

**Minutes of the Meeting of the Board of Directors
Hudson River Sloop Clearwater, Inc.
Monday, June 20, 2016; 6:00 PM - 9:00 PM**

Board Members Present:

1. Seth Davis
2. Mitzi Elkes
3. Bill Flank
4. Betsy Garthwaite
5. Allen Gutkin
6. Dave Lebson
7. Anne Osborn
8. Don Raskopf
9. Sharon Rowe
10. Robi Schlaff
11. Stephen Smith
12. Donna Stein

Board Members Present by Phone:

1. Ross Gould
2. James Malchow

Board Members Absent:

1. Bill Cox
2. Lucy Johnson
3. Rachel Marco-Havens

Staff Members Present:

1. Amy Bonder
2. Hal Cohen
3. Dave Conover
4. Manna Jo Greene
5. Diane Oktay

Guests:

1. Bob Alpern
2. Jeffrey Domanski
3. Allan Goldhammer
4. Neil Gordon
5. Samantha Heyman
6. Marvin Warren

The Board meeting was called to order at 6:10 pm by President Anne Osborn. A quorum was determined to be present. Stephen Smith led the Board and guests in the traditional mission song, this time “Lean on Me” by Bill Withers.

Dave Lebson called for a MOTION to approve the previously circulated Minutes of the 5/19/16 Board Meeting. A MOTION to approve the Minutes as corrected was MOVED by Seth Davis and seconded by Donna Stein. MOTION PASSED UNANIMOUSLY.

Annie appointed Betsy Garthwaite to serve on the Nominating Committee, filling the vacancy left when Sharon Rowe stepped down. The appointment was approved by Common Consent of the Board.

As chair of the Nominating Committee, Robi invited prospective nominees (and all present) to introduce themselves.

Interim Executive Director’s Report – Dave Conover:

- Dave began by making that the point that this has been a challenging year for Clearwater. Both he and our Development Director are “acting” in their positions.

Dave also announced that Roger is planning to retire in the next several months. Hiring to fill those positions is going to be a significant obligation over the coming months.

- Dave spoke of some positives going forward, including:
 - The fact that the Tarrytown Concert will probably net close to 40K.
 - The Chef (see below for details) event will be exciting and lucrative.
 - We are planning for our second gala in November.
 - The boat is back in the water!
- At this point, Annie asked that the Minutes reflect general acclaim for the crew's efforts to get the Boat back in the water successfully this week.
- Dave then shifted his focus to the challenges going forward.
 - The staff is tired, we are scrambling from week to week, struggling to make payroll from time to time, and something needs to change.
 - We should be very proud of how we've all worked together to get to where we are now, but what we have now *cannot* be the new normal. We need to build up the capacity of the organization.
 - Dave's goal when he came in as Interim ED was to get the boat back in the water and paid for. Now he is looking forward to thinking about festival.
 - The line for this year was "restore the boat this year so we can restore the festival next year." Dave shared that if we want to continue to run Festival with Steve Lurie, Steve has stated that before he agrees to serve as our Festival Director he requires the organization to create a 350K account dedicated to the production of the Festival.
 - Everyone wants to have a festival, but Dave pointed out that we need to restore the organization first/as well saying, "Before I can even talk about the festival for next year we need to talk about how we can build up the staff."
- In ensuing discussion, the following points were raised:
 - It was noted that now might be the time to create a mini strategic plan.
 - It almost feels impossible to talk about the festival at this time, especially if we want to go with Steve Lurie who has specific parameters that must be met before he is willing to go forward, including 350K in cash reserves.
 - This is an exciting (if exhausting) time for CW, because the way we've done it in the past can't be repeated, so we are now looking to form the new model. Part of a strategic plan needs to include how we build cash reserves and a steady flow of income.
 - Change is not only hard, we have some very entrenched constituencies. If we, after careful consideration, decide that the festival is not a good return on investment, we will disappoint a large and vocal portion of our membership.
 - We need to change the paradigm of the conversation about revival – it should not be looked at only as a fundraiser.
 - No arm of Clearwater supports itself independently.
 - If we need to make changes to revival to create something smaller than it previously has been for financial reasons, then fine, but we **MUST** preserve the spirit of the event.

- We need to change the conversation and focus less on “do we or do we not have Revival,” and focus more on the need to build and maintain a financial cushion to allow us to get through hard times. Without a financial cushion we are not sustainable.
- Dave Conover took advantage of the direction of this conversation, and offered the following segue: we have maxed out our line of credit, and have close to 500K in debt. One of the concepts that Phil Rosenblum (our financial consultant) had was the idea of “Change Capital.” At this point Dave introduced Diane Oktay:

Fundraising Report – Diane Oktay:

- Diane made a presentation including an overview of the idea of Change Capital. Her presentation included the following:
 - A short exercise to remind us that there are many ways to find people who can help Clearwater.
 - A list of some ways people can support CW financially.
 - A draft of a Sponsorship Opportunities packet
 - A “Change Capital Case Statement”
- In ensuing discussion, the issue of whether, and how to fund and hold a 2017 Festival quickly took precedence. The following points were raised:
 - We all have the same focus, to keep the whole spiritual being of Clearwater alive and functioning. If we could get to the point where we could all move forward with doing whatever it takes to get revival back next year it will help with membership, spirit, forward motion. We will see a lot of the support areas Diane outlined come into play.
 - Guest and Site-Crew Member Marvin Warren offered to help organize a door-to-door **canvassing** campaign.
 - Manna offered an example of multipurpose fundraising: she is working with a group of organizations trying to hire a major advertising company to fight for the closing of Indian Point. She invited them to book a sail on the sloop.
 - If we are able to announce a Festival for 2017, we would certainly get a positive jolt in terms of media attention, membership support and fundraising.
 - Either we raise the 350K, or we sit down with Steve and the RPC to discuss ways to scale back our plans for festival.
 - Samantha Heyman noted that there are a large number of un-booked spots in the August sail schedule.
 - Mitzi volunteered to plan a sail in August to bring donors interested in supporting the festival on board.
 - Some discussion was given to considering how much energy it would take to consider scaling down Festival.
 - The Board was reminded of a point that Steve Lurie made at his primer, that if we scale back too far we will by definition move to “lower tier performers” and will risk decreasing possible revenue.

- It was noted that at this point further discussion should include the RPC leadership.
- In an effort to summarize our Festival Conversation thus far, the following points were made:
 - It was suggested that we agree that we will have a segregated account for Festival.
 - It was suggested that if we create such an account, it creates the potential to raise some money specifically to fund Festival.
 - The Board was reminded that in the fall of 2015 we all agreed NOT to sequester funds.
 - It was stated that we currently still *intend* to have a festival in 2017 at Croton Point.
 - It was suggested that we target “ticket buyers” instead of members with a dedicated campaign to raise money to support the festival.
- Steve Lurie’s expectations/guidelines for him to sever as Festival Director were clarified as follows:
 - An account containing 350K will be created by September.
 - The first 350K in ticket sales will also go into that account.
 - Festival expenses will be paid out of that account, not organizational expenses.
- The Board recognized the need to commit to doing this work. Robi agreed to chair an ad hoc committee to work on bringing in money to support a full festival. Don, Donna and Betsy volunteered to serve on this committee.
- It was suggested that the finance committee meet with Roger to discuss what the cash flow picture would look like if we did this “sequestration of funds.” The Board was cautioned that while we may really want to bring back revival, if we shoot ourselves in the foot to do this we’ll be in bigger trouble than we are now.
- Overall, it was noted that we need some short-term cash quickly.
- The discussion of whether to re-vote on whether we are willing to sequester some funds with some restrictions was TABLED at this time.

Upcoming Events:

Chefs for Clearwater –

- Annie thanked Hal, Mitzi and their committee for their work thus far on this event.
- Mitzi and Hal reported on the progress that has been made thus far.
- The invitation was shared
- It was explained that Tim Ryan (head of CIA) **is** co-chairing this benefit along with Chef Terrance Brennan.
- It was stressed that there has been a lot of pro bono support for this event, from party planners, wineries, farms, etc. We are trying to keep expenses very low, but we will have to pay at least some portion of the food.
- Mitzi asked that the Board agree to buy a “table.” That could cost from 5K to 15K.

2016 Clearwater Gala –

- The Gala will be on Sunday, November 13th, 2016, at 4:00 pm.
- Betsy and Annie are on the committee organizing the event, and they are seeking additional support from other Board members.
- The event will be very similar to the inaugural gala of 2015, including the same MC, auctioneer and location.
- A band has already booked, and they are offering their performance pro bono.
- Honorees will include:
 - Jean Wort, member of the Board of Directors of the Hudson Highlands Land Trust and former captain of the 1917 ferry-boat *Commander*, and
 - Ron Oswald, Chairman of the National Maritime Historical Society, and member of the Board of Directors of the Hudson River Maritime Museum.

Pig Roast –

- On October 1st at the Hat Factory in Peekskill, in collaboration with Peekskill Pottery, a “pig roast” and an annual craft celebration will be held to benefit Clearwater (Rain Date = 10/15).
- This will be a more affordable way to support Clearwater, at \$35/person for the pig roast and entry into the auction.
- It was proposed that we do something like this annually, as a small event that raises less money but is accessible to people who can’t afford \$300 tickets (the cost of the Chefs for Clearwater event).
- The idea of being sensitive to people who do not eat pork was raised. In keeping with the tradition of Pumpkin Sail, it was suggested that perhaps next year we roast a pumpkin!

Nominating Committee Report – Robi Schlaff:

- It was **confirmed** that all Board members had received the bios for our current nominees.
- The committee offered its report and took questions regarding the current nominees.
- A MOTION to accept the Report of the Nominating Committee, and to set the number of open Board slots for the 2016 Annual Meeting at seven (7) was MOVED by Seth Davis and seconded by Stephen Smith. MOTION PASSED UNANIMOUSLY.

The meeting was adjourned by common consent at 9:15 pm.

Respectfully submitted,

David H. Lebson, Secretary