

CMC Board Meeting – October 15, 2005

Introductions and Welcome – President Lon Carpenter

10:20 introduced Ann Morgan as new board member – taking Alice's place
Shelly St. John , Peter – Joining in January
Peter Gowen – Joining in January

Board introduces selves.

Officers: Lon Carpenter, President; Jose Vallejo, Treasurer; Gavin Maurer, Secretary
Board Members: Ann Morgan, Art Hogling, Jeff Parsons, Kent Groninger, Sandy Elliott,
Carol Kurt, George Christman, Wynne Wyman, Ed Seely, Earl Hughes, Susan Baker
Staff: Kristy Judd, Cathy McGuire,.Tom Beckwith
Others: David Hite (chair of Advisory Committee for CMC Press), John Polli (Museum
Committee), Shelly St. John (incoming board member), Peter Gowen (incoming board
member), Blake (Denver Chair)

Lon – thanks Press group (passed out Scrambles at last meeting – used it and liked it)

Member Comment Period

- Art Hogling commented on Art Show. Looked good, complimented staff
- Jeff Parsons Conservation and Steve Bonowski have been working with group in Park County w respect to access. Issues have great chance of being worked out. CMC will work with state legislators to continue.
- Wilson Peak – Patented mining claims purchased by private party. Club helping to resolve access issue. New route was hiked but isn't favorable, so best alternative is to work with property owner to resolve.
- Lon Carpenter asked if there is any way to tie this in with any other CMC work that's being done in this regards. Kristy suggested putting it on Conservation home page, drive to more information.
- Jeff -Access Club and Telluride Mountain Club are helping, also working with National Forest Service.
- Earl – this could be an issue that we should publicize as one of the things that CMC does to promote hiking. Positive publicity. Article should be written for TNT and on web.

Approval of Board Minutes for July 16, 2005

MSC: Board Minutes Baker, Kurt

Additions to the Agenda

Consent Agenda

- a. Ratification of ExCom Actions
- b. Disapproval of purchasing Acts of Terrorism insurance

1. Executive Committee felt that this was unnecessary (\$1,500) – Foreign entities bringing on downfall of American Society
- c. Approval of John Ross as a member of the Finance Committee
- i. Lon – former board member, good addition

Old Business

Report from Governance Team – Wynne Wyman

This report began with a Study Session where the meeting attendees broke into small groups. The idea was to take about 15 different topics, and determine whether the group felt that each issue falls within governance, operations, or both. A discussion followed:

Sandy Elliott – a challenge is the overlap. Where does it lie?

Susan Baker – asked Wynne whether CMC is on target with current org.

Art Hogling – We're on the extreme end of orgs that have group involvement. We have an incredible grass roots organization, infused with a spirit of volunteerism. The degree of "top down" board command authority for this board is at a 1 or 2 on the continuum of tight governance. We should tighten this up so it is better defined.

Sandy Elliott – this group is blessed with dedicated Executive Director. She fills gaps that the board should be filling.

Kent Groninger – reinforces Sandy's statement. Need to think about an abstract person in that role in order to define what that role should be.

We are 501 c3, and 501 c7

Wynne passed around a book that she feels is excellent as a source as we consider out governance challenges. *Governance as Leadership* (Chait, Ryan, Taylor)

Fiduciary: Need to look at the fiduciary responsibilities, ensuring that CMC will continue in future

Strategic: Shared between governance and operations

Generative: "Sense making", reflective practice, framing organizations

Other committee remarks:

Slide with questions to ponder:

1. How does this governance work affect you as an individual board member?
2. What is the board's role in this change?
3. What is the operation's role in this change?
4. In the future, how will we know that the CMC board is focusing on governance (indicators and behaviors)?
5. What is the hardest part of the governance work to implement? Why?
6. Where are we? Where are we going in the future? We are working toward the future direction. Who are stakeholders?

Comments:

Kent – encourages committee to be up front with recommendations. We’ve danced around this for a long time, and need to move forward.

Sherry – how do we see ourselves? As C3 or c7? Most of groups would say we’re a “7”.

At what point do we as a board put our stake in the ground and firmly say we’re a c3?

Lon – This is a perfect discussion for the board retreat. Sees retreat as next logical extension.

Ed – What does c3 mean for CMC? Once we have this resolved, we can move forward.

Sandy – There are really 2 organizations – Foundation and CMC. One group would handle c3, and the other handle the c7 activities. Foundation c3 (broader mission).

Ed – Seattle Mountaineers is not a c3, but their foundation is a c3. AMC is a c3. There are a number of organizations that have c3 and are like us.

Wynne – suggest interviewing other orgs to see why they have defined themselves as c3 or c7. We’ve had our mission since 1912, and should review to make sure it still fits.

Kent – It’s misplaced to define ourselves in terms of what the IRS uses for definition.

Rather, define ourselves, then decide how that fits into the IRS definitions.

Kristy – The legal structure we choose completely redefines our financial structure.

First Aid Requirements for Trip Leaders – CMC Safety and Leadership – Ed Seely

Peter Gowen suggested that the CMC set minimum standards/policy, and any group (ie Boulder) can set higher standards if they choose.

Kent – Setting standards, including MOFA, is a “no brainer.” Reluctant to make it mandatory. Challenge is to make this an enticement for leaders to want to do this.

George ran groups in his area. Took a day devoted to first aid issues. Good feedback from Gore Range group that they’d like to see training, perhaps that includes “food, wine.”

Susan – Where are we at today? Number of leaders, leaders who have training. Any leader in CMC who has first aid card. Benchmark.

George – datapoint. 17 leaders in group, many work at ski resorts. Most have expired first aid, but have been trained for work at ski areas.

Wynne – what is risk we assume for trips where leader has expired first aid, or no first aid?

Jeff – We are not more liable if we don’t have a rule in place. However, having leaders who are better trained is a benefit.

Susan – Does additional training lead to lower insurance payments. If we are more insurable [through this action], does it reduce our insurance premiums?

Ed – leader training and first aid training should be integrated. Most of our benefit comes from leader training itself, and adding more focus on averting risk.

Report from the Museum Committee – Sherry Richardson

Committee: John Polli, Rolf Asbag, Jan Robertson, Russ Hayes, Jerry Kaplan, Kristy

Museum history:

During fundraising for initial Am. Mtn. Ctr, components were auditorium, library, and museum (final component). Funders that gave money for project expected museum to be part of final project.

Museum committee started in 2000, work with AAC. In ensuing years, interviewed and hired designer (Quatrofile, Columbia MD) and architect (Golden, Andrews and Anderson). Experienced in historical renovation. Wynne – where did funds come from. Sherry – came from original capital campaign.

Kristy - \$150k remaining from original campaign that were used for museum. Other funds covered other projects (from another small campaign).

Kent – Gates money \$200k was part of second campaign. About \$100k from that was used for museum.

Kristy – have spent \$400 k to date.

Kent – Asked about our role in committee. Sherry – collaboration/coordination with AAC.

Kristy – provide deeper history up to time when CMC board agreed to become 50/50 partner in the project (2000). Once museum is fully funded and complete, it makes sense for CMC to be manager of the museum. If so, needed more formal arrangement with AAC. AAC is still involved and has taken a leadership role.

Sherry – There was a contentious time with AAC after the design was complete. After design, needed to go back to funders. CMC thought there was agreement with AAC, but found there were some critical differences. AAC wanted more representation, AAC-based name. 2003 – committee decided that the agreement/partnership wasn't equitable, so recommended CMC walk away/step back. Board decided to not disband but to put committee on hold for awhile. In the meantime, AAC board changed, new ED. New ED primary goal: get the museum done. Glen Forsack, Mike Browning (AAC) wanted CMC to be part, and re-initiated discussions. CMC met with AAC, and now believe we have a solid agreement to move forward. Kristy and Phil (new AAC ED) put together a list of guiding principles, including funding, direction, marketing.

Have mutually come back to the decision that we need to work together to make this work.

Second brochure developed to support second funding campaign (2002). AAC has approval from their board. Today, Sherry will go over points of MOU (especially those specific to CMC).

Mission: (get from Sherry)

Guiding Principles (Kristy and Phil):

- Museum goals reflect CMC mission statement
- The museum exhibits are jointly owned
- The Oversight Board is comprised of 3 CMC, 3 AAC members. The Oversight Board guides the museum.
- Fundraising by both clubs, managed by AAC employee
- Clubs are required to give their “best efforts” on behalf of the project. There is no expectation that either club will raise a designated amount. The Executive Directors will manage architectural portion of design with support of facilities manager (AMC employee)
- A design committee comprised of members of each club will work with Bridget Burke (AAC employee)
- Construction of museum to be managed by facilities manager. Overseen by 2 Eds

- OB will approve operating plans. CMC to operate museum, as it has the ability to receive SCFD funds. As operator, CMC can use paid attendance and annual operating income to help meet Tier II qualifications.

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Kristy talked about possible operational aspects of the museum in relation to whether we will need to have arbitration process in place.

John Polli – the reason it fell apart in 2002 was that the personalities clashed. Now it appears that the AMC (with different president) are more open to agreement. Mike and Jerry as “founding fathers” are committed to project, and continue to promote value of museum and importance of it being part of the AMC.

Sandy – our membership needs to buy into this.

Sherry – Before initial problems, Sherry and Kristy did road show to various member groups to get buy in. “We’re not asking the members to put money into this.” Feels that there will be little resistance from members. Why is this good for CMC? Sherry list:

- Museum will bring CMC lots of visibility/PR
- Museum will engender increased membership through visitation
- Increase influence in conservation arena
- Fulfill our commitment to donors (critical)
- Fulfill responsibility to our partner, AAC
- Help with Tier II qualification
- Benefit to members,
- Fulfill commitment to the Golden community

Challenges

How will we raise the money (\$2.5mm)

Start with major campaign.

If we don’t raise the money, we don’t build the project.

We will have SCFD money each year

How do we make sure the museum is run efficiently?

CMC operates, so this will help ensure better operations.

Increased utility costs not in budget.

Could be offset by having special events in museum

Questions:

Lon – Good time to refresh the message through T&T, web page

Kent – Museum is third leg of the stool – Library, Auditorium, Museum – really needs to be done. AAC helps with fundraising, awareness, visibility. Asked about design and museum draw.

Kristy – Quatrofoil is expert in designing museum exhibits.

Sandy – first step: build it. Second: build the collection

Art – Went to Chamonix with Peter Whittaker looking for artifacts (idea that having cool stuff is what draws people to the museum). Collaboration/partnerships is what makes non-profits successful (now and in future). We have that, and it’s time to do it.

Sherry – committee in place since 2000. Early charge was to get agreement with AAC, and when this is done, the committee disbands. Recommends that president appoint members to Oversight Board. Other committees should be design, etc.

Ed – do we need legal review of MOU? Kristy, “yes” Rolf did original versions, and may use those as a guide

Approval: Approve principles set forth as a guideline for moving forward with the discussions with AAC

MSC: Baker, Hogling - Approved

Authorize committee to go forward

MSC: Executive Committee to execute and sign off on MOU, subject to legal review and approval.

Baker, George

Decisions:

1. Approve principals that will be set forth in MOU with AAC
2. Authorize this committee to finalize and sign MOU that will be generated

New Business

- a. 2005-06 Budget
- b. Proposal to change authority for Lobbying – Steve Bonowski

2005/2006 Budget- Jose Vallejo

Voting, Blake, Jose, John from Pikes Peak, ... ?

2 non-voting members

We have more expenses than revenue. Analysis of revenue for past 9-10 years passed out. Inflation means that expenses will be higher. Avg per month in is \$113k, out is \$121k. “That’s our problem.”

See Page 19, items 3,4,5,6. Want approval from Board for this.

Discussion:

Wynne - # 3. Library was at \$25k, recommendation is \$10k. Susan, initial proposal was to go with \$25k. If we use formula, would actually be \$33k. \$25k is our cost to “stay at the table” with AAC. Felt that \$25k was a good deal for CMC. Also, we have agreement to give 12 month notice to pull out of involvement. Don’t know if we can raise money through donations-open to board recommendations. Kristy – some donors may be open, but we need to communicate with donors. Susan – doesn’t know implications that lowering to \$10k will affect CMC members. This is a member benefit, even though many members don’t use it. How can we estimate member value of other programs, like T&T readership, or the number of members who pay for hiking, but don’t hike.

Sandy – Wonder about our credibility with AAC if we lower the budget to \$10k.

Line item discussions about Adventure Travel

Earl – what about web decrease of \$10k? Do we know what % of renewers are doing it on the web. Kristy – didn’t know, but average of new members per month has gone up considerably.

Lon - original budget was \$20k, with Denver group providing \$30 k to improve site.

There is \$35k in the budget, with decrease to \$25k.

Discussion about Mtn Festival and general challenges of fundraising for non-profits.
Kristy expressed disappointment with lack of involvement by board in the art show.
Sandy – one reason for lack of success: location.

Lon – look for events that have contextual value to members

Jose – we are \$47k short, and we need to find solutions

Kent – questions allocations. Library cut will “take it to its knees.” Conservation and education aren’t taking any hit, but the library is taking a 60% cut.

What are major contributors to SCFD formula?

Paid attendance, annual income?

7 factors to eligibility, based on education

We also use our trips as education attendance to boost SCFD funding

Discussion about which activities bring margin, and how that relates to SCFD funds.

Membership dues make up 23% of total. Peter – good argument to not go as a c7 organization.

Peter – focus on membership increases. Each group is responsible for increasing members within its area.

Ed – retention is a bigger focus.

Kristy – We always look at non-renewal as a negative. But the positive is that after 2-3 years, we teach them not to need us any more.

Earl – we should know more about our members via our database. Kristy – we have surveys that tell us a lot about our members.

Brenda Porter – suggested/volunteered that the G&A allocation could be higher for the Education group.

Ed – cutting Library to \$10k is as good as cutting it out entirely.

Susan – If the board isn’t behind the library, there’s no reason to have a library committee.

Jose – There are other ways/areas to cut... AAC has an endowment fund for the library.

George – Even though many members don’t hike, they join because of the library, education, conservation, etc.

Jose – Brenda agreed to take another \$5k onto expenses.

Employee resource levels are at the minimum. Any turnover would require immediate replacement.

Kristy – Our staff is responsible for a lot of revenue generation.

Lon – challenges the board to come up with fundraising opportunities.

Ed – can we put off debt repayment (to reserves) for another year?

Blake – Can library go dormant for a year?

Susan – making a budget decision that conflicts with mission.

Lon – suggests that we entertain a motion to forgive the repayment, rather than pushing it off to next year.

MSC: Move to eliminate the debt repayment of \$5,365

MSC: Seely, Hogling

MSC: Hughes, Hogling – Increase board fundraising to \$10,000.

Discussion about whether there are other opportunities/revenue increases that may result from the work of the marketing committee.

Jose – this is deliberately a conservative budget.

Increased utilities this year based on oil costs.

Hiring a new facilities manager, with expectation that rental income will go up by \$22,000 in fiscal 2006.

Recommendation to cut web page budget by \$10,000.

Conservation allocation is \$11,000.

Education allocation goes up \$5,000

MSC: Groninger, Kurt. Approve budget as modified.

Recommendations from Page 19:

1. A trip fee of 15%, or a minimum of \$50, shall be added to all trip funds paid through the CMC, effective immediately unless the trip is currently approved.

MSC: Christman, Kurt

- a. Discussion about how to maximize Adventure Travel revenue
 - b. Does our liability insurance extend to other countries? Kristy – usually not. Kent – Travel Insurance usually only covers the cost of the trip.
2. Publications Committee review goals and objectives of club publications, Trail & Timberline, and Activity Schedule. Goal: save \$30,000 in expenses per year.
 - a. Concerns with cutting T&T as the only tool.
 - b. Kristy - T&T has multiple goals. Marketing tool vs. obituaries, vs. advertising. How do our members want to be communicated with? Some demographics want print, others web.
 - c. Earl – combine publications with web committee because the functions are so closely tied together.
 - d. Ed –
 - e. Jose – look at all these issues as a system, with goal to come back with savings that result from economies of scale.
3. **Move – Publications committee review publications and come back to the board with recommendations by January. MSC – Elliott, Kurt**
4. The Executive Director has authority over day to day operations of the CMC.
 - a. Move – Wyman, Hogling = withdrawn
5. Move that the Board raise \$60,000 for a reserve fund, and \$10,000 for the web page project. MS – Hogling, Vallejo - withdrawn
 - a. **MSC** – Seely, Baker – postpone until next board meeting

Action: President inform committees of their budgets, and their role in maintaining

Officer Reports

- a. President
- b. Vice President
- c. Treasurer

Additions to the Agenda

- **Proposal change authority for lobbying within Conservation Group**
 - Move – Executive Director approve lobbying in advance of lobbying
 - MS - Jeff Parsons, Ed Seely
 - Discussion: Will this put us in conflict with local groups or other conservation groups?
 - Should this be in hands of ExCom to provide balance?
 - Susan – propose change of word “regularly” to “monthly to the President and Quarterly to the Board.” The Executive Director will approve the position for which the Department will lobby on behalf of the CMC, but does not need to approve every situation when lobbying on a given position will occur. ED will report “monthly to the President and Quarterly to the Board.”
 - Art – typically, lobbying policies are scaled, with kick in for ExCom to be involved for bigger decisions. For instant decisions, the lobbyist or ED can make a call on the spot. When there is an opportunity for Board to be involved, they are, but when it is an “on the spot” decision, it could be made by lobbyist or ED. Lobbying as defined by the IRS is permitted when approved in advance by the ED.
 - Earl – should be written so that any board member could lobby if appropriate
 - **Move to postpone until next meeting – Seely, Baker MSC**

Honorary Memberships for El Pueblo Members – don’t need to act, already in place

Nomination Committee – Lon Carpenter on behalf of AliceWhite

Ann approved by State Council to replace Alice White. Two other positions, and Colleen Back’s position – no action yet.

President’s Report – Foregone

Adjourn 5:15 MSC – Seely, Baker