



Minutes of the Meeting of the Board of Directors
Hudson River Sloop Clearwater, Inc.
Virtual Meeting via Zoom
Tuesday, May 11, 2021 at 6:30pm

Board Members

~~Peter Capok~~
Seth Davis
~~Jeff Domanski~~
~~Mitzi Elkes~~
Joan Gaylord
Neil Gordon, Treasurer
~~Scott Greathhead~~
Allen Gutkin
~~Samantha Hicks, Executive Committee At Large~~
Gareth Hougham
Arthur Jones, Executive Committee At Large
~~Ashley Knox~~

Aaron Mair
Janine Napierkowski, Vice-President
Henry Neale, Executive Committee At Large
Jeremy Rainer
~~Gregory Simpson~~
Steve Stanne, President & Acting ED, Chair
Donna Stein
Rosemary Thomas
Sarah Underhill, Secretary
Greg Williams
Thomasina Winslow
(~~strike through~~ indicates absence)

Staff Members

Hal Cohen
Ruthie Gold
Mannajo Greene
Erin Macchiaroli

Meg Mayo
Nick Rogers
Anita Vargas

Members

Jeremy B
Victoria Christof
Betty Harkins
Maryellen Healy

Ben Kaminsky
Alan Thomas
Roy Volpe

Mission Song sung by Sarah Underhill: “Shoals of Herring” by Ewan McColl

The Meeting was called to order at 6:39 pm

Resolution Concerning Revisions to Board Policy XII

The order of the Meeting Agenda was changed to accommodate Treasurer Neil Gordon’s schedule and to allow him to present the proposed draft of a revised Policy XII, establishing protocols for dealing with unexpected windfalls and creating the Clearwater Century Fund. The draft reflects input received at the last meeting and shared by email since. Part A revisions would allow flexibility in determining the disposition of windfalls, acknowledging that a balance must be struck between the need for long-term sustainability and short term survival. Part B of the policy would create the Clearwater Century Fund, which, unlike an endowment, would allow the principal of the fund to be used for expenses which have a reasonable expectation of reimbursement. Creation of the fund is meant to convey Clearwater’s desire to

see the sloop celebrate her 100th sailing season, honoring our past while looking ahead to an unpredictable future. The Century Fund concept conveys longevity and reflects the perpetual nature of the fund, as maintenance needs will be ongoing.

MOTION to accept proposed changes to Policy XII as drafted and amended in discussion, made by Neil Gordon, 2nded by Joan Gaylord and PASSED UNANIMOUSLY.

The text of the resolution is attached as Appendix A.

Resolution Concerning Disposition of an Unrestricted Bequest Received From the Jean Eckert Trust

Having approved the changes to Policy XII, the board moved to consideration of how to allot the \$250K bequest recently received in accordance with the new policy. A draft resolution proposed setting aside in the Clearwater Century Fund \$150,000 of the unrestricted and releasing the remainder to the general operating non-restricted accounts of the Corporation.

Greg Williams, while generally supportive of this disposition, had two reservations, which he later clarified in writing as follows:

1. While it is imperative to provide the staff with reliable payroll, \$100K will only cover roughly four payroll cycles (two months), so we should consider whether there is a way to spend the \$100K such that it will generate more than four payroll cycles.
2. Giving the Executive Director authority to spend \$100K without further review seems to violate Policy I. General Policies on Executive Director Limitations, which prohibits the Executive Director from doing the following “without consulting either the Board at regularly scheduled meeting or in an emergency [emphasis added] with the President of the Board:
 - Permit budgets or financial statements to contain too little information for reasonably accurate projections of revenue and expense, separation of capital and operational items, cash flow and subsequent audit trails.
 - Commit to plans, programs or expenses that exceeded the total annual budget or individual budget categories of the annual budget, unless such expense overages are offset by revenue overages or by expense savings elsewhere in the budget; or permit revenues to fall below budget unless such revenue shortages are off-set by expense savings.

Steve responded that flexibility would be need in making such decisions – that funding for an audit, maintenance of our leased premises in Beacon, and website improvements were among the proposals suggested to executive committee - but that meeting payroll was also essential.

Rosemary Thomas agrees that flexibility is needed and expressed confidence in the Executive Committee’s ability to appropriately consider and guide the use of these funds.

Henry Neale felt that the executive committee should consider standards for expenditures that are non-recurring and unusual and promote stability like the audit and website revisions.

Anita Vargas noted that Ulster Savings Bank has covenants with the corporation regarding the use of such funds and may instruct us to use them in a certain way. She has apprised the bank of receipt of the bequest and will keep them informed of our decisions on using it.

Neil suggested that we include language specifying that the executive committee would approve expenditures from the \$100K allotment.

Rosemary pointed out that having this allotment available doesn’t mean that it would all necessarily be spent; we must continue all the other fundraising efforts we have underway.

Greg questioned whether we are operating with the staff size and expertise to allow them to make decisions concerning spending the \$100K. He felt that the sum should not be made available until a spending plan is presented.

Rosemary emphasized the need to put \$150K towards the sloop maintenance work now, and expressed respect for the staff’s expertise and commitment. Steve seconded that support for staff.

Discussion ensued about whether comments made by and about individuals were being accurately represented. Steve called for an end to that discussion and a focus on editing the resolution to address points made followed by a vote.

Changes were made to the proposed resolution to specify that the Executive Committee would decide on

uses of the bequest funds remaining after allotting \$150K to the Century Fund, with preference to non-recurring expenses and without being subject to ratification by the board.

MOTION to approve the Resolution made by Henry Neale, 2nded by Joan Gaylord and PASSED WITH TWELVE YAYS AND ONE NAY.

The text of the resolution is attached as Appendix B.

Approval of Minutes

Greg Williams proposed amending the April 12 minutes to include his comment that we should take more time to review the policy proposals before voting on changes, and that in setting the policy a previous board tried to uphold reasonable board behavior regarding finances. He pointed out that Policy XII – Regarding the Sloop Legacy Fund assumes that Clearwater is operating under a budget: “Whereas, it is the policy of the Board of Directors of the Hudson River Sloop Clearwater, Inc. a New York not-for-profit Corporation, to have sound fiscal management, balanced budgets and financial continuity from year to year, it is hereby: Resolved, that the Corporation may fund extraordinary expenses, such as major capital expenditures or a formal capital campaign (“event”), not included in the then current operating budget...” If we are to proceed with allocating any part of a windfall to anything other than the Sloop Legacy Fund when we don’t even have a budget, we are ignoring the wisdom of past board members, and seemingly acting contrary to the findings of the Strategic Planning Committee.

MOTION to approve the minutes as amended made by Donna Stein, 2nded by Aaron Mair, and PASSED UNANIMOUSLY.

Interim Executive Director’s Report

Education/Sloop Department:

Sails contracted for the period May 16 to June 19 will bring in revenues of \$17,000. Clearwater Connects programs will bring in \$3,550, for a total of \$20,550 (not counting any income from public/member sails). Projection for the period was \$25,300.

Sail requests are coming for summer. Number is such that we will likely need to revisit and raise the predicted number of sails provided to our insurance carriers.

Crew is in place with exception of an On-board Educator. Welcome Ruthie Gold as Program Director.

Board members are asked to continue to promote and share program announcements with their networks.

Environmental Advocacy Department:

Indian Point closed permanently on April 30

On May 26, 6:00, Environmental Action will present “Indian Point: What's Next?” A virtual kick-off meeting with 10 Hudson River EJ communities to share potential dangers related on-site storage of high-level nuclear waste and the decommissioning process.

In addition to submitting comments to the PSC on Joint Proposal to approve License Transfer to Holtec, Manna and Matt met with the interim PSC chair to ask that the Decommissioning Oversight Board be convened ASAP and comment on its composition and purview.

PCBs: At our urging, EPA’s scheduled CAG meeting on June 3 will present updates on fish and other sampling data and consider sediment resuspension issues related to the proposed Champlain Hudson Power Express transmission line to be placed in the Hudson.

EA and Strategic Planning:

- How can Clearwater and EA reestablish ourselves as the Voice of the River?
- Add EJ and Climate Change emphasis.
- How can we better communicate what EA is doing that is of value to the public and to our members and supporters?
- How can we develop and support Youth Activists/River Stewards?
- What role can climate change and climate solutions play in undoing Clearwater's silos?

See Manna Jo’s EA report for more news.

Thanks:

- to the Beacon Sloop Club for funds raised by their Haikootenanny and to Tompkins Corners Cultural Center for funds raised by their annual Pete Seeger tribute concert.
- to Reggie Harris for including Clearwater in video for his High Over the Hudson song in tribute to Pete.

Treasurer's Report

The treasurer's report was presented by Steve as Neil had to leave the board meeting early. The PPP loan fund has been depleted according to the Small Business Administration. Clearwater had applied for another loan but the status of this application is uncertain. The 990 form was submitted but was returned for additional reconciliation. Anita is preparing a full set of financial reports for submission to Ulster Savings. The budget can be prepared once these three issues are resolved. Former Clearwater finance director Roger D'Aquino is assisting Anita with on a volunteer basis.

Development Report

Meg Mayo gave the development report.

A rough draft of the budget for the Century Fund and next winter's maintenance has been completed. The upcoming fundraising calendar includes Patron Fish, the Revival, the Fall Appeal, and the Holiday/End of Year Appeal.

Development is working closely with the Revival Committee. Revival fundraising totals \$31,000, exceeding the expected expenses of \$29,000. The auction portion will launch on June 1st. A digital advertising campaign will also be initiated.

Overall, from 4/11-5/11 \$46,000 was raised, much of this coming from the RPC, Ambassador Pages and the Patron Fish campaign. Thanks also to the Beacon Sloop Club whose "Haikutenanny" raised \$5,000 for education sails for underprivileged school districts. The Pete Seeger Festival at Tompkins Corners Cultural Center raised \$450. Musician Reggie Harris is making a music video of one of his songs which will be filmed on Clearwater and will promote the organization.

The funded grants pipeline includes a DEC River Education grant, and the sloop restoration grant. New proposed grants include a DEC Community Impact grant and an DEC River Education grant for updating the Fish Key identification guide. Grants submitted and pending include the Birches grant for \$20,000.

Rosemary Thomas gave the development committee report, highlighting points made in a written report sent to board members.

Restoration funding remains the top priority, as the restoration work is key to passing Coast Guard inspection.

Regarding Board giving, the committee is slowly starting to reach out to Board members individually. Committee support for grants has tapered down lately, as staff is handling current activity.

Several ideas were proposed for a Fall event for outreach/fundraising. For this to get traction, we need a working group of volunteers to plan/organize/execute.

Virtual Revival - Hats off to the virtual Revival team and development's work on Patron Fish!

Revival Planning Report:

Ben Kaminsky reported that the festival lineup will be released on 5/20. Sixty-nine acts have been booked, and all but one have sent in their videos. The ASL videos are in process, and the program schedule is to follow. Auction items are still being sought. The committee is working with the Sing Sing Kill Brewery as a partner/sponsor; they will provide refreshment for the Festival Friday sail. Ben and Roy met with the Executive Committee regarding planning for the 2022 festival which is intended to be an in-person event rather than a virtual event. An exploratory committee will be formed to work on this.

Strategic Planning Committee:

The Board wishes to express our sympathies and condolences to Samantha Hicks on the loss of her father. The details of the priorities associated with the stated goals of the Strategic Plan are being finished. Input on these finishing touches is still being sought.

Nominating Committee:

The call for nominations has been sent out on the website and eblast routes. The committee is, as ever, seeking a few good board members. Contact Arthur, Donna or Sarah with the names of any potential candidates. Suggestions from board members are also welcome. Deadline for nominee submissions is 7/1.

Planning and Governance Committee:

Rosemary reported that the committee will be meet with Roy Volpe this coming Friday to go over Policy III regarding Standards of Conduct.

The committee is also looking at Policy IX regarding the functioning of the board. Among other things, it creates five committees (Finance, Program, Planning/Governance, Development [Resources], Properties) and gave charges to three of them. It's not clear if these committees cover the entire functioning of the board these days; there are gaps. Rosemary will seek guidance from the Executive Committee and perhaps from a larger group on how to move forward on this matter.

Properties Committee:

Steve reported that the lease with the Hudson River Maritime Museum for the Winter Homeport is in line to be renewed for another ten years this coming October. Steve exercised our option to renew (notification was due six months beforehand). He is in conversation with Lisa Cline, executive director of the museum, about renewal and scheduling of next winter's maintenance.

Henry Neale reported that repairs being considered for our premises at the Settlement Camp have an estimated cost of \$22,000. One of the projects, repairs to the subfloor by the staff entrance, has been completed at a cost lower than estimated. Henry has obtained a copy of the lease agreement between NY State and the City of Beacon regarding the University Settlement Camp property which includes the White House. The property is being operated as a park, and the city is allowed to sublease parts of it and collect rent, which cannot exceed the city's maintenance costs. While a strict interpretation of this agreement might release us from need to pay rent, we intend to be good stewards and maintain the property at least in the state in which we found it.

Sloop Club Committee:

Donna is working on the sloop clubs' web presence and searchability, making videos for the Virtual Revival, and planning a sail. Amali is helping to match Sloop Clubs' fundraising efforts with communities of underserved youth such as urban young women in foster care. Manna was attending Sloop Clubs meetings via Zoom to report on EA activities. There was interest in having her continue that practice, perhaps by recording a presentation to share with the clubs as they move back to meeting in person. Board members are encouraged to join their local Sloop Club.

Members are asked to continue to spread the word about Revival, sails, and general fundraising.

MOTION to adjourn made by Aaron Mair, seconded by Thomasina Winslow and APPROVED UNANIMOUSLY.

The meeting was adjourned at 8:49 pm

Respectfully Submitted,
Sarah Underhill, Secretary

APPENDIX A

A resolution concerning Board Policy XII and the Clearwater Century Fund

A – Whereas, it is the policy of the Board of Directors of the Hudson River Sloop Clearwater, Inc. a New York not-for-profit Corporation (the “Corporation”), to have sound fiscal management, balanced budgets and financial continuity from year to year, and

Whereas it is not prudent for the Corporation to rely on unpredictable windfalls as a sustainable means of funding its operations, it is hereby:

Resolved, that 90% of any unrestricted bequest, settlement or similar income in excess of \$25,000 be held in reserve until such time as the disposition of such funds is determined by at least 60% of those board members voting at a duly noticed board meeting, board members absent or abstaining not being included in the calculation, and further

Resolved, that the board recognize the unique nature of our iconic Sloop *Clearwater* (the “Sloop”), and the need for the board, as its collective caretaker, to preserve and protect the Sloop by ensuring that sufficient funds are available for its perpetual care, and further

Resolved, that as future circumstances may dictate, the Sloop, and more broadly, our mission, depends on our short-term fiscal health, without with there is no long term, and further

Resolved, that the board consider all of these factors before approving the disposition of any reserved portion of a windfall.

B – Whereas, it is appropriate that the Corporation establish and maintain a fund for the purpose of maintaining the Sloop over the long term, and for other purposes, it is

Resolved, that the Corporation hereby creates the Clearwater Century Fund (the “Fund”), by setting aside in a separate account so named, such amounts as may from time to time be designated by the board, and any gifts received, for such purpose; and be it further

Resolved, that the Corporation use the investment income of the Fund primarily to fund the maintenance and upkeep of Clearwater’s Sloop, and otherwise as determined, in each case by a vote of 60% of those board members voting; and be it further

Resolved, that the Corporation may, with the approval of not less than 60% of those board members voting, use the assets of the Fund to finance expenditures for and related to the maintenance and upkeep of the Sloop, to the extent such expenditures are subject to a reasonable expectation of reimbursement, with such reimbursement, when, as and if received to be redeposited into the Fund, and be it further

Resolved, that the Corporation may, in situations deemed by the board to be extraordinary, use the assets of the fund in its sole discretion to preserve and protect the Corporation, with the approval of not less than 60% of those board members voting; and be it further

Resolved, that the investment of the Fund’s assets shall remain subject to the spirit of the Corporation’s mission.

C – Resolved, that the text of this resolution shall replace the existing Policy XII.

APPENDIX B

A resolution concerning disposition of an unrestricted bequest of \$250,000 received 3/18/2021 from the Jean Eckert Trust.

In accordance with Board Policy XII concerning windfalls and assignment of funds to the Clearwater Century Fund, be it

Resolved, that the board set aside in the Clearwater Century Fund \$150,000 of the unrestricted bequest of \$250,000 received 3/18/2021 from the Jean Eckert Trust, and that the remainder be released to the general operating non-restricted accounts of the Corporation for deliberation and decision by the Executive Committee as to uses of the money, with preference to non-recurring expenses and without being subject to ratification by the board.