

TEXAS FOLK MUSIC FOUNDATION

Board Meeting Minutes

August 25, 2009

Conference Call

Board Members Present: *Michael D'Eath, Jon Charles, Adams Kirkpatrick, Thomas Chapmond, Theresa Tod*

Board Members Absent: *Therese Spina, Bill Stacy, Chuck Lesniak, Steve Gillette*

Others Present: *Bobby Tod, Dalis Allen, Lenore Langsdorf, Val Stinson, Walter Lee, Syd Franz, Vern Crawford, Charlie Land, Cheyanne Pearl, Stuart Vexler*

Michael called the meeting to order at 6:35 p.m.

Minutes: Theresa Tod, Secretary, reported that the minutes to the July 19th meeting (updated based on input received), and the August 11th conference call meeting (emailed for the first time this morning) were both emailed in advance of the meeting. Jon moved, Adams seconded, to approve the July minutes; the vote to approve was unanimous. Jon moved and Adams seconded, to also approve the August 25 minutes; the motion was approved unanimously.

Membership Committee update: Thomas Chapmond, Chair of the Membership Committee, reported that the committee has worked for some time on plans to move to a member-elected board. While they were not able to reach complete consensus on all points, they were largely in agreement on most; he expects that total agreement would not be possible. Thomas reviewed the main points of the Committee's proposal, as circulated by email prior to the meeting. This version included a few changes since the version shared at the last meeting. Discussion and resulting "consensus" is summarized as follows:

- It is best to avoid use of donation terminology, before confirming the legal implications.
- Honorary memberships are not designed to respond to hardship issues.
- The Nominating committee produces a slate for any/all vacancies.
- Thomas suggested that due to privacy concerns some members may have, members would need to "opt in" concerning whether or not their contact info would be shared.
- The annual meeting shall be held during and at the location of the festival.
- A "paper ballot" should be used if there is more than one candidate per slot.
- Lenore expressed concern to make sure language ensures that members have to approve any increases to the minimum dues level; it was agreed that language should make this point more explicit. Above the minimum dues level, the Board has discretion to approve higher levels.

Jon Charles also noted that the development committee is working on some benefits packages for different levels of donations.

Thomas and Michael agreed that the proposal (with language changes as discussed) would be presented at the next meeting for an up or down vote; and then pass it on to TFMF attorneys for their recommendations on bylaws language. We would then also fine-tune the information as appropriate for marketing purposes.

Charlie agreed to wait till after the Board meeting, to circulate information about membership in the staff newsletter; or alternatively to present highlights that clearly represent current consensus.

Appreciation was expressed for the many hours of hard work by the committee, to develop a membership plan.

Jon announced a meeting of the development committee tomorrow night at 6 p.m. at Stuart's house; anyone interested is welcome.

Budget: Charlie provided an updated report on the KFF budget (sent in advance by email). Compared to the previous budget, it shows a revised decrease in anticipated revenues, of about \$34,000, to \$593,374 projected revenues. The original budget included funds anticipated from Tom Neff (a \$25,000 line item); that item was removed from the Festival budget, as those funds go to the Foundation. Anticipated expenses increase to \$724,072; leaving a deficit of around \$107,000.

Discretionary items:

- Ticketing system: Total initial (one-time) costs are \$44,000 for an overall savings of about \$9,000 per year. Costs include \$30,000 for development and \$14,000 for hardware costs - \$15,000 of the development costs will be incurred next year – the rest is in the proposed budget. There will be an ongoing maintenance of around \$6000 per year. These are estimates, but Charlie is pretty comfortable with them.
- Charlie proposed purchasing a golf cart, available from Pokey's son, for \$1000; it will save us \$400/year in rentals.
- "Pre-mix" is no longer available; in order to sell sodas the festival must have new machines that handle "post-mix". One option is to purchase new machines. A less expensive option is to work with a company that provides the machines if we commit to using their products. They don't have coca-cola however; we would be selling RC Cola and Dr. Pepper. Costs will be reduced to about half, by using post-mix. Staff find Coca-Cola difficult to deal with; they would be happy to stop. He thinks the crowd will accept the change in product; if not, we may need to re-visit this decision next year.

Val said we could cut hardware costs in about half initially, if we use off-site back-up services. Two servers budgeted at \$5000, could be cut in half. Some prefer to have it on-site; she feels it is actually safer to have back-up in a different location.

It was also noted that the cost of the ticketing system would pay for itself in two years. A clause in the agreement would specify the use of an IT group, as a safety provision if the developer is not available. Jon reinforced that we need to make sure there is adequate protection so that the developer doesn't have us over a barrel in the future, or is incapacitated for any reason. Michael offered to his experience in this area of contracting. We need to make sure contractually that we own the code and get developer notes, so that someone else with the appropriate skills could come in and take over if needed. Charlie said they are also aware of needs related to other databases used by the festival (in addition to ticketing); the current plans don't include addressing these other database needs, but it would be helpful to do so in the future. The goal would be to tie the information together. Michael emphasized needing "work for hire" contracts

with everyone involved, to ensure that we retain intellectual property. Charlie said the developer worked on the KFF ticket crew for many years, so fortunately really understands the needs of the system.

Michael noted that about \$40,000 has been provided to cover cash shortfalls. This budget includes about an additional \$55,000 cash shortfall, to get us to the end of the year. Neff's check drops that down to \$30,000. Of that \$30,000, \$13,000 was planned in the original budget. Thus, this proposed projects an additional \$17,000 that was not originally budgeted. He suggested we could get around \$20,000 in membership dues, if we can initiate a membership campaign by the end of the year. We would still need a minimum of \$10,000 additional. Michael will also get with Steve Carruthers to explore whether or not any funds now in the bank are not obligated.

It was reported that Peter Casey's proposal to the first foundation was rejected; he is trying at the second.

Thomas moved to adopt Charlie's report as the revised operating plan for 2009; Theresa seconded the motion. Support was unanimous.

Thomas moved to adjourn the meeting, Adams seconded; the meeting adjourned.

-Submitted by Theresa Tod, Secretary