

**Minutes of the Meeting of the Board of Directors
Hudson River Sloop Clearwater, Inc.
Monday, July 18, 2016: 6:30 – 9:05 PM**

Board Members Present:

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

Board Members Absent:

1. Bill Cox
2. Mitzi Elkes
3. Rachel Marco-Havens
4. Ross Gould
5. David Lebson

Staff Members Present:

1. Hal Cohen
2. Dave Conover
3. Roger D'Aquino
4. Manna Jo Greene
5. Diane Oktay

Board Members Present by Phone:

None

Guests:

1. Allan Goldhammer
2. Patrick Wadden of Arm-of-the-Sea
3. Bob Alpern
4. Sarah Underhill
5. Roy Volpe

(Note: Each Board Member, Staff and Guest, please ensure that you legibly sign the attendance sheet! The above is based on your participation.)

The meeting of the Board of Directors was called to order at 6:30 PM by President Anne Osborn. A quorum was determined to be present. Stephen Smith led the Board, Staff, and guests in the mission song, a version of "Big Yellow Taxi", by Joni Mitchell.

The Secretary CALLED for a MOTION to approve the previously circulated Minutes of the meeting held on Monday, June 20, 2016. The MOTION was offered by Robi Schlaff, SECONDED by Donna Stein and APPROVED unanimously.

URGENT BUSINESS: Arm-of-the-Sea Request for a Memorandum of Understanding

Executive Director (Acting) Dave Conover provided a synopsis of the history leading up to the current request for a Memorandum of Understanding (MOU) between Clearwater and the Village of Saugerties regarding access to a Clearwater-owned property that is under a 3-year lease to Arm-of-the-Sea. The MOU would assist the Village of Saugerties in obtaining grants from a \$300,000 fund for Hurricane Sandy recovery projects that would secure and stabilize the area.

- Seth noted that MOU provides no provision for eventual transfer of the property or of liability, no indemnification for Clearwater by the village, and no indemnification for Clearwater by any contractors.
- Robi requested that a "standard contract" be obtained for comparison.
- Stephen noted that Clearwater is not indemnified at present for anything that occurs on the property and that there are appreciable hazards.
- Manna Jo suggested that the issue be set aside for the Executive Committee to pursue.
- Seth MOVED that the Board authorize the Executive Committee to move forward with the MOU pending the resolution of the issue of indemnification; SECONDED by Betsy Garthwaite.
- Dr. Flank noted that there may be other issues of liability regarding licensing and permitting.

- Patrick Wadden representing Arm of the Sea noted that there are not likely to be permitting issues at this time.
- Dr. Flank noted that he is concerned that such an agreement not be open-ended.
- The MOTION was called and APPROVED unanimously with Dr. Bill Flank ABSTAINING.

ACTION ITEM: Resolution to Join Friends of the Earth Petition

Environmental Action Director, Manna Jo Greene introduced a request for Clearwater to join in supporting a Petition before US Court of Appeals by Friends of the Earth requiring the Nuclear Regulatory Commission to keep Indian Point Reactor 2 closed for further analysis and to close Indian Point Reactor 3 for similar study.

- Manna noted that the resolution requires no funding but would require a commitment of some of her time, that Manna would not be attending the hearing, and that Dave Conover supported Clearwater's involvement. She also noted that an informal canvas of the Board of Directors indicated strong support. Manna read out the resolution (appended to these minutes).
- MOVED by Seth Davis and SECONDED by Professor Lucy Johnson that Clearwater join in supporting the above-mentioned petition before the US Court of Appeals. MOTION APPROVED by the Board unanimously.
- Manna noted the rising costs and problems associated with subsidizing nuclear power and the extensive cost of decommissioning, billions that should be invested in transitioning to renewable sources of energy.

OLD BUSINESS

Rain Insurance

Seth Davis noted that we have been offered a settlement of the Rain Insurance for the 2015 festival by the Commerce and Industry Insurance Company, a subsidiary of AIG. The settlement amounts to less than the full value of the policy, but appears to be the best deal we are likely to get. A confidentiality agreement is in force, meaning that Board Members may see the amount; but it should not be publicly disclosed.

- MOVED by Seth Davis that the Board accept the agreement and authorize the Executive Director to accept the settlement on behalf of Clearwater. The motion was SECONDED by Stephen Smith and APPROVED unanimously.
- General thanks to Hal Cohen, who worked diligently to achieve this result and thanks to the pro-bono attorneys who assisted. Hal will invite the attorneys to join him on a sail sometime this year in thanks.
- Dave Conover noted that Clearwater is behind in booking due to the restoration and we are currently happy to give away "development" sails. Board members should promote these sails as much as possible.
- Alan Goldhammer noted that Walkabout Clearwater is booking in schools and asked if we have printed materials for sail promotion. Dave Conover noted that we do not have much available at this time.

Executive Director's Report

- Interim Executive Director Dave Conover is NOT resigning as may have been rumored. A plan is being put forward to hire an Education Director as Dave does not have time to do both jobs.
- The current financial system is not sustainable. Roger D'Aquino will discuss the cash flow situation. Current urgency around cash flow relates to the fact that we have little in the bank and payroll is coming.
- We have other receivables, but do not know when these will come in. These include bequests of \$108k and 46k and an \$8k stock transfer. Robi Schlaff has a friend at the Attorney General's office who may help track down the bequests.
- President Annie Osborn asked when the insurance money from the 2015 festival might be available.
- Hal Cohen responded 20 days, but this is still in negotiation.
- The Dyson foundation has given us an extension on repayment of the bridge loan. We have paid in \$1,000 so far. Payment is now due on September 30th and we expect a restoration reimbursement check in time to make the payment.

- We need to make plans for getting through the remainder of the year. We have events coming up and there is the looming issue of the festival.
- Steve Lurie would like to see assurance of a \$350k set aside for festival, but understands that this is not possible at this time. Steve is reasonable and spent time talking to Phil Rosenbloom on the festival finance issue. Dave believes that it is important that we find a way to hold a festival next year, in Croton, with Steve Lurie as director. We need to find a way to sequester funds (lock box) so that there can be confidence we can be fiscally responsible.

DISCUSSION:

- Robi asks can we afford sequestration?
- Roger suggests that any plan needs to be in black and white and come from the Board.
- Don asks could we use crowd funding or corporate sponsorships?
- Alan G suggests that we target wealthy supporters for seed money. He knows of people who have offered support. Suggests we set up a fund to pay musicians in advance.
- Roy opines that there are definitely people who will donate if the festival is announced.
- Stephen suggests that we need a sustainable plan and must be mindful of donor fatigue.
- Hal is aware of donors who are waiting to see what happens with festival.
- Diane Oktay notes that donor fatigue is a concern, but we do have ticket buyers who have never donated to Clearwater.
- Roy Volpe notes that there are definitely people who will donate if the festival is on.
- Donna reports that while the idea is still in the planning stages, she plans to have a house party and the camping goods store has a mailing list of 14,000 people who might be asked to donate.
- Stephen asks how far are we able to go at this time to reassure Steve and make this happen.
- Dave stated his belief is that we need a formal statement from the Board that we will ensure that festival bills will be covered. We should also be prepared with a "plan B" option for raising funds in the event of a less profitable festival.
- Roger stated that this will require festival analysis which he has worked on with Sharon Rowe. The biggest festival expenses occur in May. We have never had a problem paying the artists.
- Manna and Roy suggest that reaching out to Steve Lurie as a Board will be a good first step.

DISCUSSION TABLED BY UNANIMOUS CONSENT.

Finance Director's Report (Full Report Appended)

- Restoration of Sloop Clearwater required expenditure of \$721k. New York State still owes us 57k and we spent 497k out of our own pockets. Meanwhile the boat did not begin the sailing season until mid-July, costing us sailing revenue. This has been the biggest, most difficult, and most expensive restoration in Roger's 9-year tenure.
- Our cash flow projections are in the black, but this is largely due to non-recurring but much needed bequests. Projections indicate that we can repay the Maritime Museum, repay the Dyson Foundation and restore our lines of credit by September. (General round of applause.)
- Other sources of revenue must start kicking-in soon, including the Chef's for Clearwater event and the Gala.
- We need to have a festival vs. no festival financial discussion in order to make this decision in an informed manner.
- Roger has been working with Sharon Rowe who is asking the right questions. Roger will be with Clearwater until August 17 and will be available 1 day per week thereafter.
- The budget projection includes increases in staffing costs in August for an Executive Director or a Development Director.

DISCUSSION:

- Dave offered appreciation for Roger for being available to interview his replacement and to assist in the interim. Regarding the restoration, the crew was slammed into the restoration role without much preparation (as usual). We need to find a way to support them. Alan Goldhammer has been volunteering on the boat. Also, Maija Niemisto is possibly coming back in November.

- Roger mentioned that we have receivables from Columbia Clearwater and nothing has been paid.
- Dave notes that they have no money.
- Dr. Flank notes that in order to make it to the end of the next fiscal year we need to have a realistic plan and budget.
- Hal notes that the Board must not vote to override the budget.
- Roger adds that we need to monitor the budget and do what we said we will do.
- Sharon suggests that we always need to save something. Discipline is needed to save rainy-day money. She would like to see a 10% set-aside instituted for a rainy-day fund

DISCUSSION TABLED AND REFERRED TO THE FINANCE COMMITTEE BY UNANIMOUS CONSENT

Nominating Committee Report

- Robi provided a list of Board Candidates. Three are currently on the Board and are willing to serve again, and three are to be new Board members. We need to adjust the number of persons running for a seat on the Board to six.
- Dr. Flank MOVED that we amend the number of nominees to six. The motion was SECONDED by Betsy and APPROVED UNANIMOUSLY. Dr. Flank also noted that the quorum for the Annual Meeting is 100 ballots submitted.
- Robi stated that we had a successful Nominating Committee and thanked all participants
- The Executive Committee slate will consist of Ann Osborne serving as President, Stephen Smith to serve as Secretary with Dr. Bill Flank, Sharon Rowe, and Betsy Garthwaite serving at-large. We still need to fill the Treasurer position.

General Announcements

- Betsy Garthwaite cannot attend the Annual Meeting due to a conflict. She also wishes to announce the October 2, 2016 anniversary of the Hudson Valley Folk Picnic, an event that was a predecessor of the Clearwater festival, having begun in 1966 and continued to 1978 when it morphed into the Great Hudson River Revival. The event will be held at Pete and Toshi Seeger Riverfront Park from 11 am to 3 pm.
- There will be a joint event with the Hudson River Maritime Museum and the Ashokan Center with funds going to Clearwater this year. The event will be held annually and funds raised will go to other purposes in future years. It will be held October 8th at Rotary Park in Kingston Point.
- There is a possibility of resurrecting the benefit for Clearwater to be held at the Bardavon Opera House in Poughkeepsie. The previous attempt fell apart due to performer scheduling.
- There is a possibility of an event being mounted at UPAC in Kingston on or about October 8th. Currently reaching out to Tom Rush. This is the same weekend as the O-Positive festival which pairs artists with medical providers.
- The Hudson River Maritime Museum's featured exhibit in 2019 will be on Clearwater.
- Dr. Bill Flank will not attend the Annual Meeting due to a conflict.
- The Hat Factory and Peekskill Clay Studio is doing a pig roast event now called October Feast on October 1st as a fundraiser for Clearwater. The Board should promote this event.

The meeting was adjourned at 9:05 pm by UNANIMOUS CONSENT.

END OF MINUTES