

TEXAS FOLK MUSIC FOUNDATION
Board Meeting Minutes
March 21, 2010
Quiet Valley Ranch (Founders' Cottage)

Board Members Present: Michael D'Eath, Bill Stacy, Thomas Chapmond, Jon Charles, Therese Spina, Theresa Tod, Larry West

Board Members Absent: Adams Kirkpatrick, Chuck Lesniak

Others Present: Bobby Tod, Cheryl Green, Syd Franz, Cheyanne Pearl, Joseph Nipper, Charles Land, Steve Smith, Liz Carson, Donna Casterline, Dalis Allen

Michael called the meeting to order, around 12:00 noon.

Minutes from the 12/13/09 meeting, and the 2/6/10 meeting, were circulated by email in advance for review and comment. Bill moved to approve meeting minutes from the 12/13/09 meeting; Therese seconded, approval was unanimous. Thomas moved to approve the minutes from the 2/6/10 meeting; Bill seconded, approval was unanimous.

(A February vote of the TFMF Board by email is noted below, following these minutes).

Treasurers Report – Larry, Syd

- Financial Report(s), Cash situation

KFF profit and loss: Total ticket sales are down, only around \$6700; a bumper sticker special probably helped, but daily averages are high, gaining ground. The discount (25%) ends 4-18 for daily tickets and season ticket packages. Business package sales are picking up; everyone's help is wanted in getting the word out. Michael will keep the Facebook promotions going. A check from Tom Neff is still anticipated (Stuart has been asked to talk with him about this). Bill asked Larry to provide statements that compare expenses to date, budget to date, and the difference, as well as the same period for the prior year. Monthly reports were requested. Larry said he could create those reports, and Syd said she can most likely get the data entered in a timely fashion for monthly reports for future months (barring unanticipated time constraints due to the new ticketing system). May 31st statements can't get done in time for an early June meeting; however an update from staff was requested at that point, to whatever degree possible.

Summary: The goal is to have monthly financial statements; quickbooks would be revised to be able to produce reports for each board meeting, as close to current month as possible. Monthly reports will be created by the 20th of each month, for the month prior. During the festival, since our meetings are early in the month, an April statement will be use; with as much updated information for May as possible, so decisions can be made in a timely fashion. The new day system tracking ticket sales data system should be able to produce up-to-date information; other sales data will be available as well. Larry said that TFMF will need to

continue operating on a cash basis for 2010; conversion to an accrual basis for accounting is anticipated for 2011.

- TFMF 2010 budget: A preliminary budget was presented for discussion. With a significant shortfall anticipated, reductions in capital expenditures were discussed (see next item). Various other changes included a reduction in beer expenses based on new beer policies, and the addition of some anticipated donations. After discussed revisions, TFMF still needs to raise approximately \$118,000, or plan to use some carry over funds to offset insufficient income. Larry will re-work the budget document based on discussion; it was agreed that a conference call would be scheduled in the coming weeks to review and approve the revisions discussed.
- Capital Expenditures: Larry presented a possible capital expenditures budget of \$86,749 for discussion, which includes all the various capital projects that have been suggested for current consideration. Based on discussion of funding constraints currently, preliminary approval was given for only the most pressing items. Included are: \$22,500 for ticketing system software; \$10,000 for ticketing system hardware (ticketing backup hardware, POS terminals, and bar code scanners; networking infrastructure \$5000; electric services to the meadow \$12,494; \$3,650 for staff showers; and \$1000 to complete handicapped restrooms at Threadgill. (Total budgeted \$54,644). Syd reports that ticketing system expenses are coming in under budget, thanks to Joseph's efforts. Larry will transfer \$1000 for remaining Threadgill expenses, into the KFF bank account (which includes \$845 that remains of dedicated Threadgill funding); the dedicated Threadgill Theater fund will thereby be closed out. A backstage overhaul for mainstage is desperately needed; and with the ice machine excluded from the budget, ice costs will increase. Expenses for new benches are also not in the budget.
- Banking: Larry is now a signer on the Bank of the Hills account. The Board previously approved for him to open a new account at Bank America, which has branches all over (including Austin and Kerrville). He requested a Director to accompany him to the bank, to take care of necessary paperwork. A \$3000 minimum balance is needed for no fees; also purchase of checks. Michael designated Chuck to accompany Larry to establish the Bank account, with Chuck and Larry established as signers. Thomas moved, Jon seconded, that Chuck Lesniak and Larry West be initial signers on the bank account; the motion was approved. In addition, Board listings at the Secretary of State's office need to be updated. Larry will take care of making these updates.

Nominating Committee - Bill Stacy

The committee has received profiles for two nominees thus far; another is anticipated, as well as a possible 4th candidate. Larry West has also been discussed as a nominee; Larry indicated he was also willing to continue serving as Treasurer without being on the Board. There are four positions up for consideration; including the position vacated by Steve Gillette (with 1 year remaining), and positions due to expired terms for Michael D'Eath, Therese Spina, and Chuck Lesniak. Michael has indicated that he is willing to serve another term; Therese and Chuck have indicated a desire to step down, due to other commitments, but have been willing to remain until their positions could be filled. To date, the number of TFMF memberships is well below the 100

needed to institute a membership vote. Bill and Theresa will confer next week to set a Nominating Committee meeting, at the earliest date available for committee members.

Committee Reports

- Festival Operating Committee – Stuart, Charlie
 1. The big focus right now is ticketing. A structural issue backstage, a badly leaking roof, was not anticipated; an estimate for the needed repairs will be sought. Benches are another area of concern; some are lost each year due to general wear and tear. Any repairs will be put off till the last possible minute, in consideration of budget issues. There was discussion and general agreement that new benches could be underwritten by donors, who would be entitled to a plaque on the bench, which they could purchase to commemorate someone. The benches would of course be available for general use, not reserved for the donor. Charlie will need a decision within the next three weeks, on how many benches to build for this purpose. Dalis and Jon will talk to Wilke at James Avery, about possibly donating a plaque design. Dalis has another vendor in mind who might be a back-up resource. A form will be needed for donors to complete; Francie can probably assist with that. The office will take responsibility for the project, researching the cost of the plaques, promoting it, etc. Benches can be sold from the booth, posted on Facebook, and posted in the program (Cheyanne needs verbiage by the third week of April.) Thomas moved that we establish a bench dedication program, at a donation of about \$250 per bench/plaque (amount subject to further research); and that all funds raised by APRIL 15 be used to purchase benches. After the initial set of benches, for every donation, it was further agreed that one bench will be built; the remaining funds can be used in the general fund, for other purposes. Therese seconded the motion, which was approved unanimously (no abstentions).
 2. A Kerr-leaders meeting is scheduled for next weekend; it will give staff opportunity for input on what happens to replace the beer previously made available to volunteers. Additional and improved parties will be explored as an option. Better reporting on Krew sizes is being addressed; all volunteers will have to be tracked & justified to staff central. Updated software scheduled for next year will make the tracking and control easier. Accounting for staff kids (age 10-14) on Krews is one of the challenges; some help at an adult level, but their capabilities vary. When staff veterans leave for part of the festival, that leaves gaps and Krews need to be able to adjust their numbers accordingly. Another issue being addressed is the week between Settlement weekend and the festival. For next year, anything with wheels will need to have a sleeper pass during that week. The requirement that campers must purchase a stake for each 100 square feet will be reinforced. These rules will be posted so everyone is aware in advance. It was suggested to sell stickers to those in line, who can then pick up their stakes on the way through the gate. Charlie and staff will work out the details.
 3. There is interest in bringing back the green building colloquium. Typically the host covers the cost for materials, so this time we may have to put up some money.

4. The bricks issue: The commemorative bricks supporters have purchased in the past haven't yet been installed; the original plan to install them at the entrance walkway isn't viable due to erosion issues as well as the use of entryways by heavy vehicles. It was acknowledged that we need to find a way to display the bricks this year; various temporary and permanent ideas were discussed. General consensus was reached to install them at "Tickets Two," which is near the main entrance. We will make no commitments for the location of bricks sold in the future, to ensure flexibility.
- Program Committee – Chuck
 1. Kerrville History Project – We need to make sure Joseph is involved in recruiting volunteers to help with the History Project; he should contact Tim Mason. Cheyanne will talk with Joseph about this. Eventually the hope is to build out booth 4, to make the area more water-proof. The project intends to sell calendars at Settlement Day. Larry and Cheyanne suggested including information about contributing to TFMF (including ticklers posted for certain days on the calendar.) Therese will help with some promotion materials. There are some ideas to increase revenue options for the calendar (eg., people can pay for a picture or to note a birthday). Michael will get the cost of printing the calendar to Syd; and also make sure those involved in the project know that we expect the project to be self-sustaining this year.
 - Resource Development Report – Jon Charles
 1. Jon reminded everyone about securing auction items; Cheyanne has sent letters to the Kraft booth vendors. TFMF will have access to the full booth space for booth activities (including the auction).
 2. Fundraising Strategy, Status: Jon and Francie have been contacting a few Kerrville locals about supporting the Festival's plan to apply to the City for franchise tax revenues; the response has been uniformly positive. Jon requested help from Dalis or other staff to get letters of support; Dalis agreed to arrange a dinner meeting with someone in a key role, who could carry the request. A letter from Representative Harry Hilderbrand may be possible. A gala in the fall is also still in the works, but will need further development. Attendees at the event can be asked to fill out pledge cards, pledging larger sums of money. Francie will check with Thomas or Michael on specific foundations she thinks we could approach for funds. We also need to focus on the corporations we do business with; people who are festival supporters and have corporate connections. Michael has contacts at some big firms; he will give a list to Francie, and she'll research their foundations.
 3. Endowment, Planned Giving: There needs to be a structure in place before putting out requests; Jon can have a plan ready to present to the Board by next meeting. We still need an attorney who can offer a one-hour session on how to do this. Jon and Francie know an attorney and will ask; Bobby Tod also offered to check with his attorney. Jon said we already have a one-page form that can be used; the booth volunteers can publicize information about this giving option.
 - Marketing – Therese
 1. Therese presented a design for the TFMF website, which she developed as a class project; also a KFF sampler and t-shirt design. Thomas mentioned that our next order

of t-shirts needs to include some that can accommodate plus size people. It was agreed that we'd use this year's t-shirts for members, and sell last year's in the booth at a reduced price. T-shirts will be mailed to any members who don't come to the festival. Theresa T. will ensure that booth volunteers get with Syd in advance about what information she needs collected at the booth, so that she can maintain the proper records of all transactions.

- Membership
 1. Proposed changes to Foundation Bylaws – Michael reported that he, Thomas and Theresa T. have been working with our attorneys on the necessary bylaws changes to accommodate membership provisions, and have a set of revisions to present. He requested that the discussion of this item be postponed till our conference call, in the interest of time. Among the changes are a requirement that the Secretary is to collect minutes from committees; Charlie agreed to see that the FOC minutes are henceforth forwarded to Theresa.

- BAG Committee Update – Committee representatives reported, in Adams' absence.
 1. Master Plan, Project plan, Timeline: The committee wants to move toward a holistic approach when possible, such as using a wind turbine for power. Joseph is talking with a vendor who may be willing to donate a turbine, in exchange for booth space and advertising. A wind turbine could potentially generate sufficient funds to cover our electric costs. It was noted that we would be interested only if the turbine was provided up front; not after the fact. The issue of maintenance costs and logistics needs to be considered; also what the local electric coop will allow/support. The Board is OK with exploring this and related options; if this vendor doesn't work out, there are others to explore. (Jim Noble is a potential resource; also Carol who works for GE; Syd will get with Francie on this).
 2. Donna is the first official fundraiser volunteer.
 3. A presentation was made to the committee about giant composting toilets; there are facilities in use that would readily accommodate large daily crowd size like we have at the festival. Costs are high; we would achieve payback probably within 10 years. Foundations would be a prime source for funding.

Founder's Cottage (aka Rod's House) Lease – Bill, Michael. Bill was authorized to negotiate this lease on our end; he has proposed payment terms – a flat cost plus any increase in taxes. We haven't heard a response or counter from the Ranch Corporation.

Producer's Report – Dalis Allen: Folk Alliance went well; Dalis made some good contacts, and distributed about 1000 brochures. She has identified someone who may be able to present Threadgill concerts online; and she may have a deal with Gibson guitars. Several Kerrville-on-the-road shows have been presented; more are coming up. Indigo Girls will be a headliner for the Festival line-up.

Conflict of Interest Policy

- A draft policy has been proposed, by our lawyers. Bill moved to approve the policy, Jon seconded the motion; the vote to approve was unanimous with no abstentions.

- The Board went into Executive Session for discussion of conflict of interest issues. Executive Session Report: Each and every Board member has responsibility to disclose any conflict of interest, as soon as he or she becomes aware of it. Three potential examples of conflict of interest were discussed:
 1. Property leases (where financial operations are involved): Conflict applies if there is potential material benefit to the person involved; while the conflict would necessitate abstention from voting on decisions, it wouldn't necessarily restrict involvement in discussion. Jon moved that a conflict of interest exists for property leases; Bill seconded. Specifically, it was noted that any current or future Board member with an interest in Quiet Valley Ranch or other properties, must abstain from any votes TFMF would make regarding the lease on those properties. The motion passed, with no opposition and two abstentions (Theresa Tod and Thomas Chapmond).
 2. Boys and Girls Club and the joint operation of the Youth Music Camp: Thomas moved, Therese seconded, that no conflict of interest exists currently, because both organizations are nonprofits and there is no potential individual gain. The motion passed, with no opposition and one abstention (Jon Charles).
 3. Performer or teacher: Michael turned the gavel over to Thomas. Bill moved that the performer/teacher relationship would be a conflict of interest only in the case of a decision that had to do specifically with individual teacher or performer compensation; noting that it is in the interests of this body that it include musician and performer involvement in official roles. The motion was seconded by Jon, and approved unanimously.

Task List – In the interest of time, discussion of this item was skipped; Theresa Tod will update the Task List and circulate by email.

New Business - none

Next board meeting: June 6, 3-6 p.m.

Jon moved, Thomas seconded, to adjourn; the meeting adjourned at 4:20 p.m.

Minutes submitted by Theresa Tod, Secretary

Minutes of TFMF VOTE BY EMAIL; 2-23-2010

Stepping down from the Chair, Michael moved (by email) that Larry West, TFMF Treasurer, be authorized to open a Texas Folk Music Foundation operating account at a national bank of the stature of Bank of America (alternatively, Wells Fargo, at Larry's discretion), and over time and at his discretion replace and discontinue the current operating account at Bank of the Hills. This is for the purpose of establishing the necessary electronic banking and to be able to visit bank branches in Austin, Kerrville and elsewhere as the need arises. Adams seconded the motion; the motion passed with 8 out of 9 Board members voting (Chuck did not cast an email vote).

