

Colorado Mountain Club  
Board of Directors Meeting  
January 29, 2015 – MINUTES

**Call to Order: Kevin Duncan** (3:05pm)

**Attendance:** Kevin Duncan

Present: Kevin Duncan, Ray Shem, Linda Lawson, George Barnes, Matt Biscan, Jeff Flax, John Fernandez, Jason Kolaczowski, and John Spidell

Present by phone: Craig Clark, Scott Otteman, and Matt Stevens

Not present: Bill Landsberg, Donna Lynne, Bruce McClintock, and Kevin Volz

Staff present: Scott Robson (Executive Director), Molly Barrass, Chun Chiang, Kyla Gallagher, Heather MacSarrow, Brenda Porter, Rachel Vermeal, and Leslie Woollenweber

Guests Present: Steve Bain (CMC Foundation), Steve Bonowski (Adventure Travel, HAMS Committee, and CMC Foundation), Linda Ditchkus (Adventure Travel Committee Chair), Dan Lindsey (Auditor), and Todd Loubsky (Stewardship Coordinator)

**Election of Officers (and Executive Committee):** Kevin Duncan

The following Board members were nominated for officer positions:

- Kevin Duncan – President
- Matt Biscan – Vice-President
- Linda Lawson – Treasurer
- Jeff Flax –Secretary

Motion to approve officers – First (Matt Biscan), Second (George) – PASSED

Motion to approve Executive Committee

- First (George), Second (Matt Stevens) - PASSED

**Approval of CMC Bank Account Signatories for Kevin Duncan and Linda Lawson:**

- First (Matt Biscan), Second (Jeff) - PASSED

**Member Comment Period:**

There is continuing discussion about the request to name a William and Mary Peak. Scott is reviewing communications and visit by William and Mary staff. There will also

be a review with CMC Toponomic Committee (David Anderson). Staff will provide a recommendation at the April 2015 BOD meeting after consulting with the Toponomic Committee. AT THIS TIME, THE BOARD TAKES NO FORMAL POSITION.

There are five state committees. The Development Committee is not active, but should be. Scott advised he needs input and assistance with Board member's expertise. Steve Bonowski indicated committee was dissolved in 2012. It was noted that other non-profits have development committees.

The issue of attendance of Board members at Board meetings was raised. Kevin indicated Board members should resign if they miss two or more meetings. He has no suggestions to replace any Board member at this time.

The performance review of Executive Director was tabled.

### **Approval of Minutes:**

Approval of April 2014 Minutes was accepted with corrections offered by Linda Lawson.

Approval of July 2014 minutes was held pending additional review.

Approval of October 2014 minutes minutes was held pending additional review.

### **Staff Reports:**

Leslie Woollenweber introduced Kyla Gallagher, the new Development Associate. Leslie Woollenweber thanked the Board for end of year (2014) contributions. Heather MacSarrow introduced Todd Loubsky, seasonal Conservation staff member. Todd resides in Buena Vista.

### **State Council Report – Ray Shem:**

The State Council will meet in conjunction with the Board at the April 2015 meeting. The new members are Don Carpenter from Ft. Collins and Linda Ditchkus from the Adventure Travel Committee (she will vote with the State Council). There was a question how the Board can provide assistance to the State Council. There should be increase in e-mail communications with the Western Slope groups (including Carolyn from the Gore Group) and Don Carpenter from the Ft. Collins Group. There are on-going issues with representation from the Boulder Group.

It was suggested that the Board minutes be sent to groups for their review, however there is a question of the amount of time it would take to receive comments from the groups. The Executive Recap reports will be sent to group chairs, however Kevin should review the reports first.

There was a question concerning what information groups can be provided to assist in their efforts. Brenda Porter is the liaison to the group chairs. She will obtain reports at State Council meetings for information to be provided to the Board. Brenda will also assist groups create trips on CMC.org. Additionally, Brenda will send out Board agendas to group councils.

Linda raised the issue of the progress of the Restructuring Task Force in consolidating the smaller groups, such as group chair and treasurer positions. For example the Shining Mountain Group has a new chair (Maureen Denig) and treasurer (Dave Sanders). There is the possibility of combining the chair and treasurer positions with the Ft. Collins Group. This could improve financial reporting and the burdens placed on the two group officers. It would be more efficient if we conducted regional training for groups. (Brenda will be conducting a first aid training class with Shining Mountain Group).

### **Structural Task Force Update: Scott Robson (3:40pm)**

The Task Force met in mid-December and draft minutes were distributed to its members. It was a broad brush. Scott will finalize the minutes. The following four key areas are being evaluated:

(1) The consolidation of group websites, with the Denver Group first. Denver will have members assigned for editorial authority. The Denver Group is concerned about extent of editing and page modification authority. The Ft. Collins and Boulder Groups are possibilities after the Denver Group has made the transition. The goal is consolidation of CMC websites, with information about CMC all located on one website for all groups, and for members and potential members.

(2) Fee Structure and Dues. There are 16 different sets of dues, depending on which group a members signs up for. This does not include the variations for family and other memberships. The goal is to ease joining CMC with one price for all members. This is in line with the sister Alpine Five clubs. Some groups will see higher dues and other groups will see a decrease in dues. Brenda is working on various concepts. Most members are in the Denver Group, which would see a decrease of dues into a club structure that makes sense.

(3) General Accepted Accounting Principles. There is no financial reporting and tracking consistency among the groups across the state. There needs to be a level in accounting procedures, transparency, but retaining the independence of group treasurers. Auditors have raised this issue for the past five years.

(4) Risk management and training for leaders needs to consistent across the state groups (including Adventure Travel). The question is what is the right level for risk management. There was a discussion about how the Alpine Five handle this issue.

The Task Force should focus on these issues, but not on staff operations.

The Task Force will focus on these four primary issues, including financial and membership. Following restructuring, the groups could focus on offering trips, retention of members and having fun. Kevin suggested this would simplify the membership process, including dues, requirements, and lessen the load on volunteers. It should be made as easy as possible for new members and existing members. There is little growth in any of the groups. This has been the trend over the past 15 years.

Ray Shem suggested the use of Basecamp software for communications among the Groups. Ray also suggested Groups maintain a petty cash fund, but would still require back-up documentation, including receipts. Additionally, Ray suggested the CMC finance staff manage cash for the smaller groups.

Chun and Brenda will need to survey the group chairs to gain their input. Acceptance by the groups will be the highest hurdle. Jeff raised the possibility of grandfathering in dues for existing group members who would see their dues increase after restructuring. Jason indicated we should get other thoughts of groups by e-mail.

John Fernandez suggested there should be a survey of the group chairs, starting by a broad buy-in based on the goals of the Task Force. There will be resistance to changing the *status quo*. There should be a straw poll among the group chairs to get the discussion going, but the discussion should not be open-ended.

Scott advised the intent is more blank slate, and will begin with the big four key items working with staff and the Task Force. There also needs to be an effort to seek the buy-in by the groups.

#### **Audit Report: Dan Lindsey, Auditor (3:55pm)**

The report from the auditor discussed cash as a factor of the restricted funds. The total assets are \$4,592,353, which is healthy. There is \$502,700 cash on-hand, which supports operations for 103 days. This is a good indicator in the health of the club. The standard is 60 to 90 days. Last year the CMC had approximately \$600,000 cash on-hand. The auditor reports overall cash is invested is 21% of holdings, mostly in major investments. The liabilities are \$231,354, which has been reduced by \$70,000 since 2013. There is no long-term debt. Revenue is flat, which remains a concern. Membership dues are 16% of revenue. The club has diversified revenue sources.

The balance sheet is good overall. There has been a slight decrease in cash, but the club is still in a good financial position. The audited financials do include cash held by groups but unaudited quarterly financial statements do not include cash held by groups. The Statement of Activity is well balanced. The dues are only 16% of revenue. The auditor recommends the club monitor contributions, which have been lower.

Historically, the contributions have been \$808,000 in 2011, \$558, 000 in 2012, and \$413,000 in 2014. The trend of dues has been \$381,000 in 2012, \$341,000 in 2013, and \$312,000 in 2014. There are other sources of revenue, which are of concern. The SCFD has been down. Expenses rose 3% last year. The expected deficit is \$209,000, driven by additional expenses. The cash flow deficit may be due to timing, or maybe a trend. The temporary reserve is \$230,000. Linda Lawson advised cultural, payroll, and educational adventure constitutes 72% of the functional expenses.

There was a question regarding Temporarily Restricted Assets availability. A discussion ensued regarding the use of temporarily restructured net assets. Restricted fund usage is tracked, and there is an effort to avoid utilizing reserve cash.

The primary risk area relates to group treasurer reporting and responsibilities. The goal is to mitigate risk and improve reporting as detailed in the Group Treasurer Manual.

The auditors presented findings in their management letter. No corrects were required to the letter.

### **Board Executive Session**

#### **Finance Committee: Linda Lawson (4:45pm)**

Linda gave a PowerPoint presentation regarding the 2014/15 budget. The first quarter was reviewed with lower membership figures. The emphasis is on membership growth. There are no state dues increase included in the 2014/15 budget assumptions. There is a new conservation fee for service initiative, Roger Mills. E-book sales are projected to increase. A 30% reduction in cost for the *Trail & Timberline* is associated with the opt-in option electronic delivery. The Adventure Travel fees will increase along with higher levels of marketing. The SCFC decreased from \$204,000 from \$212,000, however there may be increase in future years as another organization in our tier dropped out. There is a budgetary emphasis on the Youth Education Program (YEP) for full staffing. There are no planned salary increases and interest income will be reduced. The cost of marketing materials is expected to rise. The amount budgeted for the website development and fixes remains at \$3,500 which is about the amount expensed each month during the first quarter. The building occupancy rate is expected to generate \$79,200 even though AMC projected lower income.

The emphasis will focus on: (1) membership growth – retention and new members; (2) continuing the trend of higher contributions, Adventure Travel fees, and merchandise sales; and (3) school tuition and YEP revenue is expected to be down by \$13,000.

The balance sheet indicates cash is down from Year End audited figure. There are additional outlays for Adventure Travel (deferred revenue). Adventure Travel cash receipts are typically used to support general operations. The CMC Press is doing well.

The liabilities are dependent on revenue from the schools. The museum loan was paid off in December 2014.

The Backcountry Bash generated expected amount of revenue, however the expenses were up as we couldn't find the same amount of in-kind donors as last year.

There was an increase in Adventure Travel credit card fees, which increases with activities. Overall revenue is up and the occupancy cost is under budget.

The cash position is higher in December due to the SCFD. It is low, but manageable. It will improve with school revenue.

Chun advises that cash over six months has dipped and has been tightest in the last five years. This is, in part, a result of lower dues revenue and the retiring of the museum loan. This change is not seasonal.

Scott indicated the club is looking to move toward membership auto-renewal.

Matt Biscan reported that the modularization of the Denver Group's Basic Mountaineering School (BMS) has increased the number of students. There are already 30 students for the Basic Ice School.

The Board thanked Chun for his work.

#### **CMC Department Quarterly Operations Reports: (5:00pm)**

Scott provided a detailed written Departmental Quarterly Report with details about new member growth, corporate membership, Adventure Travel, Youth Education Program, Lands, Development, Marketing, and general administrative matters.

The scorecard has been replaced in order to focus on staff and their respective challenges/duties.

There are the following five key areas of focus for the quarter:

- (1) Lapsed Member Campaign – mailing on 1/12/15 to 6,265 former members whose membership lapsed. Included was a discount to rejoin.
- (2) Lifetime Member Campaign – An article appeared in the *Trail & Timberline* and group newsletters.
- (3) There is a Membership Renewal Campaign effort in design.
- (4) A monthly new member orientation webinar is offered.
- (5) Membership Services is processing new and renewed member mailings, room reservations, general questions and trouble-shooting, school records, and event payments.

There has been an increase of new members in the first quarter – 17% over the same period in 2014. Membership Services is reaching out via social media. Retention remains a major problem, particularly in certain groups where support is required. There is a membership renewal campaign. This may be addressed in the restructuring efforts by increased communications. There has been a lifetime membership campaign. The number of trips has remained good in the Ft. Collins and Pikes Peak Groups, the Boulder Groups has seen a drop in both trips and classes, and the Denver Group has experienced a decrease, however less so than the Boulder Group. As discussed below, there has been an increase in Adventure Travel activity and revenue.

A discussion took place about the role of the State Council and the Restructuring Task Force on these issues.

The *Trail & Timberline* is moving to electronic distribution by opt-in sign-up. Adventure Travel has a number of big trips coming up. Holly Barrass has been increasing the use of the bouldering bus for the YEP program.

There was a statewide meeting on December 2014 concerning the Lands Department with a continued focus on priorities regarding conservation and lands. There has been headway on stewardship with the Backcountry Sports Initiative (BSI). There is a question of grants awarded to a handful of other organizations. Heather MacSarrow will be focusing on grants.

Development will consider how to best deliver events. There were great year-end (2014) contribution receipts of \$50,000 from 75 donors. There were contributions on the Colorado Gives Day.

Marketing has a number of new efforts, including advertising, outreach and tabling campaigns, social media, and branding strategies. They will continue with remodeling the sponsorship efforts, involvement with the groups (including meetings and group dinners), Outdoors Retail Winter 2015 event (Scott is contacting sponsors and partners to develop relationships with retailers in order to offer member and leader benefits), Scott sits on the boards of IMBA and Jeffco Open Space, and the museum.

The staff met with Phil Powers, Executive director of the American Alpine Club regarding various options for use of the museum.

Brenda Porter gave a report on membership initiatives. December was a bad month, although she is not certain why. There was a decrease of 351 members – the largest ever. There is a campaign to call members who do not renew. There was an increase of 328 new members in January. In total, there were 656 non-renewals in the first quarter.

There is a ‘Lapse Campaign’ targeting members who did not renew over the past five years. In the past, there have been four contacts to members before expiration, which has been increased to seven contacts (paper and e-mail). This includes post cards in addition to billing notices. The website will be modified for auto-renewal of memberships. Due to on-line security concerns, the club will have to gain the confidence of members given the need to retain their credit card information. This will require a system modification, which is a large project. The issue of opt-in or opt-out renewals was raised. There is concern the opt-out option may upset members. The American Alpine Club offers incentives to members who opt-in for auto-renewal. A survey will be conducted of members to gauge the level of concern and interest in auto-renewals. Scott advises this is a high priority for the Web Committee.

There was a question of profiles of members who did not renew. No current profile exists. Board members may participate in the calling of these former members. A script will be provided.

Brenda will be providing Wilderness First Aid classes for some of the groups. She has three classes planned. The model of training of what is needed/wanted cannot be offered to the level of the Denver Group.

Linda raised a question about the waiver of fees for visitors to Rocky Mountain National Park as part of the CMC’s initiative. Rachel advised she was unsure of the policies surrounding permits.

Mountain Fest will be held on Saturday, March 21, 2015. It offers the public an opportunity to learn about the CMC and its schools. There will be introductory trips on the Sunday, March 22, 2015.

Scott discussed the plans for the Banff Film Festival, which will be held on February 26 and 27, 2015. There will be a post-party and tickets set aside for Board members. The CMC’s share of the tickets has already sold out.

With Steve Bonowski stepping down, Linda Ditchkus is the new Chair of the Adventure Travel (AT) Committee for a two-year term. There is a newsletter for AT leaders. 2014 provided a good base of \$440,000 gross revenue. The Best of Italy tour will be repeated, along with Ararat (Turkey), and a trip to Bulgaria. There is new training and social events for leaders. There are downloadable trip proposal form and a Dropbox account for the AT Committee (which is separate from the website). There will be on-line sign-up for certain trips. In 2015, there will be a redo of the Committee’s five-year strategic plan, with a plan to accomplish one-half of the goals within two years. The plan will go to Scott.

There is also a revision of the AT leader guide and manual. Last week, there was marketing and public relations initiative by Linda Rainey (a marketing professional) who



has planned a leader-training program for May 7, 2015, for about 12 leaders. There is an effort to keep past participants informed of Adventure Travel plans, in part to recruit new leaders. The revised manual will be placed on the website in order to reduce copying time and associated expenses. The goal is to offer 20 trips in 2015. There is a challenge to fill up all of the slots for the trips.

There was a question about the World Summit Series. However, Elbrus has poor registration numbers. The committee may reach out to the 14ers.com. It is scheduled from July 14 through 26, 2015. The registration for Aconcagua is already full. The trip to Kilimanjaro is basically filled. There was a question about how to promote through the Denver Post.

Brenda's job has transitioned into more time with Adventure Travel, comprising about 40% of her time. AT gross revenue is up to \$600,000 this year, ahead of what was budgeted.

Steve Bonowski advised there is good talent on the AT Committee, including finance, planning, budgeting, training, and development. There should be a look at growth in the number of offerings and targeted areas, which increases net income.

Holly discussed The Youth Education Program (YEP). There is a partnership with the Women's Wilderness Program (Title I Underprivileged Schools) offering climbing for those who otherwise might not have an opportunity to climb. The Boulder Schools pay \$1.00 per kid. In November, the Initiative offered the CMC the bouldering bus, to which the CMC said yes. The program started in November 2014, now reaching 50 kids. The bus required repainting with the CMC logo and other repairs, including a block heater. There is an outreach for corporate sponsors. There is work on risk management concerns. The bus is insured, but only to drive four kids. There are no special driver's license requirements to drive the bus. There is a speed governor on the bus set at 55 mph. There is an effort to look into options for additional drivers.

The plan is to reach out to under-privileged schools with community partners The CityWild boy's and girl's clubs have renewed their relationship with YEP (CMC has also applied for grants to pay for education of students). Jefferson County Schools calls weekly about potential events. There is an issue about where the bus can be parked in the backcountry. The plan is to take the bus around the state. There is an effort for sponsorship to wrap the bus in vinyl, which would be a great marketing opportunity.

#### **Insurance Options: Kevin (6:00pm)**

The club is researching various insurance options to offer to members.

#### **Adjourn (6:05pm)**

Respectfully Summited,

Jeff Flax, Secretary  
CMC State Board of Directors