

Mary Muse's Notes for 10/22/16 Volunteer Retreat

Before fest this year, there was a debate: Do we call you Staff, do we call you Volunteers? Do we call our Coordinators Staff Coordinators or Volunteer Coordinators.

We decided "Volunteer" – because –this signifies you are giving to the festival. We believe you are serving in Staff positions, not because of the benefits we give our support team, but because you love the fest. And whether you are a Krew Leader or not, in my eyes you are all leaders, because you care enough to be here today.

This year, I began budget preparations for FY2016-17 by compiling actual expenses from 2015-16. I learned that, using the same operational parameters – eliminating extraordinary, one time only or other anomalies in income & expense that – again, if we make no changes to our operations, we should expect an \$92K deficit next year. That is not acceptable.

In an effort to come up with a plan that yields at the very least a break even budget, we prepared a number of strategic proposals by which to improve our bottom line.

These strategies ask more of every one of our constituents – ticket buyers, campers, program presenters and attendees, volunteers, advertisers, crafters, office staff, and volunteers. Some strategies produce more revenue, like applying for more grants and overtly asking festival supporters for more gifts; and some reduce expenses. If we are to succeed in implementing these financial improvements, it is important that all of us together – as leaders –present an informed and united position to those who will question the changes. Many of these strategies will be received with varying degrees of disgruntlement. Reactions might range from boycott to grudging acceptance. Please know the changes we are making are being done with great care and concern. However, the choice is either stay the course and let the festival dwindle away or proactively make these changes so we can continue this celebration for generations to come. It is my hope, no it is my believe, that you are here, that you serve this festival first out of love, and second for the benefits and privileges provided to thank our volunteers.

- Ticket prices have been increased, on average, by 15% That's huge. We project the net impact for that yields us over \$46,000 gross. Additionally, we are adding a 50% discount ticket for 17 & under because we want this to be a family event, and we hope that parents who are on the affordability fence will be able to attend.
- We will STRICTLY enforce current campground parking rules. This impacts both Parking and Sleeper Vehicle revenue.
- We plan to add new RV sites across the street in our overflow parking land. This year's revenue will only net us around \$1,000, but once paid for, we will gain over \$4,000 a year.
- We are re-structuring our schools – Songwriting School, Ukulele, Blues Guitar, and Harmonica workshops; increasing the price and setting a deadline for registration with an "Early Bird" price and a minimum number for the workshop to "make."
- Margaret has been working as a volunteer / work/trade during off season researching grant raising opportunities. We are projecting an additional \$10,000 from grant applications.
- Additionally we are asking camps to sponsor raffle guitars so the funding from businesses can be applied to sponsorships, and I will be making "targeted ask" to members of our community who are financially able, asking them to help cobble us through the next 3 to 5 years with an annual gift.

We will be making a huge foundation membership push. Let me tell you why this is important. This festival was built by Rod Kennedy as a sole proprietor operation. That means, its success or failure was solely up to him. He

was a marine, and his motto was, “Failure is not an option.” In the face of that, he was challenged by a number of consecutive years of rains that killed the festival’s attendance. When it became time for Rod to retire, we all know that the festival went through a number of tumultuous years before landing on a model that put the festival oversight into the hands of its community in the form of a non-profit organization. For those of us who care about its future it is both our privilege and our responsibility to support it with our service, our money and our ideas. That is what it means to operate as a 501 c (3). How many here are foundation members? The initial cost of a Foundation membership is \$100 and thereafter it is \$75 a year to renew. So in regard to Foundation membership, here are the initiatives:

- We will be asking Lifetime ticket holders to be members if they need special processing in order to give their tickets away to others.
- We will ask QVR board members and Kerrvivors who want to exercise their stake privileges during Land Rush to be Foundation members .
- And now we come to the first strategy that impacts our volunteer army. We propose that, in order for a volunteer to be vetted, they be a foundation member. Let me tell you, that this strategy evoked the greatest debate among the board members. We are all well aware that many beloved members of our community are not moneyed. There was discussion about providing volunteers a discounted membership. Our by laws allow the board to reduce the membership fee 50% on the basis of hardship. It is projected that this strategy would yield about \$15,000 – and with 2/3 of our vetted volunteers participating in this option. Realize, this does not say you have to be a member to volunteer, but to be a Vetted Volunteer. It also does not say by being a member you are automatically vetted.

Knowing the Volunteer Retreat was on the horizon, we decide to ask for your feedback about this today. However, before entertaining this discussion, let me proceed through the rest of the strategies and then we’ll come back to this for discussion.

Additionally, there are 2 other changes that impact our volunteer staff:

- We are changing the staff discount for beer from 50% to \$2 off any beer you purchase. This yields us close to \$5,000. This means staff will pay \$1 more in 2017 for premium beers.
- Here’s the 2nd big hit to volunteers – free soft drinks. During the 2016 KFF staffers were given 5,866 soft drinks, 1,153 cups of coffee, and 585 glasses of iced tea. By comparison, our actual sales of these same items during KFF were: Soft Drinks – 958, Coffee – 400, Iced Tea – 106. Although this seems like staggering numbers, it averages approximately 2 drinks daily per volunteer. However, given the expense incurred, in 2017 we will ask volunteers to purchase their drinks at Kerrtry and at the Pavilion. Of course, staff may always access free tea and coffee at the Staff Kitchen, and water will continue to be available always in coolers around the ranch. This change will make improve our fiscal position by just under \$10,000.
- Another proposed change that was hotly debated was staff ice. We charge \$2 for a bag of ice but our actual cost for a bag of ice is \$1, not including the delivery charge nor the rental of the ice truck. However, the board, again feeling great concern for the well-being of our volunteer staff, felt as though ice is important to those crew leaders and volunteers who receive that benefit. So there will be no change to our practices regarding free ice.

Other strategies which I will not go into great detail about include:

- Increasing the number of ads sold
- Increasing the cost of craft booths for Big Folk

- Substantially reducing the number of programs we print and deliver – launching a “go green” download option for festival programs
- Charging the potties in-house rather than paying for that service
- Eliminating free beer at individual staff parties
- Setting a strict budget for the number of carts rented for festival support and stay with it
- Continue improving our beer delivery system
- Reducing the number of phone lines in the office

In total, these proposals **improve our projected bottom line by almost \$100k** – from \$(92k) to nearly a positive \$8k.

Now here’s the deal. I mentioned earlier, if 2/3 of our vetted volunteers become members, we will realize about \$15,000 more in revenue. If we don’t do this, that makes our budget swing into a negative \$7k. So my question to you is, are you willing to do this for the festival, or do you have other ideas that potentially will yield us \$10K in lieu of this strategy?

Questions and comments.

Additional Notes, added 10/25/16

Other strategies not mentioned but included in the budget:

- Strictly enforcing parking / sleeper vehicle fees on the campgrounds
- Change platform for New Folk submissions
- Continue to improve efficiencies in beer service
- Increase craft booth price for 10 x 10
- Change radios used for fest support

Other strategies considered, but not incorporated:

- Develop a new process for ice delivery (this is SOO needed, we just don’t have a good solution yet.)
- Increase daily rate for electrical service
- Eliminate staff discount for electrical service
- Increase camping rates for RV’s (already increased last year)
- Charge a daily rate for camping (Difficult to implement)
- Make sleeper vehicle rate \$5 daily (Difficult to implement)
- Rent out stadium seats for bench sitting (need to find a vendor)
- Charge for staff meals (at cost only)
- Tier volunteer benefits (How?? Very subjective, and difficult to implement)
- Create a Land Rush program for established camps
- Develop new performer pay strategy – booking strategy (requires more money, lots of fundamental “who are we questions”)
- Host Star Parties (star watching)
- Develop cowboy poetry, western music, or bluegrass event(s)
- Program / evaluate an 11 day festival
- Develop Halloween Music Fest (risky, could cost us money)
- Eliminate fall fest
- Charge an volunteer processing fee (\$10, \$20?)