IRE Finance Committee Meeting Minutes

June 9, 2026

Attendance

Committee Chair: Mark Greenblatt, IRE Treasurer
Committee Members: Rick Gevers, Mary Hudetz, Alex Richards, Lee Zurik, **Staff:** Lauren Grandestaff (Interim Executive Director), Heather Feldmann-Henry (Financial Officer), Lynnie McIlvane (new Director of Development, joining from the Pacific coast) introduced by Lauren at the top of the meeting
Board Members (Joining as Guests of the Committee): Josh Hinkle (Board President), Kate Howard (Board Vice President), Alejandra Cancino (At-Large Executive Officer), Jodie Fleischer, Brian Rosenthal (Board Chairman), Andy Lehren, Ana Ley (Secretary), Cindy Galli, Caresse Jackman
Other Speaking Guest: Brant Houston, former IRE executive director

Call to Order

Chair Greenblatt convened the meeting at 6:15 a.m. Arizona time, prioritizing Finance Committee members for speaking roles while welcoming guest participation.

Meeting Overview

- Greenblatt opened by noting two primary agenda items: (1) spending policy discussion and (2) A new proposed budget and a corresponding budget narrative written by staff.
- Greenblatt asked for civil conversation, noting significant behind-the-scenes discussions had been happening, and that everyone on the call at 6:15 AM was there out of genuine dedication to IRE
- Finance Committee designated as having a "protected space" to speak first; board members and guests welcome to participate upon recognition but committee members given priority

Spending Policy: Key Provisions

- Endowment and Reserves Spending Policy long overdue; IRE has never formally adopted one despite being many decades old as an organization
- Policy draft modeled on IRE's existing Knight Foundation agreement, which already governs the Knight-related portion of the endowment and provides a responsible framework
- Greenblatt and Feldmann Henry revised an earlier draft alongside board members Rosenthal and Hinkle; key refinement was ensuring clarity on provision that requires IRE's endowment to keep up with inflation, preserving its true spending power.
- Core mechanics:
    - Annual spending target set as a percentage of total endowment value (3.5–5% range)
    - "Pay yourself first" structure: preserve real spending power against CPI inflation before any distribution
    - Uses a three-year rolling average of endowment market value, not single-year gains, to smooth out volatility and align with Knight Foundation guidance and nonprofit best practice
    - Quarterly market value and distribution reports required to Finance Committee

    - Annual itemized schedule required from staff: mission spend vs. administrative spend, included in an annual performance report
- Reserve provisions (non-endowed, liquid funds):
    - Floor target: Reserves goal for IRE is to have six months of average operating expenses, calculated at ~$868K (auditor-reviewed and recalculated annually based on current salaries and expenses)
    - Current reserve balance: ~$963K, approximately $95K above the six-month floor
    - Any draw under the draft spending policy must specify the exact amount, the purpose, and a formal replenishment plan
    - Reserves explicitly not for routine spending; intended for genuine revenue shortfalls, cash interruptions, or urgent non-deferrable compliance needs
    - Replenishment plan is mandatory: reserves are not a budget line, and any draw must come with a path back to the floor
- Board retains ultimate flexibility: a two-thirds board vote can suspend any portion of the spending policy for unanticipated circumstances
- Greenblatt's framing: "All of these items are intended to keep us around for forever. We can, if we get hit, we want our staff to be paid and we want our training to continue."
- Zurik (committee member): read the policy, familiar with it from prior iterations, supports it, called it "long overdue"

Spending Policy: Enact Now vs. Defer One Year

- Greenblatt's recommendation: defer implementation by one year
    - Rationale 1: incoming executive director should have the opportunity to get oriented before the policy's constraints take effect
    - Rationale 2: under current CPI, the three-year rolling average calculation would leave only ~$100-150K available from endowment earnings after the inflation adjustment, far less than the proposed budget requires (this is a high inflation year)
    - Rationale 3: implementing now would force the board to adopt the policy and then immediately suspend it to pass the current budget, adding procedural complexity and undermining the policy's credibility at launch
    - Rationale 4: IRE is in a significant transition period without a full-time executive director; forcing additional financial pressure at this moment could push the organization toward aggressive decisions that add stress
    - Greenblatt: "It may be in the best interest of IRE to allow us to go through this moment, really invest in this moment a little bit and get through it"
- Zurik's initial position: policy should be enacted immediately; he is for it and sees no reason to wait
- Question raised (unnamed member): would immediate enactment preclude the proposed ~$500K endowment draw?
    - Greenblatt: yes, the board would need to adopt the policy and then separately vote by two-thirds to suspend it before passing the current budget
    - Greenblatt and Hinkle confirmed this procedural sequence: adopt first, then suspend, then budget vote

- Greenblatt noted there would still be value in enacting it first, as some spending rules would be in place even if partially suspended
- Houston's suggestion: treat the current shortfall as a genuine "rainy day" scenario, tap reserves instead of the endowment, and enact the policy now to bring rigor to endowment management going forward; referenced the Great Recession as a prior precedent for tapping reserves
- Zurik (after hearing the full budget discussion): said he might be comfortable deferring after hearing more; wanted the budget conversation first before finalizing his position on timing
- Final vote on spending policy: motion to adopt, deferred one year
  - **Result: passed unanimously, 5-0**
  - Zurik voted yes, noting he still personally preferred immediate enactment but wanted the policy in place rather than risk further delay; "I want to see this policy in place, so I'm voting yes because that's the next time it would be available to be in place"
  - Gevers voted yes on the same reasoning
  - Greenblatt noted this was the one unanimous vote of the meeting

Current Financial Position

- Reserves: ~$963K on hand; six-month operating target ~$868K; ~$95K cushion above floor
  - The $868K figure is auditor-reviewed and recalculated annually based on current salaries and true operating expenses, not total budget
  - Feldmann Henry clarified: the six-month calculation excludes programming travel and variable costs, because in a true emergency those would not be incurred; it covers only what it takes to "keep the lights on"
  - Once the FY2027 budget is approved, the six-month figure will be recalculated against the new numbers
- Endowment: healthy and growing; well-diversified strategy adopted approximately one year ago
  - Strategy shift: moved from dividend/interest income model (primarily bonds) to a total-return approach that allows IRE to tap realized gains over time, not just yield
  - Gala raised ~$1M+; board formally voted to endow those proceeds; donor expectation was long-term preservation
  - At ~6% return, $1M endowment generates ~$60K/year in spendable income
  - At 6–7% target return, endowment expected to grow over time
  - Greenblatt: "We are not in a situation that some other journalism nonprofits that made the headlines recently are in; we continue to have a lot of assets"
- Grant revenue trajectory (Rosenthal, as former treasurer and former president):
  - Historically: ~$800K/year in grant revenue
  - Recent years: dipped to ~$600K/year, already a challenge
  - FY2026 actual: ~$300K, described by Rosenthal as "just a huge problem" and "falling off a cliff"
- Greenblatt's framing: IRE has been planning for this moment for a long time; it remains a strong organization; the task today is ensuring it stays that way fiscally

FY2026 Shortfall: $330K Unbudgeted Gap

- Feldmann Henry's explanation: the shortfall is almost entirely grant-related, driven by three specific grants that did not materialize as projected:

    - Grant 1: IRE applied and did not receive it
    - Grant 2: IRE learned just a few weeks ago that it is ineligible this cycle; the funder requires sitting out a year, which was new and previously unknown information to staff
    - Grant 3: IRE still expects to receive this grant and has a strong relationship with the funder; however, timing has slipped to July, outside the FY2026 June 30 close; "it's not off the table"
- Membership renewals also significantly below budget, compounding the picture:
    - Budgeted $151K in renewals for the current fiscal year; projecting ~$87K
    - Root cause: new website and AMS (association management system) vendor failed to send renewal notices or lapsed-member re-engagement emails for several months after the migration
    - Vendor admitted in writing that IRE did not receive the required training on the additional steps needed to trigger those automated messages
    - Grandestaff's explanation: "If no one knows their membership is expiring, they're probably not going to renew because they don't know." The old system also sent lapsed-member win-back messages that were not configured in the new system.
    - Both issues are now being corrected
    - Grandestaff: Membership had already been declining before the migration: below 5,000 for some time, hovering around 4,500–4,600 before year-end
- Mark noted the unpaid shortfall was not fully visible to the committee until Feldmann Henry confirmed last week to the Board President and Treasurer that the gap had not already been absorbed into the numbers/ the budget presented did not include a way to pay for the shortfall. Once the additional $330,000 spending need was confirmed, the Committee was notified promptly. Staff was asked to represent a budget that included paying for the shortfall. A new budget was presented on Friday June 5th, 2026. It included a proposal to use $516,000 from the endowment earnings, significantly more than $175,000 that was budgeted for FY2025-26.

The following additional related information was shared with the Committee in advance of the meeting, related to the proposed spend from the endowment earnings. Information was drawn from last year's annual investment report.

Amount withdrawn for annual budget (fiscal years)
2008: $145,000
2009: $91,000
2010: $202,000
2011: $160,000
2012: $195,000
2013: $145,000
2014: $150,000
2015: $150,000
2016: $0
2017: $20,000
2018: $0
2019: $0
2020: $152,000

2021: $0
2022: $218,896
2023: $215,000
2024: $182,000
2025: $198,000
2026 (proposed as of June 5, 2026): $516,000 (cell D54)
FY2027 Proposed: $240,000

FY2027 Budget: Revised Proposal Walkthrough (Feldmann Henry)

- Original proposal sent in advance of the meeting; revised proposal delivered by staff the night before the committee meeting (Feldmann Henry apologized for the late timing, noting decisions were made that evening and the team got the materials out as quickly as possible)
- Feldmann Henry walked through changes from the original proposal to the revised version:
- Revenue reductions:
    - Membership revenue reduced to reflect more realistic ongoing decline; staff does not want to overestimate and create pressure, even though plans are in place to rebuild membership
    - Boot camp revenue cut by $10K; training team has plans to boost numbers but wants to be realistic given industry conditions
    - Endowment administrative draw reduced by $20K (From $260k, to $240k); Feldmann Henry noted IRE takes out only what it needs and hopes not to take out the full budgeted amount
- Expense reductions:
    - Full-time marketing position eliminated by new staff proposal: the original proposal had sought to convert a part-time marketing role to full-time to rebuild staff capacity; given current fiscal conditions, that upgrade is being deferred
    - Student headcount reduced; one budgeted part-time student position eliminated
- Raise pool retained: flat 2% for all full-time staff, totaling ~$25K
- Awards luncheon: revenue exceeds $20K but exact figure not available at the meeting; Grandestaff noted she was not asked to prepare that figure; to be confirmed before the board meeting
    - Next year, luncheon proposed to be folded back into conference registration rate; Feldmann Henry confirmed this reflects a desire from staff to reintegrate it, and that luncheon standalone sales have been disappointing
- The ~$516K line coded as “revenue” in the budget:
    - Greenblatt flagged this as easy to misread as positive revenue if not reading carefully; it is in fact a draw from investment/endowment income, coded as revenue because IRE is pulling money in by selling equities or bonds
    - This is a record draw from investment income; historically IRE has drawn far less from this source
    - Of the $516K: $330K is the unresolved shortfall
    - Greenblatt : “It’s not just money that we spend this year, but that’s money that won’t grow over time. Over time, $330,000 invested well can grow to quite a bit of money and it can sustain future jobs and future programming.”

- Conference attendance assumptions flagged as potentially optimistic (Rick):
  - Budget assumes same attendance in Phoenix next year as DC this year
  - Gevers' view: DC is easier to reach, especially for East Coast members; Phoenix requires flying for most attendees
  - Not an election year, which typically reduces broadcast member participation
  - Rate increases (if approved) may further suppress attendance
  - Gevers: "I don't even know if we can make it next year the way it's structured"

Hinkle's Statement (Board President)

- Hinkle read prepared remarks, noting the importance of the moment and wanting to be precise
- Acknowledged the tremendous effort of staff during an extraordinarily difficult period following the death of executive director Diana Fuentes
- Recognized the complexity of interim leadership: acting leaders are managing a team they will soon rejoin, adding to the difficulty of their interim roles
- Despite weeks of budget meetings and several hours over the past week trying to find common ground with interim leadership, Hinkle stated that serious additional steps are still necessary
- Key points from his statement:
  - Additional expenses can and should be cut; the current proposal does not go far enough
  - IRE cannot rely on hoped-for grant revenue or a quick rise in membership renewals to balance the budget
  - The grant misses and software errors affecting membership renewals are largely responsible for the shortfall and have not yet been reported as fully resolved
  - For months, Hinkle sought clarity on membership numbers and received "broad assurances that staff is working on it"; called for precision and immediacy, not defensiveness
  - "We must make difficult decisions to prevent layoffs in the future or reductions to essential services for our members"
- Hinkle's account of his own role during the transition:
  - Set clear expectations and focused on maintaining good governance and a positive board-staff relationship
  - Took on extra responsibilities: helping lead the ED search, representing IRE publicly, collaborating with the board to reassure funders and partners, assisting with conference-related tasks
  - Spoke at Diana Fuentes's funeral and participated in honoring her memory; "Diana was also my friend as well as a colleague"
- Governance action already taken: asked staff to begin monthly reports to the board detailing revenue, spending, membership renewals, and new registrations
  - Acknowledged this level of board oversight is not typical for IRE but is consistent with best practice at similar organizations; "right now, our own circumstances demand it"
- Closing: expressed optimism that staff and board can get to a better budget before next week's board meeting; "I'm hopeful that we can get there together"
- Hinkle exited the meeting after remarks to help conduct an ED semifinalist interview.

Grandestaff's Statement (Staff Perspective and Raise Pool)

- Grandestaff spoke on behalf of staff; Greenblatt specifically invited her to frame the staff perspective before the budget vote
- Opened by noting Diana Fuentes passed away just over two months ago
- Described the workload since: staff working nights, weekends, and vacations nonstop; IRE is down four people over the past six to nine months, meaning trainers and others are covering roles far outside their job descriptions
    - Trainers who should be on the road doing regional workshops are instead filling gaps in the journal, marketing, and other areas
    - "The trainers want to get back on the road. They want to do regional workshops."
- On the raise pool specifically:
    - Two staff members did not receive raises last year; they accepted one-time bonuses instead so Diana would have the ammunition to give the rest of the staff raises; "the staff is standing with them today and asking for all staff to get a very small nod of appreciation"
    - The 2% pool is not a cost-of-living adjustment; it is described as "the smallest amount,"
    - Lauren: "None of us are here for the money or for the fame. We love this organization and we are doing our best."
- On the timing relative to the conference:
    - IRE is heading into what could be its biggest conference since the pandemic
    - A raise denial at this moment would be a significant morale hit
- Closed by appealing for unity: "We are all on the same team. We are all fighting for the same thing. Let's fight together."

Staff Raise Debate: Committee Positions

- Zurik's case against approving raises now:
    - Fiscally irresponsible to approve raises while drawing $500K+ from endowment or reserves
    - Staff has received raises in prior years; appreciation can be shown in other ways
    - Suggested tying raises to hitting budget targets this year: "Maybe if we hit our budget, maybe if we hit the numbers they're budgeted this year, then you discuss it"
    - Acknowledged staff has worked hard and the times have been trying, but: "I think the organization needs to be fiscally responsible here and figure out the financial situation"
    - Emphasized this is ultimately a board decision, not a Finance Committee decision; stated his opinion but deferred to the board's authority
- Richards' view: 2% doesn't even cover cost of living given current inflation; not an unreasonable or large ask in context; "it doesn't seem like an incredible amount of money to me"
- Howard's view:
    - Raise pool is small relative to the structural issues on the table; "next year we're not going to be sitting here saying that 2% staff raise really did us in"
    - Making raise decisions as part of the full budget (rather than in a revision) is the right process; including it here gets the organization back on the correct schedule
    - Acknowledged the many cuts already made: moving the IRE journal online, other expense reductions; staff raises have been given even as spending held flat
- Hudetz's view:

    - Wants a formal board motion in writing expressing appreciation and intent, given that the "promise of showing our actual appreciation to them just keeps getting delayed"
    - Suggested either approving the raise pool or passing a motion as a board laying out intentions in writing
    - Framed it as a "vote of confidence" for staff who have done "extraordinary things" during an extraordinarily difficult time
- Gevers' view: a 2% raise is not unreasonable given everything; noted the marketing position not going full-time already results in savings; but agreed with Zurik that structural issues are the bigger concern
- Greenblatt's framing: acknowledged staff is working around the clock (Feldmann Henry specifically mentioned to him she was working around the clock in small group sessions); the change in the committee's posture on the budget was driven by the late – just last week confirmation from staff to the Board and Committee that the $330K shortfall had not yet been paid for, not by a change in view of staff's work

Structural Revenue Concerns and Long-Term Risks

- Zurik's warnings (self-described as "sounding the alarm for three years"):
    - Fears this is the new normal, not a one-time blip; "if we think this is just a blip, it's not"
    - Industry change is structural; a recession or further inflation would make the situation materially worse
    - Referenced the Mark Horvit years as a prior period of financial difficulty; noted IRE did not draw as much from the endowment then as is being proposed now
    - Conference budgeting may be unrealistic: same attendance assumed for Phoenix as DC; rate increases may suppress attendance further; not an election year
    - "I look at our budget next year and I don't even know if we can make it next year the way it's structured"
    - IRE previously voted to open fundraising to organizations beyond journalism-specific funders; that avenue has been largely untapped
    - Watchdog workshops flagged as a proven membership retention and revenue tool: "I've been yelling about that for a few years now; that's one thing that kept our membership up and kept people into IRE"
    - Closed with: "We need to figure out whether it's other revenue sources, structurally changing things, whatever. I think that's the bigger issue."
- Rosenthal's context and revenue strategy argument:
    - Spending has held flat or declined for years thanks to Finance Committee discipline and moves like taking the IRE journal online
    - "The reason we are in this situation is that revenue has just fallen off a cliff, especially grant revenue"
    - Grant revenue history: ~$800K historically, ~$600K in recent years, ~$300K in FY2026
    - Argued the committee should focus more on the revenue side than on cutting the remaining ~$20K in expenses
    - Gala model: the 50th anniversary gala raised a large amount; should IRE plan to do this every year, or at least more regularly?

    - Broader question: if grant revenue is not coming back at prior levels, IRE may need to pivot its revenue strategy; "we're not going to cut our way to dealing with this problem"
    - Wanted to put revenue strategy on the table as a topic for the committee going forward
- Gevers' comments on gala cadence and conference risk:
    - Annual galas would lose their special character and likely not generate the same returns; the 50th was special because it was the 50th
    - Every five years (55th, 60th anniversaries) would preserve the event's significance and likely maintain donor enthusiasm
    - Gray TV concentration risk: ~10% of total conference attendance; "if Gray for whatever reason cut back or dropped out, it'd be a huge hit to the organization"
    - Zurik noted Gray's strong attendance this year (~170) is partly due to his own advocacy (Zurik is a senior executive at Gray); next year in Phoenix, with no election cycle and a harder-to-reach location, that number may not hold
    - Gevers: Tegna-Nexstar merger flagged as a broader broadcast industry risk: likely job cuts and budget cuts that will reduce conference attendance and membership across the sector
    - Referenced a column noting that Nexstar, historically a strong Murrow Award winner, entered far fewer awards this year, likely due to budget concerns
- Howard's argument on conference pricing:
    - Acknowledged it is an unpopular position but stated it plainly: IRE must consider rate increases
    - Served on the affordability committee and supported prior cost cuts; but "$10 in the pocket of an individual attendee versus the thousands of dollars that we're losing in revenue is something we have to think about seriously"
- McIlvain, new development director for IRE, on the grant landscape (responding to Gevers' direct question):
    - Grant landscape is "really tough right now"; funders are experiencing fatigue, facing top-down pressure, and dealing with tax anxiety
    - General operating grants are highly competitive; many organizations are competing for the same pools
    - Targeted, project-specific asks are more viable: watchdog workshops, regional programs, and similar initiatives with a clear vision and local/individual funders are promising
    - McIlvain and Grandestaff already discussing watchdog workshop road plan
    - IRE should not count itself out of grant income but needs "a really strong vision and targeted asks" to compete effectively
    - "Moving to a revenue strategy that focuses sufficiently on individuals and other opportunities for income" is important, but grant income should remain part of the mix
    - McIlvain: "Being thoughtful and intentional and strategic about how we approach funders is going to net us the best gain back"
- Greenblatt's framing on new leadership and development:
    - Genuinely excited about McIlvain's hire and the incoming ED; sees real opportunity to open new revenue doors

    - But cautioned against putting all pressure on new hires immediately: “It would be smart of us to give them some time to get into their jobs. In development, it does take some time to form the relationships that will bear fruit down the line.”
    - Wanted the committee and Board to be realistic with McIlvain rather than loading expectations onto her shoulders from day one

Reserve vs. Endowment: Logic and Debate

- Greenblatt’s framing of the tradeoff:
    - Endowment funds have higher long-term compounding value; drawing from them costs more in future growth than the face value of the draw
    - Reserves must be formally replenished under the new spending policy if tapped; endowment earnings do not carry the same mandatory replenishment obligation
    - Neither option is preferred; a blended approach was proposed as the most balanced path
    - Current reserve balance: ~$963K; six-month floor: ~$868K; cushion: ~$95K (Richards helped confirm the $95k amount during discussion)
    - Greenblatt’s initial instinct: draw $100–200K from reserves, fund the remainder from endowment earnings
- Howard’s argument for using endowment over reserves:
    - Declaring a fiscal emergency to tap reserves sets a precedent and creates a replenishment obligation IRE may not be positioned to meet given next year’s budget outlook
    - The gala proceeds were endowed with donor expectation of long-term preservation; but the endowment is still the cleaner pot to draw from vs. formally declaring a crisis
    - “I would hate to declare a crisis unnecessarily and put us in a position to have to replenish money when we have a different pot of money that allows us to more cleanly solve that problem”
    - Noted the irony: IRE put all its gala fundraising into the endowment this year; if it had not done that, the money might have been more readily available now
- Rosenthal’s argument for tapping reserves:
    - Reserves exist precisely for moments like this; IRE used them during the Great Recession
    - Reserves historically replenish themselves through interest if left alone and not tapped again; IRE has seen this before
    - Rosenthal: “When I became president, we didn’t have a fully funded reserve. It was a proud moment when we hit full funding. We actually did that by not putting a bunch of money into it, just by interest and not having to tap it for a few years.”
    - Suggested a hybrid: follow the spending policy for the endowment draw (~$100K available under the policy) and take the remaining ~$230K shortfall from reserves
    - Acknowledged the donor expectation on gala proceeds but noted: “We’re now in a situation we did not anticipate”
- Feldmann Henryclarification:
    - The $330K shortfall is the additional question: reserves, endowment earnings, or a mix
    - Under the new spending policy, the available endowment draw would be recalculated using a three-year rolling average; current market values are higher than the three-year average, so back-of-napkin figures may be slightly optimistic
- Greenblatt’s back-of-napkin calculation under the spending policy:

    - At 5% spending rate (upper end of the policy range, taking 5% of market value of endowment over three year rolling avg), after paying the CPI inflation adjustment first, approximately $100K would remain available from endowment earnings
    - This means the amount already budgeted is higher, and would itself require suspending the spending policy; the policy would need to be suspended regardless to pass the current budget
    - Greenblatt: “We would need an auditor to weigh in on what a three-year rolling average of our endowment value is; these quick estimate numbers are based on current market values, which are higher than they have been over three years”
- Zurik’s concern about the reserves approach:
    - If ~$350K is drawn from reserves now and next year’s budget has similar pressures, IRE could burn through most of its reserve in two years
    - “I’m going back and forth because I like Brian’s idea, but if you’re going to take about 350 out of reserves, I have concerns about next year”
- Houston’s position: reserves are for a rainy day; this qualifies; using them allows the board to adopt the spending policy cleanly and move forward with stronger endowment governance; referenced the Great Recession precedent
- Richards’ position: a mix of sources makes sense; more money staying in the endowment to compound is the right long-term logic

Reserve Draw: Motions, Votes, and Final Resolution

- First motion: draw $200K from reserves, fund remainder of shortfall from endowment earnings
    - Seconded
    - Voice vote: Greenblatt yes, Hudetz yes, Richards yes, Zurik no, Gevers no
    - Result: passed 3–2
    - Zurik’s stated reason for no: $200K is too high; wanted to run the replenishment math before committing; “I’m just not comfortable with that number yet”
    - Gevers’ stated reason for no: “Hope is not a strategy”; worried about setting a dangerous precedent by digging into reserves; “I think it’s a dangerous precedent”
- Greenblatt reopened discussion, seeking broader consensus given the narrow margin:
    - Proposed a more conservative alternative: draw only the ~$95K cushion above the six-month floor, keep reserves exactly at the floor, fund the rest from endowment
    - Gevers: no more than the ~$80–95K cushion; “otherwise you’ve defeated the purpose of the reserve”
    - Zurik: would support ~$95K if the math works; “that’s a no-brainer”
    - Richards clarified the math: reserves at ~$963K, six-month floor at ~$868K, cushion ~$95K; “I’m fine with that, it’s a round number”
    - Rosenthal suggested $100K as a round number approximation
- Hudetz objected to reopening the vote:
    - The $200K motion had already passed 3–2; the committee was undermining its own decision
    - “I actually think at least $100,000; we did just vote and say that $200K would be fine, and then somehow that vote was not sufficient”

    - “I would be willing to go under $200K, but I just want to say I do think this is an actual emergency”
    - Zurik agreed with Hudetz’s procedural point: “I was on the losing end, but I still think we probably should go with what the vote was”
    - Gevers: “I agree”
- Final resolution: honor the original 3–2 vote; recommendation to the board is $200K from reserves, remainder of shortfall from endowment earnings
    - Greenblatt: “We’ve reached the consensus that I was hoping for. Not quite in the way we got there, but Mary, thanks for your comments.”

FY2027 Budget Vote

- Greenblatt’s framing before the vote:
    - The $516K draw for YE2026 is a record amount; even with last night’s adjustments to YE2027 budget, it is more than IRE has spent from investment income in the past and next year’s budget asks for what would have been record amount of endowment earnings spending.
    - The organization is facing real signs of strain; the committee’s job is to put the situation in context and make a recommendation to the Board, which ultimately weighs facts and data and other considerations
    - Ongoing conversations between staff and board can continue between now and the board meeting; the committee’s vote does not foreclose those conversations
- Hinkle’s written statement had already called for more meaningful cuts before the board vote; felt additional expenses can and should be eliminated
- Rosenthal suggested a third option: Finance Committee declines to vote at this time, giving staff more time to revise; noted the board has previously deferred budget approval at its annual meeting (two years ago specifically)
    - Also noted Grandestaff’s comment in the chat about more work for staff at the worst possible moment; wanted to be mindful of that
- Greenblatt disagreed with deferring the committee vote:
    - The proposal is live before the committee and the committee should act on it
    - The board retains full options at its meeting regardless of the committee’s recommendation
    - “Right now the committee has a live proposal before it and I think we do need to vote on it”
- Motion: do not recommend the FY2027 budget to the board as currently proposed
    - Moved by Zurik; seconded by Gevers
    - Voice vote:
        - Zurik: for the motion (not recommend)
        - Gevers: for the motion (not recommend)
        - Richards: against the motion (recommends the budget as it stands)
        - Hudetz: against the motion (recommends the budget), with the explicit caveat that she recommends continued staff-board negotiation over the next week to get the budget to a place the board feels good about; “I recommend it with suggestion to keep working at it”

        - Greenblatt : for the motion (not recommend)
    - **Result: passed 3–2; Finance Committee does not recommend the FY2027 budget to the board in its current form**
    - Greenblatt noted the minutes will reflect Hudetz's caveat

Not counted in the vote, because she was not able to attend the meeting, was email commentary from Finance Committee member Myrta Pulliam who emailed Greenblatt as Treasurer prior to the vote to encourage IRE to spend within its means. After the vote she expressed support for the committee's decision.

Spending Policy Final Vote

- Greenblatt made a final motion before adjournment: adopt the spending policy, effective one year from now (June 2027, for the next annual budget cycle)
    - Seconded
    - Voice vote:
        - Zurik: wanted to vote no, on the grounds that the policy should go into effect immediately, not in a year; but will vote yes because he wants a policy of some kind for IRE.
        - Hudetz: yes, supports the policy as discussed and agreed upon with staff
        - Gevers: yes, with the same caveat as Zurik (would prefer immediate enactment) but voting yes because a one-year deferral is the next available opportunity to get it in place; "I want to see this policy in place, so I'm voting yes"
        - Richards : yes
        - Greenblatt : yes
    - Result: passed 5–0; Finance Committee recommends the board adopt the spending policy effective one year from now
    - Greenblatt : "I think we have one unanimous vote coming out of here today"

Summary of Recommendations to the Board

- Adopt the spending policy, effective one year from now June 2027 (5–0)
- Recommend the Board declare a fiscal emergency in order to draw $200K from reserves; and cover the remaining $330K shortfall from endowment earnings (3–2)
- Recommend the Board does not not approve the FY2027 budget as currently proposed by staff; further negotiation recommended before the board meeting (3–2)

Next Steps

- Present Finance Committee recommendations to the board ahead of next week's vote (Mark)
- Continue staff-board budget negotiation before the board meeting, with the goal of getting to a proposal the board can support (all parties)
- Staff to provide monthly revenue, spending, membership renewal, and new registration reports to the board per Hinkle's request

Meeting Adjourned 8:02 A.M. in AZ.