

# MINUTES

## ABSF Board of Directors Meeting

Monday October 19, 2020

3:00 PM

Samuel C. Johnson Family Outdoor Center at OO Trailhead (or Online)

**Board Members Present:** Paul Eckerline, Brett Rondeau, Jeff Tumbleson, Mike Mandli, Kathie Pautsch, Sue Scheer, Tom Duffy, Karen Manske, Mike Brown

**Electronically Present (Microsoft Teams Meeting):** Jan Guenther, Charlie Dee, Bill Brown, Yuri Gusev

**Absent:** none

**Staff Present:** Ben Popp

**Approval of Agenda:** Pautsch move, Duffy second. **Approved** (with an executive session added to the agenda).

### Executive Session

**Approval of Minutes** from September 21, 2020 Board Meeting: Duffy move, Mandli second. **Approved**

**Election of Officers:** Charlie Dee

- President

Nominations:

Paul Eckerline nominated by Yuri Gusev, second by Kathie Pautsch.

Mike Mandli nominated by Brett Rondeau, second by Mike Brown.

Jeff Tumbleson nominated by Mike Mandli, second by Sue Scheer.

Congratulations to Mike Mandli who received the majority of votes and is elected as President.

- Vice President

Nominations:

Jeff Tumbleson nominated by Sue Scheer, second by Kathie Pautsch.

Motion to close nominations for VP: Duffy move, Rondeau second. Passed.  
Congratulations to Jeff Tumbleson who is unanimously elected as Vice President.

- Secretary

Nominations:

Kathie Pautsch nominated by Mike Mandli, second by Paul Eckerline.

Motion to close nominations for Secretary: Rondeau move, Eckerline second. Passed.  
Congratulations to Kathie Pautsch who is unanimously elected as Secretary.

- Treasurer

Motion to reappoint Mike Brown as Treasurer: Scheer move, Eckerline second.  
Passed.

Congratulations to Mike Brown who is unanimously reappointed as Treasurer.

### **President's Comments:** Mike Mandli

- Thanks to Paul Eckerline for his many years of excellent service to the ABSF as Board President.

### **Executive Director's Report:** Ben Popp

- Birkie Trail Run Festival and the Mt. Telemark Ascent both went very well. There have been many positive and appreciative comments from participants and volunteers. The consensus is that both events went very smoothly and were fun and safe events.
- Covid-19 update: Kristi Maki has been working very closely with Public Health officers regarding recommendations and restrictions in place due to Covid-19. Our first and foremost goal of all of our events is safety for all.
- Becker Law Link Bridge over Highway 77 is scheduled to be delivered on October 25 and installed on October 28. There will be a four-hour detour for Highway 77 on the day of installation.
- Turkey Birkie Cross Country Ski Festival will take place at the American Birkebeiner Trailhead from Friday, November 27 – Sunday, November 29, 2020. This will be a smaller event this year, with expectation that this will grow in the years to come. Manufacturers will have gear and wax demos; CXC will be offering ski lessons. Cost is \$25 or free with a Birkie Trail All-Access Ski pass. All attendees are required to register. Attendees may be assigned times to participate based on numbers of registrations. Plan is to start making snow next week.

- Birkie Events: There will be a price hike this week for all events. All Birkie ski events will adhere to a ban on fluorinated waxes, despite the announcement by FIS that they are postponing the ban that was set to be implemented for the 2020-21 race season.

## Committee Reports

### Trail: Mike Mandli

- Telemark Redevelopment discussed, with Mark Hooley, Attorney at Law, attending on-line as expert consultant.

(Due to potential conflict of interest, Paul Eckerline recused himself from discussion and any voting pertaining to this matter.)

The Bequest Agreement was reviewed and discussed.

Mark Hooley summarized the Donor Agreement:

-Intention is to donate \$1.42 M to ABSF to pay off promissory note with Telemark Partners, LLC as Payee and ABSF as Payor, providing the promissory note is still outstanding.

-The donation would be available within 9 months of passing of donor.

-This is a binding agreement for several reasons including that the ABSF will rely on the donation in determining whether to close on the purchase of the Telemark property.

-Limitations include:

1. We cannot refinance the property without written consent of donor.

2. We cannot sell, transfer, or gift any portion of the property (in any manner) without written consent of the donor.

3. To the extent that the promissory note is paid down, the dollar amount of the bequest will be reduced on a dollar for dollar basis.

-Failure to abide to either of these limitations can invalidate the donor's obligations under the Bequest Agreement.

-Conservancy easement is a restriction on the property (can be structured to avoid transferring property in violation of the Bequest Agreement). We are selling the promise by the ABSF that the land will be conserved; thus this can be structured in a way that it would not invalidate the Bequest Agreement.

- Without the commitment in the Bequest Agreement, the ABSF would not be able to close on the purchase of the Telemark Property.

**Motion:** The ABSF hereby ratifies, adopts, and approves the form of Bequest Agreement presented to the Board, authorizes Ben Popp to sign the Bequest Agreement and, in reliance on the bequest Agreement and commitments of the donor in that agreement, authorizes the employees, directors, and other related parties to move forward toward a purchase of the Telemark Property.  
Scheer move. Tumbleson second. **Passed unanimously**

- Fundraising Feasibility for Telemark Properties (with Allison Slavick)

Two immediate goals are:

- Secure financing to bridge the gap between the Idle Site Grant and demolition costs.
- Demolition of existing Telemark Building.

We were not awarded the planning grant; however, the application process was worthwhile and helped lay the groundwork for future planning and fundraising.

Working on a survey, which will go out in early December to skiers, volunteers and community members with goal of raising awareness of Telemark plans, drawing people in, and getting ideas for fundraising and the overall project.

The Conservancy Project (selling symbolic shares of property, which will be held in a conservation easement) has been discussed with a group of previous donors to the ABSF and has invoked positive feedback. Shares would be sold to individual donors; Corporate support is being considered as well.

There is a lot of emotion concerning Telemark and the success of this will be in large part dependent on how it is viewed in the community.

Allison will contact members of the ABSF BOD in the near future to discuss ways to advocate for this project. Allison also plans to send out periodic lists of talking points and FAQs to the BOD, and will keep BOD apprised of updates and progress.

Closing date for Telemark Properties is March 15, 2021.

## **Finance:** Mike Brown

- Financial outlook is very good based on September through December budget.
- Review of operating financials as of the end of September:

September: Income \$153K; Expense \$201K; Net Income \$48K (deficit).

Revenue is favorable to Budget by \$2K; income results were mixed with Event Ops and Donation/Sponsorship income higher, offset by Restricted Donations lower than expected. Expense is unfavorable to Budget by 19K, due to higher Event Ops and slightly higher Trail Expense.

Year to date: Income \$1.541M; Expense \$515K; Net Income Surplus \$1.026M, with a favorable variance to budget.

Bank Balance \$966K - includes money received from the PPP (\$212K) and EIDL (\$149K) loans. The PPP loan is almost entirely forgivable; the forgiveness form has been submitted. The EIDL is a 2.75% long-term loan. We are paying \$600/month interest; we will hold on to this through February at which time we plan to pay back.

Debt ratio of total assets to liabilities is 20%, which is favorable.

Fundraising efficiency is very low, which is also very favorable.

Capital Expenditures for YTD is \$63K.

Trail Pass Revenue is favorable compared to last year at this time, up 13%, allowing YTD to turn positive.

Event participation numbers for all Birkie week events show a further slowing: 6,697 this year, compared to 8,370 last year at this time. This equates to a \$266K loss of revenue. This is expected to change, however.

## **Documentation:** Charlie Dee

- The documentation committee recommends the following changes to the Bylaws:

**Motion:** Move to add the following language (in green) to Article V, Section 1 of the bylaws:

ARTICLE V Instruments; Bank accounts; Checks and Drafts; Loans Securities

Section 1. Execution of Instruments. Except as in these Bylaws otherwise provided, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. Except as so authorized, or as in these Bylaws otherwise expressly provided, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose in any amount. **This provision does not prevent the Executive Director or employees under his or her direct supervision from incurring credit card debt within the framework of the approved**

budget. Under no circumstances can the amount of credit card charges exceed an amount that the corporation can pay each month without incurring late fees or interest charges.

Dee move. Pautsch second. **Passed** unanimously.

**Motion:** Move to make the following changes (in green) to Article 5, section 4 of the bylaws:

Section 4. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loans may be made to any officer, ~~or Director or~~ **employee** of the Corporation, directly or indirectly. **The only exception to this is** that reasonable advances of reimbursable expenses may be made ~~in~~ **at** the discretion of the President or, in the case of the President, as determined by the Board of Directors, **or by either the Executive Director or an employee at the direction of the Executive Director within the framework of the approved budget.**

Dee move. Mike Brown second. **Passed** unanimously.

- Authorization of expenditures is being discussed with the Finance Committee. More to come on this at our next board meeting.
- Definition of an event as well as suggestions for a process of approval of new events was discussed.

Sue Scheer reported on a motion passed by ABSF in July of 2013 requiring ABSF BOD approval of any new “Birkie” event. At the time, this was based on insurance and liability concerns.

Scott Chapin, our insurance agent, was consulted. We have a “Schedule of Exposures” that is prepared annually with our insurance renewal. When there is a new Birkie event, an addendum is added to this schedule. Our insurance is renewed October 1 each year; thus, we should approve the schedule of events at our August BOD meetings annually. Any further additions can be approved as they come up.

At our next BOD meeting, we will approve our schedule of events. Charlie Dee and Sue Scheer will look into Bylaws and Procedures Manual regarding changes that may be necessary.

- Our Bylaws and Procedures Manual state that large purchases and/or incurring any debt, requires approval from the Executive Board.

**Motion:** ABSF BOD approves the purchase of a new snow groomer and incurring debt to do so up to amount of \$218K. Dee move. Tumbleson second. **Passed** unanimously.

- Discussion of a reasonable time frame to notify the board of significant changes to the budget: an agreement of 72 hour was deemed appropriate. The Procedures Manual may need updating to clarify what is deemed a significant amount. The process of budget development most often clarifies expenditures and indebtedness. If something occurs outside of budget development, this needs to come to the BOD for approval.
- Bill Brown is added as a member of the Documentation Committee, replacing John Kotar.

### **Diversity:** Jeff Tumbleson

- **Motion:** Move that ABSF BOD approve and allocate resources for a Diversity Program. Such program shall be defined and implemented by staff no later than 2022.

#### Discussion:

Resources include staff time/salaries.  
 Discussion on types of programs to implement.  
 Bob Kovar and Ernie St. Germaine are very interested in helping with this.  
 This could become part of our Sports Development Program.  
 Need to create a community outreach committee.  
 Staff and BOD education will be a focus.

Tumbleson move. Manske second. **Passed** unanimously.

### **New Business**

- Our next meeting is November 16, 2021, 3pm at the SC Johnson Community Center or on-line. Mike Mandli will be sending out a list of dates for 2021 BOD Meetings.
- Mike Mandli has talked to Bean Timmerman about allocation of Memorial funds for her late husband Joe. She would like money donated to EMS for the purpose of enabling them to locate persons in need of emergency assistance on our vast trail system.
- Paul Eckerline was again applauded and thanked for his outstanding service as President of the ABSF.

**Adjournment** at 4:45 pm by Acclimation.