

THE MOUNTAINEERS
MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES (BoT)
May 4, 2006

Board Members Present:

Bill Deters, President
Ron Eng, Immediate Past President
Scott Eby, VP of Recreational Properties;
Don Heck, VP Publishing
Marty Jordan, Treasurer;
Brad Gibson, Secretary

Trustees At Large:

William Borden;
Steve Cox;
Dale Flynn;
Jim French;
Ken Hahn;
Patti Polinski;
Mona West;

Trustees from the Branches:

Steve Glenn - Bellingham;
Rob Simonsen - Everett;
Jimmy James - Kitsap;
Henry Romer - Olympia;
Steve Sears - Seattle;
Mary Lynch - Snoqualmie Foothills;
Tom Shimko - Tacoma

Absent:

Rick Anderson;
Christine Wolf, Recreation Access

Others Present:

Paul Robisch, Foundation;
Steve Costie, Executive Director;
Helen Cherullo, Publisher.

Members of the Audience:

Approximately twenty members of the audience attended the meeting.

- I. President Bill Deters called the meeting to order at 7:07 PM in the Pinnacle Room of the Mountaineers, 300 Third Avenue in Seattle WA.
- II. The September, 2005, October, 2005, November, 2005, and April, 2006 meeting

minutes were all either approved as published or as amended.

III. Consent Agenda

- A. Ron Eng was appointed Club Parliamentarian by a voice vote.
- B. Tom and Nancy Miller were appointed co-chairs of the Service Award Committee by a voice vote.

IV. Officer Reports

- A. President's Report: Bill Deters presented to the Board his views for the future direction of the Club. In summary, Deters stated the Club:
 - 1. Has to make efforts to reverse its membership decline;
 - 2. Should make it easier for the members to partake in the activities by streamlining itself and being less rigid (comparing hospitality model and activities models);
 - 3. Should expand the availability of modular outdoor courses;
 - 4. Should continue to standardize the outdoor courses offered by the individual Branches;
 - 5. Should enhance the database to make it more user friendly to the members;
 - 6. Should make the Nominating Committee a standing committee and expanded its charter to include leadership development;
 - 7. Needs to address the sometimes conflicting issues among the various groups within the Club (e.g. conservation, recreational properties, and outdoor activities). These views will be presented in an upcoming "View from the Top" in The Mountaineer.
 - 8. Deters commented that the Club Bylaws require the Executive Committee (XCom) meetings to be summarized at the BoT meetings. A primary purpose of the XCom meetings is to set the agenda for the BoT meetings.
 - 9. Deters commented that although the Club is required to follow Roberts Rules of Order, it is a rare group that ever manages to have 100% adherence to the detailed rules. He stated that since past-president Ron Eng will be the official Board Parliamentarian, any future procedural questions may be referred to him.
 - 10. Deters announced that the Board Organizational Development Retreat will be held on 5/21/06. He stated that the second Board Strategic Planning Retreat will be held in the fall.
 - 11. He informed the Board that he was asked to be the Master of Ceremonies for the 6/3/06 dedication ceremonies for the new Ashael Curtis Nature Trail, located near the I-90 Exit 47.
 - 12. Finally Deters stated that the annual President's Work Party for the Iron Goat Trail will be held on 9/30/06.
 - 13. Tacoma Branch Trustee, Tom Shimko inquired about the status of the vacant position of President-elect. Deters replied that he has talked with some individuals re the position but has no name to offer at this time.

- B. President-Elect's Report: Vacant
- C. Executive Director's Report: Steve Costie reported that:
 - 1. The Club's e-mail server fried itself. This occurred after the last edition of the Routefinder was emailed, consisting of 7000+ emails. For the next couple of weeks, staff email might be sketchy. As a solution, the Club purchased a new email server and accounting / email program, to be paid from contingency funds.
 - 2. Club leaders can now do trip reporting and trip closing via the website. Any member can query trip reports, but confidential information is protected.
 - 3. Trustee Patti Polinski asked Costie if he would provide the BoT with a written report; he agreed to do so.
 - 4. Costie opined that the objective of appointing a Parliamentarian was to have an independent expert have the authority of the Board to rule on disagreements as to Robert's Rules as needed.
 - 5. He also stated that guidebooks to Robert's Rules had been ordered and each member of the Board would be provided with a copy.
 - 6. Finally, Costie noted that new Mountaineers water bottles and other centennial items were now on sale in the bookstore. BoT members were given a complimentary water bottle and centennial window sticker.
 - 7. Trustee Polinski suggested that Mountaineers discount coupons be included inside the water bottles as an added incentive.
- D. VP of Publishing's Report
 - 1. Publisher Helen Cherullo reported that March net sales were \$98,000 below budget and were \$120,000 lower than last year.
 - 2. She stated that April sales were expected to be \$50,000 below budget.
 - 3. She explained that the budget had March and April as the two most aggressive sales months. It is estimated that about half of the shortfall will be made up in future months because it is due to the unexpected late arrival of new titles.
 - 4. Overall, Cherullo reported that Books is expected to breakeven for the year.
 - 5. Returns for the month are 9.4% of sales. The year-to-date return rate is 10.8%. After a return rate high of 17% in FY-01/02, returns have now stabilized for the last three years at 10 - 11%.
 - 6. Cherullo elaborated that the projected back list sales for the soft cover version of Mountaineering, the Freedom of the Hills, 7th edition are off by about 65%, but the hard cover version is continuing to meet sales expectations. It is assumed the reason for the decline is that Freedom now has competition from other sources. The new Mountaineers Outdoor Expert Series of how-to climbing books is expected to help make up the difference in the declining sales of Freedom. The 8th edition of Freedom is being planned for 2010.

7. Cherullo added that the USA publishing industry across the board is experiencing softness in sales.
 8. To help mitigate the softness in the sales of Books traditional guidebooks, Cherullo stated that Books is exploring new sales channels. She elaborated that Books is working with Outward Bound to develop a leadership "bible" and referred to the new adventure/travel books in the 2006 Fall/Winter catalog, e.g. Strange and Dangerous Dreams.
 9. Also, Books will be collaborating with the Burke Museum for exhibits complementing several of the Mission Publishing titles; this will be modeled after Subhankar Banerjee's highly successful book on the Arctic National Wildlife Refuge and traveling educational tour.
 10. Finally, Cherullo stated that a new strategy regarding the role of the Books Governance Board is being developed; more information on this will come later.
- E. VP of Rec. Properties' Report
1. Scott Eby reported that all the ski lodges have finished the winter season and are now waiting for the snow to melt. Because of the excellent snow year, all four lodges--Baker, Meany, Snoqualmie, and Stevens--ended the winter season with a surplus. Snoqualmie Lodge is booked up for the summer season.
- F. Secretary's Report
1. Brad Gibson reported that the January and February 2006 Minutes are missing. Since these meetings occurred before he took office, he will try to reconstruct official Club Minutes from the Board Briefs published in The Mountaineer and from the reports prepared by Mountaineers Foundation President Paul Robisch. Because of the missing Minutes, the Minutes for the September, October and November 2005 BoT meetings were reapproved at this meeting. Robisch requested that the November 2005 Minutes be amended under the Foundation Report to state that the Foundation can provide fiscal sponsorship for improvements to the historic Snoqualmie Lodge only if the lodge is operated as a public benefit facility.
 2. Trustee Mary Lynch requested that the April 2006 Minutes be amended to add that Christine Wolf, Patti Polinski and Mary Lynch all objected to being asked to vote to approve the sale of the building without having seen the sales agreement and having a month to review it. The first motion to approve the April 2006 Minutes as originally written failed. A second motion to approve the April 2006 Minutes as amended by Mary Lynch passed.
 3. Gibson informed the BoT that on 26 April 2006 he was presented with a petition bearing 42 signatures for an amendment to the Club Bylaw that would change the composition of the Board of Trustees to nine at-large trustees plus six officers, eliminating the position of

an official trustee from each of the seven Club Branches. Gibson explained that the Club Bylaws require 20 valid signatures and that the petition be presented to the Secretary no later than 1 May for an amendment to be placed on the Club election ballot in October. The 42 signatures will be verified as soon as possible. If 20 of signatures are found to be valid, the petition has to be on the agenda at the June BoT meeting. At that time the Board has the option of endorsing the petition or taking no position. It cannot reject the petition. The Club Bylaws are available on the website under Board Policy 101.

G. Treasurer's Report

1. Marty Jordan deferred to Comptroller Brian Horstman, who reported that the Club has a \$5,000 net income and has received a \$4,000 grant from the Mountaineers Foundation for the operation of the Library. He reported that income from dues is \$35,000 below budget and that the building has a loss of \$16,000. The average membership drop rate from October 2005 through February 2006 was 10%, but the good news is that the drop rate is declining.
2. Horstman reported that the to-date costs for the sale of the building are \$16,000 which includes the \$15,000 paid to Kidder Matthews for its best use of the building study with \$5,000 to be refunded when the sale of the building is completed. The to-date costs for the move to Magnuson Park are \$5,000 for legal fees, \$8,000 for legal fees specific to the 30-year lease, and \$11,000 for several required environmental studies on Building 67.
3. Horstman stated that \$5,000 was needed for a capital item to enable the website to allow dropped members to rejoin online and to allow members to add their spouses online. The primary cost is for the development of the specialized software required. The BoT approved the expenditure unanimously on a voice vote.
4. Finally, Club membership as of March 2006 is 11,173 vs 12,000 in March 2005 for a decline of 6.9% over the one year period. Membership in February 2006 was 11,311. The Branch membership for March 2006 is: Bellingham - 186 [196]; Everett - 954 [922]; Kitsap - 244 [253]; Olympia - 687 [719]; Seattle - 7,691 [8,586]; Snoqualmie Foothills - 174 [75]; Tacoma - 1,237 [1,249]. Figures in [] are for 2005. Total dues and initiation fees YTD were \$423,000 compared to budget of \$458,000 and \$392,000 last year.
5. Tom Shimko requested more specific membership drop numbers.
6. Jimmy James asked about a problem of course payments not being credited as income to the Kitsap Branch.
7. Mona West asked about new membership trends. Horstman replied that the new membership rate was up to about 80% of what it was before the last membership dues increase.

V. Unfinished Business

A. NFCC Update

1. NFCC Chair Rick Anderson was absent. In an e-mail report Anderson said there will be a lease signing ceremony with Seattle Mayor Greg Nickels and the City Council at Magnuson Park some time in May. The BoT will be notified when the date is set.

VI. New Business

A. Conservation Division - NO on I-933

1. In the absence of Conservation Division Chair Mike Shurgot and BoT liaison Dale Flynn, past Club President Ed Henderson made a detailed presentation regarding the Club joining the NO campaign for I-933 which is a private property takings initiative. Henderson pointed out that the wording of I - 933 will eliminate many environmental protections regarding private land use. He elaborated on the benefits to private land owners/developers vs the harm to the community as a whole. It was pointed out that about 10 years ago the Club had taken a position opposing a similar measure. However, the BoT unanimously reconfirmed on a voice vote the Club's previous position and authorized The Mountaineers to join the NO campaign for I-933.

B. Amend BP 309 - Finance Committee Charter

1. Treasurer Marty Jordan explained that he is proposing to reformulate BP Financial Policy 309. He stated that most of what he did in the proposed revisions is consolidate policy statements from numerous sections in Mountaineers Board Policy into one financial policy document.
2. There was considerable discussion regarding the proposed make-up of the Finance Committee consisting of the: Club Treasurer as Chair, Assistant Treasurer, Executive Director, Controller, Books Publisher, Books Finance Manager, Division Vice Presidents, Board Representative, and one or two Mountaineers Members-at-Large and additional members as needed; advisory non-voting member - Club Administration Staff Accounting Manager. The primary controversy was the elimination of the Branch Treasurers from the Finance Committee. Jordan stated they were eliminated because they did not participate in the process.
3. The trustees opposed to their elimination countered that the Branch Treasurers did not participate because they had no official vote on the Committee. After a lengthy exchange of opinions, the proposed make up of the Finance Committee was amended to insert the words--two or three Mountaineer Members-at-Large to be broadly represented of the Club--between Board Representative and additional members as needed. It was requested by a trustee that the Secretary have the Minutes show that the intent of broadly

represented means members from a Branch other than Seattle. Secretary Gibson objected to this request and stated he would not include those words in the Minutes unless the Board instructed him to do so. After the approval of the amended Committee make-up the Board postponed approval of the revised BP 309 for one month by a vote of 9 to 3.

- C. Marty Jordan asked for a motion to approve \$5,000.00 for a database upgrade. Specifically, the upgrade is to enable:
 - a. Online reinstatement;
 - b. The ability to add a spouse or child online;
 - c. Addition of the automatic deduction feature;
 - d. Automation of the Go Guide.
 - e. Don Heck made the motion and Steve Cox seconded. The motion passed on a show of hands.
- D. Bank Account Signatories
 - 1. Secretary Brad Gibson made three motions to change bank account signatories on Club accounts. The motions were each seconded and passed unanimously on a voice vote.

VII. Branch Reports

- A. Seattle Branch - Steve Sears
 - 1. Sears reported that Seattle projects a positive year-end reserve balance. At the last branch meeting there was a positive discussion about the Magnuson Park move. Marketing strategies were discussed.
- B. Bellingham Branch - Steve Glenn
 - Glenn reported that things were going well, climbing and scrambling courses were well attended, and there were no problems on the horizon.
- C. Snoqualmie Foothills - Mary Lynch
 - 1. Lynch reported that the branch was busy with hiking and WTA activities.
 - 2. The Green River Cleanup is scheduled for 5/6/06, and National Trails Day is scheduled for 6/13/06.
- D. Olympia Branch
 - 1. The program and budget are looking good.
- E. Tacoma Branch - Tom Shimko
 - 1. Shimko reported that major courses were meeting or exceeding projected enrollment. Clubhouse rentals were better than expected.
 - 2. The branch is preparing for a significant remodeling of the clubhouse, including bathrooms and lighting.
 - 3. Tacoma wants to become known as the "climbing branch."
 - 4. Nominations for potential trustees in the upcoming election are being researched.
- F. Kitsap Branch - Jimmy James
 - 1. The branch is working on kayaking trips and on leadership classes.

2. Lots of hikes and backpacking trips are planned.
3. The branch has some bookkeeping problems that they are straightening out. There is some concern about allocation of funds on telephone

G. Foundation Report

1. In the absence of a written report, Foundation President Paul Robisch reported that he has been informed by Helen Cherullo to be expecting another multi-thousand dollar check in the Foundation's PO Box. At 11 p.m. Robisch added that he gets complaints from the Foundation Board if a Foundation Board meeting goes beyond 9:30 p.m.

VIII. Good of the Order

- A. Don Heck offered congratulations to the new President, and thanks to Marty Jordan on his work on the financial package organization (BP 309).
- B. Tom Shimko offered thanks to Marty Jordan for his work on amending BP 309.

IX. Adjournment

- A. A motion was made and seconded to adjourn. The motion passed on a voice vote. The meeting was adjourned at 11:00 PM.

Respectfully Submitted,

Brad Gibson, BoT Secretary