

VAST Board of Directors April 25, 2016 Meeting Minutes

OFFICERS PRESENT:

President: Tim Mills
Vice President: Jeff Fay
Treasurer: Absent
Secretary: Jim Hill

DIRECTORS PRESENT:

Addison: Lewis Barnes
Bennington: Vacant
Caledonia: Ken Gammell
Chittenden: Pat Poulin
Essex: Dave Page
Franklin: Mike Burns
Grand Isle: Dave Ladd
Lamoille: Carmin Lemery
Orange: Ron Garvin
Orleans: Roger Gosselin
Rutland: Merritt Budd
Washington: Mark Reaves
Windham: Roone Gibbs
Windsor: Dick Jewett

ALTERNATE DIRECTORS PRESENT: Doug Jacobs, Windsor County

STAFF PRESENT:

Executive Director: Cindy Locke
Trails Administrator: Matt Tetreault
Trails Manager: Shane Prisby
Office Coordinator: Cyndy Carrier Jones

GUESTS PRESENT: Francis Pillsbury, Lyndon Sno Cruisers; Star Poulin, Williston Hill Hawks

Meeting Called to Order: 6:02 pm

Recognition of Visitors

Approval of Agenda: Dave Page moved to approve and Mark Reaves seconded, so moved.

Cindy Locke noted that she added an item to the agenda, Snow Bikes.

Secretary's Report: Dave Page moved to approve and Dave Ladd seconded, so moved.

Treasurer's Report: Cindy Locke gave an overview of the period ended March 31, 2016, because Tom Baltrus was on vacation. Overall we are in the black and we are behind \$37,000 for the month ending March 31, 2016.

Dave Page moved to approve the April Treasurer's report; Ron Garvin seconded, so moved.

Consent Calendar: Tim Mills noted that we will leave this as a placeholder. As far as the Executive Director, Trail Administrator and LVRT reports, those will be separate in their own line from now on. It makes it easier with Robert's Rules and none of those require a vote to approve it.

Old Business

Vote on the March Treasurer's report – Dave Page moved to approve and Roger Gosselin seconded, so moved.

TMA Sales Update – 16,157 as of April 7, \$1.6 million in TMA revenue. They are still trickling in, but still have a lot of clubs that haven't sent them in yet. We are about 7,000 to 8,000 members off.

2016 Budget Forecast

Cindy Locke gave an overview of the projected year end; basically we are ending the year at \$285,262 in the red; that includes taking out the \$79,000 that we voted on a couple of years ago for start a reserves account. We are expecting a little more money to come in from sold TMAs, but not a lot.

Trails Subcommittee

Matt Tetreault noted that this is outlined in his report

- Moratorium on the purchase of any grooming equipment, including drags and rescue equipment
- Limit of \$200,000 on power units purchased through the grant in aid program
- Average number of grooming weeks to remain frozen
- VAST will no longer reimburse clubs/contractors for grooming beyond their cap
- Grooming subsidy contract amounts will be reduced to certain percentages based on grooming weeks
- Capital Repairs may include expenses incurred for tracks, track belts and other related items on older equipment
- Dick Jewett – On the \$200,000 limit, are you going to increase that yearly?
- Matt Tetreault – We might; will look at it and adjust it, but maybe not annually.
- Cindy Locke – When we are out at Congress, Matt is going to find out what other states, outside of the northeast, are paying for equipment.
- Mike Burns – On the grooming, you are lowering the brown out percentage, but you are also changing;
You are freezing the weeks to what they are now? If anyone exceeds the cap?
- Matt – If they exceed the cap, they are on their own.
- Tim Mills – I thought we had a discussion about this at the last meeting. Once they have expelled their whole contract and they have met their entire weeks in the contract, they can possibly apply for once a week grooming at the end of the season.

- Mike Burns – I don't want to turn that around and leave snow on the ground next year ungroomed.
Concern that we put caps on the grooming average, will that revise the money they get in the future downward. If you want to do an average, do an average, you can't cut off the top of the average. The way we are working it, it is keeping the maximum number of weeks down and limiting the funds, so it is constantly going to drive your average down. I want to revisit how this is calculated.
- Jim Hill – One thing about the average, if we looked at 19 years of your average, it would still be really good. When they did calculate it a couple of years before they froze it, they went beyond the 5 years and everyone's weeks went up.
- Dave Page – I was on the subcommittee and we looked at the 5 year average was and the 16 and 19 year average, and the biggest change was when they took and froze the contract; they gave everyone the higher of their 16 weeks or 5 weeks; and the reality was 16 weeks in most cases was higher than the 5 week average; and the 19 year average, even with this winter, for most people being at zero, they were still better to stay right where they were.

- Mike Burns – It doesn't matter how many years you go back, if all of those years have been biased down, your average is going to be low. When I started here, there was a lot of talk about clubs exceeding their weeks.
- Jeff Fay – Without freezing the weeks, we are actually encouraging the clubs to go out and groom when they shouldn't be grooming to increase their weeks. So, what the discussion has been is that we are not necessarily going to track weeks on a regular basis, but if we see snow totals changing over the cap and over the weeks, the contracts may be adjusted. We are not going to lock you into 9 weeks, if you are continually in the next 4 to 5 years, grooming 10, 11, 10 weeks. We are trying to get you to manage your contact within your weeks and within your cap. For the most part, you don't need to do a lot of grooming until the first or second week in January, and near the end of the season. You should be able to get by with one or two times a week, once a week early and late and then you are banking your mileage in the middle of the season to extend your weeks beyond what your average is. You may have a 9 week average, but if you manage your contract, not necessarily groom twice a week if you don't have to, you can stretch your money beyond those 9 weeks.
- Jeff Fay – The once a week over cap hasn't been thrown back at the full trails committee, so that's why it wasn't really in Matt's report. It was discussed after the full trails meeting on Monday.
- Dave Page – And that was based on information that we got from the trails committee; that they thought it would be a selling point for making it all happen for their particular county and it seemed like a reasonable suggestion.
- Lewis Barnes – On the back, the percentage of guaranteed; instead of the 50% guaranteed, we are dropping it down to try to save money on years that we don't have any grooming? For clubs that have loans on their grooming equipment, they will have to show the bank the difference. You will find that most of these clubs are the ones with older equipment.
- Matt Tetreault – We will work with the clubs and their banks regarding the payments. There are about 30 clubs that are entering some sort of interest payment on their financial analysis last year. Some of them have had equipment for a while, so I don't know if it's for a groomer shed or what.
- Mike Burns – Do we still have the initiative about the age of equipment? Should we do it by hours or age?
- Tim Mills – Yes, 20 years. The subcommittee is trying to be a little more creative and try to spread the wealth around and make sure all the clubs stay alive.
- Matt Tetreault – Offer clubs some stability / take a 5 year average and put a bunch of zeros in / statewide average dropped from 10.8 to 1 after this year.
- Jim Hill – The subsidy change is 30 – 35% and 40, if it had been in effect this year, we wouldn't be in the red this year. We would have saved just about \$300, 000.
- Tim Mills – That is what we are trying to design it towards, so that when you don't move, it automatically saves you. If they still have a payment on them, they are still working on creative ways to make the payments, but if they own the machine they are okay. We are trying to build the cleats and tracks, etc. expenses in also. We would rather throw \$100,000 in that direction and keep 10 people alive, than send \$50,000 that way.

ACH Deposit Forms

Reminder to send them in.

New Business

2017 Budget

- Cindy Locke – I based next year on 20,412 TMAs, which is the same amount we had budgeted for this year. I changed some of the formulas as far as less Early Birds and more Regular Season, but was very conservative with that.
- We are still talking to Polaris about giving us a sled to raffle, so we will have a possibility to offer anyone that buys an Early Bird they get a chance for a new snowmobile.
- Pat Poulin – Do you really think that your EB's are going to be almost 2X for out of state? From 65,000 to 108,000.
- Cindy Locke - I don't think the Early Bird number is correct. I was projecting that more people would buy Regular Season. Line Item 65807 number needs to get checked.

There was general discussion about the numbers on the 2017 budget.

- Jeff Fay - Our Administrative percent changed; it went from 18 and changed to about 22.5%. Cindy, we need to change in the bylaws that a percentage, not 10 cents per TMA, goes to Scholarship. Last year we used a percentage base; what I did this year was look at the Association and see how much does it cost to run, because years ago, not that far back, we built the administrative side of this budget to end in the red. I just don't believe that you can run an organization based on a budget that says one part of the organization is going to be in the red. That's why we are doing all the subcommittee work with the trails; we are trying to be as fiscally responsible as possible.
- Cindy Locke – Page 2 – 54001XX – basically what that is is about the On Line TMAs. We have a meeting on May 10th at 4 PM here. Two people from Windsor County, Mary Beth Daniels, Jeff Fay, and myself. We will be discussing on line TMAs, cost, etc. to present to the Board. I wanted to get something in the budget, if we were going to do online TMAs like other states are doing them, there is a set fee. There is a \$25.00 fee on top of the TMA rate, \$3.00 goes to VAST and the rest will go to the county or club. I needed to put something in the budget to reflect it – the \$44,000 goes in and comes out. It is based on 2,000 sold TMAs, then there is an income fee further down that reflects the \$3.00 fee that goes to VAST.
- Dave Page – So, what you are saying is that there is an additional \$25.00 added to TMA cost, in place of the club and county dues. You are asking us to be more responsible for our grooming, asking us to take a bigger chance on a brown winter, and then you are telling clubs that have a higher fee, which Brighton does, that you are going to reduce the amount we even have the ability to get – that is not right.
- Cindy Locke – You can still charge more if you want to. In order to make it work, they have set a base fee. Clubs can opt in or opt out of the on line TMAs. Most club and county dues are under \$25.00.
You would still be selling to your same membership at the fee that you chose.
- Tim Mills – The on line site is not going to display the cost until they are ready to check out.
- Dave Page – I am totally opposed to this. You are asking to be more responsible, take on more of the heat for our club; and I will agree with that portion of it. But now you are telling us that you are setting up a system for someone to beat the system of paying? Ever since the on line tma thought came on, I've said the same comment and it hasn't been heard by now and it probably won't be heard.
- Cindy Locke – We will recommend to the Committee a \$30.00 club dues.
- Jeff Fay – Maybe we take the highest price club in the state and that's what we make that the amount across the board. My whole idea is that at some point the TMA is the same price across the state, and that's the only way we can market VAST as a winter destination; that way there is no price shopping.
- Jim Hill – The \$3.00 that you were thinking of for VAST, is that enough for processing? Is the mailing going to be standard mailing?
- Jeff Fay – It's got to be trackable because of the value of it.
- Mike Burns – All of my passes from other states and provinces just come regular mail.

- Roger Gosselin – We have IRS filings shown; do we really think it will be that high?
- Cindy Locke – Yes, I'd like to keep it high just in case. We are trying to get a booklet of information available to each club and county and have someone help with the paperwork. Some sort of grant for each county to have some sort of officer position to help pay for that.
- Cindy Locke - I reduced trade shows; we are not doing the Big E next year, it was a big expense.
We will still send the magazine down and may send someone down for Vermont Day.
 - Trade Show Booths – just purchased a new one and it came out of this years' expense.
 - Trail Side – RTP Grooming Grant – 207,000 this year, next year we get \$259,000. We got additional this year because VASA did not apply for any RTP grants. Apparently they have some back grants that they are still trying to work with on projects that have been funded and they haven't been able to do the work yet. VASA will only apply every other year, so that will help Matt as far as projecting in the future the amount to expect.
 - Grooming /Trail Construction / Trail Maintenance / Emergency Funds / Debrushing- have been either reduced a little bit or a lot, based on what Matt feels the needs are going to be.
- Mike Burns – Insurance – \$2,200, raised it up to \$3,700 but we are already at \$4,400?
- Cindy Locke - We had to get new insurance for the sleds and for the Poland Bridge.
- Roger Gosselin – There is a decrease in grooming, is that because of the change in policy?
- Matt Tetreault – Yes.
- Mike Burns –\$15,000 income vs \$3,000 for 2016? How effective was the advertising/ trade shows.
- Cindy Locke – Last year we didn't spend a lot on advertising because of the poor season. We tried to do joint efforts with people; looking at getting free night stays, co-op things.
- Dave Page – Are we still thinking about doing the NY show?
- Cindy Locke – Yes.
- Roger Gosselin – So it looks like the budget is going to be \$75,666 in the black overall? Does that include what we are in the red for this year. We are not going to pull out of the reserve?
- Cindy Locke – No, we are not pulling out of reserves, it's out of our cash.
- Jim Hill – So this 2017 budget is about \$83,000 less than the 2016 budget.
- Cindy Locke – We don't know what numbers are going to be next year. We can always adjust it. A budget is a guide; we could get into a really good year and we might want to add more to advertising or whatever, and we have the ability to that. I'm trying to be conservative.
- Jim Hill – I'm wondering if we are being conservative enough, after this last season.
- Dave Page – I think if we have a really good year next year, rather than thinking about ways to spend money, we should put it toward our reserves. The reality is, at one point we had \$3 or 4 million, but there were a few foolish directors that decided it was nothing more than a slush fund, so let's spend it; and the year after we were wishing we still had it.
- Jeff Fay – I think what we really need to look at is getting to a point where we can budget on money we already have and the incoming money replenishes the reserve. Basically we are trying to budget on "what if".
- Cindy Locke – We need a full year operating to see how we do that, because it's going to take us 5 to 6 years of good seasons to be able to get to the point where we have operating money that we can operate based on what we have, not what we might get.
- Jeff Fay – And then anything we do get in that fiscal year builds back up our reserves and we budget accordingly. So we will be using real money, not projected money.
- Cindy Locke – I would like to have a final vote on this at next month's meeting. We have 5 months until the annual meeting. I will send a corrected one out asap.
- Roger Gosselin – And we can forward it on to our counties? Yes.

LVRT Finance and Act 250 Updates

- Cindy Locke – Senate Transportation has added language in the bill to match us up to \$400,000 of money to January 2017, and next year until the end of next year, they will match us up to \$1M. It is in the Senate Transportation bill now and they feel it has a very good chance that it will pass. VTrans will then also look at adding more funding to Senate or House Transportation in the House bill.
This is not new tax money. VTrans often goes after many federal grants and they don't use all the money so they bank the money. But they have to use it for programs that meet specific federal guidelines, so this money will come out of Federal Highway or Federal Bike Ped.
- I have brought up Act 250 in both House and Senate Transportation that we shouldn't be in it and that we should not have been put through it. However, we voted to go through Act 250 and we are already in the process, so even though we haven't been permitted for sections past A and B, we are in the process of Act 250 and no one has ever come out of it before. When I went to House Transportation, I talked to one of the Representatives from Chittenden County, Kurt McCormack and he is emphatic that we should not be in Act 250 and he was going to try to help us out. He is putting some new language in, saying that no railroad in the State of Vermont should have to go through Act 250, whether it's an active railroad or they are changing it to a trail. The problem is we are already in the process, so my hope is that this language will go through, and then we are going to have to fight that we should never have been in Act 250 to begin with. It's still a lengthy battle. Once we get the new language, that is going to change the law which means we would at least have some footing to be able to fight that we should not have to be in it.
- Ken Gammell – Nowhere in the U.S., including Hawaii, do you have to go through Act 250 on a rail bed.
Many other projects have been done on rail beds that have not had to go through Act 250.

Snow Bikes

- Cindy Locke / Matt Tetreault – They showed a couple of videos about snow bikes on trails – We need to get some information out to our retailers – they aren't right for our trails. However, we have one picture with a VT DMV registration as a motorcycle with a VT TMA on it.
- Matt Tetreault was on a conference call the other day with the Executive Administrator of trails for our region about these. Other organizations are saying that they are made for powder, out west.
- We are already getting calls from landowners about these being on their property.
- We need to get it out to our retailers; not that we are outlawing them, but that they are not right for our trail system; similar to side by sides.
- Ken Gammel – They can go anywhere they want. They do not pass the VT decibal level which is 78.
These are full motor cross bikes, they are way over 150 decibals. They can't turn; if they are on a hard packed trail, they just slide.
- Roger Gosselin – I'm not personally educated on these, I've seen them being used in powder before. I think we need to be very, very careful about mentioning anything about them not being allowed. It could be something good for us. We can't jump to conclusions.
- Cindy Locke – I think we need to distribute the signs, and just like the fat bikes and atvs, and leave it up to the landowners, but make sure the clubs and counties know that these signs are available.
- Mark Reaves – But as a club, we have to take a stance on selling them a TMA. If they are DMV registered, they have insurance, how do we not sell it to them? If they meet the legal specifications?
- Jeff Fay – We don't check all that information when we sell them a TMA.

- Jim Hill – Has the Governor’s Council talked to DMV about it, about the registration end of it. Can they be registered as a snowmobile? Yes.
- Jeff Fay – The other concern is that they need 4 inches of snow to run them. So, if we have a year like this past year, you are more apt to find them out on the trails that you haven’t groomed, you haven’t cleared brush or trees. If we have a low snow year, it may be one of the things that will save us.
- Cindy Locke – When Matt and I go out to Congress, this is a big topic of discussion among all the states, so we will be able to come back with more information. Everyone is spinning their wheels because they are so new.
- Cindy Locke – NH said they are having just as much trouble with long tracks as they are with snowbikes. It just don’t want all the dealers ordering a lot of them, and then coming back that we are outlawing them, and they are stuck with a big stock of them, which is what happened with the side by sides. One of other big issues with these is that they can go around gates.
- Jim Hill – We don’t have all the information on them; we have a declining membership, and we can’t be exclusive saying that they are not allowed. This whole industry is changing.

Committee Reports

- Cindy Locke – LVRTC – Zeke is back on board with being the chair of the committee and he’s doing a good job. We had very good conversations about Bridge 68, things happening in the State House; we have a maintenance sub-committee, fund raising, etc.
- Shane – They have started the basic prep work on bridge 68, but no equipment out there yet.

Awards & Nominations

Dave Ladd – I have provided you with the report from our last meeting and a list of the winners.

ByLaws and Policy

Jeff Fay – We had a brief meeting today. We are looking at a couple of things, one of which came to light at last years’ Annual meeting, which is to open officer and director positions to out of state members. We will put the wording together, let the Board review it and see where it goes. The other thing we need to look at is there anything that needs to be changed regarding the trails policy updates that have been passed and the ones that are under recommendation.

Annual Meeting

Merritt Budd – Things are going along well. There is a meeting Wednesday night, April 27th to review everything.

Long Range Planning

Mark Reaves - We are scheduled to pick up after the budget has been approved.

PR & Marketing

Carmin Lemery – We met last week. Beth is working on the Snow Travelers’ Guidebook.

We are looking at doing some Snowmobile commercials to increase our membership. We also had a Safety meeting; ideas about getting signage done for E-911 for trails. We will recommend to the Trails Committee what we are looking at on this.

Governor’s Council Meeting

Dick Jewett – We discussed fat bikes, etc.

Next Board of Directors' meeting is Monday, May 23, 2016.

Jeff Fay has asked for an Executive Session to include Directors, Alternate Directors, Executive Director and Officers.

Dave Page moved to go into Executive Session to discuss personnel issues; Roger Gosselin seconded; motion carried.

Dave Ladd moved to come out of Executive Session; Dave Page seconded, motion carried.

Dave Page moved to approve the Personnel Committee's recommendation; Ron Garvin seconded; motion carried by an 11 to 2 vote.

Dick Jewett moved to adjourn; Carmin Lemery seconded. Meeting adjourned at 8:40 pm.

It is our goal to provide a statewide snowmobile trails system second to none and to provide a quality snowmobiling experience to our members.