

Colorado Mountain Club
Board of Directors Meeting
American Mountaineering Center
April 18, 2015 – MINUTES

Call to Order: Kevin Duncan (9:00am)

Attendance: Jeff Flax

Present: Kevin Duncan, Matt Biscan, Linda Lawson, Jeff Flax, George Barisas, Craig Clark, John Fernandez, Jason Kolaczowski, Bill Landsberg, Scott Otteman, Ray Shem, John Spidell, Matt Stevens, and Kevin Volz

Present by phone: Bruce McClintock

Not present: Donna Lynne

Staff present: Scott Robson (Executive Director), Chun Chiang (Director of Finance), and Brenda Porter (Membership & AT Director)

Guests Present: Steve Bain (CMC Foundation President), Don Carpenter (Ft. Collins), David Hutchison (Denver), Dale Pfaff (Gore Range), Phil Powers (American Alpine Club Executive Director), and Colleen Widlak (Gore Range)

9:05am Approval of January 2015 Minutes: PASSED

Moved by Kevin Duncan, seconded by Matt Biscan

9:07 am Additions to Agenda:

- Matt Biscan – Report on Web Committee and Web Update
- Matt Stevens – July 2014 minutes needs final edits and posted to CMC.org
- Craig Clarke – Needs volunteers for Nominating Committee

9:10am Finance Report: Linda Lawson, Treasurer

Financial Highlights –Six Months Ended on March 31, 2015

Financial Highlights Discussed

AMC Potential Tax Liability Due to Space Rental

- There may be additional tax liability assessed on AMC for the rental of space to outside groups. This will be determined by an audit. It is unclear whether leasing to non-profit organizations may result in increase of taxes. AMC Director has filed an appeal for the tax assessment. The 2013 exposure may be \$20,000, and the 2014 exposure is unknown.

6-Month Financial Highlights

- A review of 2014/2015 assumptions preceded the report
- Existing concerns include Adventure Travel contributions as a result of trips not filling or being canceled. Discussion included the results of advertising in OUTSIDE Magazine, working with other members of the Alpine 5 and advertising trips to Friends of CMC. AT revenue is down \$64K; whether it can be made up in remaining months is questionable
- Continuing concerns on declining memberships and concomitant dues revenue and contribution revenue
- School and Event revenue is down from budget but may be made up in April & May
- Balance Sheet – continuing awareness of minimal cash available until SCFD funds are received in the 4th quarter of the fiscal year; Museum is fully depreciated
- 990- Tax Form is available upon request; not posted on cmc.org website. Board has requested Director of Finance to post all available 990 Tax forms on the website.

FOCUS

- Membership growth between new and retained members show 1st quarter are above average, but the 2nd quarter is down. Staff believes this can be turned around. Similar situation with contributions.
- School fees and YEP need support; after school programs will be phased out due to competition; Bouldering Bus needs sponsor to “wrap” the bus.

9:33am State Council Report: Matt Biscan

- State Council will meet today at 1:00pm with Jim (Pikes Peak), Don (Ft. Collins), Dale (Gore Range), and John (Pikes Peak)
- Will approve the Nominating Committee
 - Craig C., Jeff Flax, Scott O., and Matt S. volunteer to serve on the Nominating Committee
- Kevin D. — have group representatives on State Council
- State Council needs to be reinvigorated
- State Constitution states out-going Board members can serve on State Council
- Will attempt to increase State Council participation by conference calls

9:43pm Restructuring Task Force Update: Scott Robson

- Three weeks ago, the Restructuring Task Force held its second meeting
- There are a number of State Board members on the Task Force

Overview and next steps – Four Areas of Focus:

- Overall group structure

- Current structure is different than other clubs – per surveys, CMC is in silos
- Issue of groups interest in consolidation into fewer regional chapters (possibly five – not set), in addition to Friends of Colorado, Colorado Wilderness Families, and Friends of CMC
- Questions remain about push-back from groups
- Chapters would reduce number of administrative tasks, including councils, chairs, treasurers, and allow members to focus on outdoor activities
- Chun would be able to better manage financial data with a reduction in the number of chapters and improved reporting by treasurers, consistent with auditor's recommendations
- There has been a steady decline in CMC membership over past 15 years
- Chun provided three structural alternatives, including the use of calculator (in Excel) to project financial impact of memberships and growth
- Consolidated fee structure (dues)
 - Brenda provided fee structural alternatives
 - There are currently 22 dues options
 - Currently 16% of total revenue comes from dues. Other clubs have higher income from endowments and interest
 - Goal to maintain or increase dues revenue, however some groups would see an increase in dues, while others would see a decrease (about 75% would see a decrease)
 - Looking at \$65-\$70 flat-rate dues
 - Also consider a lower rate for younger members (e.g., under 30) – current average age is 53.
 - Remove admission fee to join CMC (\$25). Question how to recoup loss of this income.
 - Consider most active volunteers would see a dues decrease
 - Brenda suggested a “pay-to-play alternative to sections. Jeff indicated that section dues are essential to continued operations and offerings - not to nickel and dime section members.
- Migration of group websites to CMC.org
 - Issue of marketing of CMC with one common website – need interactive experience on one site
 - Three groups currently have their own website that will need integration with the State's main site. (Denver, Boulder, and Fort Collins)
 - Possibly start with Fort Collins Groups due to its size.
 - Implementation plans needed
 - Groups would continue to offer their current content
 - On May Denver Group Council agenda

- Coordination and consistency of training, classes, schools and leaders (different tuition rates and different quality among groups)

Timeline:

- April
 - Refine dues and chapter alternatives
- June
 - Brenda to reach out to all groups for input and feedback
 - Include road tour to various groups
- July
 - Schedule fourth Task Force meeting
 - Present preferred alternatives for dues and chapter structures for next State Board meeting for formal action plan
- August
 - Communicate plans to groups
 - Include changes in 2015/16 Budget
- October
 - Implement plan in Oct. budget

A discussion was held regarding timing of new structure and dues – which is done first, or together. It was noted that CMC is not aligned with other mountain clubs. It is difficult and confusing for members in determining which group to join given different group dues (e.g., Denver Group is \$107 when joining CMC) and how to market club given the different groups and fee structure.

10:25pm Phil Powers, Executive Director, American Alpine Club (AAC)

Proposal for a Joint Funding of Educational Program for the Alpine 5 Clubs

The goal is to have consistent instruction and training for certain mountaineering activities through a model of membership of the Alpine 5 Clubs. AAC's endowment was 20%, now down to 6% (for library, etc.), although membership is increasing.

Consider UIAA educational implementation with a mission and vision to establish certified competent climbers and continuity of participating organizations. A strategic and business plan has been developed over the past five years. The next step is an educational initiative (rescue, journal, access and conservation). This would provide a safety competency, with a new group of possible members from climbing gyms. Insurance companies would have to be convinced of the need for certification based on safety issues. The number of accidents is not reported by climbing gyms.

UIAA would offer an initial set of standards for teaching climbing and technical lead climbers – including reciprocity. This would include ice and mixed climbers, including

those in competitions like the Olympics. Currently, the education is not systematized with problems of inconsistent training and no third-party validation. Commutations are a major cause of accidents. Further, there is no belay standards or certification. Belay requirement vary from gym to gym.

There are seven levels; Alpine, ski mountaineering, ice, single pitch trad., single pitch, winter walking, and mountain walking. The categories vary in different places, e.g., there are 14 categories in Britain, with third-party validation by British Mountain Council.

AAC would focus on single pitch instruction (UIAA), but not on single pitch trad (AMGA). The same curriculum would be taught across the country. There would be three phases; PSA video, belay card, and single pitch sport instruction. (AMGI is a program for trad climbing single pitch). There is no move to add AMGI into AAC efforts.

CMC has been invited, but the question would be where to plug-in. It was pointed out that the curriculum is not a school. CMC is missing a volunteer database, which details training received by each leader. CMC could look toward leader training standards across the state, possibly using UIAA standards, however there would be internal CMC challenges. There exist certain standards in U.S. such as NOLS. Part of the goal would be to find other non-profit organizations to participate in this program.

Currently, the program is seen as a member benefit for AAC even though it is a loss leader. CMC might consider contributing one year or three years as a test. The return would be on accreditation and possible donations from companies such as Adidas. Expect a positive cash flow after two to three years. AAC would not be a primary trainer, rather support organizations and companies such as CMC and rock gyms. There are about 300 rock gyms across the U.S. and more expected to open. The potential for revenue is training in schools and educate the new niche for sports climbing. The fastest growing is single pitch.

Phil provided cost estimates in a separate document for CMC's participation in the program.

11:26am Discussion of AAC's Recommendation

The sense of the Board is that standards are appropriate and a critical piece of the market as a benefit to members. Matt B. volunteered to chair a committee to examine and evaluate CMC's involvement in the program.

A motion was offered by George to set-up the committee as described, seconded Scott – PASSED.

11:27am Executive Director's Departmental Report

Scott met with AMC regarding the museum and library. The museum is seven years old and is getting stagnate with low attendance. The question raised is what is the next phase and how to get greater involvement and continuation of museum. A concern was raised about members who donated to the capital campaign for the museum. The building requires major capital expenses, such as leaking windows (estimated at \$35K), and steps (estimated at \$85K). There is a new task force to address a strategic plan for the building. There is an application pending for funding from a state historical fund. Craig offered to participate in the task force seeking involvement from the construction industry.

Heather MacSarrow has left the CMC having served as the conservation director. Julie Mach is the interim director, working part-time out of Salida.

No web report was provided. It has been two months since the web committee met. It has become clear that Rachel does not have time to spend time with the committee. The committee has some talented members who have provided input using Basecamp software. The web committee will continue to provide input and ideas from around the state and have *ad hoc* meetings. Concern was raised about the lack of member testing of changes to the website, which would provide feedback on priorities and problems prior to implementation.

The next issue is to consider a new website platform. The member complaints are down, however that does not speak to the lack of database functionality. The plan is to find a way to move staff to web-related activities. Staff will be shepherding the web migration. However, Rachael is unavailable for this task, as she needs to focus more on marketing. Concern was raised about the lack of a mobile app, which most younger members and potential members would use. Currently, 50% of members open mailings from the myEmma mass e-mail system.

Other items:

- CMC is a nominee for the Rotary Annual Ethics in Business Award
- Growth is an on-going concern – how to keep and retain members
- Tectonics has provided a quote for a membership auto-renewal function in the website
- The contributions database Development office uses regularly has been down for about a week. It has been repaired and back up and running.
- Development is close to its goal for this year, having received \$20K from an IT company. The department is pursuing other large companies in the area.
- Press is doing well. The best seller is Best Hikes of Palm Springs.
- Other projects in line, including ski descents, and a possible mountain bike title.
- The Executive Director is providing monthly reports to the members of the State Board of Directors. The reports will include a spreadsheet detailing the memberships counts and changes by group and statewide.

11:56am CMC Membership Update and Initiatives – Brenda Porter

- Brenda's time is divided 40% for Adventure Travel, 50% Member Services, and 10% education
- Member Services staff includes Andrew (full-time) Roger (half-time), and volunteers
- There have been more events which Member Services supports
- There is a new membership form, which includes an option to join Friends of Colorado at \$51 per year – with joining a group. Concern was raised that Colorado residents joining as Friends of Colorado are receiving the benefits of groups, with the related costs to the group, without paying group dues.
- Retention remains a challenge. Groups have been asked to offer retention activities.
- Expiring members received two e-mail notifications and two postcards concerning renewing. A letter was also sent to former members who did not renew. 41 rejoined per the tracking code that was part of the mailing.
- A survey was conducted a year ago stating members did not renew because of (1) too busy, and (2) cost.
- The Denver Group is offering hikes for new members called surge hikes. They are also doing a calling campaign.
- Concern was raised about the \$25 cost of joining, which is a disincentive to join.
- It is recognized that CMC needs to grow memberships in the 20-29 years old bracket given members in their 30's and 40's may not remain as members due to work and family obligations.
- It was suggested that a ROI model be used for time devoted to new and retained members to determine where best to market.

12:10pm Insurance Coverage - Scott Robson

There are three types of new coverage being considered: international liability, medical for trip participants, and rescue.

CMC is not covered for international liability. The concern is claims against CMC for property damage, rental cars, and non-CMC owned vehicles.

No-fault medical coverage for participants would be about \$31K. This would be offered as a member benefit for domestic claims only. The concern is poor ROI.

Rescue coverage would be the same as AAC, with one to three day coverage. There would be a website for members co-branded with CMC and the insurer. The insurer would offer a rebate comprised of its commission back to the CMC. CMC would provide the insurer its mailing list. The cost to each member would start at \$250. A concern was raised about offering evacuation coverage only. It was raised that international coverage protects the CMC and third party claims. The question was asked

about the need for the CMC to buy this coverage when there is no history of an action against the CMC. The cost of the medical coverage is considered too high, at about \$5 per member. A survey could be done to gauge member's interest in coverage.

Scott advised he would survey members, do further research, and report back to the Board. A focus group on the subject could also be done.

12:20 Adjourned

Respectfully Submitted:

Jeff Flax
Secretary, State Board of Directors