

MINUTES
ABSF Board of Directors Meeting
April 12, 2018
4:30 PM Old Chicago Club

Board Members present: Paul Eckerline, Dennis Kruse, Joe Timmerman, Charlie Dee, Jeff Tumbleson, Tom Duffy, Brett Rondeau, Sue Scheer, Kathie Pautsch, Mike Mandli

Board Members Digitally Present: Yuriy Gusev, John Kotar

Absent: Jan Guenther

Staff Present: Ben Popp

Call to order: 4:30 PM

Approval of Agenda: moved Kathie Pautsch, second Joe Timmerman. **Approved**

Approval of Minutes from March 19, 2018 Board Meeting: moved Tom Duffy, second Brett Rondeau. **Approved**

President's Comments: Paul Eckerline

There are some big items on the agenda today, including Bylaws and preliminary discussion of Executive Director's compensation.

Executive Director's Report: Ben Popp

- Next year's schedule of events has been released. One of the highlights is the Junior Nationals Qualifier will take place the week after the Birkie Tour.
- Both our summer project list and the 2018-2019 Budget are being prepared. Our highest priority for the former will be completing work at Fish Hatchery.
- Our Phase 2 Capital Campaign is wrapping up, having raised \$1.9 M. It looks now like we'll have around \$2 M in expenses. The underpass beneath WI 77 is the big unknown.
- ABSF employees are now staffing the Lumberjack World Championship. We've digitalized and streamlined a lot of the LWC tasks.
- Construction of the Nordic Center at OO is presently on standstill, waiting for end of mud season.
- Development: We now have 30 Forerunners for the endowment. That has gone extremely well.
- Lisa Schmock is leaving the Birkie May 1 for another job. She will stay with us part time to help with the transition. Much praise for Lisa's competence.

Committee Reports

Finance: Timmerman

- Committee met yesterday. Cheryl Paine from Johnson Bank identified options for products that would keep all ABSF assets protected by FDIC. Decision will be made later this year.
- Amy Welna is currently working with the Birkie on developing new financial reports compatible with QuickBooks Online.
- Ben is delaying some budgeted expenses until next year to offset some of the lower revenue streams this fiscal year resulting from fewer registrations than expected and the delay of the State of Wisconsin grant.
- Treasurer's Description/Selection
 - Given how the Birkie budget has grown over the years, Timmerman emphasized that we need a professional in charge of this ABSF's finances. The concept is that we would change the Treasurer's position on the Board from an elected to an appointed post. This would not be a paid position. Discussion ensued suggesting that the Procedures Manual and, possibly, the Bylaws would need language specifying the term of office as well as who would hire and evaluate. This would not change the total number of Directors.
 - Timmerman moved, Duffy second: "The Bylaws of the American Birkebeiner Ski Foundation be amended to include the appointment, by a majority vote of the Board of Directors, of one Director to serve as Treasurer of the Corporation."
Approved.

Documentation: Dee

- Term Limits: Dee gave report on best practices for non-profit boards and term limits (see Appendix). No action taken.
- Directors Election Procedure – Announcement of results: Timmerman moved, Mandli second, the following Bylaw change to Article II:

Section 4. Method of Voting

Absentee Ballots. ~~Twenty eight days (28) prior to the Annual Meeting~~ **By July 1**, every current paid member will be provided election information including a Board Candidate ballot and method of voting. Completed ballots must be returned to the American Birkebeiner office by business close ~~one (1) day prior to the Annual Meeting~~ by July 28. The Board of Directors, at its discretion, may allow voting by electronic ballot.

In person. Individuals may cast their votes in person during regular business hours at the ~~Annual Meeting~~ **ABSF office by July 28.**

~~Proxies. A member may appoint a proxy to vote or otherwise act for the member by signing an appointment form either personally or by attorney in fact.~~

(c) Business Member. A business member's vote may be cast by the president, owner, managing partner, or written designee of the president, owner or managing partner of

such business. This written designation shall be presented on business letterhead preferably prior to the annual meeting.

(d) Cumulative Voting. There shall be no cumulative voting for Board candidates or any other purpose.

Election Results. Election results will be posted on the birkie.com website by August 1.

Section 5. Meetings.

Annual Meeting. An annual meeting of the members shall be held on the second Saturday in August of each year, or as near to that date as the Board of Directors deems appropriate, at a time specified by the Board of Directors. Each member shall receive at least ten (10) days' notice of every such meeting. The annual meeting shall be for the purpose of electing directors and for the transaction of such other business as may come before the meeting. Failure to hold the annual meeting shall not work a forfeiture or dissolution of the Corporation.

Approved.

Skier Development: Popp subbing for Guenther

- Ben met with Jan and Kristy. We had \$90,000 in the budget for Skier Development last year and want to keep it essentially the same.
- We're considering a partnership with CXC, NNF, and USSA to focus development dollars on particular sectors at the same time. For next year, we're talking about shifting some funds to two areas: Juniors (14-22 years of age) and Mothers. It's possible we could shift money now spent on Birkie Ambassadors to Juniors. Also looking into promoting Moms' Health through skiing and trying to get Kikkan Randle and Marit Bjoergen for an event.
- SD Committee will meet on all this soon.

Trail Committee: Mandli

- Had meeting on April 10. Overall analysis was that the grooming was very good this year. However, we still get some complaints mainly concerned with how we communicate when and where grooming has most recently taken place. We're looking at rebooting the live GPS computer reports of grooming.
- We leased two fan gun machines from HKV this season but couldn't produce much snow because we didn't have wells that could produce the water we need. We'll have the fan guns again next year, and we're purchasing two stick guns that cost \$4,800 each. We have drilled four wells that are active, two of which will be dropped deeper in order to produce the gallons per minute we will need for the snow guns. Total cost of making snow early next November will be approximately \$20,000.

Competition: Kruse

CXC Congress was last weekend in Eau Claire. It was great that both Ben and Jim Sokup were in attendance.

Old Business

New Business

Adjournment: Duffy moved. **Acclimation.**

APPENDIX

TERM LIMITS

Analysis

In researching non-profit boards, it appears that membership-elected boards like the ABSF are rare. While most boards are “elected,” it is usually the board itself that elects it’s own members.

So it’s important to keep in mind that when people reference the fact that “70% of non-profit boards have term limits” that is not 70% of membership-elected boards like the Birkie. Part of the confusion is that many organizations refer to their boards as “elected” even though those boards are self-perpetuating. “Appointed” would be more accurate way to describe them, in my opinion.

At any rate, there’s a good deal of debate among experts over the issue of term limits for what I’ll call “appointed boards,” but nothing that I can find that deals specifically with membership-elected boards such as ours.

Synthesizing the arguments on appointed boards, however, there are some principles that we can apply to our situation.

There are strong reasons not to have term limits when organizations are initially founded because of the nature of start-ups and the need for initial consistency, as well as preserving institutional memory.

There are equally powerful arguments made that when boards mature, term limits are necessary to bring in new blood, new ideas, achieve more diversity, and get long-serving but unproductive people out. All agree that board terms should be staggered so that only a portion of the board members are up for re-election every year.

Applying these principles to the reality of the ABSF Board, I believe our mature board is already structured to be consistent with best practices:

1. Our terms are staggered so that 1/3 of the board is elected every year while 2/3 are hold-overs.
2. Through aggressive marketing of ABSF membership and increased promotion of our election, we have roughly 200 members voting for our board.
3. Our board has not been stagnant. There have been new members elected and incumbents not re-elected, so we have, in fact, been bringing in new ideas and new energy through our elections.
4. As far as diversity, the demographics of our sport are very limited, so as a result, the same is true of our board. Discussing efforts to broaden our appeal is certainly something we could do at any time. However, our board has changed over the past decade to have more geographical diversity than it had previously. We have gender diversity, but we could also discuss whether that is adequate.

Recommendation

I believe we should maintain the present structure and not change the bylaws to add term limits. We are consistent with best practices, and our current structure is achieving the primary goals called for in non-profit best practices literature (see links below for a sampling of that literature).

ARTICLES ON "APPOINTED BOARDS" AND TERM LIMITS

<https://www.boardeffect.com/blog/term-limits-for-non-profit-board-members/>

<https://www.lasallenonprofitcenter.org/term-limits-for-nonprofit-boards/>

<https://trust.guidestar.org/blog/2014/05/23/5-reasons-why-every-npo-board-should-have-term-limits/>

<https://www.beavandenberk.com/nonprofits/churches-religious/board-term-limits-pro-and-con/>

<https://nonprofitquarterly.org/2007/06/21/the-nonprofit-ethicist-summer-2007/>

ARTICLES THAT TOUCH ON ELECTED BOARDS

<https://www.nonprofitissues.com/to-the-point/who-should-elect-directors-501c3-nonprofit>

<https://www.forakergroup.org/index.php/resources/presidents-letter/how-your-board-is-elected-can-matter/>

Charlie Dee, Board Secretary
April 9, 2018