



Colorado Mountain Club  
Board of Directors Meeting  
American Mountaineering Center  
January 30, 2016 – MINUTES

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

**Attendance: Jeff Flax**

Present: Kevin Duncan (President), Matt Biscan (Vice-President), Linda Lawson (Treasurer), Jeff Flax (Secretary), Craig Clark, Dan Cummings, Bill Flaherty, Jason Kolaczowski, Bill Landsberg, John Marotta, John Spidell, Matt Stevens, Dave Swinehart, and Stephen Szoradi.

Present by phone: Bruce McClintock, Scott Otteman, and Tessa Baron (CMC intern).

Not present: Bruce McClintock and Kevin Volz.

Staff present: Scott Robson (Executive Director) and Chun Chiang (Director of Finance).

Guests Present: Steve Bain (CMC Foundation President), Steve Bownoski, and Paul Galliard (CapinCrouse - Auditor).

**9:08am Agenda Additions and Adoptions**

Linda Lawson raised leader training identified at the October 2015 Board meeting. concerns about the bureaucracy of as was discussed at October 2015 BOD meeting. A brief discussion followed.

Scott Otteman suggested adding information about Board members on CMC.org. Kevin Duncan agreed and asked that Board members include a photo and short bio. The information should sent to Tessa.

**9:10am            Minutes from October 2015 Meeting: APPROVED**

Moved by Linda Lawson and seconded by Matt Stevens – Unanimous  
The October 2015 were approved with the changes provided by Jeff Flax, Secretary at the January 2016 meeting. The final copy was provided to CMC staff.

**9:14am            Colorado Mountain Club Foundation – Steve Bain**

Steve Bain discussed how the Colorado Mountain Club Foundation (CMCF) holds funds for the CMC for investment and liability protection. On May 18, 2016, there will be Donor Appreciation Meeting. The CMCF is doing well with the exception of market fluctuations over the past three months. The CMCF is invested in 50% bonds and 50% equities.

Steve Bonowski advised there are new fundraising programs, including for the Backcountry Ski Alliance (BSI) (which merged with the CMC in 2009) and the Backcountry Bash. There will be an additional \$200 added as a trip fee to certain Adventure Travel (AT) trips. This will be done on an experimental basis. These additional amounts will be added as a tax-deductible donation to the BSI initiatives. The trips will include Mt. Fuji, Albania, Bulgaria, Portugal, and an Eastern European trip (June 18-30). The goal is to raise \$2K for BSI. The additional \$200 donation will be clearly stated in the ad in the Mile High Mountaineer and the trip welcome letter. This pilot program may extend into 2017 with a conservation focus with a trip to Nepal. Scott Robson added this is a good idea.

**9:25am            Auditor's Report: Paul Gallart (CapinCrouse)**

Paul Gallart, an audit partner with CapinCrouse, reviewed the 2015 CMC audit. Paul works with non-profit organizations only. Paul stated the audit firm prepared two reports, the Management Letter addressing the financial environment and controls, and the audited financial statements. The management report is complete and the numbers are correct. There are no additional recommendations above last year's report.

The Statement of Financial Position compares the previous year to the current year. Paul recommended CMC's focus for next year should be on operations and to ensure a sustainable model, to include any changes in the landscape of the club (in other words, to find a new normal). The club cannot continue to lose \$100-200K per year. These are the main take-ways. The loss in 2014 was \$209K and the loss in 2015 was \$230K.

Linda Lawson, CMC Treasurer, discussed the cash position noting: cash available is trending down, contributions are decreasing, which impacts cash flow negatively, Scientific and Cultural Facilities District (SCFD) contributes funds three times per year

during the year with the next receipt expected in March, and there are opportunities remaining for fundraising.

The CMC may go after the same fund raising sources. There are natural cycles in fundraising with many non-profit organizations. In some cases, the funds may plateau or dry-up.

Scott Robson advised certain donations are tied to membership, which may have an impact when membership and contributions are down. The CMC has experienced a 15-year decrease in membership. Leslie Woollenweber (CMC Development Director) is developing strategies for seeking grants. The CMC has purchased new grant tracking software. The goal is to seek a diversity in grants, as well as donations from new and longtime individual CMC members.

Jason Kolaczowski inquired about the ratio of contributions to fundraising costs, both with and without applicable staff salaries, *i.e.*, income to expenses/efforts. There should be an analysis and reports of these efforts, including individual donations versus grants, *i.e.*, ratio reports. The auditor suggested we should be careful concerning ratios. He cannot provide ratio reports. Fundraising impacts other areas of the budget, for example the expense to raise each dollar. Jason indicated the Board requires more information, such as a dashboard of the auditor's findings. Linda Lawson added these expenses may include staff salaries whose time may be used for special events and other activities not included in the development department's financial activity reports. For example, while Leslie writes all foundation grants, Molly Daley, manager of the Youth Education Program (YEP), brings in other YEP oriented funding.

Grant income increased by \$125-150K last year. The Development Director's work time will be allocated away from event planning. A development increase of 300% is expected as she focuses her time on development, along with the development associate (the position will be filled in the next week).

Kevin Duncan advised there are good leads. There are foundations that increase their giving each year. The question is how to attract their attention to the CMC. Board members need to seek out available foundation grants. The Board Development Committee is being reactivated. Jason Kolaczowski recommended the use of KPIs (key performance indicator) to provide certain information to Board members so that decisions can be made based on these indicator matrices.

The auditor advised he agrees with the concept of the use of KPIs for the Board. However, the Board would need to make determinations about what specific information is required for its use. The development of a KPI dashboard can become time-consuming for staff and should be limited to five to six items that would be reported by staff to the Board.

John Marotta suggested the goal of KPI information would be to get and to keep members relative to costs. A KPI would be valuable to track how to keep members, *i.e.*, retention of members. Matt Stevens indicated that the KPIs should include practical levels to determine where CMC could be more productive.

Department reports do not necessarily include sufficient details. For example, more details would be useful where there are seven grant applications, three responses, and one grant is received. The current quarterly reports for the most part have sufficient details, but more details with certain KPIs are needed.

Bill Landsberg commented that a KPI dashboard should not be too complicated. There should be specific intervals identified, and the tools needed for management to best determine productive goals.

Linda Lawson advised the Board's Finance Committee will work with Chun on dashboard KPI specifics, including applicable detail on the financial statements. It would be useful to look at revenue and expenses by event, and to include gifts in kind.

Scott Robson advised the monthly report to the Board could be used to provide some additional information, however, he must consider the small staff, and their workload, time, and resources. It would be useful to increase the level of detail in certain reports.

Bill Cummings inquired about the source of contributions to the CMCF. Steve Bownoski advised donations are made by CMCF board members, and endowments, and various other sources. The donor may restrict the funds for certain activities or purpose.

CMC corporate sponsorships may take the form of gear or equipment rather than cash. For example, a former CMC Board member worked with WhiteWave, which made a \$20K annual donation. The contribution stopped when the Board member left the Board. It will be part of Leslie's charge, along with her associate, to focus on sponsorships and gear. It is necessary for Board members to make contacts with potential corporate sponsors.

The auditor added that CMC finance staff does very well given its small size. He added Chun does great work. Paul indicated that he will look at dashboards used by other non-profit clients and provide the information to Linda. However, most non-profit organizations have unique functions based upon the needs of their boards. We might want to track grants, press, events, where there are increases in expenses. These types of items can be captured in KPIs.

The auditor's comment letter is used to identify risks. There are no major concerns which have not previously been addressed. There are no exposures or concerns expressed in the letter.

Craig Clark discussed issues with obtaining cash grants if the club runs deficits, and has negative assets to equity. These factors may or may not help in obtaining grants. The issue may be more on how cash grants are used and spent, including administrative costs.

**10:09am      Executive Session**

**10:30am      Finance Report: Chun Chiang (CMC Director of Finance)  
and Linda Lawson**

A question was raised as to whether CMC needs an annual audit given the cost of a full audit. It was suggested the organization consider if grantees/donors/foundations require audited financial statements.

Linda Lawson briefed the Board on the first quarter financial position.

**10:34am      Motion to Approve Audit and Management Report: APPROVED**

Motion made by Linda Lawson and seconded by Jason Kolaczowski – unanimous.

**10:34am      Election of Officers: Kevin Duncan**

A slate of officers was presented to include Kevin Duncan (President), Matt Biscan (Vice-President), Linda Lawson (Treasurer), and Jeff Flax (Secretary). A question was raised about a president-elect position. The president-elect would serve three years – president-elect, president, then as president emeritus. A few years ago that structure was changed to its current method of selecting Presidents without first serving as President-Elect. Kevin Duncan advised that he has been accepted as board member of the AAC. Kevin reiterated from the October meeting that he will not be in a position of a conflict of interest with the CMC. Kevin also indicated he will bring non-confidential ideas of interest from the AAC. Scott Robson stated the new CMC Board members are not all longtime members of the club, but all will bring new perspectives and experiences.

**10:36am      MOTION to APPROVE SLATE OF OFFICERS: APPROVED**

Motion made by Bill Flaherty and seconded by Matt Stevens – unanimous.

**10:42am      State Council Report: Matt Biscan**

Matt advised he meet with several members of the State Council (SC) by phone on January 26, 2016. The council members were well represented across the state groups. Matt informed the SC that the state Board was fully behind the idea for a change in the governance structure of the club. The Governance Committee of the Board is

considering revising the state bylaws to create a single Board of Directors, which would include SC members.

A long discussion was held about the complex approach to consider how SC would elect Board members. The SC voted in favor of the concept of a combined Board with revised governance documents. Matt explained the full integration would create a bicameral Board. Group members would ensure that information flows to and from the groups and the Board.

Questions were raised concerning how group members would come to the Board, such as elections. The Board's Governance Committee will meet to revise the current governing documents. Matt advised that there was no discussion during the call with SC about the number of new Board positions which would be created to accommodate new members from the groups. Part of the goal is to eliminate the club's constitution and replace it with a charter and unified bylaws. Kevin Duncan suggested this concept would help Board committees, however too many Board members may make the Board too big to function. Jeff Flax mentioned the CMC bylaw clause on quorum requirements. There would need to be an adjustment in the bylaws section on quorums to accommodate an increase in Board membership with members from the groups.

The plan is to return to the reorganization proposal from a year ago. However, there may not be regional Board members representing more than one group. The proposed representation from SC on the Board may vary from group to group. However, buy-in is required from the groups. Scott Otteman recommended the Board authorize the Governance Committee to proceed with this plan. Craig Clark suggested the plan would address the number of terms for group representative and bylaw modifications. John Marotta indicated the goal would be to harmonize the groups. An advisory committee could be formed to address regional issues, including financial reporting.

Steve Bownoski advised a Board structure was created in 1995, including up to 40 Board members. At that time, some of the groups had multiple seats on the Board. There was a challenge at times to have a quorum at Board meetings. SC was created as a voice for members and an option for participation for retiring Board members. The assumption was that group representatives to the SC would become more engaged with state and group issues, however for the most part, that has not happened. Steve Bownoski discourages the Board from going back to the old format, which included numerous group members. There needs to be alternative ways to get input from the groups on Board matters.

Bill Landsberg stated that there have been discussions for over five years concerning the changes to the bylaws, charter and, constitution. A Governance Committee meeting will be scheduled to draft a formal proposal to the board and SC. The meeting will include Kevin Duncan, Matt Biscan, and Jeff Flax. All other Board members are encouraged to attend the meeting.

Scott Robson asked about another round of meetings with SC to determine specifically what they want by way of Board involvement. However, group chairs do not have some of the same interests given their focus on operational issues.

**11:00pm Meeting with San Juan and Western Slope Groups: Scott Robson**

Scott advises the San Juan group had only 40 members, and operated without a group council. Accordingly, would a small group have an interest or representative to participate as Board members. The Western Slope group (based in Grand Junction) has a similar structure to that of the inactive San Juan Group.

The Western Slope Group may not have enough members to fill their existing group officer positions. This represents a trend in smaller mountain communities. Their chair had been in office for eight years. The group is now inactive. Scott raised the question whether the Western Slope Group should be deactivated by the Board in the same fashion as the San Juan Group. It was suggested that the State CMC office will assume the communication responsibilities of the group. There have been problems with finances, such as four-year-old checks not being cashed, including checks for member group dues in the amount of \$800. The checking account has been closed and the funds returned to CMC's general fund. Lauren and Rachel will reach out to provide assistance to the small groups.

Jason Kolaczowski asked if strategic decisions should address consolidating certain groups. However, Scott Robson stated this notion failed in the restructuring proposals. Scott advised the CMC continues to look at opportunities with some of the smaller groups, such as offer trips – but the process needs to be transparent. Staff will publicize the club throughout the state, but there may not need be a need for formal groups. Some of the smaller groups do not have a need for membership services to organize trips, for example trips into RMNP (right in their backyard). A question was raised about CMC's potential liability if trips are lead or participants are not CMC members. This would be a risk management issue.

Linda Lawson discussed how the 2012 Board's Strategic Plan addressed a smaller organization, the training utilized by the other Alpine 5ß, activity of volunteers, and staff training. There was consideration of these concepts, but were not adopted. Jason Kolaczowski asked about revisiting some of these issues given the market and organizations changes. These may impact staff work plans. Scott Robson indicated these may be ideas for Board committees to consider in a 2017 Strategic Plan update.

**11:20pm Report of Board Committees**

Scott Robson reminded Board members that they are expected to serve on at least one Board committee. Kevin Duncan discussed the establishment of 11 committees, some

of which may be *ad hoc*. The Executive Committee has met once. These have been productive discussions - monthly Executive Committee meetings are planned. In 2016 the committees are expected to be “working committees”, not just advisory. Each committee will have a chair. There should be meeting held face-to-face or by conference calls. Non-Board members may be added to committees as needed. Each Board committee should send out its agendas to all Board members so that Board members can participate in any of the committee meetings.

The committees and tentative assignments were discussed.

- Finance Committee: Linda Lawson will continue as chair (adding Jason)
- Governance Committee: Bill Landsberg will continue as chair (adding Jeff Flax)
- Development Committee: chair to be determined (adding Steve Bain and Steve Bownowski as non-Board members)
- Nominating Committee: Craig Clark will continue as chair (adding John Spidell)
- Risk Management and Safety and Leadership: chair to be determined (need to identify objectives)
- Database Capital Campaign: chair to be determined. The committee will work with the database committee in identifying cost estimates, however may wait until database design recommendation is completed. It will be necessary to know the capital requirements and other specifications before fundraising is initiated.
- Database Design Committee: Jeff Flax will be chair. The committee may be renamed to better define its function. It will consider database demands and business requirements. (John Marotta suggested the committee evaluate inexpensive off-the-shelf software, which could then be customized to meet CMC’s requirements).
- Toponomics/Peak Naming Committee – Craig Clark and Matt Biscan. Scott Robson noted peak naming authority rests with the USGS. CMC’s input is advisory only.
- Awards Committee – Steve Szoradi will participate, along with Sherry Richardson and Kent Groninger as non-Board members. There are two new awards for younger members (male and female) and Colorado mountaineer awards (male and female). Part of the goal is to get the club name recognition. The awards may include professional and amateur mountaineers. Linda Lawson suggested that the awards include more than a name, for example the continual



representation of the club and work as club ambassadors. Bill Flaherty suggested adding awards for kids. Steve Szoradi added possible awards for climbing the highest mountain and for one for younger girls. The Board should seek sponsors for these types of awards. There will need to be an awards application process.

Scott Robson stated he will contact Dave Covill and Clare Reda about participating on the awards committee as non-Board members. There will need to be objectives for each award. The concept is to have awards represented at various events, such as the Backcountry Bash. Scott will look into how the AAC makes its award decisions. Linda added there should be consideration of giving lifetime memberships to recognized mountaineers as a PR effort.

Each committee should plan on meeting in March and report back to the Board at its April 2016 meeting. A list of committee assignments will be provided to Board members.

#### **12:00pm      Operational Update: Scott Robson**

Scott reviewed the CMC operational report which was provided to Board members. In summary:

YEP is doing well and is busy. Conservation is lining up 15 projects with some grants coming in. Julie Mach is revamping the efforts seeking stewardship and corporate sponsors. There was a summer road show around the state. Lauren is working with group chairs about membership retention. The CMC is evaluating implementation of an opt-in or opt-out auto-renewal system. The monthly dashboard provided to group chairs will be provided to the Board in the monthly reports. The Baniff Film Festival is coming up on February 25-27. Board members are encouraged to attend and will receive tickets for the event.

Quotes have been obtained on global insurance. There are three segments: 1) global rescue insurance for all members, 2) global rescue insurance for Adventure Travel (AT) trip participants, and 3) global rescue insurance member discounts. Competitive quotes are being gathered. The AT now has a mandate for coverage for all trips as part of the trip fee. New general liability coverage is being sought to cover trip travel.

The first web migration of the Ft. Collins Group to CMC.org will have its first meeting, which will include staff members Jeff Golden and Lauren Shockey. The chair of the Ft. Collins Group Council has indicated approval of the migration plan. It is uncertain when the migration will be finished.

The CMC now has collateral at the US Forest Service section at the REI flagship store in downtown Denver. There will be information including pricing, trips, YEP and other club

activities and offerings. Matt Stevens advised the REI schools have seen a decline, including rock – they do not seem to be using their climbing wall for training.

The Boulder Group retention rate is down, particularly after WhiteWave discontinued its club sponsorship program. WhiteWave provided a sign-up program for their employees. The Boulder Group's meeting room lease ended (in the Table Mountain business area). There is an increase in their new lease to \$1,300 per month. It was suggested the rate was high and alternative space should be sought at the end of the new lease. The Boulder Group's trips are down and there are no new leaders in the group. The State office is now assisting in the hosting of events and member recruitment. The Finance Committee has a concern about lease costs. There should be a limit on long-term contracts. Scott Robson advised he established new criteria which has been sent to group chairs and treasurers. It states contracts over a set dollar amount must be approved by CMC's executive director.

The Backcountry Bash came in under expectations. There was a net profit, but below the budgeted amount. The higher price of the event may have affected paid attendance. The silent auction in 2015 did not do well. Perhaps the Bash should be moved out of the AMC's space.

A question was raised about requirements for Wilderness First Aid (WFA) training state-wide. This issue relates to risk-management. A concern was mentioned about the impact on the Denver Group's WFA course if non-Denver group leaders utilize the Denver Group's course (there are two courses per year, each limited to 30 students).

Scott Robson advised he will distribute a hardcopy of Percolator's report (evaluating the CMC's database needs, as well as the similar requirements for the other Alpine 5 organizations).

Bob Burns of the Ft. Collins group made a \$10K donation in December.

Linda Lawson advised XCEL Energy contacted the Denver Group's Safety and Leadership Committee seeking avalanche training for line employees. Offering the course will raise \$1,800. It was noted that there is a business opportunity working with XCEL on conservation and other donations.

**12:35pm      ADJOURN**

Respectfully Submitted:

Jeff Flax, Secretary  
Colorado Mountain Club State Board of Directors