

TEXAS FOLK MUSIC FOUNDATION

Board Meeting Minutes

Sept. 4, 2011

Quiet Valley Ranch

Board Members Present: Larry West, Stan Berkefelt, Thomas Chapmond, Michael D'Eath, Jon Charles, Val Stinson, Theresa Tod

Board Members Absent: Lloyd Maines, Adams Kirkpatrick

Guests Present: John Kelso, Peter Casey, Vern Crawford, Lenore Langsdorf, Sue Medley, Syd Franz, Charlie Land, Stuart Vexler, Steve Smith

Michael D'Eath, Chair, called the meeting to order at 3:30 p.m.

Minutes: (Theresa Tod) The minutes of the July 17 meeting were circulated by email and feedback incorporated; Theresa said that one statement (in the Treasurer's report) still needs clarification from Syd. Val moved to accept the minutes as submitted, pending Syd's review and correction if needed. Jon offered a second, and the motion was approved unanimously.

Committee Reports:

Booth: (Theresa Tod) Marghi reports that the booth is going smoothly; she is maintaining a presence at Threadgill during the wine tasting events. She had requested a hand cart to help her transport items between the main booth and Threadgill; after researching several options, we selected one that looked sturdy. Charlie happened to own that same cart and offered to let her borrow it to try it out; and she reports that it is too heavy. Michael offered to let us use his Flyer wagon next year, to give that a try. Marghi has written up procedures for the booth. Michael noted that we have an obligation to get the raffle guitar to the stage each night, for promotional purposes. He requested that whoever is on duty should handle this responsibility. The board member with the 6-8 shift should be responsible for making a plan (after conferring with Dalis) for getting the guitar to the stage; and if needed, getting it on the stage. Thomas asked if we can get a comparison of what we brought in for the handmade guitar vs. the previous less-valuable models. Membership cards are being issued at the booth.

Parking: the Foundation is interested in purchasing 3 acres on the far side of the lower meadow, to be used for parking potentially. A proposal to pay \$75,000 for the land was submitted to the LeBatt family, owners of the property; they said no.

Thomas and Michael have agreed to approach friends to see if they would be interested in loaning us the necessary cash, to refinance the current loan on the land across the road currently used for overflow parking. Thomas said if anyone knows someone who has that kind of cash and don't need it paid off for 15 years or so, it's a good deal. We pay at least 8% interest on the land now. If the Foundation is unable to make payments, the owner gets the land, so it's not a risky investment.

H.O.T. Funding Proposal: The Foundation was not awarded any Hotel Occupancy Tax funds by Kerrville; in fact no funds were awarded to anyone. Jon's wife Francie was on hand to make the

presentation on our proposal. The city turned over what funds it did have to a coop to handle; so there may still be a benefit from the coop. Francie was recognized for her hard work on this.

TCA Grant: (Syd) The Texas Commission on the Arts (TCA) has given us preliminary approval for over \$5,500. They are going back into committee to finalize; but we did get approved for this amount each year for two years. Payment should arrive around October. Our proposal scored 926 out of 1000. Syd was thanked for a great effort.

Bag Committee Update: Adams was unable to attend the meeting but sent an email (Aug. 28), containing committee recommendations (and rough diagram) related to rebuilding the Kerrtry Store and Cafe where Staff Rekerrds is now. (Subsequent note: An updated list of Bag Committee priorities was emailed Sept. 9th).

Recognizing Donations: A sum of around \$2400 was contributed by various donors, in memory of Michael Terry; their contributions are appreciated. Michael said contributors need to receive a written acknowledgement within around 30 days of their donation.

Financial Report: (Syd)

Wine and Music update – Day one, ticket income was around \$500 down compared to last year; day two hasn't been tallied yet. A handout was provided showing comparisons, to date (not all data in or reconciliations are completed). She is guessing it may be down in the end, in comparison to last year; but data thus far shows positive comparison thus far overall. As currently tracked, pre-season ticket packages that include W&M are not factored into W&M proceeds. In addition, the report only includes sales beginning in January, not prior to January.

Michael said we're still working on some revised reporting formats. We still have previous reports that need approval (12-31-10).

Lee Anderson will complete the 990 report; Syd will work out a schedule with Lee about when she can expect the financial records to begin that work.

Donations are up around \$10,000 for the year. We brought in around \$18,000 on the toilets. Syd will email a list of all donors to Jon after the meeting. The raffle income (big folk) is up about a third, in comparison to last year. Charlie suggested we decide how plan what we wish to do with the excess bench income (income above actual cost of materials). Thomas brought up that some of the boards are twisting on the new benches; Charlie will look at what else needs to be done with the wood.

Ranch Update: (Charlie) Ranch operations have gone pretty smoothly; there have been a few small issues. More storage is needed. Charlie has received commitments of several thousand dollars from different individuals, toward electrical work.

Michael reported that he and representatives from the Ranch board met with Rick about barn ownership issues. He commended the efforts that had been made thus far (doors, recycling of oil, hauling off of junk vehicles, etc.) The Ranch board is not prepared to accept a structure that presents liability with unclear ownership. Rick was asked to work it out with the Foundation,

and come up with a plan. Michael's negotiations with Rick have been around how to define the multiple layers of "ownership" to determine where there is agreement and where the parties must give. Rick is prepared to give up ownership of the barn in return for some control over what is in the building and how it is operated. Rick was asked to define succinctly what he wants, and Michael will work with him to clarify and resolve the differences. One thing everyone agreed had to be worked out is what happens when either Rick or the Foundation don't want to continue their relationship. Thomas was asked to continue helping Michael with these negotiations. He will involve Charlie in working out the specifics of operations. Michael insisted that the Ranch could not require an immediate solution, which wouldn't be realistic; we will need several years, as there are many other priorities all of which require funds.

Larry observed that any agreement we come to would likely set a precedent for other situation that may come up involving potential ownership questions. Michael and Charlie said that all other buildings etc. are clearly defined in the lease; there shouldn't be any question raised. Nancy Lee's old house is in Nancy Lee's life estate.

There was also some discussion at the meeting of various complaints or issues related to the Ranch. Michael said he had encouraged Ranch Board members to become personally involved (including physically) in any areas or issues where they would like to see changes made on the property.

Stuart reported on the ice-making issue. Various people have been working on identifying costs to produce and potentially even sell ice; including what would be needed to build an ice storage facility. Peter Casey will present on his efforts to seek funds. John Imperial believes that creating an ice storage facility offers a real opportunity we shouldn't miss. If we're not ready to take this on, he is prepared to start a business himself; he will supply us as well as Bob Barker, who consumes a quantity of ice, at a price below what Bob now pays. Peter Casey presented a handout itemizing costs, and proposed to present a funding request to the Peterson Foundation. A number of questions were raised by various Board members; it was agreed that more exploration is needed before the Board is prepared to act.

Michael suggested that our priorities should focus on projects that impact the highway view; make things more acceptable to the general public that drives by and makes judgment based on what they see. Charlie mentioned a plan to add trees next to the road. Michael said he'd heard about a security issue that seemed to be handled well and was resolved satisfactorily; he commended Sign Dog for his efforts.

Strategy Meeting: (Val) She and Michael have been talking about holding a meeting Sunday, Nov. 6, with Nov. 20th as a back-up. Stuart has agreed to host the meeting at his place. The Board, Charlie, Stuart, Dalis, and perhaps some individuals who are interested in serving on the board would be invited. Parking, attracting a younger crowd, and health and safety are among the issues to discuss (we can expect an annual inspection of food prep areas.) Pavilion vendors were cooperative and improved their efforts this year. Other vendors may need more attention in the future. Issues related to branding; financial stability; management structure over the next 3-5 years will also be on the agenda; along with succession planning - plans to replace Board members who will largely turn over (due to term limits) within the next three years.

Rice Fest: Thomas encouraged everyone to attend at least one of the new-folk concerts planned prior to Rice Fest. Syd plans to help man the Foundation booth; she said Melody and Cheryl are also available to would help. Theresa will be the responsible Board representative. 2012 T-shirts need to be completed; Michael will work on that, with Melody.

New Business:

Peter Casey submitted a proposal for a KFF ice production. He proposed that we approach the Peterson Foundation with a request for the maximum they will fund (\$150,000), to cover an ice-making machine and buildings. KFF could start producing ice several months in advance of the festival to produce the quantity needed for festival; storage needed for the accumulated ice is a 14' x 50' building. A 10' x 15' building to house the ice-making machine would be required. Per his calculations, the ability to produce and save our own ice would save KFF over \$21,000/year. The entire package (including a used refrigerator truck) is estimated at \$124,100. Peter also envisions marketing ice to a local convenience store at 5 cents/lb. cheaper than they get it now. The truck would be used to store and deliver this ice; we could potentially make \$34,000 - \$70,000 per year (estimated). Charlie suggested that it's a "no-brainer" in terms of savings on ice expenses. He suggested using language such as 'local convenience stores' in the proposal, rather than naming any store in particular. The ideal location for the structure would be near the store; we also use significant amounts of ice at the staff kitchen. Jon will check a foundation database to research the proposal process at Peterson Foundation. One suggestion (in response to concerns about the various other priorities for funding), was to submit a proposal to Peterson that would be split between ice-making project and another priority, such as the potty project.

A variety of questions and concerns were raised; a sample of these are included here: Who would run it; would we hire someone? It requires significant space; would such buildings fit in with the surrounding campground? Someone will need to check on what the IRS regulations say about the handling of such a business as a nonprofit. There are potential noise issues. Back-up electricity is also an issue; we wouldn't want loss of electricity to destroy the ice. There are operation and maintenance costs that haven't been built into the proposal as yet. The water quality issue was questioned; Peter said we'd need to use the city water supply. There are occasionally issues with water quality, but the built in filters would take care of it. We could also switch to our well water on occasion if needed.

John Kelso offered that he has a background on heating and air conditioning, and he thinks it's a solid idea; he's willing to help. Bobby Tod has also expressed willingness to assist; he also has a background in heating and AC. Val expressed reservations; she doesn't want us to go forward without an adequate environmental analysis. Michael requested that the FOC needs to vet the idea first; the general sentiment is that we love the idea but we need to resolve a few questions.

Other Proposals: We're waiting to submit a Kids Camp proposal to the Callow Foundation; the program is consistent with their charter.

Producer's Report: (Dalis) Everything seems to be going pretty well; she estimated that we're probably around neck-and-neck with last year or perhaps a little under, since the crowd seems down. But those attending seem to be participating and enjoying themselves. The wine

vendors are very appreciative; they seem to do well here, even though it's a tremendously busy time for their industry, and they report that they really enjoy the event and the crowd. Vern also said that the winery representatives all consistently tell him it's their favorite event of the year. Dalis has also heard a lot of great comments about the music.

SWRFA: Dalis reported that we have a room for SWRFA; Michael and Thomas are planning to come, possibly others. Attendance at SWRFA was up some last year; she expects it may be this year as well. Quite a few KFF New Folk Winners take advantage of the discount registration they are eligible for. She encouraged everyone to come to Threadgills on Sept 28, even if not attending the full event; at this concert you get to hear a taste of many artists.

Fundraiser: Dalis said Woodyfest raised \$21,000 at their fundraiser, with Crosby, Stills and Nash. She has similar connections; she can approach them, also Indigo Girls – possibly offering a package deal to include both the fundraiser and the festival. She's also had discussions with several other artists – Nancy Griffith, Patty Larkin, and some associates of Greg Brown. Michael suggested Crossroads as a possible facility.

TFMF Meeting Calendar dates:

- Financial review conference call – Sept 27, 5:30, a brief 90 minute call is planned. Larry will try to get the statements out ahead of the meeting.
- October 30th – 1-4 p.m, in Austin area. Thomas offered Sycamore Creek.
- Dec. 18th – 1-3 p.m., conference call.
- January 28th - Retreat
- March 4th - 1-4 p.m.
- June 3rd, at the festival (middle Sunday), at the Tod-Chapmond camp; May 28 Annual Meeting.

Executive Session:

The Board asked guests to leave, to move into executive session.

Val moved to adjourn; Thomas seconded the motion; and it was approved without opposition. The meeting was adjourned at approximately 5:55 p.m.

-Minutes submitted by Theresa Tod, Secretary