

**Minutes of the Meeting of the Board of Directors  
Hudson River Sloop Clearwater, Inc.  
Saturday, November 14, 2015; 10:00 PM - 12:00 PM**

Board Members Present:

1. Seth Davis
2. Mitzi Elkes
3. Bill Flank
4. Ross Gould
5. Allen Gutkin
6. Jim Hanson
7. Dave Lebson
8. James Malchow
9. Rachel Marco-Havens
10. Annie Osborn
11. Don Raskopf
12. Sharon Rowe
13. Robi Schlaff
14. Steve Smith
15. Donna Stein

Board Members Absent:

1. Bill Cox

Staff Present:

1. Erin Buttner-Macchiaroli
2. Hal Cohen
3. Dave Conover
4. Roger D'Aquino
5. Manna Jo Green
6. Peter Gross
7. Shameika Hanson
8. Ann Mellor
9. Matt Soper

The Board meeting was called to order at 10:10 am by President Anne Osborn. A quorum was determined to be present. We opened the Board meeting with the traditional mission song, this time the spiritual, "We Shall Overcome."

Dave Lebson called for a MOTION to approve the previously circulated Minutes of the 10/20/15 Board Meeting. A MOTION to approve the Minutes as corrected was MOVED by Robi Schlaff and seconded by Ross Gould MOTION PASSED UNANIMOUSLY.

Annie opened the meeting with an update on the Gala fundraiser, and a plea to all Board members who will be attending the event to actively serve as outreach ambassadors.

## **BOARD BUSINESS**

### **Immediate Cash Flow Improvement Efforts (Roger D'Aquino):**

- Roger explained that we have applied to Ulster Savings Bank for a 400K loan to pay off our current debt and consolidate our debt in one place at a lower combined interest rate. The loan would include an additional 100K line of credit, with no prepayment penalty.
- In response to a question from the Board, Peter stated that we have applied to the Dyson Foundation for a 50K bridge loan to cover some of the cash outlays of the sloop restoration. The money would be repaid when we receive reimbursement through our matching grant from New York State.
- Anne Osborn called for a MOTION to pass the following:  
RESOLVED that the proper officers of the Corporation are hereby authorized to enter into and execute and deliver on behalf of the Corporation such documents, instruments and agreements as may be reasonably required with

respect to financial arrangements, borrowings, lines of credit and other transactions with Ulster Savings Bank as the Executive Director and the President of the Corporation may think are advisable and in the best interests of the Corporation, and the Secretary of the Corporation be, and hereby is, authorized to execute and deliver to Ulster Savings Bank confirmation of any resolution or resolutions of the Board as may be requested by Ulster Savings Bank confirming the approval and authorization of such transactions.

- The MOTION was made by Don Raskopf and seconded by Jim Hanson. MOTION PASSED UNANIMOUSLY.
- In subsequent discussion it was deemed prudent to allow the Executive Director, President and Secretary to approach other financial institutions as necessary, as per the following:
  - RESOLVED that the proper officers of the Corporation are hereby authorized to enter into and execute and deliver on behalf of the Corporation such documents, instruments and agreements as may be reasonably required with respect to financial arrangements, borrowings, lines of credit and other transactions with such lending institutions and other funding sources as the Executive Director and the President of the Corporation may think are advisable and in the best interests of the Corporation, and the Secretary of the Corporation be, and hereby is, authorized to execute and deliver to such lending institutions and sources confirmation of any resolution or resolutions of the Board as may be requested by such lending institutions and other funding sources confirming the approval and authorization of such transactions.
- The MOTION was made by Robi Schlaff and seconded by Ross Gould. MOTION PASSED UNANIMOUSLY.

#### Executive Director's Report, Peter Gross:

- Regarding Cash Flow:
  - Peter reported that we are in a difficult and challenging time for Clearwater.
  - At our last payroll date, the director level positions agreed to defer their payroll for several days, until certain accounts payable were received. Peter agreed to forego his salary this pay period, and also gave a 7K loan to make that solution happen.
  - Peter stressed that this is not an acceptable situation. It is further stressing out a staff that is already overworked.
- Regarding the Festival:
  - Peter pointed out that we cannot afford to NOT have the festival, for both for momentum and financial/cash flow reasons.
  - We have hired Will Solomon as the Interim Festival Administrator. He is a candidate to run the festival, but Peter is of the opinion that that decision should be made in conjunction with the RPC Leadership.
  - It was suggested that we should not think of the Festival as a fundraiser, we should acknowledge that it is a revenue-neutral outreach event.

- Jim offered a public thank you from the Board to Don for his continual efforts to build bridges to the RPC and think creatively about how to find a “silver lining” and take advantage of our current situation.
- The topic of obtaining sponsorships was discussed.
  - Bill Flank noted that as part of our policies, we have requirements regarding accepting sponsorships. We should carefully observe those policies.
  - Hal offered that in his experience the Board should trust Peter and Matt to make appropriate calls for approving sponsors.
  - Seth stated that our policy is good, but ultimately subjective. He offered that essentially any sponsorship we accept could be questioned in some way, but that that is not a reason to not pursue sponsorships.
  - Rachel questioned our connection to local sponsors, and Peter replied, “Not enough.”
  - Steve Smith stated that he believes that we have a good policy, we all understand the potential pitfalls, but this is essentially a settled question; we should allow Peter to seek and approve sponsorships, with a focus on looking for local sponsorships.
  - Sharon pointed out that the large level sponsors are the ones that will bring in the most money, *and* the most scrutiny. We should not forget the mid-level potential sponsorships, in the 1-5K range.
- Other updates on the positive side:
  - We will shortly be receiving 90K from a trust that is being liquidated. We expect to receive that in December. Roger has entered that as an accounts receivable for this budget year.
  - The Ulster Savings bank loan looks positive, but Peter cautioned us to remember that a loan is not really cash in our pocket. It is a several month extension to buy ourselves some time to raise additional money.
  - We have applied for and appear likely to receive another grant from New York State to support the continuing renovation of the sloop, this time for work above the waterline.
  - Frank Landsberger has agreed to chair an advisory committee to guide our outreach to potential major donors.

## KEY DISCUSSION TOPICS

The Board as a whole brainstormed possible strategies for increasing revenue.

Ideas/suggestions included the following:

- The importance of growing our membership was stressed.
- The idea of raising membership prices was discussed.
- Matt cautioned that raising dues is not the way to grow the membership.
- It was suggested that if we do raise prices and if we have longstanding members who don't re-up, perhaps Ann could call them and offer them their old rate.
- It was noted that as we increase the number of emails we send, they become progressively less effective.

- Suggestion – our email manager can poll our membership, and have them elect to get emails for music, environmental issues, sailing, etc. We should do that.
- It was noted that we all share a sense of urgency about Clearwater’s financial future, and she wondered how we can share that with our membership.
- It was posited that if there was more outreach, letting the community know all that we do with and for youth, there might be more support for CW in general.
- It was observed that most of what we have talked about mostly involves approaching our existing membership. Our membership numbers are going down as our membership ages, and we need to reach out to younger members and grow our membership.
- It was suggested bringing some of the young people Rachel works with to the boat, and publicizing that.
- Peter pointed out that some of these ideas may be great, but the staff is already overworked...who is going to do this?
- Several Board members pushed for the goal that we conduct a membership drive. Unify our mission, so that everything that we send out ends with, “Join our organization!”
- It was noted that in the recent past we have employed a top down, “send out a mailing” style of getting memberships, and our membership has been shrinking. What we are talking about now, with advertising and generating support, is a more grass roots “bottom up” style of membership building.

#### Budget Review and Approval:

- Roger presented the proposed Budget. As it stands now, it contains our best projections for revenue and expenses, and it shows a 35K deficit.
- The Board questioned several categories.
- It was suggested (and was supported by many) that we should not project any income from the festival, and instead value it for some many other things...Hal clearly offered examples such as outreach, membership growth, the opportunity for sponsorship money, the opportunity to run patron fish and festival Friday.
- It was suggested that we make a goal of projecting zero income from the festival in the future, but right now we need to project/hope for some income in order to approach a balanced budget for next year.
- Peter advocated creating a rolling budget, where we can put in what we realistically think we will make (and spend) on each item, but we should to revisit the budget quarterly (or monthly?), and adjust it as necessary to reflect changes in income/expenses.
- The proposed budget projects a 35.5K deficit, presuming that all income and expense numbers remain as predicted.
- Annie suggested that we add 35K to the expected development income to balance this budget.
- Matt countered that we add half of that number to development and half to expected Board contributions.
- Steve Smith MOVED that we approve the budget as adjusted by Annie’s suggestion to balance the budget, and was seconded by Allan Gutkin. MOTION CARRIED.

**NEW BUSINESS**

There was no new business raised.

The Meeting was adjourned by common consent at 1:45 pm.

Respectfully submitted,

David H. Lebson  
Secretary