the policy. He also reminded the directors that a repository for board documents had been created on Google Drive and that Megan has circulated the link to all directors, and can provide the link again if desired.

8) Personnel Matters. The Board transitioned to executive session at approximately 6:30 pm to discuss personnel matters. The meeting was adjourned at 7:40 pm.