

## TEXAS FOLK MUSIC FOUNDATION

### Board Meeting Minutes

Sunday, April 26, 2009

2525 Wallingwood Drive, Suite 1503, Austin, Texas 78746

**Board Members Present:** Steve Gillette, Steve Carruthers, Michael D'Eath, Thomas Chapmond, Bill Stacy, Theresa Tod, Jon Charles, Therese Spina, Chuck Lesniak; Steve Gillette by phone.

**Board Members Absent:** Julie Davis

**Others Present:** Steve Carruthers, Treasurer; Vern Crawford, Lenore Langsdorf, Charlie Land, all by phone.

Call to order: 1:08 p.m.

Approval of Minutes: Theresa Tod, Secretary presented the minutes from the 3-8-09 meeting for approval (document circulated in advance by email for review and comment. Jon moved to approve the minutes; there were no corrections or objections, and the minutes were approved unanimously.

Treasurer's Report: The report was given by Steve Carruthers, Treasurer.

- Approval of 2009 TFMF Budget:

The draft budget was circulated by email. Steve said he added a line item for KFF's net deficit (\$53,500) and increased the general donation budget to balance to zero. Grassy Hill has indicated intentions for \$35,000; the festival budget includes another \$25,000, and the Foundation budget has \$25,000, which is high. Several projects are included in the budget. The lease budget is in KFF this year; next year it should be in the Foundation's budget. Therese S. asked about printing costs, and noted that t-shirt printing will be the biggest ticket item (she plans to use a 6-color process for an improved look this year). It was noted that a total of \$6000 is budgeted, if marketing is included, which it was agreed should be sufficient to cover printing and marketing costs. Chuck moved adoption of the budget; Jon Charles seconded; there were no abstentions or opposition. The motion carried unanimously.

- Financial Report: Steve said that no official financial report is available from Peter Casey, as he is busy with tax season and out of town at the moment. A few highlights: donations received include \$5100 toward campground electrical improvements (restricted); and \$4,170 toward the Jimmy Weston memorial fund (unrestricted). Large expenditures include \$2500 for the Kerrville History Project; and \$750 for the Threadgill Sound System. Thomas requested that we have a balance sheet when we meet at the festival.

QVR Lease Status: Michael D'Eath reported that he left the last Foundation meeting to meet with the QVR Board about the lease. QVR expressed a strong desire that the ranch could exist for three years without income, without risking losing the property, so that they could put the festival back on its feet within those three years. There was also a desire to have additional checks and balances in the lease, such that the QVR Board would have more control on the people and appearance on the Ranch. Michael expressed concern that we keep the rent cost under control. QVR returned with a proposal that included a stair-stepped increase in rent; from \$21,000 to \$33,000 by 2012 and continue to increase from there. Michael noted that the Ranch would be taxed on these amounts, which would essentially be funding lost. He also expressed concerns about the increase in taxes & rent resulting from capital improvements we would make, under the Ranch proposal;

Michael believes a full 30-year lease would be better for both TFMF and the Ranch, than a 10-10-10 lease. Having a 30 year lease will open other opportunities, relating to capital

improvements and fundraising. He has also provided feedback to QVR leadership that accumulating an unrestricted \$600-900,000 cash balance in QVR over 30 years is hard to swallow when TFMF barely manages to raise funds sufficient to operate its programs already. He is planning to meet with QVR further to understand the underlying business drivers and negotiate and resolve any differences.

Thomas commended Michael for his efforts.

KFF Report : Charlie Land has quarterly festival financials, which will be emailed to the Board. He noted that overall revenues for the festival are about \$10,000 below budget; it's too soon to tell from trends if this is an issue or not. He's guessing people are acting more last minute this year; information about ticket packages also went out later than usual. If that does not turn out to be true, they will look at last minute adjustments to expenses to accommodate. (Bill will forward the financials).

- Upgrades: Charlie thinks a new electrical system is needed for the pump; the ability to pump adequate water is compromised. The cost for work on the well is estimated at \$11,000, including a new pump and pipes. Plans to make other improvements are on hold.
- Dalis has sent out the festival line-up and brochures.
- Retreat follow-up:
  1. Charlie will try to get a calendar out to everyone.
  2. The meeting of the KFF stockholders will take place at 4:00 p.m. on settlement day; mainly to hand out stakes. Chuck suggested using this time to present some information to the stockholders group; updates about the merger, work on the lease, the membership opportunity to be developed, and the encouragement of donations as "Friends of Foundation." Thomas asked what information could be shared at this meeting, about tax implications for the former stockholders. Syd is working on something to report at the meeting, although she will be cautious not to offer tax advice. Michael doubts that a stockholder can claim the loss until the corporation is actually dissolved.
  3. The QVR Ranch meeting is set for 6:00 p.m. the same day. There was discussion about offering to do a presentation to stockholders in this meeting as well. Thomas will follow up with the Ranch Board on this. Available Board members will attend.
  4. Following up on the retreat suggestion for public forums – a 2:00 p.m. meeting of camps will take place, on settlement day. Specific plans for communicating the event haven't been finalized; probably a flyer will be circulated at mix-master as people enter. Thomas also suggested publicizing it through 'Dalis Sez;' and with a few signs. We could also walk down the lines of cars at settlement day to promote it.
  5. Thomas and Charlie agreed that it would be good to have a day each weekend for the public to interact with the TFMF Board.
  6. The Foundation should have some sort of public forum meeting to share financial and other information with the public.
- Lamb Creek Lease: It has been assumed that the Foundation will enter into the lease for the parking area across the highway. The current lease is a 5 year lease, to pay investors for their costs plus 8 ¾ %/year. There are about 3 years left on it. The original owner died; his estate made the land available. Investors agreed to purchase it, and lease it back to the festival; with the possibility that they might be bought out in time, by the festival. If improvements were made (gravel for instance), a longer term lease may be in order. Chuck suggests that if it wasn't included in the transfer of assets, that we assume the lease with the same language as the current lease; there was general consensus. Michael asked Charlie to check the language to see if it is legally assumable as is. The last payment was made last fall; the expense for this year is in KFF's budget. Jon moved and Bill seconded, that Michael be authorized to proceed with negotiations as necessary to take on a lease up to the current terms. Theresa abstained from the

vote (due to conflict of interest; she noted her husband is one of the Lamb Creek property owners); the remaining Board members all voted in favor of the motion.

Noted: The donations button on the KFF website needs to be updated, to match the language on the TFMF site; Steve will follow up to do that, and if possible to link directly to the TFMF site. Michael will check on the TFMF site to make sure it is operating the way it needs to.

#### Committee Reports:

##### Resource Development Report – Jon Charles:

- Jon plans to bring a laptop to the booth, to better capture donor information. Steve said the database is better equipped to handle donor information now. Bill suggests “Quickbase” which has various levels of security, and is helpful for events where multiple people need access. He’s willing to help set it up. Jon suggested a meeting with Steve, Syd and Bill, after settlement day meetings, to work out the details.
- General Booth Information: Charlie indicated that the Foundation Booth Krew would operate as one of the normal krews. Theresa acknowledged that plan, and noted that she had affirmed the plan with Marghi Allen who will again serve as Krew Chief; and also reminded Marghi to communicate with Joseph to make sure she was in the loop. Marghi reported to her that she was fully booked with volunteers.
- Friends of Foundation: Jon handed out a draft Stewardship Plan, for review.
- Silent Auction: The forms are done, and will be sent out this week. Board members are asked to solicit 3-5 items, per board member; with a value of \$50 or more, if possible. He has several good jewelry items from the Avery family. He also circulated copies of a generic thank-you letter, which can be provided to donors ahead of the auction, or there on-site. Bid sheets, donation forms, and the solicitation letter, have also been updated.
- Youth Music Camp: Dates are set for July 19-23. Darden Smith, Sara Hickman, Bill Oliver, and Frank Myer, are among the great line-up of artists who have agreed to help.
- History Project: \$1500 is committed thus far; a \$2500 donor is in the wings. Jon noted that he needs fresh ideas to raise a couple thousand more. Michael said he planned to work with Tim to turn it into a fundraising effort at the festival; suggesting that we might realize \$1000 in contributions from people walking through. Vern said he’d been working with Tim, and they are ready to come out with a 14 month calendar; this will help generate income. They are looking for historic or other photos; campgrounds, etc. They are working with Susan; Michael suggested talking to Schmiddies (Sp?), and Theresa suggested putting out a request for photos to the Kerr list.
- Follow-up on proposal for processing credit cards: Jon will meet with Syd to follow up with this business (which also donated to the history project).
- Tom Neff Funding Proposal: Thomas circulated a draft proposal to the Grassy Hill Foundation. Tom Neff asked that we present justifications for donations to cover specific expenses; his funding is tighter, so he expects to be able to contribute a maximum of around \$40,000 - \$45,000. Jon moved, and Michael seconded, to approve the proposal; the vote to approve was unanimous. Thomas will finalize the proposal by noon tomorrow, and it will be sent.

##### Publicity Report - Therese Spina

Therese requested copy for the TFMF newsletter issue, to be printed in time for the festival. She agreed to re-send a blank newsletter format to the Board. Charlie promised to send a KFF update. Therese also wants to advertise the raffle, and include information about T-shirts available to donors. She will get approval on the newsletter prior to printing. Therese would like to implement a photo contest on the website. Michael said Cheyanne would need to set that up;

but since she is pretty busy now, it might be better to consider for the fall. Therese will work on additional signage for the booth.

#### Program Committee – Chuck Lesniak

1. SWRFA: There are no updates; we will proceed same as last year, jointly with KFF
2. Rice Festival: Steve was reminded of the need to send a check to the festival, ASAP. The festival will take place the beginning of November. Chuck will create a one-pager explaining to new folk artists what Rice Fest is, and how they can participate. Jeff will bring in some previous winners, for a show he's planning; Thomas will inquire with Dalis if she's interested in bringing these folks to Threadgill at the same time.
3. New Folk: Information about the supplies available to them has gone out; he plans to purchase some additional supplies. Chuck suggests that the bags should be laundered, at a commercial Laundromat. Chuck will contact John Edelman to see if he's willing to help with this.

#### Personnel – Theresa Tod

Booth Schedule: Theresa handed out a blank schedule form, with general instructions, and reviewed expectations of Board members. She asked everyone to respond with their scheduling needs or limitations, and she will make assignments.

#### Membership Committee – Thomas

Membership for KFF was one of the terms of the acquisition. The committee assigned to develop a plan (which consists of Thomas, Bill McNeil, Lenore, and Walter Lee) has been exchanging ideas; there hasn't yet been a formal meeting. There is general consensus that membership will be something like \$100 (one suggestion was to have a reduced price for renewals). This will be further discussed. It is also generally agreed that there will be a nominating committee, constructed as it is now (over half non-board members), with the additional requirement that the non-board members are members of TFMF. The nominating process hasn't yet been defined. The Board members would presumably be elected by the membership; one member one vote. A nominated board member would need to discuss their credentials and skills. Jon suggested using a Board Matrix similar to one his organization uses, that identifies the skills and credentials the Board has and needs; he will share it with the Board. Michael suggested that the possibility for nominations outside of the nominating committee process should be limited or controlled. Bill and other Board members felt that the price of membership should be a little higher; and there was general agreement that a fixed price is preferred (no discount). An in-kind mechanism might be considered as well, based upon a minimum number of hours, or a combination of dues plus donated hours. Reduced price for multi-year memberships could be considered (however Jon noted that this would make it harder to anticipate and budget for member dues revenues.) There was discussion about when to publicize membership. Chuck observed that the reason the 3-year window was included in the acquisition was to avoid introducing it before all the kinks were worked out related to the acquisition; he suggested that publicizing it by Big Folk would be a better goal. Thomas said he'd like to meet with the committee during the festival, if possible. Bill McNeil and Bill Stacy have both volunteered to keep up with membership data.

#### Nominating Committee Appointment – Thomas

Chuck Lesniak was asked to serve as Chair of the Nominating Committee. He also asked Lenore Langsdorf; Jon Edelman; Jack Fields; and Cheryl Green – all of whom have agreed to serve. There are four vacancies: Julie's position (she has resigned); and the three positions whose current terms have expired: Thomas, Theresa, and Jon. Chuck will ask all nominees to submit information about their skills & expertise.

Schedule for the Next Mtg: The next meeting will take place during the festival, on May 30<sup>th</sup> at 1:00 p.m., at Thomas' campsite (trailer # 17).

Task List – Theresa T.

Tasks were reviewed to determine completions; the list will be revised with new tasks and re-circulated. It was agreed that those present at settlement day will work out a plan for tarps to close off TFMF booth, so auction items don't have to be packed up and moved each night.

New Business

There was discussion of whether or not we need a booth presence at Threadgill. Theresa noted that the canopy space is exceedingly hot at that hour for the volunteers; and the booth gets very little action during that time. It was agreed that Theresa would ask Marghi to take brochures and a sign or two to the CD booth. Therese S. will prepare the signs.

Jon moved to adjourn; Chuck seconded the motion, and the meeting was adjourned at 3:30 p.m.

*--Submitted by Theresa Tod, Secretary*