

THE MOUNTAINEERS
MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
December 1, 2005

Board Members Present:

Ron Eng, *President*;
Ken Madden, *President Elect*;
Donna Osseward, *VP of Recreational Properties*;
Don Heck, *Treasurer*;
John Wick, *Secretary*

Trustees:

Rick Anderson;
William Borden;
Jim Burke;
Bill Deters;
Dale Flynn;
Ken Hahn;
Patti Polinsky;

Branch Trustees:

Mary Lynch – *Snoqualmie Foothills*;
Henry Romer - *Olympia*;
Steve Sears - *Seattle*;
Tom Shimko - *Tacoma*

Absent:

Steve Costie, *Executive Director*;
Steve Cox;
Jim French;
Steve Glenn - *Bellingham*;
Diane Littau - *Kitsap*;
Craig Rowley, *VP of Publishing*;
Rob Simonsen - *Everett*,

Others Present:

Helen Cherullo, *Publisher*;
Brian Horstman, *Controller*;
Lynn Hyde;
Lisa Peterson;
Paul Robisch, *Foundation*;
Julian Sayers;
Dave Shema;
Frank Sincock;
Fran Troje;
Ben Twight;
Norm Winn.

I. Call to Order

President Ron Eng called the meeting to order at 7:01 PM in the Pinnacle Room of the Mountaineers, 300 Third Avenue in Seattle WA.

Eng asked the audience members to introduce themselves.

II. Approve Agenda

It was moved (Anderson) and seconded (Madden) that the New Facilities Construction Committee report be moved to precede the officer's report. (This was due to having our attorney present for this discussion.)

The revised Agenda was approved on a voice vote.

III. Approval of the minutes

The minutes for the following months were presented:

September 2005

October 2005

November 2005

All were accepted as amended on a voice vote.

IV. Consent Agenda

A single consent item was included:

That the Board Liaison to the Foundation would be Donna Osseward.

The Consent Agenda was accepted on a voice vote.

New Facilities Construction Committee (NFCC)

Presentation by our attorney on the final lease for Building 67 at Magnuson Park.

Rick Anderson referred the BoT to the report he had e-mailed out.

Anderson reported the NFCC was now looking for an architect and for a contractor.

Anderson also reported that the lease negotiation is complete. He expects it will be mid December before the lease goes to the City Council. At that time the complete text of the lease would be posted on the website. The current property is now officially for sale. The package has gone out to brokers, bids are accepted through the end of December. Negotiations would begin after that. Anderson expects to have a deal in place by the February BoT meeting.

Anderson then introduced Lisa Peterson, our attorney at Davis, Wright, Tremain. She deals almost exclusively in real estate.

She had prepared a handout of the highlights of the lease for the BoT and wanted to go over the significant points.

She noted that the property and buildings had originally belonged to the Navy, and then been given to the City of Seattle with some restrictions on how they could be used. The building the Mountaineers will be leasing has historic identification and the Mountaineers use meets all the requirements.

The original lease from the City was a bit garbled. The final lease has clearer language and provides contingencies for the Mountaineers in case the construction cost are too high or environmental problems are found.

The Mountaineers will be leasing the building, not the ground under it, so we are protected from a sub surface responsibilities.

The Mountaineers will finance all the work, and credits on the improvements will be given to the Mountaineers in the form of monthly reductions in the lease.

The Mountaineers are taking on the repairs and maintenance of the building.

The lease is a 30 year lease with two consecutive 5 year options available.

An outdoor climbing wall structure will be built by the Mountaineers, given to the City and open to the public. The Mountaineers will get a monthly credit for this. The Mountaineers can also reserve the structure for their own use for classes. Having the wall belong to the City will protect the Mountaineers from liability.

Events with an attendance of over 150 will need to be noted in an annual report to the Park, or, will require 30 days notice. This is because the Park is specifically concerned about parking and the traffic impact in the neighborhood.

Dale Flynn asked about the schedule of the sale and the remodel. Anderson answered that contingencies in both the lease and in any sale would be set to protect the Mountaineers. The plan was that the Mountaineers could walk away from either deal if problems were discovered. Peterson concurred that the contingencies are on the Mountaineers side.

Brad Gibson asked if it was possible to request an attendance limit higher than 150. Anderson answered no, that the negotiations had started with the City at 50 and the Mountaineers at 500. The final 150 was agreed to by both.

Donna Osseward wanted time to investigate before we invested a lot. Anderson answered the plan was to bring a contractor in early and in working with them to design a project to meet our budget.

Patti Polinsky asked about inspections. Anderson answered that reports on all the inspections were with the NFCC.

Mary Lynch reported she had requested some of those reports. After some discussion Anderson said he would forward the two identified reports that night upon returning home.

Bill Borden asked what the sense of the Mountaineers negotiating committee was. Peterson said that all the negotiations had been conducted in good faith and with the intention of a long term relationship.

Don Heck asked if the Section 3.3 would mean all Mountaineer meetings were open to the public? Anderson answered no, the situation would be the same as it is now, where only the BoT meeting is open.

Mary Lynch asked if the City could tear down the climbing structure. The answer was not known but in any event the Mountaineers are guaranteed the rent.

Steve Sears asked if it was normal to have the Mountaineers pay for maintenance if they were leasing. Peterson answered that normally maintenance would be covered, but in this case having the City cover the liability was a much better deal for the Mountaineers.

A hypothetical discussion took place on what might happen if the City became antagonistic. Peterson answered that the standard clause requiring all parties to act reasonably. The City can not kick the Mountaineers out.

Patti Polinsky asked if the BoT could be notified when any discussions at the City Council would take place. Anderson answered that the City Council website would be the best place to look for the Council agendas.

Steve Sears asked about what operational restrictions referred to. Peterson said that covered alcohol sales and prohibited sub-leasing to another group.

Donna Osseward asked if the cost of the Magnuson space was reasonable. Anderson answered that the \$4.32 per square foot per year was unbelievably cheap. Peterson offered that the space the Mountaineers were getting was unique. That plain warehouse space went for about \$1 a foot a month was very good. In the end with all the offsets the Mountaineers only spend about \$200 a month.

Lisa Peterson departed with thanks from Rick Anderson and from the BoT.

Brian Horstman walked through the probable financing. Discussion on the Mountaineers savings in property taxes and the credit for the climbing structure followed. The various costs and credits used in the handout were questioned and explained.

Brian Horstman noted our insurance carrier had approved the concept.

Brian Horstman said a full financial presentation would be made in January.

V. Officer Reports

A. President's Report - Ron Eng

Eng thanked Ken Madden for covering his duties at the previous meeting.

B. President-Elect's Report - Ken Madden

Madden reported that the Managing Committee did not meet in November.

That on January 26th there would be training on BoT finances available at the Finance Committee meeting

Madden reported that he had attended a Washington State Trails Coalition meeting January 9th.

And last Madden thanked Steve Costie for the fine Banff Film Festival.

C. Executive Director's Report - Steve Costie

No report.

Mary Lynch asked the status of the hiring for the conservation position. Brian Horstman reported he thought it would be possibly next week.

D. VP of Publishing's Report – Craig Rowley

Helen Cherullo reported for the absent Craig Rowley

The year end was going strong, the missed sales goal were almost at break even, the overall projection was to break even.

The goal is to build on that, and they are making significant progress. Last fall they implemented a plan by cutting costs; by advancing strategic initiatives; by hiring a more experience editor in chief, by making some staff adjustments, and by making some cuts. Overall impacts will end up a small bit better at year end. Editor in Chief position has a key element in that allow Helen to spend more time with mission publishing and fundraising.

It was noted that the Wall Street Journal had pick a Mountaineer title as one of only four recommended Christmas books.

It was moved (Lynch) and seconded (Burke) that the amended budget be accepted.

It was accepted on a voice vote.

E. VP of Rec. Properties' Report - Donna Osseward

Donna Osseward referred to the written report in the BoT packet.

F. Secretary's Report - John Wick

Wick reported that a website was now set up for drafts of the monthly minutes and that he would post the minutes as soon as possible.

Wick reported that there is a webpage were all the BoT committees are listed. He encouraged all to consider serving in some capacity.

Last Wick offered that he had parking passes.

G. Financial Report - Don Heck

Don Heck referred to the written report in the BoT packet.

Brian Horstman said the CPA doing our financials needed a list of BoT members and occupations.

Horstman passed a list around to collect those.

VI. Unfinished Business

A. Snoqualmie Lodge Business Plan

Donna Osseward said she hoped the BoT would accept this business plan.

It was moved (Osseward) that the plan (read in its entirety,) be approved. There was no second.

Henry Romer asked where the budget was that supported this plan.

Osseward responded that the Properties Division would be covering those costs, that this was not a request for money. That this was a request for the BoT to agree with the mission and goals.

Mary Lynch explained that the agreement by the BoT was necessary before the Foundation would provide Fiscal Sponsorship which would enable grants / non-taxable funds to be accepted for Lodge programs and projects similar to what happened with Kitsap Cabin. Needs this to show Foundation in order to get funding to go out and get fundraising. This is to satisfy the Foundation

Discussion on the impact of accepting this motion followed. Concerns about a change closer to a hospitality focus were discussed.

The question was called (Borden) and seconded (Lynch).

This passed.

Don Heck said he would have lots of questions about what the Finance Committee was to do. He also asked about the proposed per person charge of \$10 to use the property.

Rick Anderson said that if we're being asked to make a strategic plan we haven't had enough time to evaluate an t an element of this magnitude.

Bill Deters agreed with Anderson. He was troubled by adopting the motion word for word as it puts emumbrances on the BoT at the time when they had to focus on budget and strategy.

The question was asked, "What is it exactly that the Foundation needs from the BoT?"

Paul Robisch answered the Foundation needs is to be able to assume that the BoT supports the concept that Snoqualmie become a public facility. If the Foundation supports the fund raising effort and the BoT goes back to a member's only facility, then the monies collected would not have been accepted truthfully. The Foundation wants buy in from the BoT that Snoqualmie will become a public facility.

It was moved (Flynn) and seconded (Anderson) to table.

The motion passed.

B. Retreat Plan

Jim Burke led a discussion to confirm the date for the upcoming retreat. The intent to be as inclusive as possible was emphasized.

The suggestion to hire a professional planner was discussed, as was the pros and cons of delaying the retreat.

Bill Deters said he and Burke had been collecting materials and would get them on a website shortly. Deters envisioned the retreat having three basic sections:

- summarizing past strategic plans and sessions, about 2 hours
- do some visioning, what could we be, what could we become, about 2 hours
- go over strengths, weaknesses, opportunities, about 2 hours
- final analysis and plan, about 2 hours

A suggestion to do this over a series of evenings was made, discussed, and generally not supported.

It was moved (Osseward) to provide up to \$1000 for this committee to cover costs.

There was no second.

A friendly amendment was offered (Borden) to empower Burke and Deters to design and facilitate a retreat for the BoT.

Discussion on the need for the monies followed. No discussion on this proposed friendly amendment took place.

The question was called (Polinsky) and seconded (Osseward).

A vote supported this.

The vote on the motion to provide up to \$1000 was taken and the motion passed.

The discussion returned to the actual date of the retreat. After a brief review the consensus seemed to be to stay with Saturday, January 7th, and that original date was allowed to stand.

VII. New Business

Branch Financial Account Signatories

The following house keeping motions were made to get the proper signatures authorized for some Branch accounts.

It was moved (Heck) and seconded (Romer) that Ken Small, and Steve Costie be signatories on the Bellingham Branch financial accounts at Bank of America.

This passed.

It was moved (Heck) and seconded (Madden) that Matt Vadnal, Don Heck, Rob Simonson, and Steve Costie be signatories on the Everett Branch financial accounts at Washington Mutual.

This passed.

It was moved (Heck) and seconded (Madden) that Mike Garrick, Elaine Fischer, Henry Romer, and Steve Costie be signatories on the Olympia Branch financial accounts at Key Bank.

This passed.

It was moved (Heck) and seconded (Madden) that Ed Lansing, Gordon Wiggerhaus, Tom Shimko, and Steve Costie be signatories on the Tacoma Branch financial accounts at Key Bank and Merrill Lynch.

This passed.

VIII. Committee Reports

A. New Facilities Construction Committee (NFCC)

No report was made here as the discussions had taken place earlier in the evening.

B. BoT Action on Organizational Ad Hoc Committee's Recommendations

John Wick reported he had spent his time on the minutes and the website and had unfortunately not worked on this in the last month.

VIII. Program Reports

A. Division Reports

Conservation Division - Nancy Neyehouse
Neyehouse was absent, no report.

Recreation Resources Division - Christine Wolf
Christine Wolf was absent, no report.

B. Branch Reports

Bellingham – Steve Glenn
Steve Glenn was absent, no report.

Everett – Rob Simonson
Rob Simonson was absent, no report.

Kitsap - Diane Littau
Diane Littau was absent, no report.

Olympia - Henry Romer

Their Banff Film Festival is this Saturday and Sunday.
Modularization is in work
Orientation is in January for sign up and info on spring courses
Modular plan will be out in February.

Seattle - Steve Sears
Seattle is doing great.

Snoqualmie Foothills - Mary Lynch
No report due.

Tacoma - Tom Shimko
Their retreat was November 19th.
Their Social Division growing with the marketing efforts of Karen Turner.
HARK leadership training is underway.
Climbing is developing a 5 year plan to develop a world class courses.
The Sharkfin Accident Investigation Committee is concluding its work and is expecting to present soon, possibly in February.

C. Foundation - Paul Robisch
Reception at Burke museum was very successful.
Teresa Hines Foundation is supporting mission publishing with a grant for Helen's work.

IX. Good of the Order

Dale Flynn complimented Everett on its banquet. It was a fine experience.

Donna Osseward noted it is the last month to see the fine art exhibit at the Burke Museum. She recommended we all see it.

Patti Polinsky was concerned that the closure of the clubhouse was not known. Being closed for a week is a disservice. She also noted that the phone message is out of date, and this gives a bad impression. Some of the lodges don't have a way to get the sign up info.

John Wick offered he had parking passes.

X. Adjourn

It was moved (Madden) and seconded (Heck) to adjourn.
The motion passed.

The meeting was adjourned.

Respectfully,

John Wick, BoT Secretary