

THE MOUNTAINEERS  
MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES  
September 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;  
Steve Cox;  
Dale Flynn;  
Brad Gibson,  
Jamie Gordon;  
Patti Polinsky;

*Branch Trustees:*

Steve Glenn - *Bellingham*;  
Diane Littau - *Kitsap*;  
Bill Deters - *Seattle*;  
Mary Lynch - *Snoqualmie Foothills*;  
Henry Romer - *Olympia*;

Absent:

Craig Rowley, *VP of Publishing*;  
William Borden;  
Jim French;  
Ken Hahn;  
Rick Proctor - *Everett*;  
Jim Burke - *Tacoma*

Others Present:

Nancy Neyehouse, *Conservation*;  
Paul Robisch, *Foundation*;  
Steve Costie, *Executive Director*;  
Brian Horstman, *Controller*;  
Helen Cherullo, *Publisher*;

Glenn Eades,  
Lynn Hyde;  
Marty Jordan;  
Steve Sears;  
Frank Sincock;  
Norm Winn

I. Call to Order

President Ron Eng called the meeting to order at 7:02 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

*The Agenda was approved by a voice vote.*

III. Approval of the minutes

The minutes for August 2005 were corrected as follows:

In II - The minutes approved for July were amended minutes.

In V. 2. - The word pass should be past.

In VI. Club Budget – The word deficit was miss-spelled twice.

*The corrected minutes were approved by a voice vote.*

#### IV. Consent Agenda

There was no Consent Agenda.

#### V. Officer Reports

##### A. President's Report

1. Ron Eng referred to the written report in the packet.
2. Eng reported that he attended the August 6-7 family hiking weekend at Meany Lodge and was inspired.
3. Eng also attended the August 22<sup>nd</sup> meeting at Snoqualmie Lodge with the Pacific Crest Trail Association.
4. Eng will presided over the September 14th Annual Meeting.
5. Eng reminded all that the President's work party would be Saturday September 24<sup>th</sup>.

##### B. President-Elect's Report

1. Ken Madden referred to the written report in the packet.
2. Madden reported that Managing Committee met in August with Bill Deters as Acting Chair. They discussed investigation in the accident reporting system. Ken Small has been looking at Mountaineer records, and is expecting to provide a written report.
3. The Olympia Branch is implementing the modular course concept. Expect to see further modular courses at other branches.
4. Steve Costie made a presentation of the proposed budget. The Managing Committee was disappointed in the budget.
5. Regarding hikes with dogs, before Fatima Oswald left she developed text that can be used to prompt discussions about activities with dogs. Currently Policy 401 is under review. At the July Management Committee Meeting the committee endorsed the text. Madden requested President Eng's permission to transmit this to the Bylaws Committee for preparation as a Bylaw amendment.

##### C. Executive Director's Report

Costie reported no report.

##### D. VP of Publishing's Report

1. Helen Cherullo referred to the written report in the packet.
2. Cherullo reported that on the financials and summarized that Books expect to be under budget at fiscal year end.
3. Discussion about some of the particular values and about the line of credit followed with all questions being satisfactorily answered.

##### E. VP of Rec. Properties' Report

1. Donna Osseward referred to the written report in the packet.
2. Osseward reported that the BoT members should find an invitation in the folder to a private reception prior to the Jim Whittiker talk on September 15<sup>th</sup>. She encouraged all to attend.

*As a point of business a motion was made (Osseward) and seconded (Madden) to allow up to \$1500 from the Property fund be spent in current year to replace the gas water heater at Baker Lodge.*

*This passed on a voice vote.*

##### F. Secretary's Report

No report

##### G. Financial Report

1. Don Heck referred to the written report in the packet.
2. Heck reported that two columns labeled cash and investments, on page 17, are missing and will be in the next packet
3. Bill Deters requested clarification on page 15 in the line called cash. In the Seattle column, where the number is \$10988, the numbers are different in reference columns. Heck answered that line is what is

attributed to individual groups, and for Kitsap, Seattle, and Foothills that amount is what the club holds that is attributed to each group.

4. Deters questioned the projection on page 19, identified as of July 31<sup>st</sup> for two months ending September 30th. Deters wants to make it clear that the total reserve line included branch reserves. Heck said that yes, it included the cash reserves held by the Club.

## VI. Unfinished Business

### A. Budget FY 2006

Don Heck reported that there are two budgets to review, one for Books and one for the Club. The Books budget has no changes.

*It was moved (Heck) and seconded (Madden) that the Books budget as presented be approved*

*It passed on a voice vote.*

*Littau abstained.*

Heck then moved to the Clubs budget. He reminded us that at last months meeting after much discussion the request was made to have Costie and the staff redo the budget, with the goal to have as close to a balanced budget as possible.

Brian Horstman noted a change to the current documents, where the Everett Branch in row 51 now covers the charge, and a correction out of Everett Branch expenses and out of Club Administration is shown as income. No change to the net income line. The core Club now has a \$72,355 loss.

Costie noted the BoT's back and forth direction over the last 6 months was disheartened, and agrees that the Managing Committee did not like the budget. Costie continued that after 6 meetings and after Costie has made commitments and had to rescind them, there is now a budget to present, but it still has a \$72,000+ deficit.

Horstman showed the changes:

1. \$4 dues increase for regular members
2. family membership goes from \$106 to \$110
3. there is no Public Policy assistant
4. the insurance allocation is left out of the Recreation Properties \$14,000 charge
5. all initiation fees and all dues go into the core club
6. increased the on line surcharge to 5%
7. adjusted the Marketing Committee budget from \$25,000 to \$20,000
8. decreased data base upgrades from \$25,000 to \$20,000
9. noted that even with all these changes the budget still had a \$72,000+ deficit

Costie provided some facts:

1. The membership continues to decline at a rate of about 5.75%. The current 11580 is projected to go down to 10086.
2. Our programs are essentially the same, which is a concern because there is no longer a wait listing.
3. The Olympic Branch is modularization some of their courses to match the market needs.
4. The Seattle Branch started a new Naturalist Course.
5. Other similar clubs are shrinking; the Colorado Mountain Club has shrunk from 10,000 members to 6,000 in just 4 years.
6. The way Costie approached the budget for last year and this year was to try to control cost, with no BoT direction known, no staff for program development, no staff for alternative funding, no staff for public policy assistant. On the whole the view is generally negative.

*It was moved (Heck) the budget be accepted.*

*No one seconded the motion.*

Donna Osseward stated that she can't go on like this, she can't support this budget. She felt we have got to sit down and solve these problems.

Rick Anderson agrees with Osseward. He believes we should accept responsibility and pay a dues increase. We are agonizing over a small amount of money. The only other option is to continue to cut staff.

Dale Flynn thanked Costie and Horseman for all the work they have done and expressed that the changes and problems with the budget are not theirs, but the Boards.

Flynn as liaison to Conservation is aware that Conservation Division feels they need a Public Policy assistant and asked Nancy Neyehouse to elaborate.

Neyehouse was amazed how well know the Mountaineers are, and how much time the members contribute. In the last year the Mountaineers presence has diminished, and our credibility is slipping. It has impact on how the Mountaineers are viewed in the wider community. Part of the problem is that Mountaineer members not always recognize what Conservation does.

The proposal to eliminate the public policy assistant is understood and appreciated.

25 years ago conservation was so very different. Now it is a network, with lots of contacts and higher speed responses.

We are not now lobbying in Olympia or Washington DC. Our net working is suffering.

When we as the Mountaineers Club call other organizations requesting help on an issue we now don't have a contact point for other organizations that want to reach us.

If we want to lobby we need a public policy assistant.

Neyehouse thinks Conservation and Recreation Access are number 1 and 2 in the Club because they work to put aside places for the club members to recreate.

Patti Polinsky thinks a conservation person is needed and from her work on two surveys she thinks the conservation work the club does it the most important thing the club does.

*It was moved (Flynn) and seconded (Madden) that funds for a half time public policy position be included in the proposed deficit budget.*

Rick Anderson said he would increase his dues to cover this. "We need to figure out ways to raise monies other than dues."

Brad Gibson suggests that rather than provide great services for free we need to charge the members the costs for these good services. If we implement a dues increase to reach a zero budget he thinks it would work.

Mary Lynch doesn't think a deficit budget is the way to go, and does think a conservation person is needed. She doesn't mind raising dues, but thinks the BoT needs to get involved with a strategic plan and help get the budget planned. She could vote for a deficit budget if we had a plan.

Cox thinks the motion is in the wrong order, that it should be demonstrated that ideas are available to raise funds. He can't support this before there is a plan (for funding the position).

Anderson offered the idea of activity fees as a possible solution.

Mary Lynch question that the Go Guide could be looked at (for elimination). With the web based system maybe we don't need a full time staff person.

Bill Deters likes that there is a job description, but hasn't had time to decide if we should support it, and if he does support it, doesn't know how it would be supported.

Donna Osseward asked how much has Conservation brought in.

Brian Horstman thought it was minimal in last 7 years except when an estate made a contribution due to a directive in someone's will. The Foundation has always made a \$2300-3300 contribution for the NW Issues course.

Horstman walked through this change. With a current planned deficit of \$72,355 this year, and adding back in the public policy assistant at \$35,000 our projected deficit would be approximately \$109,000.

Contributing to the increase in the deficit is an insurance increase which went up 4.3%, (inflation is at 3.6%), and a big change (drop) in membership.

*Flynn moved to amend his motion that funds for a half time public policy position be included in the proposed deficit budget based on:*

- *reinstating the insurance allocation to Recreation Properties*
- *and increasing the dues by \$6 instead of \$4.*

*There was no second.*

Deters notes that this position does not balance the budget this year, and would not balance the budget next year. Feels like we are grasping at straws, we really haven't addressed the underlying cause. First, defacto, we are shrinking the club. We have made a defacto decision to shrink. Second we have fixed costs, and with fewer members we have a bigger percentage going to each member. We don't have time or interest tonight to solve all of these. He is willing to personally go without a budget if we can get these things figured out. Seattle is looking at ways to increase support. We don't currently have very many ways to fund. We won't be able to answer those questions tonight.

Anderson asked how many members will be paying proposed dues increase.

Horstman estimated 8832.

Anderson wants an approved budget tonight, wants discussion on another night,

*It was moved (Anderson) and seconded (Glenn) to amend the original motion to read that we have a part time public policy position and raise dues by \$12 a year.*

*This passed 7 in favor and 6 opposed.*

Steve Costie weighed in on issue of strategic planning, He noted that last year the BoT passed a tactical plan, and that included a plan to offer entry level courses, and he was not certain that putting that burden on the volunteers was the right solution. The core programs work pretty well. We need to look at what members have been saying in the last years of surveys from dropped members. He still believes this is a good goal. The NW Issues course needs to be expanded – that is a tough volunteer issue. We don't always have a way to ignite the plans. Costie doesn't have staff to run programs.

Neyehouse reported that Conservation is offering a NW Issues Course at Tacoma this year and without the info that Fatima had this course would not happen. This would not happen without the public policy position.

Henry Romer thinks maybe the thing to do is really sell membership on Conservation basis. We may need to spend more of our emphasis on selling this. Doesn't think we have a shared vision.

Steve Cox noted that membership losses occurred even when position was funded; He doesn't think having a public policy position will increase membership but feels the \$12 dues increase that would reduce membership.

Patti Polinsky suggested that a line charge in the Go Guide for activities would be a way to raise revenue. It is an easy way to pass costs to the committees.

Brad notes that most folks renew between now and Christmas and if we delay we will miss out on increasing revenue. Need to lock in now.

Horstman has not mailed out October dues right now so that they can get the correct forms printed if we decide to increase the dues.

*The question on the amendment to the motion was called (Ken Hahn).*

*Calling the question passed, 13 in favor, 0 opposed.*

*The amendment being voted on was:*

*It was moved (Anderson) and seconded (Glenn) to amend the original motion to read:  
That we have a part time public policy position and raise dues by \$12 a year.*

*This amendment passed 7 in favor and 6 opposed.*

Brad Gibson asked for clarification, was the intention to add \$12 to the current dues or to add \$12 to the proposed \$4 increase for a total \$16 increase?

Anderson responded the intention was to have a total dues increase of \$16.

*It was moved (Gibson) and seconded (Anderson) to amend the amendment to read:*

*That we have a part time public policy position and ~~raise dues by \$12 a year.~~ add a \$12 increase to the proposed \$4 increase for a total increase of \$16.*

Flynn stated he was afraid we will loose members with sticker shock if we have a dues increase of \$16.

Anderson reported that 50% of members drop after 2 years, and all the dropped member surveys very infrequently said it was the dues increase as the reason people dropped. Eliminating the seniors from the dues increase would protect them. We offer an important service to our members. Price increases don't always have to be tie to value, sometimes it is just the increase in costs.

Deters had received his copy of the monthly Cascade Courier and noted that they are raising their dues and had higher levels of membership and encourage their membership to support at higher levels. Other clubs frequently request members contribute at higher levels. Suggests we promote the same way.

Deters remembers how relieved we were last year when we came close to a balanced budget. Suggest we will have to do something more drastic this next time. Next year we will have the same problem. Still think we need to seriously look at an activity fee.

Polinsky thinks society's change in expectations is related to our problem. Those 80% are supporting our conservation. We need to put out more strongly what our money goes to support.

*The vote is taken on the amendment to the motion:*

*...and add a \$12 increase to the proposed \$4 increase for a total increase of \$16*

*The vote failed, 4 in favor, 10 opposed.*

*The vote was taken on the standing motion (as amended):*

*We add a part time public policy position to the proposed budget and raise dues by a total of \$12 a year.*

*This vote passed, 9 in favor, 5 opposed.*

*It was moved (Anderson) and seconded (Madden) that we pass the amended budge. (The budget now includes funds for a part time public policy position to the proposed budget and raise dues by a total of \$12 a year.)*

*The motion to pass this amended budget passed 9 in favor and 5 opposed.*

Horstman recalculated the budget and estimated that with the additional costs of a half time public policy position and the addition of the estimated income from the dues increase the new deficit would be approximately \$19,197.

Flynn had a question about several items in budget. Specifically Tacoma and Everett were asking for money from the club when he thought they had plenty of cash reserves.

*It was moved (Flynn) and seconded (Madden) to delete the \$10,000 requested by the Tacoma Branch and the \$3600 requested by the Everett Branch with instructions for them to take the funds from their reserves.*

Deters noted these are assumptions, not their budget.

Further discussion occurred about balancing the budget with an agreement the BoT needed to work this as well as suggestion about how to do that.

Gibson – allow members to opt out of a paper copy of the monthly mailing.

Horstman – restore the insurance allocation, \$15,000 to Recreational Properties, \$15,000 to the Branches.

Polinsky – line item charges to the Branches for space in the Go Guide.

*The question was called (Lynch).*

*Calling the question passed 9 in favor, 0 opposed.*

*The vote was taken on the motion:*

*It was moved (Flynn) and seconded (Madden) to delete the \$10,000 requested by the Tacoma Branch and the \$3600 requested by Everett with instructions to take the funds from their reserves.*

*The motion passed 9 in favor, 5 opposed.*

## B. Magnuson Park Building Status

Rick Anderson referred to the written report that was handed out tonight.

Significant progress has been made, there is only one issue outstanding, and that is with regard to the liability for the exterior climbing rock.

The current time line is:

To Seattle Parks in December

To Seattle City Council in January

To BoT in February

As soon as they are completed with the lease negotiations, our attorney will put together a summary of the lease for the BoT.

Paul Robish asked what is minimum number of club members needed to support Magnuson.

Anderson responded that no calculations were done on that figure.

Robisch asked if we were about to enter into 30 year lease, and if membership declines further, how could we get out of the lease?

Anderson offered that this should be contained in lease, and when negotiations are done, he will elaborate when the lease is presented. He will try and formulate an answer.

Lynch asked if we were looking at anything longer than a 30 year lease.

Anderson answered that there are actually two 5 year options on the 30 year lease.

Heck noted that the Investment Advisory Committee had not met and would not convene until needed. They will come back to the BoT when necessary.

Heck requested that we return to the budget and for clarity note that the budget we passed was the Club operating budget.

*It was moved (Heck) and seconded (Deters) that we identify the budget we passed as the Club Operating Budget for FY 2006.*

*This passed 12 in favor, 0 opposed.*

Heck thanked Costie and Horstman for all their patience and all their work.

#### C. BoT Action on the Organizational Ad Hoc Committee Report

Wick reported that no one had come forward to volunteer for the open committee slots. He would wait one more month and then assign work to the populated committees.

### VII. New Business

There was no New Business

### VIII. Program Reports

#### A. Division Reports

Conservation Division - Nancy Neyehouse

Neyehouse referred to the written report in the packet.

Recreation Resources Division – Christine Wolf

Absent, no report.

#### B. Branch Reports

Bellingham – Steve Glenn

Fall programs beginning in 14 days.

Everett Rick Proctor

Referred to the written report in the packet.

Kitsap – Diane Littau

No report due to the lateness of the hour.

Olympia - Henry Romer

No report.

Seattle – Bill Deters

1. Deters reported that at last Seattle Branch they had discussed the problem of the shrinking Snowshoe Committee. The Branch found out that the 21 member committee is down to 6 people and those 6 don't have time or energy to put on the course this year. The course had a budget. The Branch discussed how to energize a committee, and agreed the Branch will offer Snowshoe Lite at least once. They will offer a winter overnight. They will try to offer more snowshoe trips. Rebuild from the grass roots. Partner with other groups. They are looking at re-vitalizing this activity. The BoT did have something to do with the results, but the Seattle Branch is not blaming the BoT. He offered a reminder that we need to be sensitive when we (BoT) make directives because it affects the volunteers.
2. From a budget perspective the overall numbers are not expected to change.

Snoqualmie Foothills – Mary Lynch

1. Referred to the flyers for the annual meeting.
2. Thanks for voting for the public policy assistant because the Branch gets Fran back.

Tacoma – Jim Burke  
Absent, no report.

C. Foundation

1. Adding to the hand out, the memorial contributions for the Jo Backus HARK program are now up to about 70 contributions for about \$5500. They have met with a woman from the Tacoma Branch about continuing the program.
2. The Foundation and Club need to be more active in working together to increase revenue.
3. Comments on the addendum passed out tonight - it is intended to get the Board to start thinking about the needs before the requests become a crisis.

IX. Good of the Order

Ken Madden welcomed Henry Romer back to this longitude.

Nancy Neyehouse thanked the BoT for supporting the public policy position.

Dale Flynn has free tee shirts available.

Mary Lynch noted Snoqualmie Foothills is hosting 15 members of an extreme club from the UK.

Paul Robisch reported that at the Burke Museum in September Mountaineer members can get in for ½ price. The ANWR exhibit is very moving.

Patti Polinsky noted that discs on Being Caribou are available from Books.

Rick Anderson noted we need to do what Bill Deters suggested and develop a budget. The BoT needs to take responsibility for rapidly coming up with a budget. A retreat, a work session, something needs to be started early.

Helen Cherullo reported that through an outside donation she will be able to go to Washington DC for Books.

Bill Deters remind the BoT we are responsible for well being of the Club and this budget that we passed does very little to solve the problems of the Club. He suggested that it is bigger than one little committee, and we should seriously consider having a retreat where we have time to solve the root cause problems. Need help from everybody. It is what we are supposed to be doing.

Don Heck added we need to figure out what we want to be/do and then figure out the money. We need operating plans from everybody (the Branches).

X. Adjourn

*It was moved (Madden) and seconded (Cox) to adjourn.*

*The motion passed.*

The meeting was adjourned at 10:16 PM.

Respectfully,

John Wick, BoT Secretary