



Minutes of the Meeting of the Board of Directors
Hudson River Sloop Clearwater, Inc.
Virtual Meeting via Zoom
Thursday, June 25, 2020 at 6:30pm

Board Members Present by Video

1. Peter Capek
2. Seth Davis
3. Joan Gaylord
4. Samantha Hicks
5. Arthur Jones
6. Aaron Mair
7. Janine Napierkowski
8. Henry Neale
9. Cathy Page
10. Kyle Rabin
11. Jeremy Rainer
12. Don Raskopf
13. Gregory Simpson
14. Steve Stanne
15. Donna Stein

Board Members Present by Phone

16. Jeff Domanski

Board Members Absent

17. Bob Alpern
18. Nancy Cincotta
19. Mitzi Elkes
20. Neil Gordon
21. Allen Gutkin
22. Ashley Knox
23. Sarah Underhill

Staff Members Present by Video

24. Debbie Cohen
25. Hal Cohen
26. Erik Fyfe
27. Manna Jo Greene
28. Erin Macchiaroli
29. Nick Rogers
30. Anita Vargas
31. Greg Williams

Guests Present by Video

32. Sue Gamache
33. Allan Goldhammer
34. Joyce Hanson
35. Ben Kaminsky
36. Susan
37. Alan Thomas
38. Rosemary Thomas
39. Roy Volpe

Guests Present by Phone

40. Betty Harkins
41. Laura Selleck

Call to Order

Steve Stanne led the attendees by voice in song, "Oh Father Hudson" – Pete Seeger.

The meeting on Thursday, June 25, 2020 of Hudson River Sloop Clearwater, Inc. was called to order at 6:36PM by President, Steve Stanne.

A quorum was determined to be present.



The meeting agenda was made available by email and posted on the website.

Prior Meeting Minutes Approval

Steve asked if everyone had the chance to review and approve the previous meeting minutes.

Peter Capek requested that we record the votes if it is not unanimous. While it is not required, it was decided it is good practice.

Steve called for a **MOTION**: To approve the board meeting minutes from May 27, 2020 on Thursday, June 25, 2020 at 6:39pm. The **MOTION** was moved by Joan and seconded by Donna, and the **MOTION** was **APPROVED by Majority**. The vote breakdown is as follows:

Peter Capek	Abstain
Seth Davis	Aye
Jeff Domanski	Aye
Joan Gaylord	Aye
Samantha Hicks	Aye
Arthur Jones	Aye
Aaron Mair	Aye
Janine Napierkowski	Aye
Henry Neale	Aye
Cathy Page	Aye
Kyle Rabin	Aye
Jeremy Rainer	Aye
Don Raskopf	Aye
Gregory Simpson	Aye
Steve Stanne	Aye
Donna Stein	Aye

Clearwater's Current Financial Condition

Greg reviewed the current financial condition including the following:

- Progress towards financial strength
- Regular Reporting Review
- Cash Flow
- Accounts Payable
- "Debt"



Some steps to financial strength include some of the following:

1. May and June exceeding projections by \$17K and \$47K respectively,
2. Raise an additional \$100K by 9/30/2020
3. AP in arrears potentially can be paid mostly by the \$150K in EIDL Loan proceeds
4. Establish a six-month reserve of \$500K over the next three
5. Establish Endowment(s) – raise \$10M over next five years

Greg presented how we might go forward to achieve those steps in his presentation.

Regular reporting review included the following:

1. Daily (M-F): "Non-Restricted Book Balance" delivered to Executive Committee automatically via email
2. M,W,F: Cash flow model delivered to Executive Committee & senior staff via emailed link
3. Monthly: P&L and Balance Sheet for last two months (most recent month's reports are preliminary)

Cash Flow Model:

1. Updated daily based on the Daily Non-Restricted Book Balance report.
2. Updated on a bi-weekly basis to reflect and prioritize current payables.
3. Primary purpose: give advanced warning of potential inability to fund ongoing operations.
4. Secondary purpose: allow senior staff and the board to relatively easily explore different staffing scenarios.

We currently conservatively forecast being able to fund operations through October 9, 2020.

Accounts Payable Aging includes current, 1-30 days, 31-60 days, 61-90 days, 91-200, 121-150, 151-180, 181 and over. Revival 2019 is included in the 181 and over category.

Clearwater "Debt" includes Ulster Savings Term Loan, Ulster Savings Converted LOC to Term Loan, Credit Card, Personal Loans, Accounts Payable \geq 180 Days, Accounts Payable $<$ 180 Days, PPP Loan and EIDL Loan.

Henry Neale requested printed copies of Greg's slides. The slides are kept on the internal shared drive and are accessible.

Please see more on the Executive Director's Report included as [Addendum A](#) below.



Resolution: EIDL Loan Acceptance

Greg presented in place of Neil, who was not able to attend the meeting.

This loan is different than the PPP loan in a number of ways.

The first way is it is provided strictly by the SBA (Small Business Administration) not from a private bank like PPP.

None of this loan is available for forgiveness and is on a 30-year term, can be paid back early without penalty, 2.75% fixed rate and has no restrictions on how you spend the proceeds. The monthly payment is approximately \$641.00.

Ulster Savings had no issues with the use of the proceeds, and we will be finalizing reconciliation of February, March and April 2020 balance sheets and profit and loss and submitting those to them for review. We expect to hear after that review and move forward from there.

The resolution voted on is below:

WHEREAS the corporation has been authorized to borrow through the Small Business Administration or such other governmental agencies as may be designated by acts of Congress or the New York State Legislature, and that the President, Treasurer, or Executive Director shall execute such instruments as may be required by any governmental agency with appropriate jurisdiction to effect such borrowing, and

WHEREAS, that President, Treasurer, or Executive Director have been authorized to execute any instruments required by Ulster Savings Bank or any governmental agency with appropriate jurisdiction with respect to the opening of such accounts, or to the withdrawal of funds from such accounts,

Be it RESOLVED that the corporation be authorized to accept a loan in the amount of \$150,000 from the Small Business Administration, and that the Executive Director be authorized to execute and deliver as an "officer" of the corporation such forms as may be required by the Small Business Administration in connection with such loan.

Steve called for a **MOTION**: that the corporation be authorized to accept a loan in the amount of \$150,000 from the Small Business Administration on Thursday, June 25, 2020 at 7:16pm. The **MOTION** was moved by Samantha and seconded by Peter, and The **MOTION** was **APPROVED with a majority by the Board of Directors**. The vote breakdown is as follows:



Peter Capek	Aye
Seth Davis	Aye
Jeff Domanski	Aye
Joan Gaylord	Aye
Samantha Hicks	Aye
Arthur Jones	Aye
Aaron Mair	Aye
Janine Napierkowski	Aye
Henry Neale	Abstain
Cathy Page	Aye
Kyle Rabin	Aye
Jeremy Rainer	Aye
Don Raskopf	Aye
Gregory Simpson	Aye
Steve Stanne	Aye
Donna Stein	Aye

Please see the Approved Resolution included as [Addendum B](#) below.

Resolution: Producer and New Development/Marketing Director

Resolution to authorize the extension of Producer and to Hire a Development/Marketing Director was presented.

The resolution voted on is below:

WHEREAS the Board of Directors on May 12,2020 authorized the Executive Director to rehire or hire staff according to a plan approved by the Executive Committee on May 7, 2020, subject to a maximum of \$26,000 per bi-weekly pay period, and further subject to the limitations and restrictions of the Paycheck Protection Plan, and

WHEREAS the Board of Directors subsequently authorized increasing the maximum to \$29,000 per pay period and hiring a producer for the Sailing Up Sailing Down program, as it was then known, and

WHEREAS the Executive Director wishes to extend the employment of the producer of the Our River Connects Us program , as it is now known, for a single pay period, and to hire a development/marketing director,

Be it RESOLVED that the Executive Director be authorized to extend the employment of the producer and to hire a development/marketing director, and that the maximum payroll be increased to \$31,500 for a single pay period.



Steve called for a **MOTION**: that the corporation be authorized to accept a loan in the amount of \$150,000 from the Small Business Administration on Thursday, June 25, 2020 at 7:26pm. The **MOTION** was moved by Aaron and seconded by Donna, and The **MOTION** was **APPROVED with a majority by the Board of Directors**. The vote breakdown is as follows:

Peter Capek	Aye
Seth Davis	Aye
Jeff Domanski	Aye
Joan Gaylord	Aye
Samantha Hicks	Aye
Arthur Jones	Aye
Aaron Mair	Aye
Janine Napierkowski	Aye
Henry Neale	Nay
Cathy Page	Aye
Kyle Rabin	Aye
Jeremy Rainer	Aye
Don Raskopf	Aye
Gregory Simpson	Aye
Steve Stanne	Aye
Donna Stein	Aye

Please see the Approved Resolution included as [Addendum C](#) below.

Virtual Revival Program Results Update

Steve thanked the team who put this together: Ben, Roy, Tom Chapin, Tinya Seeger, Rick Nestler, Cathy Page, Greg Williams, Jeremy Rainer and Miguel Munoz.

Roy said the committee started working twice a week and the group worked well together under a short amount of time. The tech part of it was done by Ben and his help bringing Miguel in and connected with Cathy and Greg as well.

Roy mentioned that addressing the PR/Marketing/Advertising needed improvement and outreach could have been expanded with help of others inside and outside of the organization.

Roy requested that the organization put forth a commitment of funds into future events.

Ben said he was grateful for the help of staff. The tech side of things was challenging and the level of coordination in 8 weeks was harder, so the pre-recorded option seemed to work better for us. Free programs we discovered (OBS, others) helped us greatly.



The production itself, due to the generosity of artists, volunteers and staff cost a total of \$500.

Projection of restream date is July 12, 2020 but waiting to confirm. This gives people the opportunity to view who weren't able to before.

Virtual Revival Fiscal Results Update

Greg reported that we netted \$57,000 had 30,000 viewers and increased our YouTube subscribers to just over 1,000.

Debbie asked about the revenue streams for the \$57,000. Possible revenue streams are from donations, t-shirt sales or by other merchandise on the website. Her numbers were different and would like to see the overall sources.

Nominating Committee Update

Arthur presented the Nominating Committee Report. This included the following:

1. Current board is 24/25 members
 - a. This is a large board, based on research
 - b. Reducing the size of the board through attrition possible
2. Board Members up for Re-election:
 - a. Running in 2020
 - i. Joan Gaylord
 - ii. Peter Capek
 - iii. Aaron Mair
 - iv. Don Raskopf
 - v. Jeremy Rainer
 - b. Undecided
 - i. Nancy Cincotta
 - ii. Henry Neale
 - c. Not Returning
 - i. Kyle Rabin
 - ii. Robin Schlaff

The final slate submission is July 4, 2020. Final slate deadline is July 18, 2020.

We need to provide new candidates a chance to run for election.

If anyone has the name and contact information for someone, they feel would be a great candidate to be a member of the board, please send to Arthur Jones (email provided if asked).



Board Self-Assessment

Cathy presented that we had a board self-assessment last year, produced by former President Stephen Smith.

This year, according to Policy VII, the board's accomplishments and shortcomings of the prior year would be assessed every August (preceding the Annual Meeting). The actual evaluation of each director is important, and we should look at what doing the evaluation can and cannot do.

It is designed to tell us how the board thinks it is doing at this particular point in time. It also provides a summary of responses that can serve as a baseline from which to work on governance improvements. It can serve as a launching pad for governance agenda and continuing the efforts to strengthen our board. It is critical to do these and guide our committee work. Strategic planning and committees need to be strong to implement all initiatives.

Policy states that the evaluation is required by the Nominating Committee to be updated, distributed, and completed on behalf of the organization. Planning and Governance offers assistance to the Nominating Committee if they should need help.

The self-assessments will be put together into an overall board evaluation. We should be sending the board assessment to the entire board by Monday, June 29, 2020.

Strategic Planning Update

Seth is a co-chair of the outward facing group along with Janine. We will be working with the Nonprofit Support Center shortly. Samantha and Erik are the inward facing group. The inward group are looking to send out a survey that encompasses many groups to get a good sense of what we are looking at with Clearwater as a whole.

Samantha stressed that we need to execute on what comes out of the plan and that we hold each other to that standard to see results for all stakeholders involved.

Steve said we are signing on with the Nonprofit Support Center, through support from a foundation, to start a thorough and complete strategic planning process.

Our River Connects Us (ORCU) Update

Arthur presented a great update with a slide show (video). The journey is from Albany to New York City from June 22 – July 3, 2020. www.clearwater.org/orcu



EXECUTIVE SESSION

Executive Session started at 8:24pm and ended 9:33pm.

Adjournment

Steve called for a **MOTION**: To adjourn this meeting on Thursday, June 25, 2020 at 9:33pm. The **MOTION** was moved by Neil and seconded by Donna. The **MOTION** was **APPROVED UNANIMOUSLY**.

Respectfully Submitted,
Cathy Page, Secretary, 7/18/2020



Executive Director's Report

FINANCIAL CONDITION

JUNE 25, 2020



Agenda

- Clearwater's Current Financial Condition
 - Progress Towards Financial Strength
 - Regular Reporting Review
 - Cash Flow
 - Accounts Payable
 - "Debt"
- 2020 Virtual Revival Financial Performance



Current Financial Condition

- Paycheck Protection Program \$150K loan received
- Essential expenses covered through August 15
- \$240K in accounts payable
- \$500K to raise for Sloop winter maintenance



~~Current~~ **Imminent** Financial Condition

- Paycheck Protection Program \$150K loan received
- **Economic Impact Disaster \$150K loan approved**
- Essential expenses covered through ~~August 15~~ **October 9**
- ~~\$240K~~ **\$119K** in accounts payable
- \$500K to raise for Sloop winter maintenance



Steps to Financial Strength

- Cover essential expenses
 - Increase monthly revenue by \$30K by 8/15/2020
- Prime the Pump of Sloop Maintenance Reimbursement
 - Raise additional \$100K by 9/30/2020
- Pay Off AP in Arrears
 - Raise additional \$240K as soon as possible
- Establish Six Month Reserve
 - \$500K over next three years
- Establish Endowment(s)
 - Raise \$10M over next five years



Steps to Financial Strength

- Cover essential expenses
 - Increase monthly revenue by \$30K by 8/15/2020
 - May and June exceeded projections by \$17K and \$47K respectively.
- Prime the Pump of Sloop Maintenance Reimbursement
 - Raise additional \$100K by 9/30/2020
- Pay Off AP in Arrears
 - Raise additional \$240K as soon as possible
 - \$150K to be refinanced by EIDL
- Establish Six Month Reserve
 - \$500K over next three years
- Establish Endowment(s)
 - Raise \$10M over next five years



How?

- Own our success
 - Clearwater is the sole U.S. wooden tall ship sailed for over 50 years by a single private owner!
- Build on recent accomplishments
 - Nearly \$200K raised in private donations since March
 - First self-produced online live fundraiser raised \$3,400
- Sound like you believe in Clearwater
 - If you don't know how, refer to [online talking points](#)
- Get ready to Sail Up, Sail Down
 - Pivoting to online content



How?

- Own our success
 - Clearwater is the sole U.S. wooden tall ship sailed for over 50 years by a single private owner! **And now we're sailing!**
- Build on recent accomplishments
 - ~~Nearly \$200K~~ **Over \$300K** raised in private donations since March
 - First self-produced online live fundraiser raised \$3,400
- Sound like you believe in Clearwater
 - If you don't know how, refer to [online talking points](#)
- Get ready to Sail Up, Sail Down
 - Pivoting to online content **with 1,000 YouTube subscribers and 30,000 recent Virtual Revival viewers.**



Regular Reporting Review

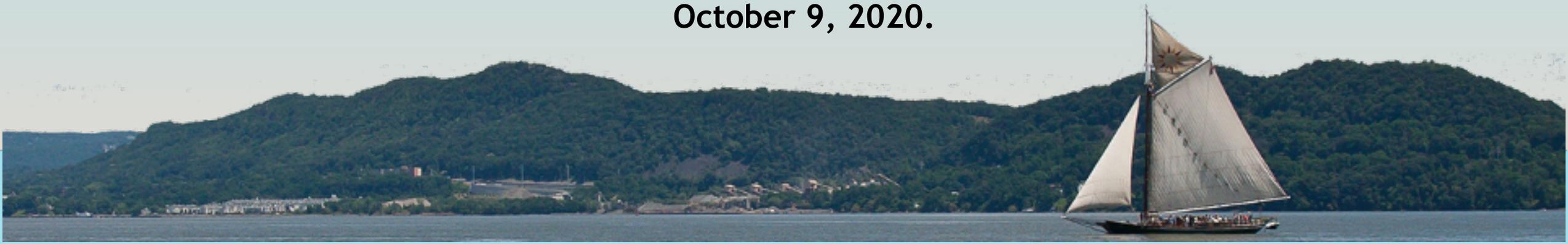
- Daily - Mon -Fri - “Non-Restricted Book Balance” delivered to Executive Committee automatically via e-mail
- Mon,Wed,Fri - Cash Flow Model delivered to Executive Committee & senior staff via e-mailed link
- Monthly - P&L and Balance Sheet for last two months
 - Most recent month’s reports are preliminary



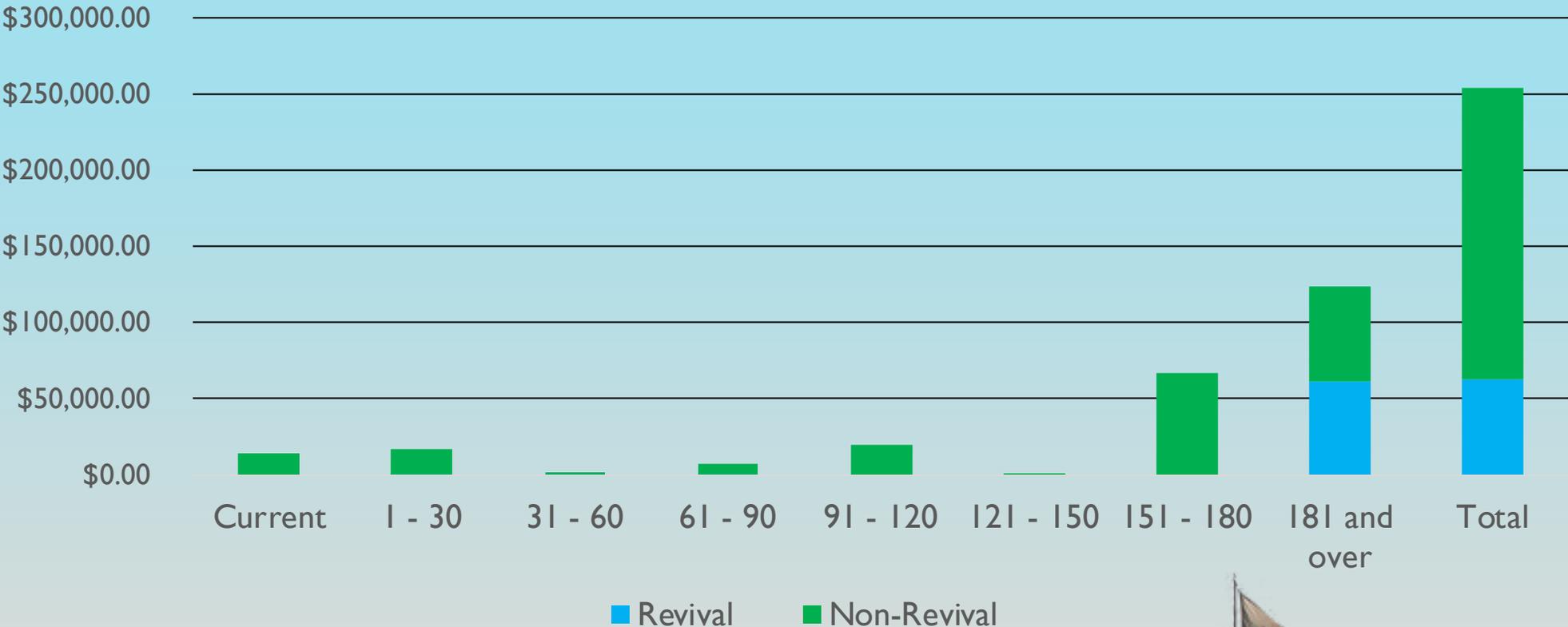
Cash Flow Model

- Updated daily based on the Daily Non-Restricted Book Balance report.
- Updated on a bi-weekly basis to reflect and prioritize current payables.
- Its primary intended purpose is to give advanced warning of potential inability to fund ongoing operations.
- Its secondary purpose is to allow senior staff and the board to relatively easily explore different staffing scenarios.

We currently conservatively forecast being able to fund operations through October 9, 2020.



Accounts Payable Aging



Clearwater “Debt”

	Balance	Term	Interest Rate	Next Payment	Maturity Date	Likely Forgivable ?	After EIDL Use	After PPP Forgiveness
Ulster Savings Term Loan	\$287,063	10	4.50%	7/12/2020	10/12/2027	0%	\$287,063	\$287,063
Ulster Savings Converted LOC to Term Loan	\$47,739	5	4.50%	7/24/2020	12/24/2024	0%	\$47,739	\$47,739
Credit Card	\$50,756	Revolving	6.24%	7/4/2020	NA	0%	\$39,844	\$39,844
Personal Loans	\$53,700	NA	NA	7/5/2020	NA	0%	\$48,700	\$48,700
Accounts Payable >=180 Days	\$124,088	NA	NA	7/2/2020	NA	0%	0	0
Accounts Payable <180 Days	\$129,020	NA	NA	7/2/2020	NA	0%	\$119,020	\$119,020
PPP Loan	\$150,141	2	1.00%	4/1/2021	4/1/2022	100%	\$150,141	0
EIDL Loan	\$150,000	30	2.75%	7/1/2021	7/1/2050	0%	\$150,000	\$150,000
Total	\$992,507						\$842,507	\$692,366



2020 Virtual Revival Financial Performance

Source	Net Proceeds
DonorPerfect	\$ 38,430
Bonfire (T-Shirts)	\$ 11,809
PayPal	\$ 7,163
Facebook	TBD
Total	\$ 57,402

- No expenses paid by Clearwater
- <\$500 total hard costs
- Additional revenue may come from:
 - Ongoing T-shirt sales
 - Ongoing YouTube viewers
 - Rebroadcast of entire Revival





Secretary's Certificate

I, **Cathy Page**, Secretary of Hudson River Sloop Clearwater, Inc., a New York State corporation, do hereby certify that the resolution attached is a true and accurate copy of a resolution adopted by the board of directors of Hudson River Sloop Clearwater, Inc. at a duly called meeting of the board on **6/25/20**.

I further certify that said resolution has not been rescinded, amended, or modified and is in full force and effect as of the date hereof. In witness whereof, I have executed this certificate this **25th** day of **June, 2020**.

A handwritten signature in black ink that reads 'Cathy Page'.

Cathy Page, Secretary

Hudson River Sloop Clearwater, Inc.

Note:

Corporate Seal will be affixed after COVID-19 stay-at-home requirement has been lifted.

Addendum B

Resolution: EIDL Loan Acceptance (SBA)

WHEREAS the corporation has been authorized to borrow through the Small Business Administration or such other governmental agencies as may be designated by acts of Congress or the New York State Legislature, and that the President, Treasurer, or Executive Director shall execute such instruments as may be required by any governmental agency with appropriate jurisdiction to effect such borrowing, and

WHEREAS, that President, Treasurer, or Executive Director have been authorized to execute any instruments required by Ulster Savings Bank or any governmental agency with appropriate jurisdiction with respect to the opening of such accounts, or to the withdrawal of funds from such accounts,

Be it RESOLVED that the corporation be authorized to accept a loan in the amount of \$150,000 from the Small Business Administration, and that the Executive Director be authorized to execute and deliver as an "officer" of the corporation such forms as may be required by the Small Business Administration in connection with such loan.

Dated: **6/25/20**



Secretary



Secretary's Certificate

I, **Cathy Page**, Secretary of Hudson River Sloop Clearwater, Inc., a New York State corporation, do hereby certify that the resolution attached is a true and accurate copy of a resolution adopted by the board of directors of Hudson River Sloop Clearwater, Inc. at a duly called meeting of the board on **6/25/20**.

I further certify that said resolution has not been rescinded, amended, or modified and is in full force and effect as of the date hereof. In witness whereof, I have executed this certificate this **25th** day of **June, 2020**.

A handwritten signature in black ink that reads 'Cathy Page'.

Cathy Page, Secretary

Hudson River Sloop Clearwater, Inc.

Note:

Corporate Seal will be affixed after COVID-19 stay-at-home requirement has been lifted.

Addendum C

RESOLUTION: Authorization to extend Producer and Hire Development/Marketing Director

WHEREAS the Board of Directors on May 12, 2020 authorized the Executive Director to rehire or hire staff according to a plan approved by the Executive Committee on May 7, 2020, subject to a maximum of \$26,000 per bi-weekly pay period, and further subject to the limitations and restrictions of the Paycheck Protection Plan, and

WHEREAS the Board of Directors subsequently authorized increasing the maximum to \$29,000 per pay period and hiring a producer for the Sailing Up Sailing Down program, as it was then known, and

WHEREAS the Executive Director wishes to extend the employment of the producer of the Our River Connects Us program, as it is now known, for a single pay period, and to hire a development/marketing director,

Be it RESOLVED that the Executive Director be authorized to extend the employment of the producer and to hire a development/marketing director, and that the maximum payroll be increased to \$31,500 for a single pay period.

Dated: 6/25/20



Secretary