I. Introductions: 7:37pm
   A. April Verrett, Co-chair, President of SEIU 2015
   B. Daraka Larimore-Hall, Co-chair, CDP 2nd Vice-Chair
   C. Resa Barillas, Secretary
      1. Notes will be reviewed by co-chairs then published to the committee’s page on cadem.org
   D. Questions for co-chairs & staff
      1. RL - Request for google group, exchange of committee member emails
         Answer: Party staff will work on the best way to set this up
      2. RL - Clean money organization request to present
         A: Daraka will be presenting on money intake segment. RL to coordinate with Daraka
      3. Rocky - Will presentations be visual? Notes available?
         A: Some presentations will have attachments and some will not.
         Notes will be available after each presentation.
      4. Hene - Anyone can see where party money is coming from and going, but it’s right to not package it easily.

II. Presentation: Chris Masami Myers, CDP Executive Director
   A. Introduction: Party programs & budget change from election cycle to election cycle, year to year. This presentation is based on 2019’s numbers, but offers a general idea of our operating costs and where funds come from.
   B. Baseline: The budget itself
      As presented at the August 2019 executive board meeting,
      7.2 million total operating budget in 2 buckets
      1. Operating costs - 4.2 million
         a) Breakdown of costs:
            (1) Staff, payroll, benefits, consultants
            (2) Sacramento office overhead
            (3) Special Projects
            (4) LA office
            (5) Staff Travel
            (6) ADEMs
         b) Questions:
            (1) Debra - within the operating budget, how much is insurance costing us and is it included in the operating budget (general liability)?
               Answer: Yes - it covers the party as well as chartered orgs within it.
            (2) Rocky - Are settlements & associated costs included in budget as well?
               Answer: These costs do come from general operating budget and are accounted for within the budget, but dues do not pay for them as they come from different budget areas (federal PAC vs state PAC, etc)
            (3) - How many departments are there?
               Answer: Party services, communications, fundraising/finance, accounting compliance, IT, executive staff, and political.
      2. Meetings - 3 million
         a) Projection based on:
            (1) May/June convention (San Francisco cost more because of labor and venue costs.)
            (2) November convention
            (3) August eboard
b) Breakdown of costs:

(1) Labor (all union labor, even though venue isn’t technically a union venue itself)
(2) Direct Venue Costs (rental, food/beverage, internet, housekeeping, on-site security)
(3) General Session (stage, lights, chairs, furniture, closed captioning, ADA, interpreters, backstage and green room)
(4) Front-Runner Productions Event management services (floor layout, seating, labor management)
(5) Staff travel
(6) Shuttles for Attendees
(7) Safety/medical
(8) Lunch
(9) Misc (social media, exhibitor support, IT)

c) Questions:

(1) Diane - is the cost of labor outside of the normal cost of staff?
   A: Yes - it’s on-site work like room setup/breakdown
(2) Debra - asked for and received confirmation on cost estimate.
(3) RL - As security is probably higher this year because of presidential races, can candidates contribute to this?
   A: They don’t pay for security - it’s just not how it works. Generally, local law enforcement will make their recommendations based on the events and the estimated need for public safety, and this opens the negotiations process.
(4) RL - Eboard generally costs far less than conventions - why does this cost so much less?
   A: The size, number of attendees, venues are vastly different - labor cost is almost completely eliminated at eboard because the labor costs are often included in the cost of the venue itself, venue costs are often included in the cost of the room block, internet costs are a fraction of the cost at eboards.
   Convention costs also vary by city.
(5) Rocky - Bylaws dictate 3 eboards/year - considering that they’re so much cheaper than conventions, it’s surprising that cost is cited as a problem with upholding this mandate.
   A: The costs were a bit higher in recent years, but we’re bringing them back down. However, we’ll have 3 next year (but no convention).
(6) Hene - Closed captioning is necessary at eboards as well and should be built into the cost of eboards as well.
   A: We should - part of the problem is eboards often don’t even have projectors, but this should be addressed.
(7) Chevelle - Is it the role of this committee to suggest where to cut costs?
   A: That’s up to the chairs, but this presentation is to give an understanding of what the party’s operating costs are.

C. The Money Itself: Different types of activity require different types of moneys.

1. Types of moneys:
   a) Federal Money
b) State candidate
   (1) Only for state election of state candidates

 c) State slate
   (1) Slate mailers, party PAC pieces, door hangers,

d) State overhead
   (1) Office
   (2) Salaries are split federal & state

e) Leaven
   (1) Bounty, etc

2. How those moneys can be and are used:
   a) Federal money can be used for state expenses, but state money can’t be used for federal activities.
   b) Federal contributions are limited and the party holds onto federal dollars carefully for federal activities as they’re harder to raise.
      (1) Dem2020 are federal contributions so they pay for federal election activities like door hangers, federal walk pieces, voter registration, etc.
   c) The “buckets” from which staff wages are paid are based on what they do/what they’re working on (state, federal, or both).

D. How Money Comes In

1. 2019 Expected Revenue:
   a) Inbound breakdown:
      (1) DNC Stipend for Operating Costs
      (2) DNC Victory Fund
      (3) Dem 2020
      (4) Convention registration/dues
      (5) Congressional endorsement fees
      (6) ADEM filing fees
      (7) State endorsement fees
      (8) Convention Sponsorships
      (9) Legislative leaders, labor, etc.
   b) Difference between estimated operating costs and expected revenue is made up with other donor events, finance council retreats, strategic partners (legislative and labor leaders) and in 2020 the National Convention. One cost we haven’t talked about but will occur next year is the 2020 Coordinated campaign

2. Ways we fundraise
   a) In previous years, we fundraised largely by event
   b) Rusty’s trying a new big-picture strategy of overall fundraising - asking for larger pots, not tied to specific events but to a larger strategy

III. Questions & Comments:

A. Diane - Risk management - who ties these together? Our budget seems low in case of disaster.
   A: The chair & executive director. We’ve also brought in an ombudsperson, building in a code of conduct as preventive measures. You can view the webpage here: https://cadem.org/our-party/code-of-conduct

B. Lynette - Will we get a copy of the budget to look at these categories?
   A: Resa will provide notes, the rest is up to the co-chairs and we’ll review/determine what’s needed beyond that.
C. Lynette - Large orgs require all leaders to go through risk management training to mitigate & reduce liabilities. The party should consider this.

D. RL - Seems that we have insurance experts in this - could we look into mitigating liability costs?
   A: This is something we do and can also review.

E. RL - How much do we bring in with email fundraising campaigns? How much from delegates online or is that lumped into Dem2020? Have we explored online fundraising from a larger universe?
   A: Yes - we email fundraise, end of quarter/year fundraising (not lumped into DEM2020), but it’s not a significant amount
   We do have a large list, separated out by delegates, activists, regional segments, etc for strategic purposes.

F. Chevelle - Is there a set-aside amt in budget for risk management/liability since this comes out of operations budget or is it pulled from other items?
   A: It comes out of the operating budget pot, but it’s state money which is easier to raise. It doesn’t take away from other items in the operating costs pool.

G. Who are the biggest convention sponsors?
   A: Usually friends in labor - SEIU, CTA, etc.

H. Rocky - Are we expecting to see a 2020 operating budget at the convention?
   A: The budget presented at the August eboard still stands, but since the finance committee isn’t expected to meet at convention, probably not? We’re considering making a budget projection something we provide the finance committee every 4 months.
   4th presentation will be Rusty presenting the 2020 Coordinated Campaign and will go over how that will work.

I. April - Reminder of our charge as a committee: the purpose of this presentation is to ground us so we understand the current funding of the party: how much we generate, how much we spend, and on what, so we can be better informed to make our recommendations.

J. Dan - We’re fact-finding, synthesizing, then we’ll have a healthy, robust discussion on the issues. Advises to take advantage of Chris’s presence.

K. Lauren - Do we have an itemized in/out statement on convention costs/revenues?
   A: Yes

L. Daraka - Can we talk about raising for candidates and direct candidate support vs. program? How do we keep candidate expected contribution separated in our bookkeeping?
   A: A large part of our cash on hand is candidate money - it’s set aside and doesn’t get spent on party operating costs.
   In an election year, what are those amounts like?
   Answer: Not sure maybe $20million, it varies based on the election year.? And it gets complicated because there are federal and state, joint fundraising agreements, etc

M. Resa - Do candidate funds ever go directly to candidates or is it only activity on the behalf of candidates?
   Answer: It gets spent in a variety of ways, depending on whether its federal or state, etc.

N. Debra - Have we recouped any money from insurance for losses?
   Answer: We can’t answer at the time since it’s still an active process.

IV. Adjournment: 8:00pm