



## **FINAL APPROVAL BY BOARD**

Colorado Mountain Club  
Board of Directors Meeting  
American Mountaineering Center  
July 27, 2017 – MINUTES

**3:00pm Welcome and Call to Order – Matt Biscan**

**3:05pm Attendance – Jeff Flax**

Present: Matt Biscan (President), Bill Flaherty (Treasurer), Jeff Flax (Secretary), Dan Cummings, Linda Lawson, Bruce McClintock, Rachel Miller, Scott Otteman, Liz Stahura, Matt Stevens, and Dave Swinehart.

Present by phone: Mark Schaible, Stephen Szoradi, and Chantal Unfug.

Not present: John Marotta (Vice President), Craig Clark, and Jason Kolaczowski.

Staff present:

Scott Robson (Executive Director), Chun Chiang (Director of Finance), Lucy Jayes (Development Coordinator), Lauren Shockey (Membership Manager), Philip Swiny (Director of Safety & Operations), and Rachel Vermeal (Membership and Marketing Director).

Guests: Steve Bain (CMCF), Brandon Daniels, Bill Haneghan, Russ Harper (Nextec), Deb Kirk, and Anthony Shibata (Nextec).

**3:05pm Agenda Additions and Adoptions – Matt Biscan**

None

**3:10pm          Minutes from April 2017 Meeting – Jeff Flax**

To be distributed.

**3:10pm          Member Comment Period – Matt Biscan and Matt Stevens**

Discussion of Denver Group Technical Schools - Bill Haneghan (Director of the Denver Group's Technical Climbing Section - TCS)

An introduction of the TCS purpose and activities was provided. This Board presentation was advisory only, and no action is requested by the Board. Bill Haneghan advised that there has been a misunderstanding with the Denver Group Council (DGC), primarily over the approval and expenditure of TCS funds related to gear. Additionally, there are issues related to the loaning of equipment to students as many cannot afford the gear requirements of TCS various schools. The TCS now offers 19 schools, including navigation, snow, and ice – and in a modular format. There were 900 TCS school registrations in FY 2017. After expenses, the TCS expects to realize \$24K in net income in FY 2017. TCS would prefer to see school revenue allocated to the state's budget, rather than the Denver Group's (DG) budget. Philip Swiny is already approving TCS expenditures to ensure the need for equipment, and obtaining equipment at the most favorable costs include gear discounts available to the club.

TCS is deciding whether to remain as part of the DG, or seek to become part of the CMC State schools. The plan would be to share resources with other CMC groups involved in technical training. Another concern was raised about the training of instructors to become certified under UIAA.

Scott Robson advised that draft proposals have evolved as discussions with other groups continue on this matter. Philip Swiny indicated there are parallel issues between groups involved in technical training and the need for greater overall coordination. This includes AMG and UIAA certifications of instructors.

Matt Stevens discussed the formation of a State TCS council, which would include CMC groups involved in technical training. A clearer vision would be established on gear need, policies, certifications, curricula, and other matters of concern to technical training by state entities. Philip would be the coordinator of the council, which would include state oversight of the TCS council. This would also include consultation on these matters with the other Alpine 5 organizations. The DG schools would provide an initial model for the TCS council. There are three TCS members who are already AMG certified.

**3:45pm State Council Update – Matt Biscan**

The work continues seeking approval by the remaining groups for changes to the CMC constitution and proposed charter. Several groups have already approved these changes.

**3:50pm Database/Web Committee Update – Jeff Flax**

Introductions were made of Russ Harper, Nextec CMO, and Anthony Shibata, Nextec sales consultant. Russ provided a high-level overview of Nextec's as a company and their proposal Customer Relationship Management (CRM) system for the CMC. This included the projected advantages and gains the club would realize with the procurement of their system. A brief presentation was given on the proposed implement methodology, costs, and timelines. Their proposed cost is \$276K and is at the non-profit rate. It includes an additional 15% discount for a regular payment schedule. This is their best estimate pending a deeper examination of CMC current system, and staff and volunteer requirements. The highest cost estimated for the system would be \$343K. A question was raised about their flat hourly rate while their employees would be paid at varying rates based on their skill and job assignments. There is no cost for early termination of the contract. All software, including Microsoft licensing, is included in this quote. There is a report writer as part of this proposed system. It should be noted that this proposed system would provide the same level of functionality to members as the existing system. The database and backend systems would be greatly improved and stabilized.

A question was asked about the major advantages that would be offered to CMC members given the cost of this system. Mr. Harper related that information would have to be answered by another Nextec executive. The expected costs after the first year would include about one hour of Nextec staff time, plus software licensing costs (approximately \$41K per year). CMC staff could be trained to offer support to other CMC staff and volunteers, such as training and support videos. Mr. Harper and Mr. Shibata were thanked for their time and presentations to the Board.

**5:05pm Introduction of Lucy Jayes, new CMC Staff Development Coordinator – Scott Robson**

Lucy is working on Backcountry Bash, including ticketing, revenue, auction, sponsorships, and other development efforts. Board member Chantal Unfug is working with Lucy on the Bash.

**5:09pm Finance Report – Chun Chiang (Director of Finance)**

FY 2017 has been better financially to-date than at this time in FY 2016. However, Adventure Travel (AT) and member contributions are down. FY 2016 ended in the black

by approximately \$95K. There is a typical dip in cash during the summer. The cash position improves when SCFD funds are received at the end of September. Further:

- AT trip cancelations will have a negative impact on the club's financials in FY 2017.
- The Youth Education Program (YEP) saw a reduction in enrollment with a negative \$10K impact due to a trip canceled in March. There is an effort to increase YEP enrollment to raise the \$10K. YEP is anticipating being within \$2K of budget by years-end.
- The DG has \$172K in their reserves.

**MOTION TO ACCEPT FINANCIAL REPORT.**

**PASSED UNANIMOUSLY** (Moved by Linda Lawson and seconded by Dan Cummings).

**5:15pm State Administration of CMC Group Accounts – Scott Robson**

There is a review of each CMC group's financial compliance with State policies regarding the submission of financial reports to the State office. The Denver Group's books are already managed by the State office. Certain groups have agreed to supply the State office with their budgets and accounting records, which may just include checkbook registers for smaller groups. One group has refused to comply with the State financial policies. The goal of managing group budgets, or being provided with group financial budgets and accounting records, is to meet the Board's fiduciary duties, provide operational transparency, and comply with the auditor's report and letters.

The larger groups (Boulder, Denver, Ft. Collins, and Pikes Peak) should be required to create and submit draft budgets, which would be subject to review and approved by the Board's Finance Committee. Less detailed information should be submitted by the smaller groups. One of the larger groups is spending \$95K for conservation activities unrelated to the CMC (state, local and non-profit organizations). A concern was expressed that substantial CMC funds by this group, and others, is not being used for CMC purposes, especially given the tight budget of the CMC. An issue was raised about the autonomy of groups, although it was expressed by many Board members that groups need to focus their spending on CMC activities.

**A RESOLUTION WAS OFFRED BY MATT BISCAN REGARDING THE FINANCIAL OVERSIGHT OF GROUPS. (THE RESOLUTION IS INCLUDED IN THESE MINUTES AS ATTACHMENT A).**

**APPROVED UNANIMOULSY SUBJECT TO FINAL EDITING (Moved by Bruce McClintock and seconded by Matt Stevens).**

**5:40pm            Group Financial Retention Policies – Scott Robson**

A discussion was held about the amount of funds CMC groups should retain for operations, especially in light of the challenging financial conditions of the State budget. It was suggested that groups should retain 90 to 120 days for operations only.

**5:45pm            Continuation of Database/Web Committee Report – Jeff Flax**

It should be noted that this discussion took place after the Nextec representatives had left the meeting. A concern was expressed about the amount of funds that would be expended without any additional functionality for members. It was noted that some members, including trip leaders and school directors, are frustrated by existing problems with the current system although overall the system works well for members. The proposed system does not include a mobile application or texting as is widely used, particular with younger members. A return on investment (ROI) would not exceed \$200K. While staff duplication of efforts and other opportunity costs would be realized, the savings would not result in the elimination of any CMC staff positions. The proposed platform would substantially improve the stability and functionality of the back-end (office) systems.

Scott Robson discussed the extent of the draw against the club's financial resources should the decision be made to move forward with Nextec's proposed Microsoft's Dynamics 365 platform. The procurement of the system would require at least \$110K in contributions/endowments to be realized by the CMC Development Department, and an additional \$10/member from group budgets. A suggestion was made to consider the cost and resources of the proposed system relative to its future costs and functionality (*e.g.*, would the costs for the same system increase significantly in future years?). A question was raised about the need to procure this system as adopted generally at the April 2017 Board meeting.

It was suggested that an analysis be conducted concerning the opportunity costs on impact the club's operations and its members, relative to the cost of this proposed system. Further, the analysis should consider the impact and support requirements of a major failure of the existing system – with the possible consideration of bringing in 3<sup>rd</sup> party to examine these risks. An *ad hoc* Board subcommittee comprised of Jeff, Linda, Dan, and Liz was formed to examine this issues and report back to the Board.

**6:15pm            Mountain Biking Policy Position – Scott Robson**

Dave Swinehart discussed at length the role of CMC in the development of mountain bike use policies on public lands. This introduced the values and activities of the club surrounding certain biking activities, including existing AT bike trips to Moab. This issue further raises the impacts and threats by certain activities on public lands. This would include wilderness areas and the existing laws concerning the use of man-made

machines in the national parks. There is proposed federal congressional legislation regarding changes to existing laws and regulations governing wilderness areas. The question was raised about what role, if any, the CMC should play in the advocacy concerning these statutory and regulatory changes, and a moratorium on club biking activities.

**MOTION FOR THE CMC TO SUSPEND ALL MOUNTAIN BIKING ACTIVITIES FOR THE NEXT SIX MONTHS, AND TO CONSIDER RELATED MOUNTAIN BIKING POLICIES AND CMC'S VALUES.** Moved By Dave Swinehart, seconded by Scott Otteman.

A discussion was held about an attempt to distinguish between urban and non-urban club activities. This might provide a symbolic statement about better shared use of public lands.

A friendly amendment was made to the motion to refer mountain biking issues to the conservation committee and staff, without a mountain biking moratorium in the interim. A report of the committee would be presented at the October 2017 Board meeting.

**MOTION TO DEFER MOUNTAIN BIKING MOTION UNTIL OCTOBER 2017 BOARD MEETING PASSED UNANIMOUSLY** (Moved by Dave Swinehart and seconded by Scott Otteman).

**6:55pm          Adventure Travel Business Plan and Budgetary Review – Scott Robson and Bill Flaherty**

This item is informational only and does not require Board action. A part-time staff member to manage the CMC's Adventure Travel (AT) program is being considered. The position would be managed by Philip Swiny given the related permitting and risk exposure issues. Four AT trips would fund a part-time position based on administrative charges applied to AT trip participant fees. AT planning would still involve CMC volunteers, but would relieve volunteers of the administrative responsibilities of AT trip planning.

**7:00pm          Committee Reports**

Development Committee – Dan Cummings

Dan Cummings met with Jay Corden. There is a move to increase Board contributions. Financial support is strongly encouraged by 100% of Board members. This participation is reviewed by potential corporate sponsors and grant sources. There was a fundraising campaign at the end of 2016, which was successful as well as the summer 2016 campaign. Board members were reminded of participation in the Colorado Gives Campaign in early October.

Nominating Committee – Committee chair Craig Clark was unable to attend the July Board meeting. Board members Jeff Flax, Bruce McClintock, and Jason Kolaczowski are finishing their first three-year term. They will advise Craig whether they wish to apply for a second three-year term. Matt Stevens is completing his second three-year term, and is not eligible to stand for re-nomination per the bylaws.

Risk and Safety – Committee chair Steve Szoradi was unavailable for this Board meeting

**7:05pm          Strategic Report – Scott Robson**

The strategic plan continues to be developed, including staff plans. These include the five organizational goals as described in detail in the April 2017 Board minutes. The strategic plan will be a brief and high-level document to cover 2018-20. The plan is being developed with the Board's Executive Committee. Scott also reported there was a good meeting with the owners of the land near Fraiser, Colorado which is the subject of a possible lease by the CMC.

**7:15pm          Motion to Adjourn  
PASSED UNANIMOUSLY**

Respectfully Submitted:

/s/

Jeff Flax, Secretary  
Colorado Mountain Club State Board of Directors

Attachment