

MINUTES

ABSF Board of Directors Meeting

Monday April 15, 2024

3:00 PM

Birkie Office

Board Members Present: Paul Eckerline, Chris Morley, Kathie Pautsch, Mike Mandli, Andy Ubel, Sue Scheer, Yuri Gusev, Tom Duffy, Bill Brown, Kris Bjerkness

Electronically present: Madelaine Rekemeyer, Karen Manske

Staff Present: Ben Popp, Mike Brown

Absent: Jan Guenther

Approval of Agenda: Pautsch move. Mandli second. **Approved.**

Approval of Minutes from March 18, 2024 meeting: Duffy move. Mandli second. **Approved.**

President's Comments: Paul Eckerline

- Our next meeting is scheduled for Monday May 20, 2024. The Birchleggings Club will be making a presentation at that meeting instead of today.

Executive Director's Comments: Ben Popp

- Ben sent out a detailed report electronically prior to the meeting.
- The increase of event fees was discussed. The fees for Birkie events are in line with similar events throughout the country and worldwide. Unfortunately, sales tax have been added to this year's event fees due to a ruling that was made in South Dakota in 2015 requiring a marketplace provider to charge sales tax. As we use an outside vendor (Run Sign Up) for our race registration, this has been deemed necessary. However, as we are a tax-exempt corporation, we should be able to apply for an exemption. Staff, along with our attorney and accountant, are looking into this.
- **MTV Building Update:**

Construction is on schedule. Vendors should be in by July 4. Goal is to pave the parking lots this fall and to install a skier/biker bridge in the future. A Grand Opening for the Trek Trails powered by OTM, and the George Hovland Roller Loop is planned for June 1. This will include a Base Camp walk-through, food, and activities. The Hovland family will be in attendance for this event.

- The Epic Bike Fest is scheduled for the following weekend, June 7-9.
- The ABSF Endowment Foundation gifted ABSF approximately \$54K this year, which

will be used for trail improvements/snowmaking, volunteer jackets for race chiefs and general support.

- **Snowmaking:**

The goal is to improve power supply, water/water lines, and to have a more efficient system in place for our current trails. Expect to have a proposal for this by May.

Committee Reports

Finance: Mike Brown and Kris Bjerkness

- Ben sent out a 2024-2025 draft budget prior to the meeting. As there is a budget deficit for the 2023-2024 due to lack of snow (resulting in decreased trail pass and event revenue, and increased costs due to snow making/moving), the goal is to recoup these losses. The budget is still being refined. Estimated Net Operating Revenue for 2024-2025 is \$251K.
- The Financial Summary as of March 2024 was shared.

March 2024: Revenue \$258K Variance to Budget (\$321K)

Expense \$473K Variance to Budget \$296K

Net Income (\$215K)

(These numbers are timing dependent.)

23-24 YTD: Revenue \$6.76M Variance to Budget \$1.23M

Expense \$4.05M Variance to Budget (\$260K)

Net Income \$2.71M

Full Year 23-24 Projection including all additional Revenue and Expenses:

Operating Revenue \$4.457M

Operating Expenses \$4,673M

Operating Net Income (\$216K)

Total Current Assets are greater than Total Current Liabilities by 2.4.

Debt Ratio is 19% (low, which is desirable).

Bank Balance is \$588K (part of which is restricted funds).

SBA EIDL (Build Back Better) loan is \$1.3M at 2.75% for 30 years.

Capital Expenditures \$472K (excluding MTV).

- Birkie Enterprises had a record year. Therefore, BE will also reimburse ABSF for expo space, royalty for Birkie logo, and website development.
- Mike Brown is taking a critical look at our current major vendors to make sure that these are the most cost-effective choices and renegotiating contracts accordingly.
- A review copy of the Proposed 2024-2025 Budget will be presented in May for final approval in June.

Telemark Capital Campaign: Bill Brown and Ben Popp

- We now have over \$7.6M committed to the campaign (donations and pledges) which is ahead of target and 75% of our final goal. Hope to raise an additional \$1.6M from July 2024 – June 2025.
- The committee meets every other week. Focus is now on high potential givers and the biking community. Any potential leads on donors are welcome. Event registrations will now inquire about current/former employers of the registrant and if the employer has a matching gift policy.
- Louise Dressler is coming on full-time as John Munger phases out of the committee.
- Board members are invited to make calls to potential donors. Ben will share a confidential list of potential donors to board members.
- The Grand Opening of the mountain Biking Trails and Roller Ski Loop will provide another opportunity to engage donors.
- Base Camp building is progressing well and is projected to be completed in June.

- The vision for Mount Telemark Village was discussed. Staff are working on this and will be presented at our next board meeting.

Birkie One: Chris Morley

- The run series at LCO starts Wednesday May 1 at 5PM, and each Wednesday thereafter for six weeks.
- The committee is researching the Skiku Program in Alaska and the outreach programs through the Loppet Foundation. The Alaska program takes place at village schools with volunteer coaches and is funded by large sponsors. They focus on skiing and running clinics and incorporating activities into physical education classes. The Loppet programs are run by two paid staff members. An upcoming meeting is scheduled with the Loppet Foundation to learn more about their programs.

Documentation Committee: Karen Manske

- The updated Procedures Manual will be added to the Birkie website.
- Discussed that we should have a fee rate for our rentable property, and that this should be available either in the Procedures Manual or on the website. This is something that staff are looking into.

Old Business:

- Team Birkie: Yuri Gusev

Team Birkie confirms a World Team of five elite athletes competing at the World Cup/World Championship level, and a Continental Team of three athletes competing on the US Super Tour/Continental Cup level. A full-time coach has been hired. The team will bring junior level athletes to their camps. Tamarack Health Hayward Medical Center will be providing medical care, physical therapy, and nutrition services.

Housing:

Team Birkie would like to be able to house 6-8 athletes and is requesting help from ABSF to finance housing for five years.

Cost is estimated at \$3,500/month or \$42K annually. This includes cost of insurance, maintenance, and utilities. Team Birkie is close to raising funds to cover the down payment. Discussed option for renting vs. buying and that cost is felt to be the same.

Currently ABSF donates \$30K annually (in addition to in-kind support) to Team Birkie, which is unanimously felt to be a worthy cause for the continued development and success of the sport.

Recommendations:

Finance Committee to determine the amount that ABSF can/should contribute to Team Birkie, and to verify that \$3,500/ month is an accurate assessment of the cost.

Yuri will continue to look at properties for rent or sale that would suit the needs of Team Birkie.

Consensus is that renting would be a better option with less liability and risk.

Recommend that Team Birkie establish an LLC for this purpose. An ABSF staff member and/or board member could be member(s) of the LLC.

Consider seeking a donor to buy the property and then rent to the team. Discussed possibility of converting donations received to an endowment for Team Birkie and using this for rent.

New Business

- Our next meeting is Monday May 20, 2024, 3PM at Birkie Headquarters.

Motion to adjourn: Mandli move. **Adjournment** at 5:00PM by acclamation.

Addendum:

- A Purchase Agreement made between ABSF (seller) and Christopher and Amy Parker (buyer) for the purchase of a parcel of land to be used only for the creation and operation of a restaurant was sent out electronically by Ben. This requires approval by the board before signing.
- The following motion was made on April 18, 2024.
Motion: Move that ABSF BOD approve the Purchase Agreement as presented by Ben Popp. Further approve proceeding with the sale of the parcel of land to the Parkers for the creation and operation of a restaurant. Morley move. Pautsch second. Sue Scheer recused herself from discussion of and voting on this motion due to potential conflict of interest. A virtual board meeting was held on Friday April 19 to further discuss the agreement.
Discussion:
This agreement does include a right of first refusal. The covenants will remain with the land in the case of bankruptcy or sale of land.
Recommend including restrictions for signage and sound. (These restrictions should be included on all building/structures within MTV.)
Recommend adding parking rules that can be subject to change (such as no overnight parking).
The main concern is how best to protect the Birkie and Mount Telemark Village should the owners choose, or be forced, to cease operations. After discussion, the group felt that we have suitable protection in place to which both the bank and the buyer will accept. The buyer is known to us, has a successful similar business in the area, and is the type of business that would significantly enhance MTV.
Amended Motion: Move that ABSF BOD approve the Purchase Agreement as presented by Ben Popp with the incorporation of the above recommendations. Further approve proceeding with the sale of the parcel of land to the Parkers for the creation and operation of a restaurant.
Mandli move. Pautsch second. **Approved** unanimously on April 20, 2024. (Sue Scheer

recused herself from voting on this motion.)