The 257th regular meeting of the Board of Governors will be held at the NSS in Sewanee, TN on July 1, 2024 at 9 am EDT.

1) **Call to Order and Roll Call**

2) **Minutes to approve** - 

   March 10, 2024

3) **Operational & Committee Reports:**

   Officer/Operations *Reports can be found here*

   a. Ad Hoc Executive Director Search Committee – Pete Johnson

   b. Ad Hoc Transition Committee – Pete Johnson

   c. Bylaws Committee Report - Stephen Gladieux

   d. Strategic Planning Committee – Jean Krejca

   d. Financial Oversight Committee – Ben Tobin

   e. Nominating Committee – Vacant

   f. Executive Director (interim) – Vacant

4) **Comments from the Membership**

5) **Unfinished Business**
6) Closed Session of the Board
   a. Election of Chair of Board
   b. Appointment of Division Heads & Paid S-T

7) Closed Sessions Report to the Membership

8) New Business: Motions:

   8.1 Tobin moves to modify act 15-509 Review of NSS Checking Accounts:

   The Executive Director must >>arrange for a periodic review of each Society bank account by someone who does not have signature authority for the account<< <<work with the Financial Review Committee to ensure the Internal Financial reviewers are provided access to properly review bank accounts monthly>>. The Executive Director must arrange to have bank account statements sent to the <<committee and>> >>person doing the review independently from the persons with signature authority. The Executive Director must also arrange to have a copy of each statement sent to<< those with direct responsibility for managing <<or reviewing>> the account.

   8.2 Tobin moves to modify act 15-776 Financial Report:

   The NSS Executive Director will include a financial report that includes the latest financial information, budget to actual comparison, and the values of all NSS and NSF held funds as part of their report for Board of Governors meetings <<and as quarterly reports to the Financial Review Committee>>.

   8.3 The Financial Review Committee moves to modify the Financial Review Committee Charter as follows:

   Finance Review Committee Charter changes can be viewed here.

   8.4 Johnson moves that the language in attachments B, C, E, F, G, H, I, J, K, L, N, O, P, Q, R, U, V of the 'NATIONAL SPELEOLOGICAL FOUNDATION NATIONAL SPELEOLOGICAL SOCIETY TRUST FUNDS CONTRACT' be replaced with the language in the respective attachments found in this document.
Notes: The Foundation initiated an effort to standardize the language for the attachments for each fund in our contract with them. The idea is not to change the terms but to simply clean up the formatting. The existing attachments are not in a standard format and are therefore difficult to read and introduce some ambiguity. The current versions are a large improvement. Note that some attachments also had changes that I would consider material so I am breaking them out into a separate motion below to be voted on. Also note that the funds for B, N, P no longer exist so this removes the contract but leaves the attachment in place for future reference and notes the fund no longer exists. These changes have been coordinated with the Foundation. They have also been run by the Finance Review Committee & The Bylaws Committee Chairs.

8.5 Johnson moves that the language in attachments A, D, M, S, T, W of the 'NATIONAL SPELEOLOGICAL FOUNDATION NATIONAL SPELEOLOGICAL SOCIETY TRUST FUNDS CONTRACT' be replaced with the language in the respective attachments in this document.

Notes: Changes to the funds defined in A, D, M, S, T, W did have changes to the terms of the contract so I have broken them out to vote on separately. The language is annotated in the attached document but I am highlight in the changes here:

A: Life Membership Fund

-This Change removes the ability to take a loan from the Life Membership Fund. With the improved financial position of the NSS it is less appropriate to jeopardize the benefits of life members by taking a loan from this fund.

D: Mitchell Trust Fund

-The material change here is just changing the 5% distribution to 5.5% to make it consistent with other funds.

M: Holding Fund

-No changes to the terms of this fund, but there is some ambiguity about which contract is current. The language here matches how the fund currently operates.

S: NSS Rescue Training Trust Fund

-Again just changing the 5% to 5.5% to make this consistent fund to fund.
T: Convention Surplus Trust Fund

-This fund is currently in the holding fund but has gotten large enough that is a problem because the holding fund caps would limit or ability to draw from in case of a convention emergency. But also given the amount in the fund now, it should have its own language for protection. The purpose of the fund is two fold: 1) It is to cover a major loss event for a convention i.e. the NSS had expended significant amounts to have a convention but then couldn't hold a convention and recoup the revenue and 2) It covers some national level convention costs. Since the fund has more money in it now (~$200k) than historically, it also codifies that 5.5% distribution per year is allowed to cover those costs. This sustainably makes more money available to the national level convention staff to support conventions.

W: Perpetuity Operational Trust Fund

- Since the language for this find is quite a bit more simple than it was previously I would suggest people re-read it. Terms for the fund remain the same though.

8.6 Johnson moves that The NSS hire the search firm recommended by the Executive Search Committee with the goal of hiring a permanent Executive Director.

Notes: This is included and was approved in the budget. However voting on the specific firm we are hiring provides a good record of our action and makes sure that the process kicks off.

8.7 Johnson Moves to hire an paid Secretary-Treasurer of the NSS board's choosing.

Notes:

The money for this was already approved in the budget. It is also in the bylaws. So we have already approved a paid ST. With applications in hand, the Board may vote to select a candidate in closed session. This motion is primarily to serve to communicate this intent to members. Also, given that the our bylaws specify that an Executive Director makes the hire but we do not yet have an Executive Director, this would make a record of the Board action.

8.8 Johnson Moves to approve up to $40,000 to support the cost of insurance for the Vertical Training Commission (VTC) for one year.

NOTES:
Background:

Our existing carrier declined to cover VTC when they renewed our policy on April 1st. The three primary reasons for this are:

1. It is a new program without history
2. The varied and unpredictable nature of changing locations for each class
3. The NSS/NCRC has had a claim in the last couple years.

In addition we have solicited bids from over 65 other carriers via our insurance broker. This includes talking to other caving focused orgs, SPRAT organizations, etc. about who they get their coverage from. Many of those orgs spoke about 1st year insurance difficulties. We received two other quotes from other carriers but both of them were at least twice as expensive as this quote. Of the other 65+ carriers that responded, all of them declined to offer coverage.

Funding for the $40k:

While NSS insurance costs have risen significantly this past year, we actually came in $10k under our insurance budget as we expected our quote to be more expensive than what we got on April 1st. VTC may be able to recoup some of the insurance cost of a $40k policy, but give the small number of students that they have, even tacking something like $40/student onto the class fees is unlikely to cover more than ~$5k of that insurance cost. It is also in direct conflict with VTCs charter which is to make basic vertical education accessible.

We do expect this cost to drop in subsequent years as we produce a track record. Also as the # of students in VTC rises, it will be easier to distribute that cost across all the students. We are looking into other sources of funding too.

But the takeaway is that it is reasonable to assume that if we pursue this policy the NSS is likely to have to pay $20-30k above budget this year to insure VTC. These funds will have to come from cash on hand and/or the investment account.

Alternatives considered:

VTC has held a couple pilot courses in the last year. These have been covered under 3rd party insurance that was able to name the NSS as additional insured. While this worked for ad-hoc classes it isn't generally a longterm solution because:

1. We can't always rely on 3rd party partners to either have the insurance or to be able to extend suitable coverage to the NSS
2. We are relying on those parties in a way that isn't likely fair to them
3. There are some concerns over whether that type of coverage adequately covers the NSS and our instructors
We've also considered renting facilities and using their insurance. This is also an option but the limitations here are:

1. The cost quickly starts to rise as you scale
2. We again cannot count on those organizations (think climbing gyms etc.) to always be able to provide space/Insurance
3. Those services are unlikely to provide coverage for the in-cave part of the training.
4. It is not clear that a track record under these circumstances would actually reduce our costs if we approached insurance carriers again in a year or two.

9) Adjournment