

MINUTES

ABSF Board of Directors Meeting
Monday February 15, 2021
3:00 PM
Online via Teams Meetings

Board Members Present: Mike Mandli, Jeff Tumbleson, Kathie Pautsch, Mike Brown, Paul Eckerline, Tom Duffy, Jan Guenther, Charlie Dee, Bill Brown, Sue Scheer, Karen Manske

Absent: Brett Rondeau, Yuri Gusev

Staff Present: Ben Popp, Allison Slavick, Joe Vadeboncoeur

Approval of Agenda: Pautsch move, Manske second. **Approved**

Approval of Minutes from January 18, 2021 and February 8, 2021 Board Meetings: Dee move, Pautsch second. **Approved**

President's Comments: Mike Mandli

- We have several items on agenda today that require board approval.
- We will have a presentation regarding a future project involving Board Core Values.

Executive Director's Comments: Ben Popp

- Discussion of 2024 World Cup concept:

Ben met with Claire Wilson (Loppet Foundation Executive Director)—they are interested in collaborating with us to combine the 50th American Birkebeiner with the FIS World Cup. Canada and Park City have also expressed interest. Jessie Diggins is also a huge advocate for ABSF hosting a WC event in 2024.

Chris Grover (chair of FIS XC Ski Committee) has asked if we are interested in bidding for this. There have no bids as of yet for 2023-24 season.

We need to do more research. John Munger will be hired for 10-12 hours of time to help with budgeting and feasibility. Biggest concern is financial. By March, Ben will have some budget numbers together. The Competition Committee help explore financial options.

Event Budget is estimated to be \$1.5 M; this is what it would cost us to put on two events (Sprint races on Friday and Marathon on Saturday). This includes \$300K of production costs. Part of this budget is \$100K for additional staff that would be needed to plan a World Cup race. Noted that it is easier to put on a WC event as part of the Birkie, as infrastructure will already be in place.

Production costs estimated to be \$1.1M: this is the TV budget for a five event series (three in MN and two in WI).

- MOU with Landmark Conservancy (LC)

A draft of the MOU was shared and discussed. This is their initial draft that outlines intent; financial component is negotiable.

There has been overwhelming support from prospective donors in having the legitimacy/validation that LC would provide for our conservancy.

LC is interested in working with organization and sustainability of the Conservancy, as well as conservation.

LC staff time estimated to be \$15K.

Concern expressed about a further contribution to Landmark's Stewardship and Defense Fund for conservation easement(s). LC will define the required amount needed in a Landowner Engagement Letter which will be shared in late spring 2021. The ambiguity of the amount is concerning.

Allison Slavick will continue to work with LC on this and report at next meeting.

- HAAS Inc. Demolition Contract

Contract agreement for Telemark Resort Demolition was presented and reviewed. The contract price totals \$772.3K.

Motion: ABSF approves the Contract Agreement with HAAS Inc. for Telemark Resort Demolition. Pautsch move. Manske second. **Approved.**

- TIOA Purchase Agreement

The Purchase Agreement between ABSF and Telemark Interval Owners Association (TIOA) was presented and reviewed. Pursuant to this agreement, ABSF will transfer the Wastewater Treatment Property to TIOA; in exchange, TIOA executes for conveyance to ABSF the Quit Claim Deed, conveying any and all interests of the Telemark Lodge Condominium defunct units and any and all portions of the Telemark Lodge Property, formerly occupied by said units.

In essence, this removes us from liability and gives TIOA property in which they have interest. TIOA will fund any defense (if needed) in the event that any of the 7 owners of the defunct units come back (there are 7 weeks of owners that TIOA believe no longer exist).

Noted that this is a Purchase Agreement only; closing will have more details.

Motion: ABSF approves the Purchase Agreement made and entered into by and between ABSF and TIOA. Duffy move. Dee second. **Approved.**

- Staff Re-Organization and Core Value Development (Joe Vadeboncoeur)

Joe has been working with staff on this in lieu of recent controversy over sponsorship decision as well as moving forward with the integration of Telemark Property.

Goal is to build empowered, passionate business owners through:

- clear mission understanding and alignment.
- clear organizational structures, with clear accountabilities.
- clear core values that everyone understands.
- clear review process.
- common evaluation form using core values.
- key staff salary review.
- enhanced benefits.

All of this to be in keeping with our mission:

- Host world-class events.
- Steward of the ABSF Trail.
- Promote a healthy outdoor lifestyle for all.

Staff leadership team will include Executive Director as well as six individuals representing events, facilities, marketing and communication, CO, sponsorship, and finance. Currently filling these roles are Ben Popp, Kristy Maki, Jim Sokup, open position as Nancy Knutson is retiring, Joe Vadeboncoeur, Susan Kendrick, and Mike Brown respectively. (As a board member, Mike Brown is filling in until a Senior Finance Leader is on staff.)

Each of these team members will have clearly defined structure and accountability. Executive Director serves as visionary (big ideas/vision, primary spokesperson and managing strategic relations).

COO as integrator (making ideas work).

Each of the remaining leadership groups will be further broken down by full-time, part-time positions, each with clear roles and accountabilities.

Goal is to build a high performance team that lives and breeds our core values. We will build evaluation forms around core values, hire and promote around core values, and reward around core values. Defining and explaining our core values will help ensure we all understand them and build an expectation around them.

We will have a clear staff review process. All staff will have clear job description, goals discussed with manager, and receive annual performance evaluation.

All managers will follow the same procedure to insure consistency.

Key staff salary and enhanced staff benefits will be reviewed. Benefit opportunities to be considered include healthcare program, FSA, 401(k)/retirement savings, maternity leave, discount programs from sponsors, fitness center membership, generous PTO program, Birnie clothing allowance, bonus program based on organizational results, and continuing education.

It is important that board members have core values that align with staff.

- ADLP and RTP Grants (Allison Slavick)

These are both available through WI DNR Knowles-Nelson Stewardship Program.

RTP (Recreational Trail Program) is a federal grant, which we have received in past for development of OO and timing building. \$200K is available to be used for trail development.

ADLP (Aids for the Acquisition and Development of Local Parks) would offer a 50% cost share (or \$500K) which we would use toward the purchase cost of Telemark if granted. DNR personnel have encouraged us to apply for this. This grant requires a survey of the property, which is being done. Guidelines also call for not having closed on the property. A letter of retroactivity is possible however.

Deadline for grant application is May 1, 2021. We need a change in our bylaws in order to proceed with this (for land conservation). Documentation Committee will address this later in this meeting.

- Unrelated Business Income Risk (UBI)

This discussion concerns the sale of the western acreage of the Telemark property. Two options are being considered:

Option A is bulk sale of the property to a developer: 190 acres at \$3K/acre to gross \$570K, and net \$560K after costs.

Option B is sale of large residential lots (10 x 15-20 acres): 190 acres at 5K/acre to gross \$950K, and net \$800K after costs.

Despite the increased revenue from Option B, Option A is preferred and recommended as it is a singular transaction, and less concerning regarding UBI. In addition, the activity of developing the property ourselves is outside of the ABSF mission.

- Development of Property Sale Website

Ben Popp and Joe Vadeboncoeur presented an initial draft of a website that is being developed to inform interested persons and developers about the land for sale bordering Telemark Outdoor Recreation Property as well as solicit ideas from potential developers.

Concerns brought up by board included:

Concern that we should have the Conservancy agreement defined/finalized and decisions made regarding what we wish to incorporate into the three separate areas of land before we release this.

Concern that there may be controversy regarding home site development.

Ben and Joe will revise the website with edits to address above concerns and send out prior to next meeting. They feel that time is important as there has already been interest from potential developers/buyers.

Allison Slavick will ask Landmark Conservancy for a menu of conservancy options that are typically placed on land that is to be developed. LHB can also help us with defining and organizing the use of the land.

Committee Reports

Finance: Mike Brown

- We have been approved for a second PPE loan of \$180K. This is a forgivable loan. Approval is based on having less than 300 employees and over 25% income loss for a quarter; it will be used for payroll.
- We have received an anonymous donation of \$100K.
- Capital Expense request from the trail crew for an excavator. We have been renting an excavator for many years (\$22K-\$28K per year) for trail maintenance and repair. It would also be useful for snow making operations.

There is a used full-size 2019 demo-model excavator available for \$95K (vs \$160K-\$190K for a new model). Agreement that this is a good investment.

Motion: Move to approve the purchase of the used demo-model excavator. Eckerline move. Dee second. **Approved** unanimously.

- Review of operating financials as of the end of January:

January:

Income \$160K; Expense \$211K; Net Income deficit \$(51K).

Income is flat to budget.

Expense is favorable to budget by \$277K. The variance is due to Event Ops Expense (timing of invoices for various expenses, such as participant awards, bibs and bags, timing, etc).

Year to date:

Income \$2.479M; Expense \$1.298M; Net Income Surplus \$1.180M.

Income is favorable to budget by \$516K, driven by Event Income, Donations/Grants/Sponsorships, and Restricted Donations/Grant Income.

Expense is favorable to budget by \$178K, driven by Event Ops expense and offset by Payroll and Telemark expense.

Bank Balance \$864K.

Total Liabilities YoY of 39% is higher than historical trend due to Cares Act loans and purchase of Piston Bully.

Capital Expenditures remain in-line with expectations.

Trail Pass Revenue for January is \$26K, up 1.5% from last year. YTD is \$153K, up 66.8% compared to last year

Event participation for Birkie week events is 8,425, compared to 10,855 last year.

Event participation for Fat Tire Birkie is 530 to date, compared to 1,010 last year.

- A weekly “scorecard” developed for staff by Stephanie Martin, Mike Brown, and Joe Vadeboncoeur was shared. They were thanked for their efforts on this project.

Documentation: Charlie Dee

- The Documentation Committee has discussed and approved Procedural Manual language addressing political activity. This will be brought to the board in the future. It will also be presented to all staff and employees prior to final board approval.
- Guidelines for involving the BOD in potential controversies are being written; more on this after Birkie and Fat Bike Birkie events are over.
- In order to be compliant with ADLP grant conditions, the Documentation Committee recommends the following change to our Bylaws:

ARTICLE I General

Section 1. Purpose of Corporation.

(a) The purposes of this Corporation shall be to carry out its mission as defined above **and to acquire land for conservation purposes.** ~~as set forth in the Articles of Incorporation of the Corporation.~~

(b) These Bylaws specify various matters affecting the operations and governance of the Corporation.

Motion: Move to change the language in the bylaws as noted above.
Dee move. Scheer second. **Approved** unanimously.

Telemark Fundraising Committee-Capital Campaign: Bill Brown

- This committee has met three times.
Vision: Create the Sustainable Mt. Telemark Recreation Area and Conservancy
Goal: Raise money to bring about the vision.
Five key strategies include:
 1. Create the right organizational structure (5 board members, up to 3 non-board members (TBD); Honorary Chairs (Ernie St. Germaine, Janie Wise, and hopefully Kikkan Randall) with meetings twice per month).
 2. Create awareness, excitement, and engagement (through social media, in-person events when possible, emphasize sustainability).
 3. Apply for grants (RTP and ADLP; researching others).
 4. Develop a targeted and personalized donor model (using data from previous campaigns, establish targets for giving, develop donor database, work with Birchleggings Club).
 5. Develop and launch a Conservancy model for fundraising (share vs acre model, targeted sequential mail campaign to launch in April and May with follow-up and support.)
- Dollar amount of campaign to be determined; dependent on final plans for the property.

- **Capital Investment Schedule:**

Phase 1 \$2.15M (establish permanent access/demolition)

Phase 2 \$675K (establishing trails/snowmaking)

Moving Forward \$900K (Community Outdoor Center)

Total \$3.725M

Competition: currently vacant

- Committee to be re-established with initial goal of determining feasibility of hosting 2024 World Cup Event.
- Jeff Tumbleson, Mike Brown, Paul Eckerline, and Mike Mandli volunteered as members.

Development: Jan Guenther

- No report.

Diversity: Jeff Tumbleson

- No report for this month. Working on Core Values for Birkie One Community.

New Business

- Next meeting scheduled for Monday, March 15 at 3 PM, on-line via Teams Meetings.

Motion to adjourn: Eckerline move. Dee second.

Adjournment at 5:30 pm.