

**MINUTES OF A MEETING OF THE
BOARD OF DIRECTORS OF FRIENDS OF THE ELEPHANT SEAL
November 28, 2012**

Present: Donovan Marley, George Larsen, Sharkey Warrick, Bette Bardeen, Brandt Kehoe, Bill Goodger, Jim Brownell, Kathy Hurrle, Tim Postiff

Also: Christel Chesney, Bob Wilkins, Sue King, Ellen Stoner, and Doris Sommerville

Minutes from the October 17th meeting were unanimously approved.

PRESIDENT'S REPORT: Brandt has checked into the Smart Phone app idea and reported that it would cost approximately \$5,000 to create a smart phone app. He feels we need to know a little bit more before proceeding and will continue to gather information.

Kelly McDonald sent her resume to FES. She is Broadcast Journalism Senior at Cal Poly and is seeking a broadcasting internship in broadcasting marine sciences. In order to graduate she needs an internship lasting approx. 10 weeks (starting in January). Did FES need any training or marketing? She has access to cameras, tripods, software, etc. through Cal Poly. Diana sent a note to her indicating that Donovan would follow up with her directly. Donovan said that he will also take a look at the videos she has provided to determine if she has any talent. Could she develop things we could use when we have upcoming projects or with the training program? He also noted the need to replace the DVD that we have sold but no longer do. Much of the information in that video is out dated and not accurate. That particular project may be too large a project for her time frame. Her time frame starts in January which coincides with the breeding season and the 2013 seminar schedule. We may also be able to utilize her skills to prepare a video for us to use when seeking future endowments. Board decided that this internship would not be a paid position. Donovan will interview her and report back to the Board.

TABLE REPORT: Christel and Bob presented a written Table Report. The first thing they said was how excellent Marcella was with her marketing and organizational skills. The table would not function without her. They reported that the table is staffed 7 days per week (first time ever). Ellen Stoner is going to replace Bob after he leaves. They plan to staff 2 tables during the upcoming breeding season, especially on the weekends (8). Donovan noted the increase in July's numbers (\$8,395) and was told that is when more docents started manning the tables. She also noted that when there are two people at the table, sales increase. The report indicates that in 2010, the table went out on 105 days, 158 days in 2011 and even though the numbers are not in for 2012 they expect the final number to be substantially greater. Christel

was asked about t shirts and sweatshirts and said that they don't seem to work well (never right size or color). They also require more storage space than is available. People who man the table always let visitors know that (if the office is open) there are t shirts and sweatshirts available there. The report that they presented indicates that from the inception of the table program to 9/30/2012 the table has gone out 463 times in 33 months, and brought in a total of \$105,399 (gross revenue) in sales and donations. The Cost of Goods is approximately \$29,089, (labor is free) for a net of \$76,310. The average net amounts (income) per day are \$227.64 or \$29.97 per hour.

Conclusions: 1) The table works because the public participates without solicitation. 2) It is a low key, low profile activity. 3) There is an endless supply of new people with interest and money. 4) There is a narrow focus on the agenda of educating people and explaining how their donations and the proceeds from sales help our organization reach its mission statement. 5) There is an intensified volume of docent contact with the public. 6) Partnering at the table helps, and there is an inter-dependence on fellow docents who work the table.

Bob also said that donors express their thanks and gratitude for the job the bluff docents do by donating money and verbally complimenting them to the table docents. He also reiterated that the money from the table is always going to be "new money" and that there is no "going back to the well" and is a very worthwhile resource. People give willingly without any solicitation. It was also suggested that during the mentoring portion of docent training time at the table could be included and made a part of the mentoring process. Early exposure in the training would help encourage newer docents to get involved with the table. In the past the Training Committee's policy has been that docents needed to be proficient on the bluff prior to joining the table group. Brandt suggested perhaps sitting with a docent at the table for a portion of their mentoring sessions could be offered as an option while scheduling the docent/mentors. It would not be mandatory or prohibited but simply made available to those interested in pursuing. It was generally agreed that the Board feels it is still more important to have the new docents spend time on the bluff before doing table duty where they can gain skills at actual observation and talking to people.

TREASURER'S REPORT: Bill Goodger reports that the current checking account balance is \$13,078.90; savings account balance is \$47,020.93; Bank cards are \$950.00; PayPal is \$350.00; CD balance is \$50,000.

FINANCE COMMITTEE/BUDGET 2013: The report did not breakdown categories while gathering the information from various committees. Soupabration is expecting to net approximately \$16,000 in 2013. Expenses for this year were \$9,270. Webcam stream is forecasted to be \$6,000. Docent Training expenses are budgeted for \$5,500 but that figure does not include guest speakers. Membership campaign expenses are budgeted for \$14,500

which Donovan explained is 33% (which is higher than he would like). His goal is to get those expenses down to 25%. Kathy asked if the Board intends to “re-visit” the acquisitions portion of the membership campaign. She expressed concern about the 33%. Donovan said that if the Board feels that is too high for the return, he could drop the acquisitions portion of the campaign which would bring the expenses down to 15%. Donovan suggested that we leave the program where it is until March, allowing it to run through the “prime” period one time so that we can better know the results. There is no way of knowing what the return for the color brochures actually is as there are no code on them and no way to track their return.

\$3,000 has been budgeted for the 2013 CalPoly Internship Program. The Outreach Program (School Groups) have been budgeted for \$1,900. Payroll expenses have been budgeted for \$35,000 which includes approximately \$10,000 for the new docent coordinator position. The salary has not yet been set but is expected to be between \$10-12 per hour, depending on experience although the one candidate (Ellen Stoner) has expressed that they would expect at least \$15 per hour.

Bill reported that the Finance Committee suggested earmarking \$30,000 out of the surplus funds for the endowment which would still leave about \$26,000 for operating expenses money plus the \$50,000 (CD) as a backup.

Regarding the endowment, Sharkey said SLO COUNTY COMMUNITY FOUNDATION had recommended as a point of contact for endowment information. Sharkey also contacted his own lawyer and was given the same advice. Sharkey then contacted Barry VanderKelen, Executive Director of the Foundation, and had a long talk with him. Sharkey would like to invite him to come to the Board to make a presentation and answer questions. He would also like to invite the Finance Committee to that meeting. In short, Mr. VanderKelen said that there are various endowment techniques that FES could use but he suggested that “designated funds” type is the most properly suited to FES as it protects the money in perpetuity. He also said that \$25,000 would be a good starting place. Even though there are no start-up costs with this group their fee is .65% which comes out of earnings, not principle. Brandt suggested we also take a look at our contract with State Parks....if FES folds, our assets go to them. Sharkey will set an appointment early in 2013 and will gather questions for that meeting.

CAL POLY INTERNSHIP PROGRAM UPDATE: Bill announced that they had decided to increase the student pool by adding Questa College and change the deadline date as they were not getting enough applications from Cal Poly. The Questa contact is Steve Hendricks who teaches Marine Biology. Bill gave a presentation to his class regarding the internship. Most of the students are freshmen or sophomores which makes the 21 years or older requirement difficult to meet. The application deadline was changed to Nov 19th with a Notice of Acceptance date of Dec 7th. There are currently we have 7 applications and interviews are occurring this week. Bill has been working through a student who volunteers at TMMC along with Nikki Adams, professor in the

biological sciences department. He has also been working with Bill Plummer who is the academic advisor to the pre-veterinary program. Bill is hopeful the student internship program is successful in this initial offering in 2013 as the enthusiasm and interest in the under 21 year olds for next year and the year after is quite impressive. Lisa has all of the resumes and Bill has not seen any of them yet. The Vice President of the Pre- Veterinary Club has applied and looks like a very good candidate.

TRAINING COMMITTEE: Bette reported that there was an inquiry from a “teacher in residence” at Cal Poly regarding putting together a biology class for teachers. Her first class is working with the Morro Bay Museum; classes there go out with docents to learn about the estuary. She wants to feature elephant seals in the second class. She wants to do a site visit at the end of the semester and talk about the elephant seals during the course. That class/meeting will occur on Monday.

New class is hard at work on the bluff. There have been 4 email applications from people interested in Spring Training.

MEMBERSHIP REPORT: Donovan reported that we are 1 membership away from reaching the number of members that we had last year. Still about \$9,500 away from reaching the amount of money that we had last year. He thinks it likely that we will go “over” the number of members from last year. He is skeptical that even with the year-end tax mailing we will bring in the \$9,000 by the end of December. Year to Date income is \$40,187 and he is confident that we will reach \$45,000 that was budgeted for by end of year. He thinks next year will be easier and is hoping to capitalize on the shark listening project, the scholarship project, the endowment and possibly the app idea. Expense to income ratio is at 32% with acquisition program being the heaviest expense. Total renewals are \$29,752; acquisitions are \$10,435 (almost what it cost us).

OLD BUSINESS: Decided to put a deadline for applications to Docent Coordinator job. There is only one applicant so far. Brandt suggested a committee be set up to conduct the interviews to include the chairs and two ex-chairs the training committee now on the Board. Brandt will also participate. Deadline will be set at December 15th. Salary will be determined by the committee.

CLOSED SESSION

Note: There were 2 motions passed via email after this Board meeting (see following page).

Those motions made by Sharkey Warrick and seconded by Donovan Marley are as follows: 1) The Board unanimously moved to accept the Finance Committee Budget as submitted for 2013 and 2) that The Board accept the finance committee's recommendation that \$30,000 be put aside from current reserves to fund a Designated Endowment.

Next meeting will be at 1:00 p.m. on December 19th, 2012

Respectfully submitted by Megg McNamee, Secretary

Documents Attached:

Table Reports

Internship Report

Financial Committee Report

| | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|-----------------|---------------|---------------|-------------|
| Jan | 2,632 | 5,029 | 8,144 |
| Feb | 2,590 | 4,036 | 7,350 |
| Mar | 730 | 1,828 | 3,434 |
| April | 1,767 | 2,437 | 4,057 |
| May | 1,578 | 1,374 | 3,679 |
| June | 1,363 | 2,512 | 3,989 |
| July | 1,968 | 3,790 | 8,395 |
| Aug | 3,065 | 2,661 | 5,782 |
| Sept | 1,378 | 1,678 | 4,974 |
| Oct | 1,181 | 2,224 | 2,852 |
| Nov | 1,136 | 2,012 | |
| Dec | 2,107 | 4,572 | |
| Year end | 21,495 | 34,110 | |
| Table days | 105 | 158 | |

TABLE REPORT YEAR TO DATE

| ITEM | PRICE | COST | PROFIT | WHAT WE CHARGE/TAX INCLUDED | # sold 1/1/12 to 11/24/12 | | SALES | PROFIT |
|--|---------|--------|---------|-----------------------------|---------------------------|----------------|--------------------|---------------------|
| POSTCARD | \$0.93 | \$0.20 | \$0.73 | \$1.00 | 344 | POSTCARD | \$344.00 | \$251.12 |
| TIDEBOOK | \$0.93 | \$0.49 | \$0.44 | \$1.00 | 35 | TIDEBOOK | \$35.00 | \$15.40 |
| DECALS | \$2.80 | \$0.85 | \$1.95 | \$3.00 | 28 | DECALS | \$84.00 | \$54.60 |
| ZOOBOOKS | \$3.73 | \$1.50 | \$2.23 | \$4.00 | 30 | ZOOBOOKS | \$120.00 | \$66.90 |
| STICKERS | \$2.80 | \$1.42 | \$1.38 | \$3.00 | 129 | STICKERS | \$387.00 | \$178.02 |
| PHOTO CARD | \$4.67 | \$2.00 | \$2.67 | \$5.00 | 89 | PHOTO CARD | \$445.00 | \$237.63 |
| FES PATCH | \$4.67 | \$1.75 | \$2.92 | \$5.00 | 43 | FES PATCH | \$215.00 | \$125.56 |
| FES MAGNET | \$4.67 | \$2.25 | \$2.42 | \$5.00 | 1122 | FES MAGNET | \$5,610.00 | \$2,715.24 |
| FES KEY CHAIN | \$4.67 | \$1.40 | \$3.27 | \$5.00 | 90 | FES KEY CHAIN | \$450.00 | \$294.30 |
| TODDLER BOOK | \$4.67 | \$2.50 | \$2.17 | \$5.00 | 99 | TODDLER BOOK | \$495.00 | \$214.83 |
| E-SEAL TOY | \$9.33 | \$2.26 | \$7.07 | \$10.00 | 1493 | E-SEAL TOY | \$14,930.00 | \$10,555.51 |
| FES PIN | \$9.33 | \$2.87 | \$6.46 | \$10.00 | 124 | FES PIN | \$1,240.00 | \$801.04 |
| ADAMS BOOK* | \$9.33 | \$4.47 | \$4.86 | \$10.00 | 147 | ADAMS BOOK* | \$1,470.00 | \$714.42 |
| NAT'LIST GUIDE | \$9.33 | \$3.58 | \$5.75 | \$10.00 | 92 | NAT'LIST GUIDE | \$920.00 | \$529.00 |
| PUZZLE | \$11.19 | \$6.00 | \$6.00 | \$12.00 | 7 | PUZZLE | \$84.00 | \$42.00 |
| FES MUG | \$13.99 | \$5.80 | \$8.19 | \$15.00 | 615 | FES MUG | \$9,225.00 | \$5,036.85 |
| FES CAP | \$9.33 | \$3.86 | \$5.47 | \$10.00 | 250 | FES CAP | \$2,500.00 | \$1,367.50 |
| FES CAP | \$13.99 | \$3.86 | \$10.13 | \$15.00 | 157 | FES CAP | \$2,355.00 | \$1,590.41 |
| DVD | \$18.65 | \$8.23 | \$10.42 | \$20.00 | 125 | DVD | \$2,500.00 | \$1,302.50 |
| | | | | | | | TOTAL SALES | TOTAL PROFIT |
| * We actually pay 5.37 for ea. book, but we get .90 per book back in royalties | | | | | | | \$43,409.00 | \$26,092.83 |
| TABLE CONTRIBUTIONS YEAR TO DATE | | | | | | | \$14,247.00 | |
| Profit margin is 60% of sales. Standard for retail is 50%. | | | | | | | | |

Table Report from inception to 9/30/12

Table was out at the bluff 463 times in 33 months

Table brought in a total of \$105,399.00 in that time period (sales and donations)

Cost of goods was approximately \$29,089.00 for a net of \$76,310.00

Average amount per day: \$227.64

Average amount per hour: 29.97

There were 2 meetings during this time

Conclusion:

The table works because the public participates without solicitation.

It is a low key, low profile activity.

There is an endless supply of new people with interest and money.

There is a narrow focus on the agenda of educating people and explaining how their donations and the proceeds from sales help our organization reach its mission statement.

There is an intensified volume of docent contact with the public.

Partnering at the table helps, and there is an inter-dependence on fellow docents who work the table.

Cal Poly Internship update:

1. We decided to increase the student pool by adding Cuesta College and changing the application deadline.
2. The Cuesta contact is Steve Hendricks who teaches Marine biology. I gave a presentation to his class regarding the internship. Most of the students are freshmen or sophomores which again makes the 21 year old requirement difficult to meet.
3. The application deadline was changed to Nov 19th with a notice of acceptance Dec 7th.
4. Currently we have 7 applications and interviews are occurring this week. I have been working through a student who volunteers at TMMC along with Nikki Adams, professor in the biological sciences dpt. Also, have been working with Bill Plummer who is the academic advisor to the pre-veterinary program.
5. I am hopeful that the student internship program is successful in this initial offering in 2013 as the enthusiasm and interest in the under 21 year olds for next year and the year after is quite impressive.

Friends of the Elephant Seal Profit & Loss January 1 through November 12, 2012

| Ordinary Income/Expense | | Jan 1 - Nov 12, 2012 | 2013 Budget |
|-------------------------------|--------------------------------------|----------------------|--------------|
| Income | | | |
| | State Comp Dividend | 47.68 | \$0.00 |
| Royalties from the Adams book | Royalties | 730.32 | \$800.00 |
| | NIAC Dividend Payment | 251.34 | \$250.00 |
| | Soupabration Fundraiser | | |
| | Soup Bank | 1,860.00 | |
| | Auction(taxable sales) | 3,528.26 | |
| | Contributions_Soupabration | 4,620.00 | |
| | Soupabration Sponsor | 175.00 | |
| | Food Sales | 2,685.00 | |
| | Ticket/Wine Tasting Sales | 7,194.00 | |
| | Raffle-Premium | 1,520.00 | |
| | Raffle-Potluck | 586.00 | |
| | Total Soupabration Fundraiser | | \$25,920.00 |
| | Misc Contributions | 2,397.62 | \$2,500.00 |
| | Table Contributions | 13,850.25 | \$15,000.00 |
| | Tables Contributions | 15,431.75 | \$15,000.00 |
| | Membership Campaign2011 | 900.00 | \$900.00 |
| | Merch Sold - NonTax Shop | 72.00 | \$0.00 |
| | Membership Campaign-2012 | 37,244.50 | \$45,000.00 |
| | Adopt a Poll | 508.00 | \$0.00 |
| | Webcam Donations | 155.00 | \$0.00 |
| | End of Year Donations | 1,500.00 | \$2,000.00 |
| | Hearst fund raising income | 1,550.00 | \$0.00 |
| | Merch Sold-Taxable-FES Shop | 10,276.50 | \$10,000.00 |
| | Merch Sold Taxable - Table | 41,375.00 | \$50,000.00 |
| | Refund | 242.91 | \$0.00 |
| | Bus Tours | 450.00 | \$200.00 |
| | Savings Acct. Interest | 13.17 | \$20.00 |
| | Shipping Income | 52.50 | \$50.00 |
| | PowerPt Presentations | 50.00 | \$50.00 |
| | cd interest | | \$350.00 |
| Total Income | | 149,266.80 | \$168,040.00 |
| Cost of Goods | | | |
| | Cost of Goods | 26,800.81 | \$35,000.00 |
| Total COGS | | 26,800.81 | \$35,000.00 |
| Gross Profit | | 122,465.99 | \$133,040.00 |

est. by chair -financial comm
couldn't address -scope of event
not clear

cost of inventory sold and inventory
yet to sell

Friends of the Elephant Seal Profit & Loss January 1 through November 12, 2012

| Expense | Jan 1 - Nov 12, 2012 | 2013 Budget |
|--|----------------------|--------------------|
| Advertising | 2,525.00 | \$0.00 |
| Soupabration Expense | | |
| Donation to Camp Ocean Pine | 500.00 | |
| Soup Bank | 1,860.00 | |
| Cost of Goods sold Soupabra | 304.62 | |
| License Fees | 25.00 | |
| Fundraiser Essay Contest Priz | 500.00 | |
| Band/DJ | 330.00 | |
| Printing | 1,014.91 | |
| Advertising | 2,581.21 | |
| Fundraising Supplies | 1,661.38 | |
| Postage | 323.82 | |
| Total Soupabration Expense | 9,100.94 | \$9,270.00 |
| Professional Fees - Accounting | 1,450.00 | \$1,450.00 |
| Webcam Stream | 6,998.00 | \$6,000.00 |
| Pay Pal Service Charges | 94.67 | \$150.00 |
| Bank Cards Discount | 530.00 | \$600.00 |
| cleaning person | | |
| Contract Labor | 1,150.00 | \$1,300.00 |
| Docent Supplies | 4,275.81 | \$4,500.00 |
| Docent Event Expense | 2,408.66 | \$2,500.00 |
| Docent Training Expense | 4,791.07 | \$5,500.00 |
| chamber memberships | | |
| Dues and Subscriptions | 508.00 | \$600.00 |
| Equipment, Office/Bluff | 136.99 | \$500.00 |
| Corp fees | | |
| Filing Fees | 45.00 | \$45.00 |
| Hearst Castle Fundraising Expense | | |
| Hearst Theater Fundraiser Exp | 539.66 | \$0.00 |
| Membership Campaign Expense | | |
| Cost of Membr Gifts-SalesTx i | 475.10 | |
| Cost of Goods for 2012 Camp | 2,324.72 | |
| Office Supplies-2012 Campaig | 547.57 | |
| Postage-2012 Campaign | 719.55 | |
| Printing 2012 Campaign | 6,847.74 | |
| Total Membership Fundraising Ex | 10,914.68 | \$14,500.00 |
| Insurance | | |
| Commercial Property | 418.00 | |
| Insurance- Workers Compens | 1,127.33 | |
| Insurance - D & O Insurance | 1,200.00 | |
| Insurance - General Liability | 900.00 | |
| Total Insurance | 3,645.33 | \$3,700.00 |
| | | |
| Licenses and Permits | 50.00 | \$50.00 |

| Office | Jan 1 - Nov 12, 2012 | 2013 Budget |
|--------|----------------------|-------------|
|--------|----------------------|-------------|

Friends of the Elephant Seal Profit & Loss January 1 through November 12, 2012

| | | | | |
|----------------------------|--|------------------|---------------------|---|
| | Supplies | 3,181.12 | | |
| | Gifts | 28.87 | | |
| | Total Office | 3,209.99 | \$3,300.00 | |
| | cal poly internship | | \$3,000.00 | |
| | shark surveillance | | \$0.00 | no budget submitted |
| | telephone app | | \$0.00 | no budget submitted |
| | Outreach Program | | | |
| | Education & Training | 670.96 | \$1,000.00 | |
| | Internet & Website Connection | 797.50 | \$900.00 | |
| | Interpretive Displays | 10.50 | | |
| | Total Outreach Program | 1,478.96 | \$1,900.00 | |
| | Payroll | | | |
| | Payroll Gross | 20,625.50 | | |
| | Payroll Tax Expense | 2,131.36 | | |
| | Total Payroll | 22,756.86 | \$35,000.00 | includes \$10,000 for docent coordinator(gross payroll + withholding) |
| | Postage and Delivery | | | |
| | Shipping Expense | 11.60 | | |
| | Post Office Box Expense | 64.00 | | |
| | Postage and Delivery - Other | 612.14 | | |
| | Total Postage and Delivery | 687.00 | \$1,000.00 | |
| | Printing and Reproduction | 687.74 | | |
| | Brochures | 442.60 | | |
| | Newsletters | 2,645.26 | | |
| | Printing and Reproduction - Other | 274.93 | | |
| | Total Printing and Reproduction | 3,362.79 | \$4,000.00 | |
| Tech support for Giftworks | Program Expense | 279.93 | \$480.00 | |
| | Rent | 4,000.00 | \$4,800.00 | |
| | Repairs | | | |
| | Repairs & Maintenance | 135.00 | | |
| | Total Repairs | | \$650.00 | includes \$ for webcam repair |
| | Taxes | | | |
| | Sales Tax | 4,349.00 | | |
| | Total Taxes | | \$4,600.00 | |
| | Telephone | 842.95 | \$1,000.00 | |
| | Travel | | | |
| | Meals | 126.74 | | |
| | Travel | 315.62 | | |
| | Total Travel | 442.36 | \$600.00 | |
| | Utilities | 1,008.73 | \$1,200.00 | |
| Total Expense | | 91,718.12 | \$114,095.00 | |
| Net Ordinary Income | | 30,747.87 | \$18,945.00 | |