



DRAFT Minutes of the Meeting of the Board of Directors
Hudson River Sloop Clearwater, Inc.
Virtual Meeting via Zoom
Thursday, July 13, 2023 at 7:00pm

Board Members

Sarah Armour
Peter Capek
~~Mitzi Elkes, Executive Committee At Large~~
Joan Gaylord
Neil Gordon, Treasurer
~~Scott Greathead~~
Samantha Hicks, Vice-President
Gareth Hougham
Arthur Jones, Executive Committee At Large
~~Steve Kielar~~
Aaron Mair
~~Jennifer McMillan~~

Tom Murphy
Henry Neale, Executive Committee At Large
Jeremy Rainer
Dan Riesel
Larry Rothbart
Steve Stanne, President, Chair
Donna Stein
Rosemary Thomas, Secretary
Sarah Underhill
Julia Wilson
(~~strike through~~ indicates absence)

Staff Members

Jen Benson
Hal Cohen
Anne Crowley
Ruthie Gold

Amali Knobloch
Erin Macchiaroli
Meg Mayo
David Toman, Executive Director

Members

Rachel Asarnow
Jeremy Baron

Vincent Ferri

The meeting was called to order at 7:00 pm.

Mission Song sung by Steve Stanne, "Somos El Barco (We Are The Boat)".

Approval of Minutes

The 06/06/23 Board meeting minutes were approved by voice vote.

Resolution to Reschedule Clearwater's Annual Meeting

Steve presented a RESOLUTION to reschedule the annual meeting from a virtual meeting (9:30am-1:00pm) to a live gathering (10:00am-2:00pm) at the Settlement Camp in Beacon. The text of the resolution is attached as Appendix A. After discussion, Peter moved the resolution; Donna seconded. The resolution PASSED unanimously. Steve said we should make every effort to get wifi there to allow for remote attendees.

NEW ISSUE: Revocation of Tax Exempt Status

Steve said we learned yesterday that our non-profit status shows as revoked by the IRS and that David, Staff, and the EC have been working on this madly over the past 24 hours. David went through the timeline of events, explaining that the IRS posted the revocation of Clearwater's 501(c)3 status for failure to timely file required annual documentation within a three-year period. David said that although Clearwater had filed a paper version, the revocation was caused by the failure to electronically file the return, a procedure required by the IRS. David detailed actions being taken and took questions.

David noted that both our 2019 and 2020 financial statements are complete and available to the public on our website, and that our auditors are near completion on the 2021 documents. He emphasized the need to continue the focus on getting caught up and moving forward.

Executive Director's Report

David began with the sloop, where the first of two maintenance weeks took place at the end of June, including a successful inspection by the Coast Guard. Manna's Send-off Sail was a big success and David thanked all who attended and/or helped organize. The Onboard Volunteer program is full for the summer, but there is lots of space in the fall. We are preparing for Youth Empowerment Programs in August.

David highlighted the need to purchase approximately \$20,000 of wood this summer, to allow time to dry for upcoming projects. This is above and beyond our current budget; everyone's help is requested.

David welcomed Jen Benson, Clearwater's new Environmental Action Director, who started on 7/10/23. Jen has a Master's degree in Environmental Policy from Bard College, a significant history working with environmental organizations in the valley, and a sincere commitment to the river and Clearwater's work.

David gave an update on revenue initiatives, short term loans, the outlook for ERC (government Employee Retention Credit) funds, an updated draft budget for this year and budget targets for next year. Several challenges are still on the table, with aggressive action needed, but substantial progress has been made. David said if short term loans can be secured, they could be repaid with a portion of the projected ERC funds, leaving the balance to help bridge us to stability. Both Steve and David pointed out that while this year's budget gap has been significantly reduced, more work is needed.

Steve added that having a full volunteer crew complement this summer is very good news, as they often turn into our most devoted and long term supporters. He added that fall is also a great time to volunteer as it's cooler, with more wind and more education sails.

Development Report

As Meg spent the past two days working exclusively on the new IRS issue, tonight's update was verbal. Meg reported that our active online fundraising has ceased (donation forms taken down) until we are sure we are fully compliant with IRS rules and understand what we are allowed to do.

Meg said revenue challenges remain this fall and encouraged the Board to plan small gatherings in the near future. Meg shared how the Brooklyn event was easy and fun and that more of these are needed to cultivate both existing and new supporters. Ideas mentioned include a pizza or low key cocktail party or a local party to meet our new EA director. Meg said the recent members' event in Beacon, at Two Way Brewing, by the train station was easy to organize, convenient to reach, and appreciated by the members who attended. If you would like help finding something to do, reach out.

Donna said NYC Friends of Clearwater is putting together a sail and thanked Amali and Captain Rory for their support. Donna added that Board members can team up with other Board members and fill charter sails, with slots available in September and October.

Meg said land based events, close to home, can also be awesome and are easier to plan, as the sloop schedule does not need to be considered.

Steve has organized a benefit concert by Guy Davis, on Sunday, August 20th, at The Falcon in Marlboro, NY, to honor Manna. Reservations can be made directly with The Falcon.

Meg said there may be a benefit concert in Rosendale on Nov 12th.

Legacy Society and Endowment Building

Tom spoke of the importance of endowments and of a recent seminar he and Rosemary attended, which emphasized the role of legacy giving in building them. Tom shared his experience as a founding member of the Mohonk Preserve legacy society. He said Clearwater has the Seeger Society, to recognize those who have included Clearwater in their wills or estate plans, though it has been inactive compared with other legacy societies.

Tom said he, Sarah U, and Rosemary, along with Meg, are working to reinvigorate and grow the Seeger Society, and are planning outreach for new members in the near future and an event for society members in the fall. Tom shared that he, Sarah U., and Rosemary have all updated their estate plans to include Clearwater and have let their families know. Tom then challenged every board member to join us.

Rosemary shared key points from the seminar – that September is ‘will month’ with more written that month than the rest of the year combined, that there is enormous charitable competition going on and it will only increase, and that, based on demographic and giving trends, organizations should plan to generate 20% of their operating income from endowments by 2035. For these reasons, Rosemary said the goal is to outreach to at least an initial set of long term supporters in mid-late August.

Sarah U. shared insight from a meeting with Mr. Ross, a long time philanthropist who focuses on encouraging legacy giving. He said you are giving people a gentle nudge to put their affairs in order, to take care of the people they love and the organizations they love and think about how they want to be remembered in the world. It’s helpful to some people who haven’t thought about it.

Larry added that there is another provision in the tax code where, once you reach a certain age, you can give a portion of the Required Minimum Distribution from your Individual Retirement Account directly to a non-profit and it counts as a distribution, with the non-profit getting the full amount, while you avoid paying taxes on the distribution without having to itemize. Larry was clear, he is not a tax lawyer but is aware of the program.

David said any internal support for outreach to long term donors would be helpful and appreciated.

Nominating Committee

Arthur reviewed upcoming key dates: 7/14, last day for members to nominate candidates; 8/1, final slate submitted to Secretary; 8/14, ballots mailed; 10/1, annual meeting. As there is still one day left for nominations by membership, Arthur showed the tentative slate, potentially including up to five new individuals. If all five new candidates run, it will be a competitive election with 14 candidates for 12 seats.

Arthur commented on 12 seats being up for election this year, rather than an ideal 1/3 of the seats. Arthur said the Nominating Committee has understood how this uneven arrangement occurred and spoke to potential remedies which the committee will pursue.

Sam thanked the Nominating Committee for all their work throughout the year.

New Business

Vince Ferri expressed concern that Clearwater is getting far from the membership organization that founder Pete Seeger envisioned and said he has been reaching out to 700-800 former volunteers. Vince said the Board ignores what the membership wants, saying it is too much work, but that the Board does not work on the festival, RPC does. Steve said the decision on Revival was financial, not that it was too much work. Julia and Arthur, co-chairs of the Membership Committee, will reach out to Vince to understand how membership wants to connect. Neil noted the financial impact of the last festival and that the bylaws are very specific on the responsibilities of the board in governing the organization.

Executive Session

The board went into executive session at 8:43.

The meeting was adjourned at 9:00 pm.

Respectfully Submitted,
Rosemary Thomas, Secretary

APPENDIX A

A resolution to reschedule Clearwater's 2023 Annual Meeting

Resolved that Hudson River Sloop Clearwater's Annual Meeting on Sunday, October 1, 2023, originally approved to be a virtual gathering on Zoom running from 9:30 AM to 1:00 PM, instead be held on the same date but in person at the Settlement Camp Park in Beacon from 10:00 AM to 2:00 PM.

Dated: July 13, 2023