

MINUTES

ABSF Board of Directors Meeting

Monday January 18, 2021

3:00 PM

Online via Teams Meetings

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

Absent: none

Staff Present: Ben Popp, Nancy Knutson, Susan Kendrick, Jim Sokup, Allison Slavick, Joe Vadeboncoeur

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

Approval of Minutes from December 14, 2020 Board Meeting: Pautsch move, Rondeau second. **Approved**

President's Comments: Mike Mandli

- Enbridge Sponsorship Dissolution (Ben Popp)

Enbridge signed on as a sponsor in July 2020; they have been a sponsor for LWC for a longer period. The purpose of the sponsorship was to create a dialogue between Enbridge and our Birkie members/skiers, in hopes of identifying ways to decrease our carbon footprint and create mutual support. Over the past 6 months, many of our greater community of skiers made it clear that many found this controversial.

Due to the large volume of complaints that were received, this was discussed by a key leadership group consisting of six staff members and one board member. This group felt that this matter was not political and was therefore not brought to the attention of the board of directors. This group determined that the amount of energy put forth in continuing this sponsorship (due to the large amount of complaints received) was more than the staff had the capacity to handle effectively. The decision was made to dissolve the sponsorship. The dissolution was made without any ill feelings from Enbridge; ABSF still has a good relationship with Enbridge. Enbridge continues to sponsor LWC.

Unfortunately, this has caused significant community concern, which was further inflamed by the release of a past e-mail that was addressed 5 years ago. Ben Popp took full responsibility for the email 5 years ago, apologies were made, and the matter had been felt to be resolved.

Susan Kendrick (Director of Strategic Partnerships and Sponsorships) commented:

-In hindsight, it was naïve for ABSF to enter into a relationship with Enbridge. However, they are a long-term supporter of LWC, and wished to do the same for ABSF. It seemed a good medium for both groups to get their messages across and to have conversations on green initiatives. Due to Covid restrictions, open discussions are not possible this year. This along with increasing pressure and concerns from the Birkie community, is why the sponsorship was dissolved at this time.

Concerns brought up today by Board Members:

- Why was only one board member on the Task Force? Why were board members not informed right away of the controversy?
Ben Popp felt that this was an operational decision and not a board decision.
- Procedural issues between the BOD and staff need to be addressed. Due to a full agenda and time constraints, this will be further discussed at our next board meeting. There needs to be better communication between staff and board of directors.
- Further concern from many board members that the Board of Director response posted in the Sawyer County Record was submitted prior to all board of directors having the opportunity to read and agree to it.
- Further concern from board members that this decision does have significant political ramifications. This was a mistake; moving forward we need to acknowledge this and avoid any similar mistake in the future.
- Also discussed that Enbridge does have a Green Initiative, not unlike the ABSF initiative.
- The Documentation Committee will meet to address language on these three tasks:
 1. Establish rules governing political expressions when employees are representing the Birkie.
 2. Establish procedures for situations that require Board consultation.
 3. Establish guidelines for identifying when operational decisions are potentially controversial.
- Telemark Purchase

A presentation on Mt. Telemark Outdoor Sports Complex will be given by Ben Popp, followed by discussion on decision of whether or not to move forward with the purchase.

Executive Director's Comments: Ben Popp

- Telemark Presentation (with Joe Vadeboncoeur and Allison Slavick)

Mount Telemark Outdoor Sports Complex: A platform for recreation creating outdoor experiences that inspire and enable a healthy, active lifestyle.

This presentation was also presented at the December BOD meeting and summarized in the minutes from same.

New information presented at this meeting:

HAAS Construction has been chosen as demo contractor-felt to be the best choice due to flexibility and recycling ability.

LHB Corporation is a good fit to help with master planning of the Telemark Property, particularly the commercial area to the east. They have strong ties to the ski community, focus on sustainability, and have worked on recreational sites. Initial fee for their service is \$15K, perhaps less in trade for some level of support.

Possible sale of the western third of the property (190 acres) could help fund the project. This could be done by two options:

1. Single sale of the entire property:
190 acres at \$3K per acre to gross \$570K, and netting \$560K after closing fees. If sold to a developer, we could control land use by having this as part of the conservancy (for example could have a minimum lot size, types of roads, etc.)
2. Selling individual residential lots (10 approx. 20 acre lots)
190 acres at \$5K per acre to gross \$950K and net \$800K after costs. Costs of \$150K include \$75K for infrastructure (roads and power), \$25K for surveys/zoning/mapping/closings, and \$50K for consulting with developer. A restrictive covenant can be placed. Conservancy idea works very well with this plan.

A master plan needs to be developed before any property sales can occur-this will be Part of Phase 2 of this project.

Initial Revenue Activities were presented. Several potential business partners have shown interest in property sales as well. Other revenue sources include Idle Site Grant, and Land Conservancy. We have been given a 12-month grace period to pay down debt after selling property.

Yearly Operating Cost of \$84K includes \$18K taxes, \$56K interest, and \$10K general maintenance (which will increase, as more trail work and grooming are necessary).

At this point cross-country skiing is not included in tax-exempt activities by the State Trail Council, but this is something that the Wisconsin Nordic Network has brought up in the past on the state Non-Motorized Trail Council.

Current Operating Income is \$40K from events and rental income.

Next steps are to approve closing on the Telemark Property; followed by approval of concept and steps required to fund the project.

Motion: The ABSF approves to close on the Telemark Property. (An addendum to the minutes reports the full resolution authorizing Ben Popp, as Executive Director, to represent the ABSF in the real estate transaction to purchase Telemark.) Mike Brown move. Bill Brown second. **Passes** with two abstentions (Scheer and Eckerline).

Motion: The ABSF approves moving forward with the proposed general concepts and steps required for funding this project. This includes pursuing the Telemark Conservancy; pursuing sale of 190 acres on the western part of property; pursuing a master plan for the eastern third of the property (hiring LHB to help develop this). Dee move. Tumbleson second. **Passes** unanimously with two abstentions (Scheer and Eckerline).

It is noted that this motion is vague; a more detailed motion will be forthcoming outlining details regarding the concepts passed above.

- Covid 19 Birkie

Our #1 goal is safety for our participants, volunteers, staff, and the greater community. We are working closely with public health officials and local medical professionals, following their guidelines and advice.

Covid 19 precautions are in place. It is highly suggested that all visitors obtain a Covid test 48 hours prior to coming to the event. Covid 19 screening will occur prior to the event. Spectators will not be allowed on the course.

The virtual event is expanded to include a 9-day option (Sat. 2/20 – Sun. 2/28). We are allowing participants to switch to virtual event until 2/27. Birkie Virtual Venue Partners are being established throughout the United States, offering certified courses, grooming, and other amenities.

In person events have limited wave sizes. We expect a total of 4,800 – 5,000 in-person skiers. Saturday will have the highest number of participants (1,600). The elite wave is the largest wave on Saturday (110 participants). Sunday will have the least number of participants (approximately 700). We anticipate approximately

800 skiers on Wednesday and Thursday; and 1,000 on Sunday. No spectators will be allowed anywhere on the racecourse and we will need minimal volunteers.

Concern with an all-virtual event is that the same amount of skiers would likely come to the area to ski their virtual race. We would not be able to control the venue and implement safety protocols.

Suggestions from board members included having some sort of enticement for skiers that can provide proof of a negative Covid test; asking local restaurants and bars to offer expanded carry-out/pick-up options; providing a list of local establishments that have these options.

It is further understood that there is no absolute guarantee of an in-person event; it will depend on Covid numbers and public health guidelines in late February.

Committee Reports

Finance: Mike Brown

- The SBA has forgiven our PPE loan of \$212K from the Cares Act. We have \$160K of loan debt from monies received from the EIDL as part of the Cares Act, with a 30-year term at 2.75% interest.
- We have received our returned financial Annual Tax Return, which was reviewed but not audited; no modifications are needed.
- Review of operating financials as of the end of December:

December:

Income \$265K; Expense \$131K; Net Income \$134K.

Revenue is favorable to Budget by \$67K.

Expense is favorable to budget by \$42K

Year to date:

Income \$2.106M; Expense \$1.031M; Net Income Surplus \$1.075M.

Revenue is favorable to Budget by \$306K. Favorability is driven by Event Ops Income \$97K and Donations/Grants/Sponsorships \$291K.

Expense is slightly unfavorable to budget by \$(44K), driven by Trail & Facilities, Payroll, and offset by Marketing (\$38K).

Bank Balance \$947K.

Trail Pass Revenue for December is \$61K, up 67% from last year. YTD is \$127K, up 38% compared to last year.
Event participation for Birkie week events is 8,197; compared to 10,619 last year.

Cash Flow Forecast projection for the end of fiscal year (June 2021) is \$839K.

Telemark Fundraising Committee-Capital Campaign: Allison Slavick

- The committee had their first meeting. Discussed asking honorary chairs to join the committee as well. Local donors have contributed gifts of \$5,500. The Board Challenge will be discussed at our next meeting.

As this is a board committee, a board member will be chosen at the next committee meeting to serve as chair.

Documentation: Charlie Dee

- No report.

Competition: Vacant/on-hold.

Development: Jan Guenther

- No report.

Diversity: Jeff Tumbleson

- “Birkie One Community” is the title for this initiative. The working group consists of staff members as well as local citizens who provide diversity and experience, including Ernie St. Germaine. Currently having monthly meetings that serve as a “think tank” discussing problems, current affairs, and working on the direction for this group, which is still in an informative stage.

New Business

- Another Q&A regarding 2021 Birkie Week Updates is scheduled for tonight and will be recorded and available for viewing on the website for those not able to view the live session.
- Discussion regarding need for greater transparency between staff and board of directors. In addition, it is imperative that the board of directors approve anything released in the board’s name.

Motion to adjourn: Tumbleson move. Dee second.
Adjournment at 6:00pm.

Addendum:

The following board action was finalized on January 21, 2021.

Motion: Move that ABSF BOD approve the resolutions (below) authorizing Ben Popp, as Executive Director, to represent the ABSF in the real estate transaction to purchase Telemark.
Dee move. Tumbleson second. **Passed** with two abstentions.

PURCHASE OF REAL ESTATE

WHEREAS, the American Birkebeiner Ski Foundation, Inc. (“ABSF”) executed that certain Real Estate Purchase Agreement dated September 14, 2020 by and between Mount Telemark Partners, LLC as "Seller" and ABSF as "Buyer" attached hereto as Exhibit A and incorporated herein by reference (the "**Purchase Agreement**"), pursuant to which the Seller will sell, convey and transfer the Real Property (as defined in the Purchase Agreement) (the "**Purchase**") to Buyer; and

WHEREAS, the Board of Directors deems it in the best interests of the ABSF to execute the Promissory Note contemplated by the Purchase Agreement set forth as Exhibit B, attached hereto and incorporated herein by reference ("**Promissory Note**"), the Mortgage contemplated by the Purchase Agreement set forth as Exhibit C, attached hereto and incorporated herein by reference ("**Mortgage**"), and all other documents and instruments contemplated by the Purchase Agreement and/or necessary or appropriate to close and complete the Purchase (collectively, the "**Transaction Documents**").

NOW THEREFORE LET IT BE:

RESOLVED, that the form, terms and provisions of the Transaction Documents, including all exhibits and schedules attached thereto, be, and hereby are, ratified, adopted and approved;

FURTHER RESOLVED, that Ben Popp, as Executive Director of the ABSF, be, and he hereby is, authorized and empowered to execute and deliver the Transaction Documents, including all exhibits and schedules attached thereto, in the name and on behalf of the ABSF with such non-material additions, deletions or changes therein (including, without limitation, any non-material additions, deletions or changes to any schedules or exhibits thereto); furthermore, as the Executive Director executing the same, Ben Popp, shall approve (the execution and delivery thereof by the Executive Director shall stand as conclusive evidence of his approval of any such non-material additions, deletions or changes), it being understood and required that any material additions,

deletions or changes to any Transaction Documents or schedules or exhibits thereto be submitted to the ABSF Board of Directors for approval;

FURTHER RESOLVED, that the ABSF be, and hereby is, authorized and empowered to perform all of its obligations under the Purchase Agreement and Transaction Documents, including but not limited to, the purchase of the Real Property;

FURTHER RESOLVED, that Executive Director be, and he hereby is, authorized and empowered to take all such further action and to execute and deliver all such further agreements, certificates, instruments and documents, in the name and on behalf of the ABSF, and if requested or required; to pay or cause to be paid all expenses; to take all such other actions as he shall deem necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolutions;

FURTHER RESOLVED, that in connection with the transactions contemplated in the preceding resolutions, the Executive Director of the ABSF be, and he hereby is, authorized in the name and on behalf of the ABSF, to certify any more formal or detailed resolutions as such Executive Director may deem necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolutions; and

FURTHER RESOLVED, that the omission from these resolutions of any agreement or other arrangement contemplated by any of the agreements or instruments described in the foregoing resolutions or any action to be taken in accordance with any requirements of any of the agreements or instruments described in the foregoing resolutions shall in no manner derogate from the authority of the Executive Director, in consultation with the ABSF Board of Directors, to take all actions necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolutions.