

**Arizona Trail Association Board of Directors
Board Meeting Minutes
March 23, 2019
10:00 a.m. – 2:30 p.m.
Town of Superior Chamber of Commerce
165 Main Street, Superior, Arizona 85173**

Board Members Present: Steve Anderson, Ambika Balasbramaniyan, David Benson, Fred Gaudet, Jan Hancock, Susan Lagerman, Phyllis Ralley, Denis Ryan, Kent Taylor

Board Members Absent: Rob Mason, Ben Murphy, C.W. Payne

ATA Staff Members Present: Matthew Nelson, Shawn Redfield, Anna Perreira

Guests Present: Larry Snead, Tom Coulson

ITEM	ITEM DESCRIPTION	ACTION STEPS
1	<p><u>Call to Order and Welcome</u> Board President, Steve Anderson, called the meeting to order at 10:15 a.m. and welcomed board members, staff, and guests to the meeting. A quorum of Board of Directors was in attendance.</p>	
2	<p><u>Approval of Board Meeting Minutes</u> Board members received a copy of the October 20, 2018 last Board of Directors Meeting held at Triangle L Ranch in Oracle, Arizona prior to the meeting for review. Jan Hancock, Board Secretary, asked for edits, additions, or any changes, and hearing none, a motion to approve the minutes was made by Dave Benson, seconded by Susan Lagerman, and passed unanimously.</p>	
<u>Executive Committee Discussion</u>		
3	<p><u>Motion to Approve a compensation raise for the Executive Director</u> Dave Benson made a motion to approve a raise in the annual compensation for Matthew Nelson, ATA Executive Director, to \$75,000 (effective April 1) with an annual performance review. Motion was seconded by Phyllis Ralley and unanimously approved. The Board Executive Committee was designated to conduct the executive director’s performance review.</p>	
4	<p><u>2017 Audited Financials and 2019 Budget</u> Matthew Nelson reported that the audit had been completed and an Independent Auditor’s Report was completed on February 8, 2019 at a cost of \$7,500 by Ludwig, Klewer and Ludner PLLC, Certified Public Accounts and Consultants.</p> <p>C.W. Payne has received and reviewed the audited financials that were conducted on the modified cash basis of financial accounting and that the ATA financial statements and audit evidence was sufficient and appropriate to provide a basis for the auditing firm’s audit opinion. The firm’s Opinion stated the financial statements and review of the assets, liabilities and net assets of the Arizona Trail Association as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended were completed in accordance with the modified cash basis of accounting.</p>	

	<p>Matthew Nelson asked if the ATA had ever conducted a full audit previously, and Jan Hancock reported that one other full audit had been conducted in the past to comply with requirements for some of the grant applications the ATA had pursued, and it took nearly one year to complete that first audit that had been conducted by a Phoenix-based CPA firm.</p> <p>Matthew noted that the ATA operates on a modified cash basis. The recommendation from the Auditor was to move toward an accrual basis, which is supported by ATA Staff and Financial Committee. Matthew and Debbie Thorman will work together to begin this new method of accounting at the beginning of 2020.</p> <p>Matthew provided a copy of the Audit to all members of the Board of Directors, as well as a copy of the auditing firm's Internal Control Communication document that identified certain deficiencies in internal control that ATA needed to review, but the auditing firm did not identify any deficiencies in internal control that were considered to be material weaknesses. The auditors, however, did provide a 4-page list and description of some of ATA's internal control procedures that did merit attention by those charged with ATA's governance. Each has been addressed by ATA staff.</p> <p>Both the 2017 Audited Financial Statements and the Internal Control Communication documents will become part of the completed and approved ATA Board of Director's March 23, 2019 Meeting Minutes.</p>	
5	<p><u>2018 Year End Financials & 2019 Budget</u></p> <p>Matthew Nelson provided copies of the Year End Financials for discussion and Board review. Kent Taylor indicated that our Balance Sheet was the most accurate and up-to-date financial report. Fred Gaudet asked if the financial figures for the Rosemont Mine project were going to be included in our financial reports. Matthew replied no, since there is no assurance that project will move forward in 2019. Anna Perriera noted there would be two fundraising campaigns in 2019, one in the fall, and there was going to be a big push for individual memberships and donations. Matt noted the Forest Service Cost Share 2018 funds were delayed due to the government shutdown at the end of the year, and these funds have been moved into the 2019 budget. Dave Benson asked if we had to reduce other consultants' compensation as a result, and Matt explained that the travel expenses and some activities had been reduced in 2018 and that there had been no increases in pay in 2018. He explained that there would be incremental increases in 2019 as funds became available, but they would be very modest to stay in line with the 2019 budget.</p> <p>The 2019 Operating Budget will be recorded as a part of the minutes of the Board meeting.</p>	
6	<p><u>Trail Operations Report</u></p> <p>Trail Director Shawn Redfield provided a written summary and highlighted some of the Arizona National Scenic Trail recent projects and also noted some upcoming trail maintenance and operations challenges, which included:</p>	

	<ul style="list-style-type: none"> • The Rim Country Sustainable Recreation Trails Initiative, and that Paul “Pablo” Burghard and Greg Schuster were successful in securing project funding for the NEPA clearances, including the 10 miles of re-route in the LF Ranch area of the Tonto National Forest in Payson. • Passage 15, Tortilla Mountains – the Teacup Realignment was completed in three days and the Gila River Canyons maintenance was completed on 7 miles of the north of the Gila River on BLM land. • Passage 28, Happy Jack – as soon as the snowy conditions dry out American Conservation Experience will be able to begin a new trail re-route. Also, a new three-panel kiosk and hitching rail will be installed for the Gooseberry Springs Trailhead. • Coconino County dedicated \$30,000 toward the Babbitt Ranch Singletrack Project with route marking beginning in April/May with anticipated professional trail construction this summer, with half of the 13-mile project to be completed in 2019 and the remaining miles completed in 2020. <p>Shawn Redfield’s detailed written report will be available with the minutes of this Board of Directors meeting.</p>	
7	<p><u>2019 Priority Projects</u></p> <p>Matt Nelson prepared a list of 10 upcoming projects that will need to take priority over the upcoming months through the end of the year. Board members discussed some of the pending agreements and rights-of-way that will need to be in place with the Arizona State Land Department, perpetual rights-of-way, and various reviews, NEPA, US Fish and Wildlife, ranch permittees, and more approvals are still pending, and more funding and approvals may be required to complete the Pinal County areas of the Arizona Trail by the Spring of 2020.</p> <p>The complete written list of 10 Priority Projects will be available with the minutes of this Board of Directors meeting.</p>	
8	<p><u>Archive Project with NAU Cline Library</u></p> <p>Phyllis Ralley and ATA supporter, former Board member and guest, Tom Coulson, provided an update on the NAU Archives project and reviewed the planned upcoming action steps. They provided a copy of a form “Deed of Gift Agreement” that the ATA will need to have signed and in place prior to beginning the work on the Arizona Trail collection for the NAU Archive Project. Phyllis commented that Tamara in the ATA offices has been a life saver and has already provided a massive amount of archival information via DropBox (2 terabytes) for the NAU archives project. Board President Steve Anderson signed the Deed of Gift on behalf of the ATA.</p>	<p>NAU Archive Project Committee to meet and identify additional items that should be included in the ATA Archives Cline Library.</p>
9	<p><u>Endowment Fund</u></p> <p>Matthew Nelson suggested developing a Committee to help guide the development of an Endowment Fund that ATA begins developing in the year(s) ahead. We need to develop a draft for review for establishing an Endowment Fund, and we will need to establish our ATA Endowment Policy and define the funding and the endowment interest equity for the fund. Others suggested requesting the assistance of the Arizona Community Foundation and some other national nonprofit organizations that have developed National Scenic Trail Endowment Funds. Rob Mason and C.W. Payne would also have valuable input into the Endowment Fund. Denis Ryan</p>	<p>Establish an ATA Endowment Committee and have an initial draft and report available for the June 2019 ATA Board Meeting.</p>

	<p>noted the outflows and inflows of the management of any foundation endowment funding needed to be closely managed, as well as the guidelines for asset allocation. Susan noted that right now there is a very low interest rate environment, and that any funding tied into international funding is currently very volatile.</p> <p>Steve Anderson asked for Board member volunteers who could serve on the Fundraising and Endowment Committee, the following volunteered:</p> <ul style="list-style-type: none"> • Rob Mason • C.W. Payne • Denis Ryan • Susan Lagerman • Steve Anderson 	
10	<p><u>Legislative Updates</u></p> <p>Matthew Nelson and Denis Ryan reported on Legislative Updates, including some summary observations during their recent “Hike the Hill” visit to Washington D.C., where 150 individuals representing various trails organizations were in attendance. Matthew and Denis were able to meet with a number of our elected officials, as well as their staff members and legislative assistants, and many were familiar with the Arizona National Scenic Trail. Matt and Denis reported our trail and our organization is a lot further along than some of the other national scenic and historic trails. Denis noted that the turnover of staff and elected officials mandates these types of visits on a regular basis to our representatives in Washington D.C., and some of our newly elected senators and representatives were not aware of the Arizona Trail.</p> <p>Other legislative updates included:</p> <ul style="list-style-type: none"> • Senate Bill 47 (the Conservation, Management and Recreation Act) passed, permanently reauthorizing the Land & Water Conservation Fund. • House Bill 2594 (Arizona Trail State Fund) was introduced in the Arizona legislature and will hopefully find support through the 2019 state legislative session. 	<p>Follow-up on Arizona Legislature action on the Arizona Trail State Fund.</p>
	<p>LUNCH BREAK</p>	
11	<p><u>Executive Director Report</u></p> <p>Matthew Nelson reviewed past and upcoming potential funding, activities and projects he anticipates, including:</p> <ul style="list-style-type: none"> • National Scenic Trail funds are vulnerable within the US Forest Service, and previously dedicated funding is now left to the discretion of the Regional Forester. • REI Co-op grant funds in the amount of \$24,500 have been applied for, and are expected to be approved. • ATA has secured an AmeriCorps Vista for the Seeds of Stewardship and Gear Girls programs. Kim Cleary is a full-time employee for one-year through this program, with only a \$7,000 investment from the ATA (AmeriCorps pays the rest of her salary). • Rosemont Mine has progressed in receiving a Section 404 (Clean Water Act) permit. The ATA anticipates 45% of project funding (approximately \$345,000) in June, which will help with construction of 10.6 miles of trail to avoid the future mine site. 	

	<ul style="list-style-type: none"> • There are 21CSC funds that could become available for employing youth corps and veterans in Arizona Trail construction projects. The ATA must register as a 21CSC organization this year. 	
12	<p>Fundraising Report</p> <p>Anna Perreira described a number of potential fundraising activities for the Board to consider adopting, including:</p> <ul style="list-style-type: none"> • A \$6,000 goal “High Five Spring \$25 Gift Campaign” to celebrate the ATA’s 25th anniversary. Anna drafted a “Top 25! Campaign” initiative to enroll 25 people to increase the membership support by donating \$25. She led a discussion about some of the events and activities that Board, and other ATA members can consider attaining a goal in 2019 of bringing in 25 new supporters to the ATA, and then asking them to do the same to enroll 25 new supporters. • She also gave an example of a children’s book that raised funds from an author at \$2.00 per book sold. • She further described a peer-to-peer campaign to reach out to volunteers and people participating in the “AZT in a Day” that was so successful in 2018 and could be repeated again on October 12, 2019. She emphasized that we need to talk about our passion for the AZT and that this needs to be a conversation, not an ask, and how to respond to push-back. This would be a face-to-face conversation with 25 people, and this could be a social media or blog format with our peers. • Anna asked our Board to help in recruiting more business partners and she suggested having a restaurant or café event with donating 25% of the proceeds for an AZT Appreciation Evening. <p>Anna also asked the Board of Directors to consider adopting a draft Investment Policy that could provide future investment objectives, guidelines, eligible securities, and applicable gifts related to all assets held by the Arizona Trail Association. This document would ensure the Board’s fiduciary responsibilities that would include the proper management of ATA’s investment funds and guide the organization’s portfolio performance. Anna distributed copies of the draft Policy Resolution documents for the Board members to review and consider for adoption at the next Board meeting.</p> <p>Matthew Nelson reported that REI is changing the way they are granting funds now and, in the future, and this will require more involvement with REI in new ways that will more closely involve the REI stores and team members.</p> <p>Matthew further reported that the Arizona Trail State Fund, House Bill (HB 2594) had been introduced in session and that Lyn White and Senate Majority Leader Rusty Bowers will be trying to make sure this state Statute gets into the 2019 legislative budget. Matt encouraged Board members to reach out to our state legislative and administrative leaders to support this with our representatives.</p>	<p>Follow-up from Board members on draft fundraising proposals and an ATA Investment Policy document.</p>
13	<p>Board Development</p> <p>Matt Nelson asked that the Board re-activate our Board Development Committee to grow our Board membership with candidates who are enthusiastic and desire engagement with our organization. Ambika also</p>	<p>Matt to send Board Member Matrix to all Board members and Board members to help nominate candidates for the ATA Board of Directors.</p>

	<p>asked that we look at our Board Development Matrix and seek ways to expand our Board through the inclusion of a broad diversity of candidates. Matt said he would send the Board members a copy of our ATA Board Member Matrix.</p>	
14	<p>Other Business</p> <ul style="list-style-type: none"> • NAU Cline Library - Phyllis Ralley made a motion to formally gift all of the Arizona Trail Association’s Archives information and materials to the Northern Arizona University Cline Library and donate \$5,000 for the purpose of launching the NAU Archives project. Fred Gaudet seconded the motion, which was unanimously approved. • John McCain Memorial Trailhead – Dave Benson reported that he had written a draft of a letter to Cindy McCain requesting her support of dedicating a trailhead along the route of the Arizona Trail to Senator John McCain that he had numerous people review and he asked Nick Matiella, former Legislative Administrator for John McCain, to forward the letter on to Cindy McCain. Nick reported that her response was positive and simple... “Cindy is pro the idea.” Dave noted that he had a good conversation with Nick, and that we were not asking for any money, just wanted to get the ball rolling as this trailhead project would require a lot of planning and would move along slowly, possibly taking years. Dave requested a private luncheon with Cindy and discuss what she wants and would discuss many options. ATA would suggest 5 different location options, and the project would undoubtedly be fairly easy to fund from Senator McCain’s supporters. Federal land locations require 5 years after the death of a memorial candidate. ATA could also identify two non-Federal locations. • AZT Water Sources App – Fred Gaudet provided Board members with a sample of a Continental Divide National Scenic Trail Water Report as an example of the data that is kept up to date by hikers and other trail users using a special app developed by the Continental Divide Trail Coalition, Atlas Guides, and Sawyer. He suggested ATA consider this as a helpful tool for trail users for the AZT for advanced planning purposes. This could be made available on an independent website, and the data would be retained for historical information. • Seeds of Stewardship Youth Outreach Support – Matthew provided copies of both the North and South Seeds of Stewardship written reports to all Board members from Sabrina Carlson (Northern) and Treven Hooker (Southern) youth outreach coordinators. • Aaron Seifert, ATA’s GIS Director’s Report - Aaron provided a written report on Online/Interactive Mapping/App product statistics and a detailed report on six mapping topics for the Board’s review that provided updated information on waypoints, gates, signs and road crossing inventories, and the ATA’s Trimble GeoTX GPS training and instructions. • ATA Membership Report – Matt Nelson provided the February 2018 and 2019 membership report, which totaled 1,563 members in all categories. • ATA Volunteer Program Report – ATA’s Volunteer Coordinator, Wendy Lotze, provided a 5-month summary of volunteer 	<p>Complete, sign and submit the NAU Cline Archives Library agreement and include the check to begin the project.</p>

	<p>involvement in ATA activities, from 11/2018 until 03/2019, with a total of 5,351 hours of volunteer work with 766 volunteers engaged in these activities.</p> <ul style="list-style-type: none"> • Social Media Report – ATA’s Marketing & Social Media Director, Shannon Villegas, provided a written March 2019 Social Media Report, showing 13,440 Facebook Followers; 8,930 Instagram Followers; and 2,928 Twitter Followers. 	
15	<p>Future Meetings The next Board of Directors Meeting will be held in Flagstaff at the Nature Conservancy’s Hart Prairie Preserve on Saturday, July 20, 2019 and in Tucson (Location TBD) on Saturday, October 19, 2019.</p>	
16	<p>Adjourn There being no further Board business to discuss, Steve Anderson made a motion to adjourn that was seconded by Phyllis Ralley, and the meeting adjourned at 2:37 p.m.</p>	