

MINUTES

ABSF Board of Directors Meeting

Monday July 20, 2020

3:00 PM

Great Hall, American Birkebeiner Trailhead

Board Members Present: Paul Eckerline, Brett Rondeau, Jeff Tumbleson, Mike Mandli, Kathie Pautsch, Sue Scheer

Electronically Present (Microsoft Teams Meeting): Mike Brown, Jan Guenther, Charlie Dee, John Kotar, Dennis Kruse, Yuri Gusev, Tom Duffy

Absent: none

Staff Present: Ben Popp

Approval of Agenda: Kotar move, Mandli second. **Approved.**

Approval of Minutes from June 22, 2020 Board Meeting: Scheer move, Dee second. **Approved**

President's Comments: Paul Eckerline

- Thanks were extended to Dennis Kruse and John Kotar for their many years of service to the ABSF. As both board members have not sought re-election this year, we would like to extend a formal thank you at the volunteer banquet in February, as well as at the annual meeting in August.
- As Executive Director, Ben is due for his annual evaluation. Paul asks that each board member email him in the next 10 days in regards to Ben's performance. Please include things that he has done well; things that he could improve upon; and ideas and goals to focus on in the next fiscal year. A small group will also meet to go over his evaluation.
- Discussion on taking out a Key Man Insurance Policy on Ben:
 - A 15-year term policy would cost approximately \$940 a year.
 - If Ben should leave, the policy could be transferred to him, or become an asset to the ABSF.

Motion: Move that ABSF purchase a Key Man Insurance Policy for Ben Popp as Executive Director of the ABSF. Scheer move. Pautsch second. **Passed** unanimously.

Executive Director's Report: Ben Popp

- Discussion of sharing email list with board candidates:

Our current by-laws state: "The current list of all ABFS members with addresses shall be provided to any member in good standing who has agreed in writing not to use the list for any commercial purpose, not to use the list to solicit money or property for any purpose other than election to the ABSF Board of Directors, not to sell the list or to share the list with any other person, organization or business."

During the current election process, three candidates requested the list of member email addresses, which was shared after the requesting candidate signed the appropriate release form, and other candidates were informed. Only one of those candidates actually used the mailing list to contact members.

Several ABSF members have reached out to us with concern about their email information being shared and considering unsubscribing. They have been assured of the written agreement that was signed by the candidate, but their concerns are valid and will be addressed for future elections.

The Documentation Committee will meet to discuss this issue and make recommendations regarding future sharing of email lists with candidates.

- Registration Update:

Registration numbers for all events are similar to last year at this time.

We are currently in the middle of a price hike, so the next few months will be less predictable due the continued uncertainty of the type of events that we will be able to have due to Covid-19 concerns.

The ABSF office has been getting feedback from a number of previous participants who are not ready to commit to registering until they have more information regarding event details. The staff are working very hard to create safe, inspiring, and engaging events for our participants.

- Audun Mikkelson (Membership and Development Director) has requested to decrease to a 25% part-time status. As such, he will continue his duties with membership, general fund-raising, the Warrior Wall and the VIP Dinner. Allison Slavick is being hired to lead up the Capital Campaign for redevelopment of Telemark Property.

- The Idle Site Grant for demolition of the existing Telemark Building is ready for submission.
- The Highway 77 Becker Law Link will be completed after Labor Day (this request from local officials due to anticipated traffic volumes).
- Ben also thanked Dennis Kruse and John Kotar for their many years of service to the ABSF; they will be formally thanked and recognized at the Volunteer Banquet in February.

Committee Reports

Trail: Mike Mandli

- Telemark Redevelopment discussed.

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

Mark Hooley, Attorney at Law, has been donating his time and expertise on this matter and was present via phone conference to explain and review the Purchase Agreement that is being proposed for the purchase of Telemark, which will hence be known as Telemark Outdoor Recreation Center (TORC).

It is recommended that TORC become an LLC, which will be a wholly owned subsidiary of the ABSF. This enables liability protection as well as a non-profit status. TORC could be either member-managed or manager-managed. Attorney Hooley recommends a member-managed LLC, to be managed by the ABSF Board of Directors.

The proposed Purchase Agreement was presented and reviewed. ABSF, as buyer, would purchase Telemark Properties (which encompasses greater than 700 acres and the existing lodge) for \$1.42M.

There is a 180-day contingency in place. This includes 120 days to perform due diligence, and an additional 60 days to close. If contingencies are not met, it is possible to get out of the contract within 180 days.

Buyer Contingencies include:

1. Inspections, and similar due diligence.

2. Satisfaction that the documents related to the donor funds are sufficiently secure.
3. ABSF secures funds for the demolition of the existing Telemark Lodge, with ability to keep a portion intact if deemed appropriate. (Idle Site Grant secured.) Demolition would need to start within a year of closing.
4. Progress made with abandonment of any residual property rights of Telemark Condo Owners.

Seller Contingency:

Seller shall have naming rights to the area at no additional cost.

Promissory Note states that there shall be an initial 4% interest rate with interest only payments due annually starting the first year after closure. The interest rate will increase by 2% each 5 years thereafter until the loan is satisfied. There is no pre-payment penalty. Cap on the duration of the financing is 20 years.

Motion: Move that the ABSF authorize Ben Popp as Executive Director to set up and sign for Telemark Outdoor Recreation Area to be an LLC wholly owned by the ABSF for the purpose of purchasing Telemark Property.
Scheer move. Mandli second. **Passed** unanimously.

Motion: Move that the ABSF authorize Ben Popp, on behalf of the ABSF, to sign the promissory note and related documents for immediate financing, as well as the purchase agreement and related documents, with Telemark Partners, LLC as seller and the ABSF or its affiliate as buyer.
Mandli move. Kruse second. **Passed** unanimously.

Finance: Mike Brown

- We continue to have a very strong financial situation.
June 2020: Income \$27.8K, Expense \$235.3K, Net income (\$207.5K)
Year to date: Income \$3,391K; Expense \$3,108K; Net Income Surplus \$282K, with a favorable variance to budget.
Bank Balance \$918K - includes money received from the PPP (\$212K) and EIDL (\$149K) loans. The PPP loan is almost entirely forgivable. The EIDL is a 2.75% long term loan.
Earned Income YTD 98.9%

Year to date income of \$3.4M is favorable; event income is down \$90K, but all other categories are up by 20% or more. This includes \$212K in donations and the \$24K that we received from the Endowment Committee.

Year to date expenses of \$3.1 M is very favorable to budget (1%) due to very sound financial management by the team!

Capital Expenses for year to date are \$596K with 84% of this being put into the trail in the form of trail improvement (\$274K), snowmaking (\$118K), trail equipment (\$59K), and land acquisition (\$46K).

Registrations for Birkie events are 5263 this year vs 5725 at this time last year. The difference may be due to using registration numbers (vs calendar date) to determine price hikes, as well as uncertainties due to Covid-19.

Various budgets are being developed due to flexibility needed in planning events this year due to the uncertainty.

- Research on opening a high yield savings account (as discussed at our June meeting) has identified a concern, as these types of business accounts require in-person signatures. Alternative options are being explored. Also discussed having a designated person for signatures. Paul Eckerline frequently travels for business purposes and volunteered to perform this duty. No decision was made today.
- The Finance Committee is preparing to present the budget at the Annual Meeting on August 8. They are also preparing to include a full report in the Birch Scroll that will be mailed out in October. They plan to emphasize Capital Spending Projects.

Documentation: Charlie Dee

- The ABSF Board of Directors Election is going smoothly. Voting closes at 5pm on July 28. Winners will be announced on Birkie.com on August 1, 2020.

Competition: Dennis Kruse

- No report

Skier Development: Jan Guenther

- No report. (Anticipate that we will be in a better position to announce possible grants in the fall.)

New Business

- Acknowledgment was given to the Birkie Staff for their excellent job of maintaining the trail equipment. Our meeting today at the Great Hall was also an opportunity to see firsthand how well the machines are kept and maintained. The board members present were very impressed and appreciate their diligence and hard work.
- Next meeting is the ABSF Annual Meeting which will be held on Saturday August 8, 2020 at the American Birkebeiner Trailhead located in Cable, WI, from 2:00pm to 3:00pm. Attendees may join in-person or virtually, with a link to the virtual meeting on the ABSF web-site. There will be no refreshments served. Attendees may bring their own snacks and beverages.

Adjournment at 4:30 pm by Acclimation.