

Minutes of Board Meeting December 18, 2013, 2:00 p.m.

Via telephone

Present:

Frank Landsberger
Greg Julian
Robi Schlaff
Roberta Goldberg
Ross Gould
Ezra Swerdlow
Anne Osborn
Steve Smith

A quorum was met

Frank asked for the first part of meeting to be in executive session because they concerned personnel issues. Discussion followed.

The meeting was moved from executive session to the December Board call-in meeting the agenda focusing upon examining our cash flow and budgetary balance sheets.

Updated financial report by Frank;

Frank: Cash Flow--\$100K was borrowed from the endowment with the intent that \$20K be used for payroll. (Board vote November) Klaus and Frank instructed Roger that any other withdrawal needed to be approved. Roger used additional endowment money for meeting payroll, receivable and ticket sales money from the revival as assets for cash-flow use totaling \$60K with \$40K remaining from endowment money voted upon by the Board to be used to respond to our cash flow problem. There is \$14K in checking acct. Need \$30K for payroll this week.

Frank: Hudson Rising--The hoped for \$225K in receivables turned into an \$80K pass through to Hudson Rising for work already done. There is a payment due Clearwater from the NYS of \$54K. Although we expected to end November in positive \$15K, we are actually negative \$53K since we have not been reimbursed

Frank: EA -- EA did not meet its budgeted expected donations falling some 15,000 dollars short for 2013 thus causing a shortfall in expected budget revenues.

Frank: On a cash flow basis we can make it through January, but there is no way to continue as we are. We have received \$7K in advance ticket sales for revival and Roger was instructed to keep the money separate and not be used for operating expenses.

Roberta shared her historical analysis of the Revival and believes it would be unprecedented if we did not use the Revival ticket sales to fund the current work needed for Revival.

Much discussion followed regarding how to proceed. Should we borrow additional money? Now owe \$225K.

Frank's recommendations were molded into motions for the purposes of discussion and voting.

Resolution 1

Motion 1 Furlough several staff beginning January 3rd excepting key .

Motion 2: Not seek uncollateralized bank loan

Motion 3- Use no Revival ticket sales receivable for on-going cash flow expenses

Motion 4 Move forward with a membership donation drive to increase donations and sales.

Discussion: Roberta stated that the appeal to the members should be on the web, email blasts, Facebook and all other efforts -

>> Frank - need \$100K now

>> Greg - need much more than that - need to have enough money for the fiscal year, and carefully let people know there is a crisis. Greg – We also must have the Seegers on board. Discussion about the endowment – with \$100K and restrictions on its use.

Questions about how we present the current situation of CW, how do we respond to questions about Jeff, questions about Pete. Frank stated that there are some who think the appeal could be counter-productive at this time.

Discussion: We talked about whether those furloughed would be eligible for unemployment, and when our staff needed to be notified.

Greg: We must notify our bonding insurance company about the current situation. Bonding companies are often assets in advising about financial and legal obligations which we as Board Members have under our Board insurance policy. They will clearly state what we are and are not responsible for as a non-profit Board.

Protracted discussion on proposals with various opinions in support and opposed. Most paramount is that we do not know the amount of money that will be raised by end of year drive?

Frank - can't wait for miracles - now is the time to shut down expenses and try to figure out how to move forward. We need to get the rest of the board to give an opinion on these issues.

>> Greg - move the question on the furlough - Robi seconds, Discussion - Steve Smith - would like to get the appeal out first and get a week or two to raise money

Frank - don't need to furlough now but need approval to make sure that we can put the furloughs in place if needed

Unanimous approval of motion regarding furlough with the understanding that the remainder of the board will be given an opportunity to discuss and vote on the motion.

Motion 2 - restriction on uncollateralized loans - Ezra moved, Greg seconded, - Short Discussion - unanimous approval -

Motion 3 - use of advance ticket sales - Frank moved, Ezra seconded,

Discussion - several Bd. Members are not comfortable with this. Frank proposed an emergency finance committee to look at this issue and to report back by January 3 about the viability of the concert. Roberta - revival has traditionally been a huge income source and monies brought in have gone to pay for revival and the organization as well. If furlough staff, who will work on revival? Should we segregate the money for a month? Motion passed by acclamation after an understanding that an emergency financial committee will be formed to make recommendations about immediate financial future of Clearwater.

Motion 4 - membership appeal -unanimous vote- with an understanding for deeper examination by Emergency financial committee to assess continuing and accurate information about our current financial situation.

Greg reiterated that the motions were considered to be advisory in nature pending a discussion of the motions by the full Board and a vote.

Discussion followed.

It was agreed that Frank will appoint an emergency finance committee to report back to the Board by January 3rd to verify the up to date financial reports, review proposals, and give recommendation.

Frank asked for volunteers. Ross and Greg volunteered, Jim Hanson, Steve Filler, former Treasurer Albert Berwick were suggested.

Respectfully submitted:

Robi Schlaff
Interim Secretary