



P.O. Box 519
Crested Butte, CO 81224
Phone: 970.349.7231
Fax: 970.349.7231
www.rmbll.org

***Distributed via email to the RMBL PI Listerv and the Corporate Membership
Posted to the RMBL website: <https://www.rmbll.org/about-us-2/governance/>***

July 3, 2020

Hello to the RMBL Community,

Attached is the second Annual Report from the RMBL President and Chair as well as the Annual Governance Report. The period covered by the annual report is July 1, 2019 to June 30, 2020. This “year” started out with lots of promise. We continued to make significant progress on the Strategic Plan. The North Village project was proceeding ahead with RMBL, the Alvarez family and Mt. CB all committed to responsible development of the site that would fit the aspirations of all parties. The diversity effort led by the Community Committee was joined by a new ad hoc Board Committee to advance the objectives of Diversity and Inclusion at RMBL. The negotiations with the State of Colorado regarding the conservation easement on the Gothic site were proceeding rapidly and the seeds of a successful major fundraising effort had been sown. RMBL continued to make progress on improving financial stability.

Everything was turned upside down in the first week in March when the Covid 19 pandemic hit Gunnison County and hit it hard. In succession the ski resort closed, restaurants hotels were closed and the citizens of Gunnison County were subject to stay at home orders. By the first of April Gunnison County was closed to visitors and second homeowners. As late as mid-May, it was unclear whether any research would be conducted at RMBL this summer. Even if the county opened, the research at Gothic would be substantially curtailed to meet government restrictions and to provide a safe environment for the RMBL community. Fortunately, the county did reopen and the reopening plan crafted by RMBL administration was expeditiously approved.

The President and Chair’s Report explains the steps taken by the RMBL and the Board to plan for reopening, to maintain financial stability and to react to the disruption caused by the pandemic. We are not yet out of the woods, but if we can complete the 2020 season, we should be in good shape.

We are pleased to provide these reports to you and look forward to your feedback. We hope that all of remain safe and healthy through the pandemic.

Dan Blumstein
Board President

Bruce McLean
Board Chair



President and Chair's Annual Report to the RMBL Community

July 6, 2020

1. Current board priorities

Pandemic Response and Strategy

Like every enterprise around the world, RMBL and the board have been confronted with the consequences of the greatest public health crisis in 100 years. In early March, the ski resort was closed and Gunnison County experienced an early spike in Covid 19 cases. For at least a month, the county had the highest per capita infection rate in the state of Colorado. Consequently, county public health officials closed the county to short term visitors and second homeowners. Until late May it was unclear when those restrictions would be lifted or if any scientists would be permitted to continue research in Gothic in 2020. A special board committee was formed to work with RMBL administration to assess the situation, develop operational and financial plans to address the possible restrictions on accessibility to the Gothic facilities in 2020.

- A.** Operations. An operational plan was developed by RMBL administration to provide maximum flexibility for reopening consistent with governmental and CDC guidelines. In late May Gunnison County began lifting restrictions and RMBL submitted a plan to permit scientists to continue their work in Gothic. The plan was approved and provides structure under which RMBL is presently operating. The RMBL staff prepared an extremely well thought out plan to protect the safety of scientists and the community. RMBL is now operating under this plan and will do so for the remainder of the summer. The specific guidelines are available through this link: <https://www.rmbll.org/communication-on-covid-19/>
- B.** Finances. A financial model was prepared to assess the economic consequences of the worst case (no 2020 operation), the middle case (late opening with significant restriction) and the best case (June opening with some restrictions). There were also assumptions that addressed the possibility of reduced philanthropy. All cases predicted a budget in the red. However, RMBL staff and the board were confident that even in the worst case, RMBL would be financially viable through 2021. The board approved the recommendation from the staff to proceed without reductions of critical employees. Based on current operations and assuming that research will not be curtailed as a result of a spike or second wave of cases, we now assume that the financial performance of RMBL will approach the performance outlined in the 2020 budget. This is a truly outstanding result that was only possible because of the professionalism and expertise of our staff. We cannot overestimate their importance to the viability and success of the RMBL.
- C.** The PPP loan. RMBL staff recommended, and the board approved, application for a PPP loan (payroll protection program) as authorized by the federal Cares Act of 2020. These loans are guaranteed by the federal government, issues at very low interest rates and subject to

forgiveness if the borrower (RMBL) met certain targets for maintaining payroll. RMBL applied for a \$254,000 loan. This was the maximum we qualified for. The loan was approved in the first wave despite massive oversubscription of applicants.

We initially assumed that about \$175,000 of the loan would be forgiven and that the remaining \$75,000 would be used to address possible cash flow issues. Due to some legislative and administrative changes it now appears that all \$254,000 of the loan will be forgiven. The forgiveness of the PPP loan facilitates RMBL's anticipated successful performance in 2020.

2. North Village Campus

The development plan of the North Village project was discussed at length in last year's letter. To summarize, the Alverez family purchased the North Village parcel in 2018. The board approved negotiations with the Alverez family about development of a RMBL campus on the site. The RMBL campus would consist of a visitor's center, office, and laboratory facilities and RMBL employee housing. The Alverez family is committed to plan to reduce density of the development plan submitted by the former owners and approved by Mt. CB. Mt. CB has indicated its interest in participating in the development of the site which could include a bus terminal and parking, employee housing and recreational facilities. Earlier this year, with board approval, RMBL entered a Memorandum of Understanding that stated the interests of the three parties and a commitment to consider joint participation in the PUD process to seek approval of the joint development plan.

The timing of the commencement of the PUD process has been disrupted by the pandemic. The Alverez family and RMBL have committed to proceed while Mt. CB has asked for more time to confirm its interest. Participation by Mt. CB would reduce infrastructure costs to RMBL, but their participation is not essential to move forward. The Board has committed to commence the PUD process with or without Mt. CB so long as we come to agreement with the Alverez family on (1) the specific site or sites of the RMBL campus and, (2) the terms of the transfer of ownership to RMBL.

3. Diversity

In 2016 a group of scientists and students formed a diversity committee with the purpose of advancing diversity and inclusion of the RMBL organization including scientists, students, and staff. A well thought out report was generated and distributed among the community. The board is committed to the highest principles of diversity and inclusion. In order to coordinate with the community, the board formed a special ad hoc committee to work with the community committee and adopted a charter which authorized the development of diversity metrics, benchmarks of diversity accomplishment by other scientific research institutions, goals and objectives and, in coordination with RMBL administration a diversity action plan. The board and community committees are working together, and significant progress is expected this summer. The members of the board committee are Aimee Classen (chair), Jennifer Darnell, Ben Blonder, Laura Souza, Kelly Sudderth (ex officio), Bruce McLean (ex officio).

4. Conservation Easement

Several years ago, the board authorized the executive director to negotiate the terms of a conservation easement with the State of Colorado. The easement would cover the property owned by RMBL in Gothic. Earlier this year, the State and RMBL concluded negotiations of the terms

and conditions of the easement. Under the proposed agreement, future development of the land would be restricted to a development envelope on the current site. The easement would generate about \$1.2 million in state tax credits based on a third-party assessment of the property value. In February, the board approved the proposed terms and language of the easement and last week we were advised that the state had approved the language as well. We expect that final execution of the easement will occur in the next few weeks. The tax credits are assignable and our next action is to sell them to Colorado taxpayers.

5. Communications

A report from the RBML communications committee was distributed to RBML scientists via the RBML PI listserv last week. In summary, the committee's charter and mission is to improve bidirectional communications between the board and the scientists. Last summer, the committee instituted various efforts to achieve its goals. This spring, a survey was taken to measure the effectiveness of those efforts. The results of the survey were shared with the scientists in the report. Generally, the strategies implemented in 2019 were well received. The scientists did indicate that the opportunity to provide input to the board needed further attention. Because of the pandemic, it is not possible to continue the in-person interaction between board members and scientists that were successful last year. There are several alternative opportunities that will be employed this year including this report, a report of board activities taken over the summer and a Zoom between board members and scientists with the date and format to be worked out shortly.