

**Minutes of the Meeting of the Board of Directors
Hudson River Sloop Clearwater, Inc.
Saturday, November 16, 2013; 10:00 AM-3:30 PM**

Board Attendees:

Bill Cox
Stephen Filler
Bill Flank
Ross Gould
Jim Hanson
Greg Julian
Claus Kinder
Frank Landsberger
Dave Lebson
Anne Osborn

Staff Attendees:

Manna Jo Greene
Nick Rogers
Heidi Kitlas
Hal Cohen
Will Solomon
Amy Bonder
Dave Conover
Eli Schloss

Guests:

Allan Goldhammer
Betty Harkins

Board Absentees:

Francis Cruz
Roberta Goldberg
Dean Lentz
Robin Schlaff
Stephen Smith
Ezra Swerdlow

The Board meeting was convened at 10:15 am by President Frank Landsberger, and moved immediately into Executive Session to finalize next year's budget.

IN EXECUTIVE SESSION

Frank offered an overview of our current financial status.

Bill Flank reminded the Board of our By-Laws and formal Policies regarding the expected conduct of Board members in both open and executive session. "The Board expects and welcomes diverse opinions to be expressed during deliberations, but speaks as ONE VOICE once decisions have been made."

Roger D'Aquino was invited to join the Board in Executive Session. Roger and Claus presented the following:

- Claus gave an overview of our current cash-flow situation for October.
- Three versions of the proposed budget were presented, requiring varying levels of retrenchments and/or revenue increases.
- Frank stated that he wants to show that the Board is committed to giving and challenged present Board members to pledge. We raised over \$15K.

After much discussion, the Board reached consensus that we would table the budget vote until we hear the Development Committee report, and that we will move back into Executive Session at the end of the day to consider and then vote on a budget.

Anne Osborn MOVED that we move out of Executive Session and was seconded by Jim Hanson.
MOTION PASSED UNANIMOUSLY.

BACK IN OPEN SESSION

Greg Julian MOVED that we table the budget decision for now and was seconded by Steve Filler. MOTION PASSED UNANIMOUSLY.

Frank welcomed staff and guests and explained that in the Executive Session the Board had been working on next year's budget.

It was announced that during the Executive Session, the attending Board members pledged more than \$15K in new donations to support Clearwater at this time. The giving represented 100% participation from all attending Board members.

For the traditional mission song, Dave Lebson led an 'a cappella' rendition of Pete Seeger's "Sailing Up My Dirty Stream."

Dave Lebson asked for a Motion to approve the previously circulated Minutes of the 10/24/13 Board Meeting. A MOTION to approve the Minutes as written was MOVED by Ross Gould and seconded by Bill Cox. MOTION PASSED UNANIMOUSLY.

Amy Bonder was thanked for her efforts in helping to update the Board structure. All Board members were asked to consult the previously circulated list of standing and ad hoc committees and to inform Amy as soon as possible as to what committees they are interested in serving on.

BOARD BUSINESS

Development Committee Report and Fund Raising strategies:

- Annie reported that she is seeking to design a strategy to acquire pledges to raise an endowment, the interest from which will pay for the yearly repair and maintenance of the sloop. Annie's efforts were universally appreciated.
- Heidi Kitlas made a presentation detailing where our revenue comes from. She presented a draft of all budgeted revenue columns, and offered ideas as to where she believes we can increase those numbers by setting additional goals.
- In discussing planned giving, which is obviously unpredictable, it was suggested that the intent be to add that money to the endowment.
 - Ross raised the concern that if planned giving is restricted in any way, some folks might not choose to give.
 - Stephen Filler added that to solve that, we should re-examine our endowment policy, and perhaps not restrict the endowment to support the sloop – or perhaps create multiple endowments.
- The end result was that we have proposed about \$2.3 million in revenue, and Heidi has set an additional \$300K in goals.
- Frank asked how long it would take to begin to generate an additional couple of hundred thousand in revenue from major donors. Heidi responded that it would take a few years.
- Jim asked, "If we give you full staff time, how much of the \$300K of goals could we get?" Heidi answered that she feels that the currently budgeted numbers are numbers she feels confident

of and she does not recommend going beyond that. The additional target numbers are goals, not reliable sources of income.

- Claus summarized that we are setting a budget with about \$200K less than last year's projected income, so expenses will need to be cut commensurately.
- In related discussion:
 - Nick reported that the Coast Guard has verbally approved granting a new Certificate of Inspection, based on the recent stability test of the sloop. The new COI will bring the sloop's Coast Guard-approved capacity back up to a maximum of 50 passengers, and 70 people total.
 - Dave Conover reported that we are struggling to book up-river schools.
 - Jim offered to help with creating a media presentation. Dave Conover noted that he is open to going to any school to recruit.
 - Steve Filler asked Dave Conover to draft a letter that Board members could bring to local schools in their area, to push the sloop program.
 - Manna suggested that we should seek to nominate Board members that live up-river to get that presence.

The Board took a 30-minute break for lunch

KEY DISCUSSION TOPICS

Eli Schloss presented a summary and discussion of the previously circulated Staff White Paper:

- Eli began by reporting that a \$300K grant was awarded to Scenic Hudson, with Clearwater as a partner on the grant, to build a facility at Esopus Meadows. We will use the facility and some equipment supplies that were written into the grant to grow our Tideline Education programs.
- Eli then eloquently summarized the content of the White Paper.
- In ensuing discussion, the following points were raised:
 - In the last 5 years there has been an increased visibility and respect for Clearwater in the valley, but it has not been accompanied by an increase in demand for programs. So if we need to scale back our expenses in this coming year, the staff advocates that we don't scale back in our outreach and marketing efforts.
 - Eli and Dave have been working a "bottom up" approach, working with schools and trying to grow from one classroom to another.
 - Eli suggested that perhaps the Board could start a "top down" approach, meeting with legislators or superintendents to advocate for how our programs both meet the Common Core standards, while also providing a unique alternative method of instruction.
 - It was suggested that Clearwater should seek partner organizations in addition to the Hudson River Maritime Museum.
 - Ross wondered whether competition from other organizations is the reason our program demand is not increasing with our visibility. Eli disagreed, explaining that it is more about resources and time available to schools.

- Greg asked whether the current management structure (with no ED) is a working long-term model, or if it is a crisis management mode. The general consensus here is that it has been hard. The staff has definitely stepped up. There are consistent, efficient weekly staff meetings. The staff is communicating respectfully. But the staff is stretched. They are making things work, but it is time to change.
- Dave Conover asked that we acknowledge the work that Roger, Heidi and Amy have done to keep the organization going and moving forward.

Anne Osborn MOVED that we move back into Executive Session to finalize the budget details and was seconded by Frank Landsberger. MOTION PASSED UNANIMOUSLY.

IN EXECUTIVE SESSION

Steve Filler noted that while clear goals were created, there was no plan for how to get there, and some of the goals were not terribly ambitious.

Greg noted that if we could raise 25% of the total of the \$300K goals Heidi identified, it would more than fill our budget short-fall.

It was agreed that once we pass a budget, we then need to form a small committee of staff and Board, to look at how to meet some of the goals Heidi outlined.

Claus suggested that as a Board, we commit to raising an extra 132K this year, but that we need to do it partially by motivating staff, establishing metrics and setting and meeting goals.

Following this discussion, Greg Julian MOVED that we move out of Executive Session and Bill Flank seconded him. MOTION PASSED UNANIMOUSLY.

BACK IN OPEN SESSION

Greg Julian offered a MOTION to approve the budget requiring additional revenue generation and avoiding retrenchment at this time. The MOTION was seconded by Anne Osborn. MOTION PASSED UNANIMOUSLY.

Frank explained that the budget is a vote of confidence in ourselves and our staff. It says that we can meet the requirements of the organization without any further cuts.

Steve Filler suggested that the Development Committee (consisting of Board and Staff) be charged with meeting weekly, and producing monthly reports and plans as of our December meeting.

KEY DISCUSSION TOPICS CONTINUED

Executive Director Pre-Recruitment Task Force Report:

- Hal Cohen presented a chart showing the results of the prioritizing exercise that was done by the staff and the Board.
- The Board was presented with the documents that the Executive Director Pre-Recruitment Task Force came up with, including a draft of an Executive Director Job Description, an

Interview Guide, salary comparisons, a Search Committee structure, and a process for the search, including opportunities for Board members to participate.

- It was noted that for about \$45-65K, there are firms that can provide an interim director, and help us with the hiring process. It was suggested that we may be able to apply for a grant from Dyson to support this.
- The importance of staff inclusion in the search process was stressed.
- Bill Flank MOVED that an Executive Director Search Committee be formed, comprising 3 Board members, 1 staff member, and an appropriate outside member, plus the Board President as an ex officio member, with a target Executive Director start date of 4/1/14, with the Committee using the tools and procedures developed by the Task Force, including the job description, personal attributes, the salary survey data, the Interview Guide and weighted ranking spreadsheet, and the “Three Horizons” set of immediate, short-term, intermediate-term and long-term goals as guiding principles. The MOTION was seconded by Greg Julian. MOTION CARRIED with one nay vote.

The Executive Director Pre-Recruitment Task force was thanked for their work.

OTHER BUSINESS

The reports from the other Task Forces were tabled due to lack of time.

Frank shared that we have sent flowers to Roberta in honor of her wedding.

The meeting was adjourned at 3:40.

Respectfully submitted,

David H. Lebson
Secretary