



Colorado Mountain Club
Board of Directors Meeting
American Mountaineering Center
July 28, 2016 – MINUTES

3:10pm Welcome and Call to Order: Kevin Duncan

3:10pm Attendance: Jeff Flax

Present: Kevin Duncan (President), Matt Biscan (Vice-President), Linda Lawson (Treasurer), Jeff Flax (Secretary), Dan Cummings, Bill Flaherty, John Marotta, Scott Otteman, Matt Stevens, and Dave Swinehart.

Present by phone: Jason Kolaczowski, Bruce McClintock, John Spidell, and Lauren Shockey (Membership Manager).

Not present: Craig Clark, Stephen Szoradi, and Kevin Volz.

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

Guests Present: Steve Bonowski (CMC Foundation) and Bill Landsberg (past Board Member and former Chair Governance Committee).

3:12pm Agenda Additions and Adoptions –

Scott Robson introduced Clyde Soles, new CMC Publishing Director. Clyde's background includes, worked at Neptune Mountaineering in Boulder, Senior Editor at Rock and Ice Magazine, founded Trail Runner Magazine, and Senior Editor at Falcon Guides.

3:14pm Member Comment Period –

Steve Bownowski (CMC Foundation and Adventure Travel Committee member)

Adventure Travel (AT) – supports proposed CMC staff member whose duties will, in part, be assigned to AT. AT provides considerable revenue to the club. The AT committee has a lot of experience in international travel, including group dynamics, coordination with foreign outfitters, accountability, and understand the business model. There may be shifts in the amount of expenses paid to AT trip leaders, however this has not been explored in any detail. The shift to guides may decrease the risk and time required of our volunteers. Scott Robson indicated staff is evaluating pricing and demand with the AT Committee and AT leaders.

3:25pm Approval of Minutes

April 2016 Meeting:

PASSED UNANIMOUSLY (Moved by Dan Cummings and seconded by Scott Otteman)

July 2, 2016 Special Meeting:

PASSED UNANIMOUSLY with noted changes (Moved by Scott Otteman and seconded by Matt Biscan)

3:27pm Motion to change October 2016 meeting TO Thursday, October 27, 2016

PASSED UNANIMOUSLY - Motion was offered by Linda Lawson and seconded by John Spidell to change the date of the October 2016 Board meeting to Thursday, October 27, 2016.

3:30pm Finance – Linda Lawson, Treasurer

It was noted that Scott and Chun are doing a great job managing the club's funds and finances.

- Dues are up \$30K from last year
- Total revenue is \$10K greater than planned
- CMC is meeting budget
- Expenses are lower than expected
- The Financial Position statement regarding cash does not include reserve by groups, rather the group information is added when the audited financial statements are prepared at the end of the year

- Book sales and related inventory are up – sales will be reported in two months when Mountaineers make bimonthly payment (July's payment will include June and July)
- Endowments are up slightly
- Assets are down slightly
- Accounts payables are down
- Deferred revenue is based on schools
- Total liabilities is down \$60K
- Accounts receivables are higher. The SCFD pays in Sept.
- Cash position was low for few months due to the SCFD payment delay
- The club will be required to operate for three weeks into FY 2016-17, yet the budget will not be passed until the October 2016 Board meeting

Motion to permit CMC to continue to operate without an approved FY 2016-17 budget until the October 27, 2016 Board meeting.

PASSED UNANIMOUSLY - Motion was offered by Linda Lawson and seconded by Jeff Flax.

Chun advised as part of the budget process, he sends directions to each CMC department directors. The goal is to base the budget on revenue assumptions for each department. Scott Robson indicated that there are not any major changes or significant impacts in the FY 2016-17 budget. There may be some minor shifting of resources, such as marketing or activities. The new staff position for AT, schools, and group support requires discussion concerning cost allocation.

Scott Robson added:

- growth in membership seen as a result of dues restructuring, led to increased revenue as did strong book sales
- Denver technical schools are doing very well with new course modularization
- Banff Film Festival sold 6,000 seats over three nights
- The addition of an opt-in or opt-out membership web renewal will need to wait for a new database

Lauren Shockey added:

- there is a new membership renewal campaign, members contacted four months prior to expiration, however renewal retention is still a challenge

3:55pm Denver Group Asset Transfer Proposal – Linda Lawson, Treasurer

- As discussed at the April 2016 Board meeting, the Denver Group (DG) has a large cash position, and is invested in low interest bearing accounts

- They are discussing where to invest these funds, including moving some funds to the CMCF accounts
- CMC requires funds for operations and programs at a state level
- There are on-going discussions with Denver Group Council (DGC) and the Board Executive Committee about the financial requirements for the DG and the club state-wide
- DG has \$230K on-hand, and revenue is increasing – primarily from their schools
- DG wants more staff support in return for transfer of funds to state accounts (up to 20 hours per week). This would include support of group administrative efforts, such as member retention, marketing and communications – all above what is currently provided by CMC Membership Services
- Denver has the vast majority of club activities and schools, and as a result, requires the most staff administrative support
- No formal proposal has been prepared
- The action to transfer \$100K to state general funds was tabled at the July 2016 DGC meeting
- Input is continuing from the Board's Finance Committee
- It was noted that the CMC State Constitution places all financial and fiduciary management duties on the State Board rather than individual groups

4:00pm Proposed Risk Management Staff Position – Scott Robson

- This is not related to the proposed Denver Group part-time admin. position
- Based on similar needs of peer organizations – schedule AT trips, evaluate risk (including to insurers), investigate or assist in evaluating accidents
- CMC has not had a risk manager in the past, although certain staff have had various related responsibilities, but not by a single staff member
- Operationally CMC has two programs of primary concern, AT and tech schools, which have the highest risk and do not have staff oversight or involvement
- Need staff member with considerable mountaineering and climbing experience
- Would relieve volunteers of some administrative burdens
- Work with schools across the state on shared school curricula, assist with instructor training, and standard school tuitions – it may be difficult to harmonize specific courses, although may consider train the trainer offerings
- Continue efforts to make AMC one of 3-4 national training centers by partnering with AAC on belay standards, as well as UIAA certification as an organization (not individual members)
- Possibly also partner with certain guide companies for permits and other cost-sharing activities
- Explore shared course and school curricula with other peer organizations, and possibly guide companies

- It was pointed out that there may be issues with existing schools related to actual state support needs, lose of school and group autonomy, and resistance to new policies put in place by state staff
- A school in a box concept was discussed, which would offer value and quality state-wide
- It was suggested that the risk manager position should focus on risk, volunteer engagement, and training facilitation
- There may be proportional fees assessed to groups to support these activities, which would be based on the support required to each group. This would be based on a portion of school revenue group-wide
- It was suggested that any fees be assessed at the group level, rather than by individual course
- A discussion took place about the need for evaluation of schools on a return on investment, and to narrow additional schools to needs of members. Resources should be shared across state as practical
- It was suggested to get schools involved early in process to reduce resistance to concept and get their input on the position so it serves their needs
- Scott Robson requests Board input before meeting with other organizations concerning this position and partnering possibilities

4:35pm Forest Service Permitting Issues – Scott Robson

- There have been red flags recently regarding CMC's use of lands without permits for schools and classes
- The issue arises when there is course fee or cost and school uses Forest Service/BLM lands
- Rangers have observed problems, and also received complaints from private guides
- The concern is denial of CMC land use due to noncompliance with permitting requirements
- There needs to be a staff member to monitor compliance and work with the schools and USFS to support compliance with the permitting process.
- The Forest Service has changed the permit application dates to August 15th for new permits, and October 15th for renewals.
- Staff is working to improve permitting process

4:40pm Potential Telluride and Ouray Club Inclusion – Scott Robson

Scott advised he met with the Telluride Mountain Club and director of the Red Mountain Club concerning reviving area as a CMC group, and to establish partnerships or joint membership with the two southern Colorado clubs. These clubs have a combined total of 250-300 members. Under this proposal, there would be no dues for these members in Year 1. Members would be included into the club, including e-mail

communications about events. It would be expected that some members would renew their CMC membership in following years as CMC offers trips and other value to its members. There would be some staff and current volunteer efforts to bring the new members into the club.

4:45pm Database and Web Site – Scott Robson

Lauren Shockey (Membership Manager) has experience with database development and working with outside entities. “Discovery” bids have been solicited from Techtonics and Percolator. (Discovery is the first stage of the evaluation of requirements and process development for a new database and web system). There is an upcoming meeting with the Board Web Committee at which these bids will be presented. The costs for a new system are uncertain, and could range from \$50K to \$500K. A fundraising/capital campaign will be necessary to finance the project. One option may be to explore licensing and utilizing the Mountaineer’s system to benefit from their development and implementation of a comparable site.

Jeff Flax noted the Web Committee’s review of the Mountaineer’s system was at a high level, and not one in which the Committee could make any meaningful technical evaluation concerning the CMC’s requirements. The Committee is concerned about the cost, dependence on the Mountaineers for system and subsequent changes, and the need and cost for customization. It was noted the CMC requires support for mobile devices, and currently the Mountaineer’s system does not offer this functionality. The cost of licensing the Mountaineer’s is not known.

4:55pm CMC Business Model – Scott Robson

The Board will need to start development of a new strategic plan as the current plan is about to expire. Consideration should include partnerships, such as with corporate guides and schools in an effort to make schools more robust. These would offer some benefits to CMC members through 3rd parties (*e.g.*, climbing gyms, bike shops, etc). Concern was raised about CMC concentrating on core activities and focus on specific areas - not attempt to dilute membership – and improve what we are already doing. Also discussed were concerns about managing the quality of outside services. Scott advised the goal is to increase member benefits.

5:10pm Governance Committee – Matt Biscan

State Council (SC) approved the concept of the new state bylaws. The next step, per the existing state constitution, is to go to each of the groups in order to obtain 2/3rds of the groups approval and 2/3rds of the membership as represented by the group councils.

This would provide the necessary steps to eliminate the state constitution and implement the changes as provided in the amended state bylaws. This action will fold SC into the Board, add five SC members to the Board (as selected by SC members), and implement a new SC standing committee of the Board. There have already been numerous emails, calls, conference calls with SC and the groups concerning their approval of this change. The goal is to obtain the necessary approval from the groups by the October 2016 Board meeting. SC will also be asked to review and approve the nominees for new 2017 Board trustees. Additionally, SC members will be added to the Nominating Committee.

Bill Landsberg, former Governance Committee chair described how the state charter would describe the CMC to the public and staff. This is consistent with non-profit law in Colorado, and requirements from the IRS for 503(c)(3) charitable corporations. It was noted that the Governance Committee will continue to work on bylaw changes as needed.

MOTION: The State Charter as drafted shall be adopted.

PASSED UNANIMOUSLY (offered by Matt Stevens Flaherty and seconded by Linda Lawson).

An issue arose regarding the authority of the Executive Director to enter into contracts and make certain purchasing decisions without Board approval. This issue presented itself with the recent need for an emergency Board meeting regarding the purchase of a vehicle.

An amendment to the bylaws was discussed, which would provide for the Executive Director to expend funds for purposes which have already been approved in the budget as approved by the Board. Additionally, the amendment would provide for the Executive Committee to make certain contract modifications and approve new contracts and expenditures already in the budget up to \$10K already set in the budget without requiring full Board approval.

The following is the proposed Amendment to ARTICLE V-- CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 5.1 CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. The Executive Director may enter into any contract authorized according to the annually approved budget with approval of the Board Finance Committee. The Executive Committee may authorize modifications of existing contracts authorized according to the annually approved budget, and new contracts in furtherance of and necessitated by the annually approved budget, valued up to ten

thousand and no/100 dollars (\$10,000.00). Any contracts not otherwise authorized by this Section 5.1 require approval of the Board.

Section 5.2 LOANS. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors or by the annually approved budget.

MOTION: Adopt the revised changes to Article V, Sections 5.1 and 5.2 as detailed above (note under other bylaw changes, these sections will now be labeled Sections 6.1 and 6.2).

PASSED UNANIMOUSLY (offered by Jeff Flax and seconded by Matt Stevens).

A recommendation has been made for an amendment to the Section 3.9 of the bylaws to address alternative ways of addressing Board decision making other than notice of a special meeting. (A draft addition to Section 5.1(a) was considered, but removed as unnecessary).

Proposed Amended Section 3.9

Action Without a Meeting.

a. Any action required or permitted to be taken by the Board, or by a committee thereof, at a meeting may be taken without a meeting if each and every director either: (a) votes for such action; or (b) votes against such action; or (c) abstains from voting. Each director or committee member who delivers a writing described in this Section 3.09 shall be deemed to have waived the right to demand that action not be taken without a meeting.

b. Under urgent or exigent circumstances as determined by the Executive Committee, certain actions may be taken by the Board upon an email poll of the Directors entitled to vote. Any such votes shall be limited to a single topic and be restricted to the following circumstances:

- i. Matters of public policy of concern to the Corporation's mission requiring the Corporation's immediate input or comment; and*
- ii. Action necessary to the financial well-being or continued existence of the Corporation.*

Email polling shall provide Directors with reasonable notice and an opportunity to consider the issue proposed, but in no event shall such notice and opportunity be less than twenty-four (24) hours. Responses to any email poll under this section shall constitute presence for purposes of calculating a quorum and for purposes of calculating votes under these Bylaws.

MOTION: Adopt the revised changes to Section 3.9 as detailed above.

PASSED UNANIMOUSLY (offered by Matt Stevens and seconded by Scott Otteman).

An amendment to Section 5.1.3 of the bylaws was discussed regarding the terms of SC members elected to the Board to be consistent with the terms of all Board members.

Proposed Amendment to Section 5.1.3 of the Bylaws

5.1.3 MEMBERSHIP, REMOVAL, AND VACANCIES: The State Council shall consist of one member selected by each local CMC group by a process determined by each local CMC group. Each State Council member must be a CMC member in good standing. Not more than five State Council members, chosen as the State Council determines appropriate, will serve concurrently as Board members, attending Board meetings and reporting on State Council business. The term and qualifications of any Director chosen by the State Council shall be consistent with requirements and terms set out in Section 3.3 of these Bylaws. Any State Council member may be removed by a two-thirds vote of all State Council members. Vacancies on the State Council shall be filled by their respective local CMC group in accordance with a process determined by the local CMC groups;

MOTION: Adopt the revised changes to Section 5.1.3 as detailed above.

PASSED UNANIMOUSLY (offered by Linda Lawson and seconded by Kevin Duncan).

The Board expressed its thanks to Bill Landsberg for all his efforts with the changes and updates to the state governing documents.

5:30pm Committee Reports

A. Development – Kevin Duncan:

The committee has a conference call with CMCF and Steve Bain scheduled for next week.

B. Finance Committee – Linda Lawson:

The committee will look at the portion of group budgets which groups should to retain for their operations.

C. Nominating Committee:

The committee will meet by conference call within the next two weeks. The committee is seeking a more diverse representation on the Board, including women members – several potential candidates have been identified. Interviews will begin in September, with recommendations made at the October Board meeting. Mark Schieble who

applied last year but wasn't available for an interview, has already been interviewed for this year. Matt Biscan will work with SC and the groups for their new director appointments. It was noted that Kevin Volz has resigned from the Board

D. Risk Management – Matt Biscan:

There have been two committee conference calls. Two of the main issues are state staff involvement in various manuals, and staff role in incident reviews where a group does not have a safety and leadership committee. A state policy on personal locator beacons is being considered. The new state risk management staff position is being discussed. There has not been any discussion about policies associated with wilderness first aid refresher courses.

E. Awards – Steve Szoradi:

There are two new awards – Aspiring Mountaineer of the Year and the Colorado Young Climber of the Year (one for males and one for females – a total of four awards). These will be given at the Backcountry Bash, along with the two existing awards (Blaurock "Silver Piton" and Ellingwood "Golden Ice Ax"). Additionally, there will be certificates for 14er completers, centennial finishers – for both members and non-members. There are 11 members on the Awards Committee, some from the old committee and others including Board members, HAMS, etc. There are also outside committee members in an effort to reach out to the climbing and mountaineering community. There is an upcoming memorial for Gudy Gaskill. There are also discussions about how to honor Gudy at the Bash.

5:45pm Life Memberships – Scott Robson

There has been discussion about the pricing for life memberships based on age. Board members are encouraged to become life members (several did at the meeting). New benefits are being considered for life members.

5:50pm Key Performance Indicators – Scott Robson

Board members were provided with Key performance indicators (KPIs) for this quarter. KPIs will be added to budget goals. A five-year perspective will also be provided.

5:55pm Executive Director's Report – Scott Robson

- A \$22K bequest was received in July
- Will hit 6,000 members in July after membership dropped as low as 4,500

- The drivers for membership include new dues structure, marketing, more robust events, increase in under 30-year-old members, and retention
- Retention is difficult with first year members - the objective is to get them engaged in the club
- Denver Group membership goal was a 10% increase – actually closer to 20%
- Some groups have also seen an increase (Boulder 13% and Pikes Peak about 10-15%), other smaller groups are flat
- The focus is on big groups for now
- YEP doing well – has high level instructors
- Scott met with Alpine 5 partners in DC, as well as congressional members. There is a lot of interest in outdoor activities
- Scott is working with the Forest Service to streamline permitting processes

6:05pm Executive Committee – Kevin Duncan

- Met regarding Scott's performance and increased compensation
- Will look at pay metrics and potential adjustments in staff salaries in next year's budget
- Finance Committee asked for salary for comparable organizations from Mountain States. Will identify comparable information for CMC staff, including range for risk management position – Mountain States was to review other SCFD organizations – but has not done study. Committee will survey other Alpine 5 for salary comparables
- Scott congratulated Kevin Duncan and Jason Kolaczowski for summitting Denali.

6:15pm ADJOURN

Respectfully Submitted:

Jeff Flax, Secretary
Colorado Mountain Club State Board of Directors