

**Minutes of the IBMA Board of Directors Meeting
June 6 and 7, 2016
Scarritt Bennett Center, Nashville, Tennessee**

Members Present: Alan Bartram, Becky Buller, Marian Leighton Levy, Jamie Deering, Regina Derzon, John Goad, William Lewis, Joe Mullins, Stephen Mouglin, Ben Surratt, Tim Surrent, Denise Jarvinen, Bree Tucker-Myers, Wayne Taylor, Steve Martin, Mike Drudge, Alan Tompkins, Bob Webster, Angelika Torrie (via Skype)

Members Absent: None

Others Present: Paul Schiminger, IBMA Executive Director; Holly J. Gregory, Sidley Austin LLP (pro bono Corporate Governance Counsel)

The meeting was called to order at 9:10 a.m. by Board Chair, Tim Surrent.

The Chair announced that the performance by the IBMA Board Band the previous evening at The Station Inn generated \$1860 for the IBMA Youth Council and thanked all those who participated.

The Chair noted that on March 20, 2016, the Board voted via electronic ballot on a proposal made by the Membership Committee (report dated March 8, 2016). After a summary of the matter, it was MOVED (Stephen Mouglin) and SECONDED (Alan Tompkins) that the Board now ratify the prior action of the Board to:

- (a) increase the number of votes obtained with purchase of organizational membership from one (1) vote to a maximum of three (3) votes at the current rate of \$205 per year; additional individuals under an organization, after the first three, are at a discounted rate of \$65 each.
- (b) offer a new membership level for college-aged students 18-22 years old who are enrolled in one of the recognized bluegrass and music business programs, with dues of \$25 per year after the first year of free membership; this is to be a voting membership; to be eligible, students must enroll with an email address “@edu” at time of registration. The motion passed unanimously.

After a discussion of the matter, it was MOVED (Joe Mullins) and SECONDED (Jamie Deering) that the Board appoint 2 replacements to the IBMA Hall of Fame Nominating Committee. The motion passed unanimously.

A discussion was had of whether to eliminate the “Friends” membership category. It was noted that there are currently only 24 members in this category and there are no membership benefits associated with this category. A summary of the history of this membership category was provided by William Lewis. After discussion, it was MOVED (Joe Mullins) and SECONDED (Alan Tompkins) that the Board eliminate the category of Friends Member. The motion passed unanimously.

A discussion was had of the travel and other out-of-pocket costs to IBMA Board members of Board service. Stephen Mougin proposed the possibility of comping the Board for the WOB registration fees. The maximum financial impact on IBMA (currently) would be \$3800. It was MOVED (Mike Drudge) and SECONDED (Joe Mullins) that IBMA comp Business Registration conference for Board members. Discussed ensued. The motion was tabled for further analysis of the financial impact.

The Chair discussed the possibility of holding a summit to discuss the intellectual property and related issues that arise when festival organizers request artists to sign permissions to distribute video/audio of their performances often right before the performance is to begin. He noted that David Crow has expressed his willingness to moderate the summit. It was suggested that the Board consider creating a task force of a representative group of the industry and then evolve into a model for a summit. Upon discussion, it was the sense of the Board that a task force should be formed and the Board will report to the membership. The Chair will oversee the process.

A proposal to create a Task Force to explore further the idea of creating a Women’s Council, as previously presented to the Board in September, 2015 was discussed. Marian Levy noted that there is strong support for this idea as a constituent service, and offered to oversee the process. It was MOVED (Alan Tompkins) and SECONDED (Denise Jarvinen) to appoint Marian Levy to chair the Women’s Council Task Force.

Ben Surratt presented the report of the Nominating Committee (comprised of:

Ben Surratt (Chair), Alan Tompkins, Denise Jarvinen, Tim Stafford and Kimber Ludiker). Ben gave an overview of the process for soliciting nominations for the Board election as well as the timetable (per the Bylaws). All candidates (including current board members running again) must complete a Nominee Application (on IBMA website) and send the completed form directly to Ben as Chair of the committee.

Paul Schiminger presented the Executive Director's Report, which included a review of the previous year and an assessment of the organization (staff, resources, and ongoing challenges and opportunities). During the past year, there were numerous challenges faced by the organization including staffing (hiring three people in a 6-month period, the heavy workload on personnel, and the impact of the ramp-up period of new employees on a small staff); replacing IBMA's publicist 3 weeks prior to WOB, having to relocate the office following notification that the previous lease would not be renewed; major sponsor negotiations; IBMA's Facebook account being hacked; the potential impact of HB2 legislation in North Carolina on WOB; and the mixed results of the 2015 WOB considering hurricane adjustments and lower than expected conference registrations, among others.

Overall, Paul expressed optimism with the direction of association activities and improvements underway, as well as the feeling that the perception of the IBMA by members is on the rise. However, he expressed concern over how limited staffing and resources are constraining the organization. A largely new staff is working harder than ever to maintain current activities and implement new ones.

Locating, securing, and moving into new office space was time and resource consuming. The new office at 4206 Gallatin Pike, Nashville, TN 37216 has been established with the move-in process continuing. The new space has slightly larger overall square footage and slightly higher monthly rent (but lower per square foot). The lease is for 5-years with a 3-year flat rate and a modest rent escalation clause in years 4 and 5.

IBMA will begin negotiating this fall for future WOB events after 2018. Our current contract with Raleigh is through WOB 2018.

Paul discussed the staffing of the IBMA office. He gave an overview of each position and the staff person assigned. Convention Service Manager (oversee WOB activities, contracts, food & beverage, logistics, awards logistics, scheduling, etc.); Membership (concierge to members, facilitation, messaging, database, billing, awards process polls, bookkeeping); Communications and Professional Development (PR releases, writing IB, etc.).

The meeting was adjourned for lunch at noon and reconvened at 1:00 pm.

Paul Schiminger presented the financial report. The report included a review of the Balance Sheet as of April 30, 2016 and review of revenue and expenses as well as the projected budget and actual YTD for FYE June 30, 2016. A discussion ensued regarding the Bluegrass Trust Fund (BTF) donation status. It was noted that per our Memorandum of Understanding with the BTF we need to have final fiscal year-end reporting on the administrative costs for IBMA overall before the check can be sent to the BTF. The BTF Board meets annually at World of Bluegrass.

The Board expressed its desire to more intensively market and promote the Awards show at WOB.

It was MOVED (Ben Surratt) and SECONDED (Mike Drudge) to enter into Executive Session. The motion carried. Executive Director Paul Schiminger left the room and Attorney Holly Gregory was asked to remain. (3:20 p.m.) The Board discussed the performance of the Executive Director. It MOVED (Jamie Deering) and SECONDED (Becky Buller) to leave executive session. The Board left executive session at 4:00 p.m. Paul Schiminger returned to the meeting.

The IBMA staff joined the meeting (Shannon Turner, Leah James and Paul Schiminger).

Leah James presented the Membership Report. There are currently 1217 Individual Professional, 243 Organizational, 120 Lifetime (1580 Total Professional Members); 1065 Grassroots. IBMA has a total of 2645 members overall.

Leah discussed the proposal for a new membership database. The *net* total cost estimate is \$245 per month or \$2940 per year. The actual cost is reduced due to the elimination of current mass email communication platform.

Shannon Turner presented the Communications & Professional Development

Report.

Alan Tompkins suggested we write generic copy regarding Leadership Bluegrass and distribute it to bluegrass associations as free content (timely or time-less). Bree has prepared a nationwide list of all bluegrass associations (both IBMA members and non-members) along with contact information. She will provide it to the IBMA office.

William and Eddie presented the 2016 World of Bluegrass Update. As of June 5, a total of 4,330 tickets have been sold with 6,232 tickets remaining. We are currently at 56% of our budget goal for ticket sales. William provided information about the lineup. Eddie said we hope to have a full schedule to roll out by the end of June. The Health Fair will return. The Talent Buyer and Songwriter Tracks are being finalized. Wellness oriented seminars are being offered. Registrations are a little ahead of where we were this time last year although revenues are a little down (due to reduced first-time registrations being offered). The Gig Fair is being moved to Tuesday (from Thursday). The Town Hall Meeting will be held on Thursday at 9:45 a.m. just before the Special Awards Luncheon. We are partnering with an organization (South Arts) to bring 10 international talent buyers to the conference on Wednesday afternoon. There is a new panel (to be recurring) on diversity in bluegrass music. The Education Committee has a goal of completing the schedule by the end of June.

The Board discussed the need for an international “buddy system” to help our international attendees.

Eddie reported on the improvement in the registration system (especially the on-site process). Training for registration staff volunteers was discussed. Ramble has been restructured to get sponsors in earlier. Improved distribution of information regarding logistics, tips, etc. is being planned. Partnering with the Downtown (Raleigh) Alliance to offer a showcase stage during their farmer’s market is being investigated. The Location Organizing Committee (LOC) is working with schools to include them in attendance. Improved audiovisual access for business conference sessions is being planned. A dedicated professional A/V person will work directly with presenters.

Paul reported we are running on schedule with sponsorships. Our Ramble co-sponsorships are ahead of where we were last year.

It was MOVED (William Lewis) and SECONDED (Ben Surratt) to adopt the budget for FYE 2017 with proposed changes to Projected Revenue (\$1,520,102) and Projected Expense (\$1,518,384) to result in a net positive of \$1,718. These figures include a projected donation to the Bluegrass Trust Fund. The motion passed unanimously.

The previously tabled motion (MOVED by Mike Drudge and SECONDED by Joe Mullins) to provide a complimentary Business Conference registration fee effective 2017 to board members who wish to receive it was untabled. The motion passed with one NO vote (Regina).

New Business

Wide Open Bluegrass RFP. The Board discussed the procedure for seeking Request for Proposals for Festival Producer for Wide Open Bluegrass for 2017 and 2018. A copy of the RFP was provided to the Board. Information will be collected and disseminated to the Board (with the exception of William due to a conflict of interest). The timeline is July 15, 2016 (RFP closed) and October 15, 2016 (awarding of contract). It was MOVED (Ben Surratt) and SECONDED (Marian Levy) to direct the Executive Director to develop and deliver a Request for Proposal for Festival Producer for Wide Open Bluegrass for 2017 and 2018. The motion passed unanimously.

Location of WOB Beyond 2018. The Board discussed whether to seek bids on optional locations. Joe Mullins discussed the idea of separating the Business Conference, Awards Show and Hall of Fame production into one event and a separate festival event (“unpackage” WOB) in the future. William gave the Board a history of the model developed by the Local Organizing Committee (LOC) in Raleigh. It is the sense of the Board that the Executive Director is empowered to negotiate with Raleigh.

It was MOVED (Alan Tompkins) and SECONDED (Regina Derzon) to add a Special Award to include live and/or recorded sound engineers starting with the 2017 awards term. The criteria will be developed by a task force to be appointed by the Board Chair. The motion passed unanimously.

The Board adjourned for the day at 9:00 p.m. and will reconvene at 8:00 a.m. on Tuesday, June 7.

Meeting reconvened at 8:00 a.m. on Tuesday, June 7.

The Board discussed the goals for the Festival Producer (Pinecone) for the coming year. It was the sense of the Board that we are very pleased with the work being done by William Lewis and his staff at Pinecone. William Lewis was *not* present in the room for the board's discussion.

The Board discussed the proposal received from the Foundation for Bluegrass Music. It was the sense of the Board that IBMA should invite a representative from the Bluegrass Trust Foundation and IBMA Trust Fund to attend the IBMA Board meeting at WOB to discuss their issues. Additionally, IBMA will make available other opportunities during WOB for the Foundation to be able to promote itself and possibly raise funds. We also will help raise awareness of the Trust Fund and Foundation and help them "tell their success stories."

Joe Mullins discussed the Bluegrass Trust Fund agreement. IBMA is projecting an approximate \$28,000 loss for FYE June 30, 2016. It is the sense of the Board that we will discuss our financial situation with the Trust Fund Board vis-à-vis the annual donation. A delegation of the Board will meet with the Trust Fund Trustees as soon as possible and report back to the IBMA Board.

Regina requested going forward we review the wording of the Memorandum of Understanding between the IBMA and the Bluegrass Trust Fund and clarify the term of the MOU and build in an automatic review (either annually or every other year).

The Board discussed the possible increase if the number of annual Hall of Fame inductees. Currently, IBMA inducts 2 per year. It was MOVED (Ben Surratt) and SECONDED (Stephen Mougín) to change the annual number of Hall of Fame inductees from 2 per year to 3 with the additional inductee coming from the "Open Category." We will continue to induct a non-performer every other year. The motion passed unanimously.

It was MOVED (Ben Surratt) and SECONDED (Joe Mullins) to enter into Closed Session to discuss Hall of Fame Nominating Committee structure. The Executive Director was asked to remain. The Hall of Fame Nominating Committee members are appointed by the IBMA Board for 3-year renewable terms.

It was MOVED (Jamie Deering) and SECONDED (John Goad) that the Rules of the Hall of Fame Nominating Committee be changed such that the Board Chair

appoints the moderator of Committee meetings. The motion passed unanimously.

Holly Gregory provided the Board an overview of meeting protocol vis-à-vis attendees in the meeting room. She reminded the Board that it is free to invite any member of staff or other person to join the meeting in its discretion, but that it should be mindful that the Board also needs to ensure an environment in which Board members do not feel constrained in having full and candid discussions. Therefore, it is a good practice to invite non-Board member participants on an as-needed basis. Generally the Executive Director is necessary for the entire Board meeting except where his performance is being discussed confidentially.

Angelika Torrie (via Skype) asked if IBMA can assist non-US bands with work permits in the United States. She volunteered to update the website resource regarding US artists traveling overseas. A document prepared about 5 years ago by EBMA also needs to be updated. She asked for assistance from the Board with this update. Holly Gregory offered to explore whether her law firm can provide recommendations of immigration lawyers who may be of assistance. Mike recommended an attorney in New York who also may be of help.

Paul presented the International Bluegrass Music Museum/IBMA agreement. The IBMM's letter to Paul Schiminger (and IBMA) dated May 15, 2016 was reviewed. Holly Gregory will review the current agreement regarding the disposition of IBMM's archive assets. It is the sense of the Board that we move forward in these discussions and research. We will reply to the IBMM board to let them know we are open to further discussions. Denise disclosed that she is a member of the IBMM Board of Trustees.

Stephen Mougin presented a proposal from the IBMA Scholarship Task Force to establish a scholarship fund for college students enrolled/enrolling in a program of bluegrass music business. The Task Force has begun drafting scholarship eligibility criteria and planning for donation solicitation. It is the sense of the Board that the Task Force continue to pursue this project.

Marian Levy left the meeting following the break.

At the invitation of the Board Chair, Holly Gregory facilitated a discussion of the IBMA Strategic Plan (from April, 2013). She gave an overview of the

strategic planning process. She reminded the Board that it is important to not to think of this as a static plan but rather a document for continuous review and consideration. The Board reviewed the elements of the previous strategic plan and discussed potential future directions. The Board plans to meet via conference call in mid- to late August to discuss and set priorities with the Executive Director.

It was MOVED (Joe Mullins) and SECONDED (Ben Surratt) that the meeting be adjourned. VOTE: Passed unanimously. The meeting adjourned at 3:00 p.m. on Tuesday, June 7, 2016. The next in-person meeting of the Board will be Monday and Tuesday, September 26-27, 2016.

Respectfully submitted,



Regina Warner Derzon
Secretary/