Ski for Light, Inc.

Board of Directors Annual Meeting

Friday, January 22, 2016

Bellaire, Michigan

Minutes

President, Scott McCall, called the meeting to order at 8:30 A.M. Eastern Standard Time.

Secretary, Judy Dixon, called the roll. Executive Committee members present: Scott McCall, Julie York Coppens, Judy Dixon, Brenda Seeger, Cara Barnes, Robert Civiak, and Marion Elmquist. Directors present: Renee Abernathy, Wendy David, Krista Erickson, David Fisk, Robert Hartt, Eivind Heiberg, Ken Leghorn, Leslie Maclin, Tim mcCorcle, Bonnie O'Day, Laura Oftedahl, Lawrence Povinelli, and Larry Showalter.

Not present: Heather Berg, Nicole Haley, Holly Schmaling, Peter Slatin, and David Sweeny.

Approval of Minutes. It was moved by Judy Dixon and seconded by Brenda Seeger that the minutes of the October 15, 2015 mid-year Board teleconference be approved as distributed. The motion passed unanimously.

Board Development and Elections. Renee Abernathy summarized the report of the Board Development and Delections Committee which is attached. Renee reported the results of the election. The 12 newly elected directors are: Amy Brannan, Dede Chinlund, Bob Civiak, Julie York Coppens, Wendy David, Melinda Hollands, Scott McCall, Leslie Maclin, Rich Milsteadt, Laura Oftedahl, Brenda Seeger, and Larry Showalter. The five Board members choosing not to run for re-election are: Cara Barnes, David Fisk, Holly Schmaling, Lawrence Povinelli, and Peter Slatin. In a subsequent election, Andrea Goddard was elected to fill the existing vacancy on the Board.

Event committee. Judy Dixon provided an update on the 2016 event. We are going to have a somewhat smaller event this year. At present, there are 76 visually-impaired skiers, 5 mobility-impaired skiers, and 93 instructor/guides. This facility is extremely co-operative and the details are well in hand. Later, Doug Boose will report on the state of skiing and trails.

Treasurer’s report. A report, as of the end of the 2nd quarter is attached. Brenda Seeger reported that as of January 20, the checking account had a balance of $209,160.10, savings $29,701.06, total available operating funds $238,861.16. Also on the 20th, the value of the endowment fund was $349,608.93. The initial investment with Banker’s Trust at the beginning of this fiscal year was $379,585.99. So far this fiscal year, the value of the endowment fund is down $29,977.06. Working with Banker’s Trust is going very well.

Fund-raising. Laura Oftedahl reported on the progress of developing better connections with our current and potential donors. Solicitation of funds from individuals is becoming an exclusively online activity. We need to add more electronic components to our fund-raising repertoire. We also need to strive for more face-to-face contact with our donors. Last year, Laura and several others called people to whom the spring appeal had been sent. They want to expand this effort and track the results. Laura also needs more stories about how Ski for Light has impacted people’s lives. She is also looking for ways to increase the number of life members. Bonnie, Judy, Tim and Marion agreed to work with Laura.

“Making a good thing better”. Julie Coppens led an exercise where the Board divided into small groups to discuss specific assigned questions. Each group reported on its discussion.

Budget and finance report. Larry Showalter distributed a report of the Budget and Finance Committee which is attached. Larry led a discussion about the SFL endowment fund. The endowment fund is broadly diversified. As a result of adopting an investment policy statement last June, we now need to revise the bylaws. Larry moved that Bylaw 8 be replaced with the following:

Proposed Bylaw 8. Endowment Fund

A Ski for Light Endowment Fund (the "Fund") shall be maintained by Ski for Light, Inc. for the purposes stated herein. The Fund shall be operated in accordance with applicable laws, rules and regulations of the State of Minnesota and the United States of America and the rules and regulations hereinafter established by the Board (the "Board") of Ski for Light, insofar as such rules and regulations do not conflict with applicable laws, rules and regulations of the State of Minnesota and the United States of America.

In June 2015, the Board approved a document titled, "Investment Policy Statement For the Endowment Fund of Ski for Light, Inc." This bylaw incorporates that statement herein by reference. Together, this bylaw and the Investment Policy Statement supersede any and all actions and resolutions previously adopted by the Board regarding the Fund, in their entirety, and constitute the entire description, rules, and regulations of the Fund. To the extent that there are any inconsistencies between this bylaw and the Investment Policy Statement, the bylaw shall be viewed as the primary document.

The following rules and regulations, as supplemented by the Investment Policy Statement, shall govern the Fund:

1. The purpose of the Fund shall be to generate income to be used for the operating expenses of Ski for Light. The principal of the Fund shall not be used for operating expenses of Ski for Light, except as provided for in these rules and regulations.

2. The Fund shall consist of: Amounts contributed for Life memberships in Friends of Ski for Light; and other donations specifically solicited for or identified by the contributor as contributions to the Fund.

3. The fund shall include the original principal (permanently restricted) plus appreciation and other investment returns (unrestricted designated amounts), less those amounts distributed as determined by the spending rate.

4. The Fund shall be invested in one or more asset accounts in accordance with the guidelines set forth in the Investment Policy Statement. The Fund shall not be co‑mingled with any other assets of Ski for Light.

5. The Fund shall seek both current income and long‑term growth of capital. Allocation of assets shall be reviewed at least annually by the Ski for Light Budget and Finance Committee and their findings reported to the Board.

6. A maximum of 5.5% of the Fund's market value may be withdrawn annually for the purpose of funding operating expenses of Ski for Light, by affirmative vote of a majority of the Ski for Light Board or the Executive Committee of the Board. For this purpose the Fund's market value shall be defined as the average value of the Fund at the end of the previous twelve quarters.

7. Additional amounts may be withdrawn from the Fund only by the affirmative vote of three quarters of the Ski for Light Board and solely for the purpose of preventing the financial insolvency of Ski for Light. Any such withdrawals shall be re‑paid to the Fund when such action becomes possible.

8. The Fund shall be managed by an Investment Manager recommended by the Ski for Light Budget and Finance Committee and approved by the Board. The Budget and Finance Committee shall evaluate the performance of the Investment Manager in accordance with the Investment Policy Statement and report annually to the Board on the Manager's performance and on the performance and status of the Fund.

9. In the event of the dissolution of Ski for Light, the Fund shall be distributed pursuant to the applicable section(s) of the Ski for Light Bylaws, and the laws of the State of Minnesota and the United States of America.

The motion was seconded by Cara. After a lengthy discussion, the motion passed unanimously.

Larry then led a discussion of the event fee. Over the past five years, attendees have paid 83% of the cost of the event, 15% has come from fund-raising, and 2% has come from the operating reserve. There have been many reasons for this. The cost of the event is going to continue to rise with inflation. Several possibilities were discussed: asking people who pay by credit card to pay an additional cost to cover the cost of processing, giving people the option to pay the entire event amount, as well as a number of other options.

Doug Boose, Event Co-chair, reported that skiing conditions are very good. The staff have done an excellent job preparing trails.

Annual report and program journal. Julie presented the event program journal and the 2015 annual report. The Board expressed a huge thanks to Julie for another great job.

Ski for Light Policy Manual. Larry Showalter presented the report of the policy manual committee. The report is attached. Larry presented 19 action items. They are divided as follows: 12 policies for revision, 4 policies for withdrawal, and 3 new policies. There are 13 items on a consent list that do not represent a fundamental change. Larry moved on behalf of the Policy manual committee that the Board approve revisions to these 7 policies: Cost of Participation; Costs for local guides and skiers; Format of meals; minimum age of guides and participants; other attendees; relationship with regionals; and the Ridderren Team. He further moved that the Board withdraw these four current policies: Acceptance of mobility-impaired participants; acceptance of foreign participants; percentage of new skiers; and Norwegian delegation. He further moved that we adopt two new Board policies on: selection of event site and selection of event hotel. The motion was seconded by Julie. The motion passed unanimously.

There are six additional items, five policy revisions and one new policy that represent more substantial change. Larry moved that the current policy on sanctioned activities be replaced with the following:

Proposed Policy A01 - Sanctioned Activities

Purpose

To establish the vigorous outdoor activities that shall be offered to those attending the Ski for Light International event.

policy

Classic cross-country skiing is the primary sanctioned activity at Ski for Light International events, and will be offered to all visually- and mobility-impaired participants.

Depending on local conditions and available resources, other optional winter outdoor activities may be offered on a limited basis to individuals or at times the entire group, including snow shoeing, skate skiing, alpine skiing, snow biking, tubing or other. How and to whom these activities are

offered must be approved by the President and Event Chair(s).

The motion was seconded by Bonnie. The motion passed unanimously.

Larry moved that the current policy on emergency response be replaced with the following:

Proposed Policy A11 - Emergency Response

Purpose

To responsibly manage an emergency situation.

Policy

As far as possible, SFL will rely on the emergency response procedures of event facilities (for example, hotel and ski area). Only if adequate emergency procedures are not in place will SFL establish

its own procedures.

The first aid coordinator, the event chair, and the SFL president Must review and agree on each year's process ensuring that the system to be used includes timely response from qualified persons who have access to reasonable facilities.

The motion was seconded by Judy. It was suggested that “for example” be added prior to the words “hotel and ski area.” This was agreed. The motion passed unanimously.

Larry moved that the current policy on acceptance of guides be revised as follows:

Proposed Policy B02 - Acceptance of Guides

Purpose

To ensure an adequate number of qualified guides.

Policy

The two criteria that determine if an applicant is to be accepted as a guide are:

Skiing Ability: Must be at least an intermediate level classic-style skier. This means the instructor/guide must be capable of skiing comfortably without concentrating on his/her own skiing while doing such maneuvers as the diagonal stride, gliding half plow and snow plow, step and snow plow turns, herringbone, stopping techniques, and changing tracks.

Guide Training: Must successfully complete pre-event guide training if attending International Week as a first or second year guide; otherwise must have successfully Served as a guide in their most recent International Week.

Prospective guides who meet the above two criteria for attending Ski for Light International Week but cannot meet the skiing ability standard of intermediate or above will not Be assigned as the primary guide to a skier, but may be accepted to attend in another Capacity as determined by the Event organizers.

Subject to meeting the above criteria, all guide applicants will be considered for acceptance as their applications are received.

The motion was seconded by Scott. It was suggested that “all other criteria” be changed to “the above two criteria.” This was agreed. It was suggested that “be accepted” be changed to “considered for acceptance.” This was agreed. The motion passed unanimously.

Larry moved that the policy on acceptance of visually- and mobility-impaired participants be adopted as follows:

Proposed Policy B03 - Acceptance of Visually- and Mobility-Impaired Participants

Purpose

To provide an equitable and orderly process for accepting visually- and mobility-impaired participants to Ski for light.

Policy

Subject to the availability of guides, all visually- and mobility-impaired applicants will be considered for acceptance as their applications are received.

The motion was seconded by Julie. It was suggested that “accepted” be changed to “considered for acceptance.” It was agreed. It was suggested that “Subject to the limitations of guide applicant numbers” be changed to “subject to the availability of guides.” It was agreed. The motion passed unanimously.

Larry moved that the current policy on stipends be revised as follows:

Proposed Policy B06 - Guide, Visually- and Mobility-Impaired Participant Stipends

Purpose

To establish the level of financial assistance that can be provided to guides, visually- and mobility-impaired participants by Ski for Light.

Policy

All guides and first- and second-time visually- and mobility-impaired participants who reside in the United States are eligible for a stipend to partially defray the cost of attending the annual SFL event.

Applicants requesting a single room, or arriving early at the event hotel, other than people arriving early on SFL business, are not eligible for stipends.

A stipend must be requested by each interested guide, visually- or mobility-impaired participant, and is not automatic.

The specific amount of each stipend will be based on the funds that SFL has available for this purpose, the applicant's demonstrated financial need, the applicant's probable total cost of participating

(including travel cost), and any other relevant considerations. All applicants will be responsible for paying a portion of the event fee.

Each applications coordinator will be responsible for determining the amount of any stipend for each stipend applicant, in consultation with the Event Chair or SFL President.

The motion was seconded by Renee. The motion passed unanimously.

Larry moved that a new policy on Board action by e-mail be adopted as follows:

Proposed Policy C00 - Board Action by E-mail

Purpose

As specified in Article III Section 4 of the SFL Bylaws, any action required or permitted to be taken at any Board meeting may be taken without a meeting based on a poll, to be confirmed in writing, of all voting members. This policy establishes the procedures to be followed when action is to be taken based on an e-mail poll of members.

policy

It is in the best interests of Ski for Light for the Board to be able to act quickly

When necessary on important matters, rather than waiting for the next meeting of the Board.

In such situations, the President may initiate an e-mail process that:

presents the matter to the Board, allows to the extent possible the type of dialogue and interchange of ideas among Board members that would take place during a Board meeting, and requests and obtains Board action on the matter.

The vehicle for this process will be the SFL-Board listserv, with all e-mail messages and replies going to the entire membership of the Board.

The procedure for e-mail action by the Board will be:

The President may initiate the process for e-mail action by the Board by recognizing,

with an e-mail message to the Board, a given Board member to make a motion on a specific

topic.

The recognized Board member will send to the Board the motion, plus background information

And rationale for the motion.

Once the motion is seconded, the president will restate the motion and indicate the start of a five-day discussion period. In the same message, the President will issue a quorum call, asking each member

to confirm their receipt of his/her message to the Secretary.

During the discussion period any Board member may make comments or ask questions about the motion, with an open dialogue among members encouraged.

At the end of four days, the Secretary will contact any members who have not responded to the quorum call to inform them of the proceedings.

At the end of five days, the President will close the discussion period, restate the motion, and call for a vote by Board members, giving members five days in which to submit their votes.

To be valid, a member's vote must go to the Board listserv, not to just the President.

After the voting period has ended, or all eligible members have voted if this occurs first, The President will close the voting and ask the Secretary to tabulate the results of the vote. A majority of all eligible voters must submit votes for the vote to be valid.

The president will announce the results of the vote and specify the next steps to be taken.

The secretary will incorporate the motion and voting results into the minutes of the next meeting of the board.

If, at any time during the e-mail process described above, seven or more Board members request a Special Meeting of the Board, as permitted by Article III Section 2 of the SFL Bylaws, for the purpose of discussing and acting on the proposed motion, the President will immediately suspend the e-mail process and schedule a Special Meeting for the requested purpose.

The motion was seconded by Judy. The motion passed unanimously.

Welcoming First Timers. Bob Hartt, chair of the VIP Recruitment Committee, led the Board in a discussion of the necessity of making first-time skiers and guides feel welcome. Renee and Krista are helping Bob develop a mentoring program. Bob would welcome additional help.

Post-event Survey. Leslie Maclin will be conducting a post-event survey. It will cover the 2016 event including skiing and non-skiing activities, and the Ski for Light experience overall. Persons who cancelled and persons who haven’t attended an SFL event for a while will also be surveyed.

Elections. Larry Showalter, chair of the Nominating Committee, outlined the process to be used for the election of officers.

The first session of the annual meeting was adjourned at 3:15 P.M.

REPORT FROM BOARD DEVELOPMENT AND ELECTIONS

The Board Development and elections committee is composed of Renee

Abernathy and Marion Elmquist.  The responsibility of the Board Development and

Elections Committee is to assess the future leadership and skill needs of the

Ski for Light Board, to identify candidates for Board membership who have skills

or qualities that will be needed on the Board in the future, to encourage such

candidates to seek election to the Board, and to manage the entire process for

electing board members.

A great deal of effort has been made to recruit new members for the Ski

for Light Board of Directors during the past year.  The Board is currently

composed of 25 members.  For the year 2016 Ski for Light had thirteen openings

for Board members.  We had four members who decided not to return to the Board

and one who did not respond. Ballots were completed and sent to Board members

with those interested in returning and with new persons interested in being a

Ski for Light Board member.  We received twelve applications for the openings on

the Board.

The results will be reported at the Annual meeting on January 22nd.

Respectfully submitted,

Renee Abernathy

**Ski for Light Foundation Report**

**January 11, 2016**

The purpose of the Foundations Committee is to solicit funds from foundations to support the activities of Ski for Light. Each year, we also submit grant reports to foundations that have provided funding to Ski for Light during the past year. The reports summarize our activities and explain how the funds were spent. Below is a summary of gifts received through December 31, 2015.

Grants Received: In 2015 we have received donations as a result of the foundation committee efforts from the following organizations for a total of $19,000. This compares to $23,000 we received from foundations last year. Foundations largely funded guide training, participant stipends, and subsidize transportation.

* 1. Thistle Foundation: $2,000. We received equivalent funds from the Sedona Foundation last year. These foundations are operated by the same person. The donation is the result of a personal contact.
	2. TJX $5,000. TJX has funded SFL for many years. The TJX Foundation increased their donation by $1,500 in 2013 and they maintained this higher funding level in 2015.
	3. Harmon Foundation $2500. This donation was from a new donor to SFL in 2012, made through a personal contact.
	4. Delta Gamma Foundation $3,500. Delta has funded SFL for many years. I apply in December and the donation is received in April each year. The funds are designated for the next year’s event. The April 2015 donation is designated for the 2016 event. I applied for funds for the 2017 event in December. I asked for an additional $4,500 to fund a guide training video for 2017.
	5. Sence Foundation $6,000. This donation was from a new donor in 2014. One of the family members of this foundation found us on our website. The foundation gave us $10,000 last year and gave us $6,000 this year, for stipends.

Other notes and comments:

* 1. We received funds from other foundations totaling about $15,000 that were not solicited by the foundations committee. This included about $8,300 in-kind donations to support the Ridderin Team, $4,000 from the Flatley Foundation, $1,000 from Sons of Norway and about $900 in other donations.
	2. The Gibney Foundation provided $600 in funds as a scholarship for 1 new participant nominated by a regional SFL. The nominee must be under age 50, and have not attended an event or not attended one in the last five years.
	3. Foundations tend to want to designate their funds for specific activities and it is harder to raise funds for general purposes. If we continue to increase our foundation grants, we should think about other activities foundations may wish to fund. Laura Oftedahl, Judy Dixon and I met to discuss this and came up with a few ideas. Options include transportation to the ski venue, the race rally, alternative formats and trail fees.

Respectfully Submitted,

Bonnie O’Day

Ski for Light, Inc.

Budget and Finance Committee Report

January 22, 2016

The responsibility of the Budget and Finance Committee is to oversee the financial affairs of Ski for Light, Inc. and to monitor and make recommendations to the Board regarding the organization's investments.

The committee is composed of Larry Showalter (chair), Bob Civiak and Nicole Haley, with ex-officio members Eivind Heiberg, Brenda Seeger and Scott McCall.

Board members have been kept informed about the financial position of SFL throughout the year by the quarterly reports submitted by the Treasurer. In addition, all Board members were sent the draft FY2015 Compilation Report and draft IRS form 990 for comment prior to their submission. The final version of each of these documents is on the website.

Among the B&F responsibilities is the preparation of an annual income and expense budget, for submission to the Executive Committee for approval. This process was led this year by Bob Civiak, and the approved FY2016 budget is on the website.

The Committee wishes to report on two items that we do not plan to discuss during the meeting, unless there are questions.

1. Financial Appeals

Financial support for SFL remains strong from our community:

. The Spring 2015 appeal resulted in donations of $11,060. There were 79 separate donations, with an average of $140.

. The Fall 2015 appeal resulted in donations of $12,781. There were 88 separate donations, with an average of $145.

Results for each of the past five appeals is presented on an attachment, and includes donation results by group. Not surprisingly, Life members are our strongest financial supporters. For the Fall 2015 appeal, their donations represented 61% of the total.

The group to whom we send each appeal is composed of prior donors, most life members, and program event participants for the past five years. For the Fall 2015 mailing, the size of the recipient group was 748 people. We may solicit only from people with whom we have some past relationship.

2. Operating Reserve

SFL must maintain an operating reserve to guard against the possibilities of either higher than expected costs or lower than expected income in any given year. Based on experience, the target value for the reserve is $80k to $100k. While this may appear to be a larger than necessary reserve, the reserve must not only protect against line item variations from budget, it must protect against the uncontrollable possibility of not meeting the minimum attendance numbers in the contract with the host hotel.

As reported by the Treasurer at the end of FY2015, our operating reserve declined by -$18k during the year, a bit more than the -$11k which had been budgeted. This was caused by higher than anticipated costs at the Inn at Silver Creek for meals. The net effect was that our operating reserve at the end of FY2015 declined to $$67.8k. For perspective, our operating reserve at the end of each of the past five years was:

$107.6k FY2011

$128.5k FY2012

$111.9k FY2013

$85.8k FY2014

$67.8k FY2015

The FY2016 budget calls for an increase to the operating reserve of $8.2k. While there have been some favorable variances during the first half of FY2016, we expect that some line items will be unfavorable during the second half of the year. We are not forecasting any variance versus budget at this time.

The committee presents two items for discussion during the meeting.

1. Endowment Fund

During the year the committee developed an Investment Policy Statement regarding management of our endowment assets, and evaluated four separate investment manager alternatives. The Board approved our recommendation to adopt the IPS, which you will find in the SFL Policy Manual, and our recommendation that BTC Capital Management be appointed as Investment Manager, and Bankers Trust be appointed as Custodian of endowment assets. All endowment assets were transferred from Vanguard to Bankers Trust during July.

Bob Civiak has separately reported to you on the performance of BTC to date. We do not plan to review each of these two reports in detail, but will provide an overview of what they say, and answer your questions about each report.

Separately, because of the adoption of the IPS we need to revise Bylaw 8 Endowment Fund to reflect the changes to management of the endowment that the Board has approved. Attached is a new version of Bylaw 8 which we recommend that the Board approve, and we seek such approval at this time.

2. SFL Event Pricing

A. The Philosophy

The philosophy of setting the participant fee for each SFL event, as contained in the Policy Manual, is to charge each participant the full cost of meals and housing, but only a portion of the other costs of the event. We do not expect participants to pay the entire cost of the event. SFL covers a substantial portion of event expense by fund-raising. For the purposes of this discussion, the endowment transfer is included in the definition of fund raising.

In addition to event expenses, SFL has expenses for general and administrative, and the cost of the Ridderrenn Team. These expenses are totally covered by fund raising.

B Actual Experience From FY2011 Through FY2015

To bring this philosophy to life, shown below are

actual results for the sum of the last five fiscal years. This time period is looked at because no single event is exactly average in every respect, hence a longer time period should allow a clearer understanding of the SFL event pricing model.

$1,053,517 total event income (participant fees)

$1,272,399 total event expense

-$218,882 Excess of event expense over income

$195,801 Surplus of all other (fund raising) income over all other expense

-$23,081 Total SFL deficit

As shown in the above numbers, participant fees covered 83% of total event expense over the past five years. The remainder of event expense was covered by fund-raising (15%) and a reduction in the operating reserve (2%).

To put the above on a more personal level, here are the same results on a per participant basis (we had 1,245 participants during the past five events).

$846 Participant fee

$1,022 total event expense

-$176 Excess of event expense over income

$157 Surplus of all other income over all other expense

-$18 Total SFL deficit

There are many ways to look at the foregoing:

. If all event fees had been $18 higher SFL would have broken even over the five year period.

. If event expenses could have been reduced by $18 per participant SFL would have broken even.

. If fund raising could have generated an additional $18 per participant SFL would have broken even.

C. Event Expense Components

The $1,022 per person total event expense was composed of the following items.

$816 (80%) meals and housing

$48 (5%) transportation

$31 (3%) guide training

$25 (2%) trail fees

$22 (2%) planning meeting

$20 (2%) event committee pre event meals and housing

$20 (2%) entertainment

$39 (4%) total all other expenses

$1,022 (100%) total event expenses

As shown, over the past five years the participant fee of $846 has completely covered the $816 cost of meals and housing, and provided $30 toward other event expenses. This was not the intent in most of the five years, but it is what actually happened, looking backward.

D. Event Fee History and Trend

Here is the history of what we have charged for a double-occupancy room at the last 16

events, 2000 through 2015.

$650 2000

$650 2001

$675 2002

$700 2003

$700 2004

$725 2005

$725 2006

$725 2007

$775 2008

$825 2009

$850 2010

$750 or $650 2011 (Snow Mountain Ranch)

$850 2012

$850 2013

$850 2014

$900 2015

The event fee has increased substantially since 2000, but increases are almost exactly equivalent to inflation, as measured by the CPI:

. $650 in 2000 was worth $907 in 2015.

. $725 in 2005 was worth $895 in 2010.

. $850 in 2010 was worth $924 in 2015.

E. Conclusions and Implications

The most important observations about the SFL event fee are:

. Participants paid 83% of total event cost, with 15% covered by fund-raising and 2% by the operating reserve.

. The average participant fee of $846 covered meals and housing, of $816, and provided $30 toward other event expenses.

. The SFL event fee has risen steadily, but in line with inflation.

Less obvious, the contribution of fund-raising toward event expenses has risen steadily and substantially over time, at a rate above the rate of inflation. This has allowed the event fee to rise only in line with inflation, offsetting the fact that over time event costs have risen by more than inflation.

Also less obvious, event expense has generally been higher than assumed when the pricing decision was made. In most years, the fee is planned at the cost of meals and housing plus at least $50 toward other expenses, and generally more than $50. The fact that actual experience has been that only $30 toward other expenses has been covered says that event expenses were higher than planned.

It should be noted, to state the obvious, that SFL cannot continue to fund a portion of event expenses from the operating reserve. It should also be noted that while the contribution over the entire five years was -$23k, results by year were quite different.

. In FY2011 the reserve grew by $16.7k

. In FY2012 the reserve grew by $20.9k

. In FY2013 the reserve declined by -$16.5k

. In FY2014 the reserve declined by -$26.1k

. In FY2015 the reserve declined by -$18.0k

While many things contributed to the variation noted from one year to the next, a major causal factor was our decision to spend down the size of the operating reserve starting in FY2013. It was felt that our financial results had been almost too good, and that a portion of this success should be passed along to participants in the form of event fees that were $25 lower than they really should have been, starting in FY2013.

Looking forward:

Future event fees can be expected to rise in line with inflation, barring increased fund raising results or cost reductions. A 2017 fee of $950 is probable for most potential event sites.

Cost reductions could take the form of:

. Changing the historic event expense model, such as charging separately for airport transportation, making some meals an on your own meal, etc.

. Eliminating or changing some non event expenses, such as eliminating the Ridderrenn team, eliminating the print edition of the SFL Bulletin, moving the Annual Meeting to an afternoon and evening during the event week, etc.

. Changing the SFL product. The SFL product was cost reduced in 2016 by shortening the week. It was cost reduced in 2011 by going to Snow Mountain Ranch, where housing and meals are not equivalent to other sites, and expenses are lower.

It would be preferable to not have the event fee jump up and down from one year to the next, depending on cost reductions in a given year. Abetter approach would be to find a solution that is consistent from one year to the next, at all event sites.

Respectfully submitted by Larry Showalter, chair.

Ski for Light, Inc.

Policy Manual Ad Hoc Committee Report

January 22, 2016

The Policy Manual Ad Hoc Committee was created by the President to follow‑up on the Board's discussions about the Policy Manual during last year's Annual Meeting. We were charged with identifying and proposing solutions to the most important problems with the existing manual of 54 policies.

The committee is composed of Larry Showalter (chair), Judy Dixon, Marion Elmquist, Ken Leghorn and Bonnie O'Day, with Scott McCall ex‑officio.

We are presenting for Board action 12 proposed revisions to existing policies, a recommendation that four current policies be withdrawn, and a recommendation that three new policies be adopted.

Thirteen of the nineteen are largely house‑keeping or clean‑up if you will. While necessary to make the manual a factual and useful document, they do not involve any actual change to current practices and behavior. These 13 items, called the Consent List, are summarized below, and may be read on the attached Word document, or online at www.sfl.org/consent.html.

We are seeking Board approval of these 13 recommended actions as a package, with one motion.

1. Revise Cost of Participation: Replaces the fixed administrative fee of $50 with an administrative fee that is determined by the President. This recognizes that in setting the event fee the President must consider many factors, not just cost, and is, in actuality, how prices for the event have been set for many years.

2. Revise Costs for Local Guides and Skiers: Now incorporates all of the meal packages that are offered to locals.

3. Revise Format of Meals: Now includes the distributed buffet breakfast which we have been using for several years.

4. Revise Minimum Age of Guides and Participants: Removes the exception for kids on kids day, since we no longer have this program.

5. Revise Other Attendees: Adds Companions and Guests, who were not mentioned in the current policy.

6. Revise Relationship With Regionals: Removes affiliation agreements and any SFL control over what each of the regional programs do and offer, as recommended by our lawyers more than ten years ago, and which is current practice.

7. Revise The Ridderrenn Team: This is basically a re‑write of the current policy statement to improve its clarity and focus, and to add missing executional details.

8. Withdraw Acceptance of Mobility‑Impaired Participants: The current policy merely defines the maximum number of MIPs who can be accepted, which is not actually a policy but an executional detail that will vary according to the site. MIP acceptance will be folded into a new policy on acceptance of both VIPs and MIPs, to be discussed later.

9. Withdraw Acceptance of Foreign Participants: The current policy, which is not followed, is to accept foreign participants for only the first two years, and after that to wait list them until all U.S. applicants are accepted. This was tried just once and found to be unwise.

10. Withdraw Percentage of New Skiers: The current policy is actually an organizational goal, not a policy, and is separately and more appropriately covered in the description of responsibilities of the VIP Recruitment committee, in the SFL Bylaws.

11. Withdraw Norwegian Delegation: The current policy is moot, in that Norwegian participants are no longer chosen and attend SFL as described, and we no longer attempt to control the size of the group.

12. and 13. Adopt Selection of Event Site and Selection of Event Hotel: Neither of these important topics is addressed anywhere in the current policy manual. Current practices and policies are well defined elsewhere, and need to be added to the manual in order to make it a more complete and accurate repository of matters important to the organization.

Six of the nineteen proposals do involve some level of change to current practices and behavior. Five of the items are recommended revisions of existing policies while the sixth is a new policy being recommended for adoption.

These six are presented to the Board individually, for approval.

Each of the six proposals is summarized below, and you may read the entire proposed policy on the Word Attachment, or online at www.sfl.org/discuss.html.

1. Revise Sanctioned Activities: The proposed revision reaffirms that classic cross‑country skiing is the primary activity at SFL events, whether standing or sitting. It also authorizes the offering of other optional outdoor activities, on a limited basis, that will vary according to local conditions and available resources. Note that this policy deals with only officially authorized and supported activities during the event: it does not comment on activities that any participant may choose to pursue on his/her own.

The executional details about how and when to offer additional activities will be at the discretion of the Event Chair and President, and are expected to vary from year to year depending on what facilities are available, and how many people are available to help assist and organize the offering.

As an example of what could be offered, at Shanty Creek there is both a tubing hill and snow shoe trails. In concept, the event organizers could offer an optional afternoon opportunity to experience one of these activities for anyone interested. SFL would offer organization and structure to the activity, but would not pay any usage or rental fees that would be associated with the activity. It is recognized that some guide/skier pairings might have to be adjusted to accommodate the activity.

The rationale for authorizing additional supported activities is that we need to find a way to make our events more interesting and attractive to more attendees, especially VIPs. This year we have set another record for how few VIPs applied: 104 this year, versus 110 last year and versus numbers frequently above 150 ten years ago. We have also experienced higher cancellation rates this year, so that the ultimate number of VIP attendees, 77 versus 96 last year, is also near an all‑time low.

It is hoped that this action will lead to more interest from new people, and to higher return rates for veterans.

2. Revise Emergency Response: While reaffirming that SFL will insure that adequate procedures and facilities for managing an emergency situation are in place at each event site, the requirement that an Emergency Data Form be requested of participants is being deleted from the policy. Such a form has been deemed to be unhelpful and unusable by medical and emergency personnel, and should therefore be eliminated.

3. Revise Acceptance of Guides: The revision reduces the number of acceptance criteria from four to two: skiing ability and successful completion of guide training have been retained, while communications skills and physical health and condition have been deleted. Experience has taught us that these last two considerations, especially for new guides, cannot be accurately determined from an application.

The revision adds that guide applicants who do not meet the minimum skiing ability criteria of at least intermediate level skills may not be accepted and assigned as a primary guide, but may be accepted in another capacity, such as assistant guide or other attendee.

The revision also adds the operating principle that guides will be admitted as they apply, subject to their meeting the two identified acceptance criteria.

4. Revise Acceptance of Visually‑Impaired Participants to include acceptance of MIPs and to thus create Acceptance of Visually‑ and Mobility‑Impaired Participants: Neither existing policy actually deals with the supposed subject matter of the policy. The current VIP policy describes how to manage the wait list, while the current MIP policy merely identifies the maximum number of MIPs to be accepted.

Wait lists for VIPs no longer exist, since our application numbers have declined so sharply over the past decade. And, the maximum number of MIPs to be accepted is a function of how many accessible hotel rooms are available.

The proposed policy states that VIPs and MIPs will be accepted as they apply, subject only to the forecasted availability of sufficient guides. The only additional constraint, for MIPs, could be the number of accessible rooms in the hotel.

Executional details of this policy will be left to the event organizers. It is likely, however, that this policy will mean that at least the first 100 VIP and MIP applicants will be quickly accepted, as we have a long history of recruiting enough guides for this number of VIPs and MIPs.

This revision will simplify the application process for both new people and veterans and thus make it easier to apply and to quickly know the result of a submitted application. At the same time, this policy should reduce and simplify the demands on the applications coordinators.

5. Revise Guide, Visually‑ and Mobility‑Impaired Participant Stipends: Expands availability of stipends to second time VIPs and MIPs, and defers the determination of the amount of each stipend to the event organizers, subject only to the constraints of available funds and the requirement that no stipend recipient receive a full stipend.

The policy being recommended has been in test for the past two years, and has been determined to be beneficial in all respects.

6. Adopt Board Action By E‑mail: The recommended policy formalizes the most workable method of conducting Board business by e‑mail, when necessary to do so. The policy builds upon the learning that occurred during the first two uses of e‑mail voting last summer, regarding the size of the event and the endowment.

Respectfully submitted by Larry Showalter, chair