

FL○AT CONFERENCE

Board Meeting #5
November 27, 2018 | 1 pm - 2:30 pm PST

Quorum Present

Present:

- Ashkahn Jahromi (President) / Graham Talley
- Andy Larson (Treasurer)
- Kevin McCulloch
- Matthew Smith
- Sean Lavery

Absent:

- Gloria Morris (Secretary)
 - Tom Fine
 - Jake Resch
 - Jamie Phillips
 - Jesse Ratner-Decle
 - Jeanine Bocci (Operations Team)
 - Jocelyn Jester (Operations Team)
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Agenda:

1. Asset transfer between Float On and Non-Profit
2. Ticket prices
3. Budgeting
 - a. Videos
 - b. AV
 - c. Parties
 - d. Speaker Travel
 - e. Decorations
4. Sponsorship spots

1 - Asset transfer between Float On and Non-Profit

Ashkahn is still working with lawyers to finish forming documents. We need to send in our application for tax exemption to the IRS, including explaining asset transfers. Float On has all these things that have been generated for the Float Conference: videos, podcasts, equipment, branding, etc. Float On

was hoping to transfer these things in exchange for a sponsorship or tickets, etc, instead of selling the assets. An exchange/barter might take care of both needs, and eliminate the need to transfer money.

Andy wants to make sure that Float On knows they may have to pay taxes on things they receive from Float Conference. Graham and Ashkahn will work on writing out the assets and come up with a game plan to present at the next board meeting.

2 - Ticket prices

Presale

We have done a presale in the past (i.e. 100 tickets at a low rate), which will sell out quickly - (10 minutes - 1 day.) These have gone out as early as November and as late as February. January is the best time. This is great for people that know they are going to attend every year. It also generates buzz about the conference. And this generates a cash flow early on for the conference, which helps us to be cash flow positive until the actual conference. Downside is that we are selling tickets for a lower price.

Group tickets

Then we do a group ticket price, so a group of 2 saves \$50 on each ticket, etc. Float On likes this because they always want to be able to bring more staff and can't always do that with the budget.

Full price tickets

Goes on sale about a month before the conference. We really want to encourage attendees to buy tickets ahead of time. We order nametag holders, tote bags, etc about 3 weeks out, so it's really important to have as accurate a count of registrations as possible.

One off discounts

Case by case discounts. A lot of these are sponsors that want to bring a third or fourth person.

The number of tickets sold on the finance page only includes paid tickets - does not include staff, speakers, or sponsors. Ashkahn also gives tickets to local float centers, etc. Ashkahn is curious if anyone has any suggestions on changes? We did try releasing tickets in waves and it was more work than it was worth.

General consensus that if this model has worked in the past and is familiar, then we don't see much reason to change it. Perhaps suggestion to look at the actual prices.

Back to Ashkahn and Finances

Ashkahn separated Workshop and CPO from Conference set up, and estimated admin and other costs (CPA, lawyers, etc.). As you can see, the net income is not large. Ashkahn also attempted to calculate things that will be different in this hotel model that we are reaching towards. We may save a little bit of money there. Printing will be different, since we won't have the hook-ups that we have in Portland. Also, labor will be different - with Ashkahn not doing as much work and volunteers helping to balancing out things. All that said, Ashkahn thinks we should raise the ticket price, about \$50.

Andy playing devil's advocate suggests that prices are prohibitive. There might not be a way around having some people not be able to attend due to costs. Suggests something like we raise the price every time we sell 100 tickets, etc. Or when there are 100 tickets left, raise the price?

Ashkahn says having too many waves of tickets was hard. So we had 100 tickets on sale. And then like 2 months later, another 100 went on sale. Other interesting thing is that that would involve knowing our numbers really well, and I am not confident about that this year. Perhaps this is an idea for another year down the line. Graham remembers we had to address complaints about pricing structure when we tried to do something like that.

At this point, we do not have a venue and therefore do not have a final capacity at this point. We are sending out proposals asking for seating for 600. Ashkahn's guess is our attendee count will be 450-550. Last year's event was the first to not grow. Ashkahn thinks this is an industry wide issue, not a reflection of the conference itself. For example, there haven't been any new manufacturers for the past few years.

(We're going to move on to finances to help make this decision)

3 - Budgeting

- Videos
- AV
- Parties
- Speaker Travel
- Decorations

Speakers

Ashkahn says in the beginning, we didn't pay for anything for speakers. Over time, we got to where we were able to pay for speakers' flights and hotels. Last year, this was \$19,000. This is not super typical. As a non-profit, speakers will be more understanding of our budget and we could be more selective about whose travel we pay for.

Do we think speakers' companies might pay for travel costs?

Ashkahn says typically not. Specifically, Justin and LIBR crew do not have budget to pay for that. It is relatively rare, but some speakers have had some travel costs paid for.

Graham suggests either covering flights or hotels. Ashkahn suggests we could use the tiers of speaker applications - perhaps give a travel stipend of \$500 instead of paying all. There are certain people we shouldn't ask to pay for their travel.

Videos

Ashkahn says the videos we have made in the past are very expensive. Last year, we cut some expenses here, but usually this costs about \$30,000 in total. We do a 5 camera shoot, nice audio, editing, etc. But at the end of the day, they aren't viewed that much. Most of our videos sit at around 400 views. Ashkahn says we could save a huge amount of money here by doing a single camera shoot,

which would still be watchable, but maybe only cost \$5,000. This is where Ashkahn thinks we should save some money, but it will be very apparent. (Kevin and Matt agree)

Sean wants to talk about how to use the footage more effectively, which others agree is a good thing to talk about.

Parties

Ashkahn says in the past we have thrown some pretty mean parties. Our parties are a bit grander than most conferences host. Easy to save here.

Decorations

We can make decisions on getting decorations to make a hotel ballroom look nice with cool lights and a nice stage, maybe fabric art like we have done in the past.

AV

Our past AV setup is pretty expensive, and as a result, pretty foolproof. We have a back up screen, video splitter, etc. We want to avoid a speaker having a PPT issue. We could easily save \$5,000 off this cost, but it would open us up to more risk of errors.

How much are we expecting to pay for the hotel?

This is complicated to calculate, but we are expecting to pay between \$60-70K for Food & Beverage and hotel costs. The comparable costs for last year were about \$68K. We may end up saving on labor.

Do we have a net monetary goal for 2019?

In Ashkahn's ideal world, we would end with about \$30,000 in profit so that we could put down a deposit for next year's event and cover payroll. However, 2018 was a \$5,000 profit. Feasibly, we may have less sponsors and less attendees - but that would also mean less food and less on other expenses. Graham mentioned that last year was harder than usual because there weren't any new organizations that wanted to come out. He hopes that it will be a little easier to ask people for money as a non-profit.

4 - Videos

Sean is interested in Float Conference videos being reformatted into 1 and 1-5 minute videos for use on Instagram, Facebook, etc. This is a great way to create content for the industry. It makes sense as a non-profit to make use of the videos. He's been talking to Jeff of GoFloat in Burlington who has been doing this and he is open to making those videos if given access. Perhaps we can have an industry folder to allow these to be open for anyone to use for content.

Ashkahn says yes this is a good idea. Good news is that we don't have to make the decision about video quality moving forward right away. Kevin agrees that it would be okay to have simpler videos this year and feeling it out as we move forward. Ashkahn can try to find a sample video of a one camera shoot. Also, we have had people contact us that may be able to volunteer time or equipment to help with this. Matt agrees that this is a good place to look at saving.

Back to Finances: Hotels charge an absurd amount for food - we talked about it

Andy says the venue cost seems so crazy. Ashkahn mentions that costs are absurd. Like we pay \$70 for a gallon of coffee. The previous Float Conference costs reflect us avoiding costs like this. Most venues that are big enough to hold us have Exclusive Catering Contracts (i.e. Ashkahn couldn't even bring in a granola bar for himself to eat). Meaning that we have to pay those rates. The Food Cart lunch was great and less expensive, but we also had to get permits, tables and chairs, security, etc.

We have one proposal back from a hotel, which is a \$60,000 food and beverage minimum, which includes all the meeting space, set up, etc. For example, the Hilton last year cost us about \$60 per person for just food for that party. There is flexibility here, but that's about as low as we can go without it feeling like a lame party. Conference benefits from having workshop and cpo lunches included in the food and beverage minimum.

Ashkahn (and Jocelyn and Jeanine) thinks it's a bit lame to have the Saturday night party at the hotel. For receptions at other locations, there are usually rental fees on top of food costs. Ashkahn has tried to convince a venue that a sponsor wanted to give free granola bars to all the attendees, and the venue said no.

The speakers kicked ass and the parties were awesome. We need to try to maintain that. It costs about \$175-200 per attendee to attend. (i.e. speakers)

Summary

Everyone is relatively on board to save some money on videos. As we research things, we will keep an eye on making these venue costs more reasonable. For example, we might be able to crunch numbers to pay a room rental fee and save money by doing lunches off site.

(Side notes - there aren't really any theater venues that are the right size and willing to rent to us. Making venues work that aren't traditional venues adds a huge amount of complexity. If we do it at a hotel, it's easy because we can just call and they will fix it. This was easier to do in the same place every year.)

5 - Sponsorship spots

We will talk about this next time, but Ashkahn asks that everyone take a look at the sponsorship structure before the next meeting. We will talk about what we want to do moving forward. Specifically, are there any sponsorships that you think we should move away from or that we have been missing out on. We will have a more general discussion about it and then the operations team will come up with some proposals that we can look at in more concrete terms.

6 - Closing Comments

Jeanine, Jocelyn, and Ashkahn will be in Saint Louis during our next call, and then Jeanine and Jocelyn will go to Denver to look at venues. Things are not going great with venues so far, but we hope to have good news soon.

Next Meeting: December 11, 2018 from 1 pm - 2:30 pm PST