



Colorado Mountain Club  
Board of Directors Meeting  
American Mountaineering Center  
October 17, 2015 – MINUTES

**9:05am Welcome and Call to Order: Kevin Duncan**

**Attendance: Jeff Flax**

Present: Kevin Duncan (President), Matt Biscan (Vice-President), Jeff Flax (Secretary), George Barisas, Craig Clark, Jason Kolaczowski, Bill Landsberg, Scott Otteman, Ray Shem, John Spidell, and Kevin Volz.

Present by phone: N/A

Not present: John Fernandez, Linda Lawson (Treasurer), Donna Lynne, Bruce McClintock, and Matt Stevens.

Staff present: Scott Robson (Executive Director), Chun Chiang (Director of Finance), and Leslie Woollenweber (Development Director).

Guest Present: Steve Bain (CMC Foundation President).

**9:05am Approval of July 2015 Minutes: PASSED**  
Moved by Bill Landsberg, seconded by Matt Biscan - Unanimous

**Approval of April 2014, July 2014, and October 2014 Minutes: PASSED**  
Moved by George Barisas, seconded by by Bill Landsberg – Unanimous

**9:07 am Additions to Agenda:**

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

**9:10am Finance Report: Chun Chiang** (CMC Director of Finance), filling in for Linda Lawson (Treasurer) who was unable to attend meeting.

There are three areas of concern: dues, Adventure Travel revenue, and contributions. However, the other sources of revenue are up, at or above budget. CMC Press has increased 28% over last year. There is a new book being released on Palm Springs hikes, *140 Great Hikes in and near Palm Springs*, and is expected to sell well.

The membership trend is declining. The Fees for Service from the DG (\$120K in FY 2015) will decrease based upon the new dues structure. Under the new dues structure, State will no longer for charge membership services staff time to DG. The change in FY 2016 will result in a \$40K decrease in State revenue.

Scott Robson advised the decrease in DG dues is expected to result in a 10% increase in memberships. An increase should also be realized in some other groups. The increase in memberships, coupled in an increase in member retention, will positively affect the bottom line. Currently there are 5,500 members and 3,976 members. This represents a 15% increase in members over 2014, and a 3% loss in memberships over the same time period. However, end-of-year memberships are up 24% and renewals (retention) remains at 61-62% (which was around 70% two years ago).

CMC Press is releasing six new titles in FY 2016, for a total of 56 titles. There is also a new title, Colorado Trail update which has been a best seller in the past. There is a modest price increase with costs remaining about the same. There have only been about 20-25 e-book sales. The profit margin for e-books is about the same as print. There is a target market for CMC books outside of Colorado. For example, Palm Springs is in a populated area. There was an earlier edition of this title, but the author was seeking an updated publication. We should continue to identify other titles.

Jason asked is there is an effort to work with the 14ers. Scott advised there are also possible mountain biking publications.

Adventure Travel (AT) remains a challenge. There have been several canceled trips, and others half-full (*e.g.*, Grand Canyon). Some trips were previously full with a wait list that had to be canceled due to low sign-ups (*e.g.* Italy). These resulted in a large revenue reduction, but off-set by a decrease in corresponding expenses for the trips. The administrative fee was increased from 15% to 20%. There was a slight growth from 2014, but still well under budget. There is a new intern working with AT. The intern is working 40 hours per week and receiving university credits. Lauren Shockley will oversee AT and will work closely with AT Committee Chair Linda Ditchkus. AT pricing is competitive. It is essential to note that there many qualified and dedicated volunteers involved at all levels of the AT program, including its leaders. However, there has been some concern about AT leaders, and their qualifications will be reviewed. Specifically, there has been negative feedback on some AT leaders from a customer service

perspective, such as not participating on trip hikes. The goal is to keep 'fun' in the trips. Linda Ditchkus will be working with AT Committee on training AT leaders and ensuring we have the best and most robust leaders. It is time for the addition of new AT leaders and retire those with negative feedback, but this is hard given some leaders are volunteers.

The Youth Education Program (YEP) has seen an increase in revenue as a result of the Bouldering Bus.

There has been a significant increase in Adult Education schools and enrollment. The Denver Group received \$134K in tuition, which is \$30K over budgeted. They expect an increase to \$147K in 2016. There are plans to target adult education that is complementary with the DG's schools. The State Office will be working with groups (except DG) on training for leaders. For example, some groups do not offer Wilderness First Aid (WFA). (The DG requires all new leaders to take WFA, but not take the renewal classes). Scott Robson indicated he just attended a NOLS risk management conference. There were numerous related issues raised regarding CMC policies and training, and some related to leader mandates.

Other than the DG, there has been a decrease in the number of trips. Jason Kolaczowski asked whether the decrease may be due, at least in part, to the website (such as the lack of a mobile app).

George Barisas discussed the trade-off between trips and administrative best practices. Leaders may look at the requirements to become a leader and decide not to go through the process. Current leaders may decide not to go through the efforts to maintain their leader status. There are now far fewer trips available than 20 years ago. New leaders are required to take WFA, yet there have been very few incidents where not having first aid skills had a significantly consequential effect on the outcome of trips. If we require leaders to maintain training currency, there will be fewer leaders. Scott Robson disagreed. While we may lose some leaders, there may be some liability exposure with respect to a lack of leader training. This raises the issue of leader training state-wide. Jason Kolaczowski mentioned the impact of leader training on recruiting new members. Many members join CMC to go on trips with trained leaders. This impacts a sense of security which is not available elsewhere. Scott Robson agreed, stating some organizations do offer any training for their leaders (*e.g.*, Meet-up).

There has been a drop-off in contributions. Conservation did not come in at budget, therefore there were some cuts in conservation programs. In 2016, it is projected there will be a 41% in personal contributions, a 150% increase in contributions by CMC Board members, and 70% elsewhere.

The Scientific and Cultural Facilities District (SCFD) came in higher in 2015 due to higher sales tax collection in the district. There is one fewer organization in our tier competing for the same funding. This may result in an increase to the CMC.

Increasing the expected contributions from CMC Board members would be at a level comparable to similar organizations.

There are 15 staff positions, of which 11 have been hired in the past nine months (conservation, education and member services manager).

Jason Kolaczowski asked about the risks to the CMC budget if contribution revenue does not increase. Chun stated the decrease was in the past year, which brought us back to 2014 levels. Scott Robson advised the primary exposures are contributions and new memberships. YEP has had a decrease in foundation grants, however individual contributions remained steady and is projected to remain at current levels in 2016. There would be an impact on the budget if grant income does not increase. There is a question about the availability of grants. However, the hope is the improvement in the economy will result in increased grant opportunities.

Leslie Woollenweber, Development Director, will be acquiring and using new software to identify, apply for, and search for grant opportunities. There is a question about the availability of grants available. The problem is worsened by lower membership totals, paid programs, and the types of certain grants in which there are no costs to the grantor. Conservation will shift its focus to attract grants. Diverse funding leads to stability. The same applies to grants over five, six years, or more. Corporate support has decreased over the years. Individual support is the largest source of funds, with CMC Foundation support in the middle. As would be expected, some contributors are more careful in lean years. Most non-profit organizations receive a significant or majority of contributions from individuals.

There are two overall goals built in 2016 budget — membership and contributions. Other assumptions in the 2016 budget are: 15 staff members (an increase from previous levels), a change in the Executive Director and his salary, the YEP staff is at 3.5 FTEs, merit-based raises in the budget (with some staff churn, however), repurposing the higher salary of a former employee, sales/revenue increase in CMC Press activities, and AT (less revenue with fewer expenses).

American Mountaineering Center (AMC) (CMC is ½ owner) ramped up leasing and renting empty spaces of the building to outside groups over the past two years. Jefferson County Authority audited the rental records of AMC in 2015 for its property tax exempted building usage. AMC's previous granted tax exempt status (taxed at 4%) was revoked. The new instituted tax rate is at 16%. There are rent and lease increases being implemented in 2016 to cover the increase in property tax. The price of the rooms is evaluated to the surrounding market.

The AMC requires certain building maintenance. Expenses on the building are being kept to a minimum. DG schools pay a significant amount to the AMC for room rentals. The museum is fully depreciated. The building requires new front steps, the cost of which would be around \$180K. AMC applied for a \$100K grant for the repairs. That would still leave the need for the AAC and CMC to contribute about \$40K each. This would cover the architectural, engineering, and construction costs. An architect has already been retained. Matt Biscan expressed a concern about the total cost and raised the possibility of an architect donating their time for the project. Scott Robson advised the architect has already been retained. Scott will get an update on the status of this expense from AAC and AMC.

Scott Robson discussed cuts in administrative expenses. The *Trail and Timberline* (T&T) is being reduced from four editions to two editions per year, which should save about \$20K per year. This will reduce production and mailing costs. A question on the impact on membership was discussed. However, Scott Robson does not expect any significant impact. George Barisas raised concerns about receiving only two issues per year. This could represent 5½ months from the time a member joins. He asked if previous, archived editions could be made available on-line. He recalls the list of CMC activities, which were sent to members in a printed, hardcopy. Scott Robson advised producing two printed editions and two on-line editions per year would not result in savings. Part of the cost of the T&T is Sarah Gorecki's time. The CMC *Rucksack* monthly publication has a distribution of 14K copies. There is some overlap with the T&T. The *Rucksack* provides the CMC with an opportunity to collect the e-mail addresses of subscribers.

Matt Biscan suggested the T&T might include a yearly photo essay, which would be available on-line only. There would be a potential for low expenses regarding this proposal and could raise interest in the CMC.

While expenses are down, and so is cash. There is a projected budget loss of \$145K. At the end of FY 2015, there was only one day of cash on hand and unrestricted cash at a level of \$90K. The FY 2016 cash projection is for \$42K at the end of 2016, which is enough to cover borrowing, but without any carry-forward savings. Loan documents for a line of credit are being drafted with the CMC Foundation. Currently there is 60-90 days of cash on hand. Another line of credit is being drafted with the Colorado Business Bank.

Ray Shem raised a point related to expense cuts developed by Chun Chiang in the past. Discussion ensued related to a variety of alternatives.

#### **Approval of FY 2016 Budget: PASSED**

Moved by Jeff Flax, seconded by Craig Clark — Unanimous

There was a discussion about the availability of a loan/line of credit from the CMC Foundation (CMCF). The proposed loan/line of credit would cover cash for expenses until the SCFD funds become available later in the year. The loan would thus build up reserves. Cash is primarily a timing issue with only SCFD three payments received throughout the year. It is important that contributions hit budgeted levels.

Jason Kolaczowski discussed the need for changes to the website that are important to leaders. It is recognized that funds are required for any major website changes. Cash drives overall infrastructure improvements. He recommended a capital initiative for the website and database in Fiscal Years 2016-17.

Kevin Volz raised the issue of the CMC leaving the AMC building. It could raise \$2M. The building is the club's largest asset.

Scott Robson advised we have only addressed about ½ to ¾ of the 2012 Strategic Plan. There are new areas that should be added to the Plan such as the funding of a new database. The Denver Safety & Leadership Committee sent a letter detailing the need for a capital campaign for a new database and website. The Board's Executive Committee has discussed the formation of a committee(s) or task-force which we be needed to develop and operate a fund raising effort.

The Membership Services office has been restructured to address long-term growth. It is recognized this will take time and will be handled quarter-by-quarter. There are staff requirements for travel and training. The budget will be evaluated in various categories for any necessity to lower expenses. This may include lowering payrolls by furloughs, however this would affect staff morale and work plans.

Jeff Flax raised the impact of limited functionality of the CMC's website. The result includes loss of current and potential members. A mobile app is badly needed given at least half of younger members rely primarily or exclusively on mobile devices.

The terms of a loan and line of credit from CMCF was discussed. The Finance Committee approved the terms, however the full Board must approve the line of credit and loan. Specifically, there would be a \$50K line of credit available from January through the end of September 2016. Funds would be available as needed. The term is 2% interest on borrowed funds. CMC's collateral would be the use of a quasi-endowment which has a balance of \$43K. Thus, CMC would still realize a \$7K deficit if there are not funds available to payoff the loan from CMCF.

Steve Bain advised the CMCF loan is not collateralized. Rather, any difference in the note and payoff would be moved on the books from CMCF to CMC. A generic promissory note was used to draft the note. Certain language was then removed and additional language added to customize the note for this purpose. The Finance Committee of the CMCF expressed concerns regarding a needed increase in CMC

development fundraising. The consensus of the committee was to approve a loan for one year, then regroup as necessary at the end of 2016. The intent is primarily to cover the gap in SCFD funds.

Chun Chiang indicated the loan is intended as a one-time action. CMC does not plan to go back to CMCF for additional funds. However, the line of credit is left open for recurring disbursements if needed (up to the \$50K). The loan will be paid when CMC has available funds. There is not a prepayment penalty. The loan is not considered a gift. Chun expressed concern regarding the consequences on the budget of contributions and grants coming in lower than budgeted. Currently, only about 10% of members make contributions to the CMC. Ray Shem suggested a CMC/CMCF Development Committee be reestablished.

Scott Robson advised the budget as presented is realistic. He spent time with each department director and walked through the budget line-by-line. The budget included the projected loss of \$20K due to the elimination of the \$25 fee for members when they first join the CMC. The fee was eliminated as part of the dues restructuring.

Steve Bain advised the CMCF has \$900K, including restricted and non-restricted finds. About \$43K is unrestricted. The CMCF has a website – CMCFoundation.net.

#### **Approval of CMCF Line of Credit and Note: PASSED**

Moved by Matt Biscan, seconded by George Barisas – Unanimous

#### **10:25am      Nominating Committee: Craig Clark**

The Nomination is comprised of Craig Clark (Chair), Kevin Duncan, Jeff Flax, Scott Otteman, and Scott Robson in an advisory role.

The board roster was reviewed for the past five years to ensure its accuracy. The board is currently comprised of 16 directors. The review included directors who resigned, and others who joined mid-year. There are five openings on the board beginning in 2016 as a result of the departure of the following directors: Tracy Atkins (resigned due to work demands), John Fernandez (did not seek a second term), George Barisas (completed successive two terms), Ray Shem (completed successive two terms), and Bill Landsberg (completed successive two terms). Linda Lawson and Craig Clark are seeking second terms.

President Kevin Duncan expressed a thank you to the out-going members.

The Nominating Committee interviewed eight of the nine board applicants for the five open director positions. (A ninth candidate was unable to find a time for an interview due to other time demands). The Committee recommends the following five candidates be presented to the State Council for ratification:



1. Dave Swinehart – finance background, member of conservation.
2. Steve Szoradi – professional guide in Aspen, member of Aspen group, operates commercial guide company, background in risk management and certifications.
3. John Marrota – former Fortune 500 CEO in health care, involved with DG technical schools.
4. Daniel Cummings – new to CMC, comes from Meet-up background, CPA and finance background.
5. Bill Flaherty – CFO of company and involved in climbing.

The three other applicants were Jonathan Dundar, Jared Hoeflich, and Mark Schaible. Scott Otteman indicated the committee will seek a stronger pool of younger members and women applicants. He spoke to potential women applicants who ultimately did not apply.

Matt Biscan discussed the challenge for a diversified board. This impacts fund-raising. Women comprise a majority of our climbing class instructors and students. We should not wait a year to add more diversity on the board. The by-laws provide for a larger number of board directors (up to 25 directors).

**Approval of Motion to Recommend the Five Candidates to the State Council: PASSED**

Moved by Matt Biscan, seconded by Bill Landsberg – Unanimous

**Approval of Motion to Recommend Second Terms for Linda Lawson and Craig Clark to State Council: PASSED**

Moved by Bill Landsberg, seconded by Matt Biscan – Unanimous

**10:30am State Council Report: Matt Biscan**

There was no State Council meeting scheduled for today. There was discussion about the State Council and its effectiveness and representation of the groups state-wide.

**11:05am Development Department Update: Leslie Woollenweber**

Leslie is shifting her focus to grant development. The year-end campaign went well. Board support opportunities were discussed. Individual contributions are needed to meet the budget. About 95% of individual contributions come from members. Without an increase in membership we cannot expect an increase in the total of individual contributions. It was noted that donations will not make up for the decrease in membership. There will be a decrease in events as the return, if any, is small. There will



be a crowd-funding campaign next summer in order to engage members and groups. Scott Robson mentioned the fund-raising effort for Nepal raised \$54K.

The goal is to have 100% board member giving. These may be pooled (*e.g.*, matching pledges has been very successful). Board members may consider putting up a profile page in an effort to raise funds for CMC. Board members can also assist by signing holiday cards to major donators and make calls to thank these members. The letters may use standard language (*e.g.*, about saving the environment, servicing underprivileged kids, etc.).

The Backcountry Bash will be held on November 14, 2015. The focus will be on conservation. Board members are encouraged to host house parties, donate auction items, such as condos or vacations, or trips and destinations – which can be arranged through a travel agent. Board members are also encouraged to attend the Bash. The price of the Bash has been increased to increase the fund-raising goals of the event. Colorado Gives Day is on December 8, 2015. It is a 24-hour event. There will not be a YEP backyard event this year in order to refocus staff time on other priorities (*e.g.*, conservation pledges). The film festival will be offered around the state.

For the remainder of the year, the Development Department will concentrate on major donations. The goals include selling five to seven life-time memberships, recruiting new Peaks Partners (recurring contributions), and participate in crowd-funding campaigns. A graduated life-time sliding scale membership is being considered based on age.

Other fundraising possibilities may include vehicle donations and the use of grocery store/non-profit donation cards (a 5% rebate would be donated to CMC for purchased groceries).

Jason Kolaczowski asked about efforts with AT. Scott Robson advised there will be a trip to Eastern Europe. A \$200-\$500 surcharge will be added which would go to conservation.

It was recommended that a Joint Development Committee be established with the CMCF. Its members would represent various interests and liaisons in the development area. These may include the board members, group representatives, a CMCF liaison, membership development staff, major donors, and a concentration on life members. The committee would help recruit corporate sponsors and event planners (there is not enough staff time to meet all event planning requirements).

**11:45am      Update on October 3, 2015 Incident Investigation Task Force:  
Scott Robson**

On October 3, 2015, a death occurred on an easy CMC hiking trip near Brainard Lake. A review is being conducted by Linda Lawson, Terry Ploski, Beatriz Silvera, Jeff Golden, and

Scott Robson. The committee will review the Emergency Action Plan (which was utilized), medical efforts and communications. All trip participants will be interviewed to determine the specifics of the incident and any leader training may be needed prospectively. The incident will also be reviewed by the Denver Group Safety and Leadership Committee.

Scott Robson discussed the need for a State CMC Safety and Leadership Committee. The committee would be involved in risk-management issues. There are concerns about the difference in training among the various groups with respect to training standards and protocols. Standardization in leader training should be implemented. This is a high priority for Scott Robson. There are also concerns about liability exposure, the language in the liability waivers, inconsistent standards among the groups, associated risks and protocols, and Adventure Travel international implications. The CMC does not have a risk management manager, in part, due to the small staff size of the organization. There will be a greater staff focus on risk management issues in 2016.

**11:55am      Awards Committee: Kevin Duncan and Scott Robson**

There has been a small awards committee for years. However, the committee needs new members. The proposed committee would include Kent Groniger (current), Sherri Richardson (current), Clare Reda (proposed), Dave Covill (proposed), Jeff Golden (staff - proposed), and the CMC Executive Director (proposed as a non-voting, *ex officio* member).

The existing awards are the Blaurock and Ellingwood, and are presented at group dinners. It is not clear about the specific criteria for awards. The Executive Director has not been involved in the selection of who receives the awards. There are not awards specifically given to younger members. There should be some consideration of such an award to younger members and to climbers who have completed climbs on all 14ers in Colorado. Kevin Duncan indicated there should be more input from CMC members around the state concerning awards. A handout was provided to the board with more details and recommendations concerning additional awards and committee members.

**Approval of Motion to Accept Award Recommendation as Provided by Scott Robson:  
PASSED**

Moved by Matt Biscan, seconded by Jason Kolaczowski – Unanimous

**12:00pm      Update Regarding Inactivity of San Juan Group (and other small groups): Scott Robson**

Kevin Duncan indicated the status of the other small groups such as the Western Slope Group which may be or may have become stagnant. Matt Biscan suggested the possible formation of a Ouray Group. The area hosts major, epic events such as the Ice Festival.

Scott Otteman suggested recruiting members through university and college orientations, Colorado Mountain College, and realtor - new resident packets.

**Approval of Motion to Accept Request of the San Juan Group to be Dissolved: PASSED**

Moved by Matt Biscan, seconded by George Barisas – Unanimous

**12:05pm      Executive Director's Operational Update: Scott Robson**

There was a focus with Techtonic (web developer) in the 4<sup>th</sup> Quarter (of FY 2015) on the implementation of the new dues structure. They continue to focus on web glitches. The full report on the database analysis from Percolator pertaining to the Outdoor Alliance was expected in August, however it now should be available any time. An Executive Summary has been received. The report states:

1. All seven Outdoor Alliance members have database issues.
2. There is not a common database solution which would meet the requirements of all seven organizations.
3. The "Sales Force" Starter Pack (a Microsoft off the shelf product) designed for non-profit organizations may meet the needs of the CMC. The Mountaineers are using the software. There would be customization and maintenance costs associated with the system.

The next step is to work with Percolator on a firmer estimate of the costs of the system, and related customization expenses. There will be member input on the system design and implementation. There will be a reformulated web committee, as well as a distinct committee to address a capital campaign for the new system and redesigned website. The web committee might include school directors, members of the CMC Board of Directors, members with a technical background, and members of the Safety and Leadership Committee. The focus of the web committee will be on functionality issues rather than technical specifications and processes.

Kevin Duncan identified committees of the Board of Directors as follows:

1. Finance
2. Nominating
3. Web
4. Development
5. Risk Management
6. Governance
7. Awards
8. Toponimics

All new and existing board members will be contacted about their interest in committee assignments. Scott Robson expressed great optimism for the upcoming year.

**12:25pm      Reports from the Officers:**

Kevin informed the Board that he has been asked to join the American Alpine Club's (AAC) Board of Directors. He would resign from the AAC Board if a conflict were to arise between the CMC and AAC.

The Executive Committee will be addressing the annual performance review of the Executive Director. Jeff Flax requested an agenda item be included at the January 2016 Board meeting concern risk management issues.

Matt Biscan advised he continues his efforts with the UIAA certification. The AAC hired a staff member to shepherd the certification program. The Denver Group has made fundraising efforts through their Technical Section, but is not asking the Denver Group to pay a portion of CMC's \$15K contribution to the UIAA certification program.

Scott Robson indicated staff will be evaluating current liability waiver forms. They will compare CMC's forms to that of other organizations and trip brokers.

Jeff Flax raised the issue of the naming of a peak in honor of Rotarians as requested by long-time CMC member and author Dave Muller. Scott Robson advised he has discussed this matter with Dr. Muller. Scott further indicated the CMC does not have a direct vote in the naming of peaks, rather the CMC is consulted. The USGS makes the ultimate decision on the naming of peaks. This issue will be referred to the reformulated CMC Toponomics Committee. Scott will follow-up with the USGS. Kevin Duncan stated the proposal will be reviewed by the CMC Board of Directors.

**12:35pm      ADJOURN**

Respectfully Submitted:

Jeff Flax, Secretary  
Colorado Mountain Club State Board of Directors