

Orient Land Trust Board of Directors Regular Meeting  
Seitz Residence - Valley View Hot Springs  
**Saturday, January 14, 2006 – 9 AM**

**MINUTES**

- I. Record attendance: Barb, Terry, Rob, Mia, Kate, John, Chris, Doug, Harold, Neil, Betsy. Jim McCalpin's absence was unexcused.
- II. Meeting called to order at 9:07 AM. Barb announced Betsy Miller as Secretary as per Board's signed Written Consent.
- III. No changes to the Agenda.
- IV. Approve minutes from November 12, 2005 meeting. Doug moved to approve the minutes from the November 12, 2005 regular meeting. Rob seconded. There was no discussion and the motion was adopted: All in favor, none opposed, no abstentions. John moved to approve the Executive Session minutes from the November 12, 2005 meeting. Harold seconded. There was no discussion and the motion was adopted: All in favor, none opposed, no abstentions.
- V. There were no questions or comments from guests
- VI. Executive Director's Report (Attachment A). Neil discussed items from his report including fundraising, outreach, programs, and staffing. The IRS Advance Ruling period ended Dec. 31, 2005, and staff will submit forms this year seeking permanent status for the OLT as a 501 (c) (3) organization. Neil presented donation statistics and stated staff is investigating how to find out why 863 members have not renewed, as well as how to encourage donations from the 85% of visitors who have not contributed.
- VII. Secretary's Report/Correspondence. There was no report from the Secretary. Barb presented an email received late the evening prior to the meeting from Aurielle Andhara (Attachment B.) Barb will initiate an email discussion and possible response after the Board has been able to review the correspondence. Terry suggested a conference call could be beneficial.
- VIII. Treasurer's Report (Attachment C).
  - a. Income statement, Balance sheet, Cash flow statement – John presented the Treasurer's Report, including the income statement, balance sheet, and cash flow statements. He stated that 2005 was a "spectacular year" with \$676,077 in Total Income; \$449,872 in Total Expense; Net Income of \$206,712 and Gross Profit of \$666,713. OLT total liabilities and equity equal \$1,048,933; ownership of \$514,017 in assets results in a good debt ratio of some 50%. John discussed the use of Net Income to pay down the Everson Ranch Loan, and also to set aside money for future programs. In summary, John stated OLT is well-positioned for 2006 with a beginning cash position of \$227,264. While there is a \$39,656 reduction in available cash for 2006 (the difference between Total Cash Inflows of \$659,000 and Total Cash Outflows of \$698,656,) John provided a 5-year summary of the cash position. Available cash decreases over time, but debt is paid off and the Total Restricted Cash is increasing and at the end of 5 years OLT owns significant property assets. John described this summary as a base picture which purposely provided for no changes in income or expenses. But he acknowledged there will be changes of course in income, outgo, inflation and etc. For instance, if the property adjacent to the Raby parcel is purchased differently, there will be no debt carried over time. Chris stated that improvements to infrastructure are not allowed for in this budget. Neil stated he would like to have more direction from the board in terms of the percentage of budget which is to go to infrastructure, or specific projects, as separate from the capital budget. John stated his five-year budget projection is the tool for the board to use to plan for improvements. Chris moved to approve

the Income Statement, Balance Sheet and Cash Flow Statement portion of the Treasurer's Report. Doug seconded. Motion was adopted with all in favor, none opposed, no abstentions.

- b. Performance charts and statistics – Chris presented performance charts and statistics from the database regarding Admissions, Donations and Income (Attachment D.) He stated that admissions remain predictable, as do donations. It was noted that the drop in July admissions was due to lost data when the server crashed, not from actual reduced admissions. Chris moved that financial charts generated from the database financial information be prepared by staff to be included in the Treasurer's Report for each board meeting. John seconded. Following some discussion as to the work load for staff and providing multiple years information, the motion was adopted with 6 in favor, none opposed and Doug abstaining. John pointed out there are other reports that may be of interest to the board and he will work with staff to extract any information requested from the financial data. Chris will provide a sampling of what data is available for the board to choose what is to be included in the charts.
- c. Notes on generally accepted accounting principles (GAAP) – John suggested that information on generally accepted accounting principles (GAAP) be provided by the next auditor and included in the request for services.
- d. Year-end audit recommendation – John recommended that OLT conduct an audit this year and annually for IRS standing and credibility as a non-profit corporation. The board was in agreement. John moved that OLT conduct an audit for 2005 operating year results. Doug seconded. Discussion: The last audit conducted by Taylor and Company cost \$5,000 and was satisfactory to the staff and John. The motion was adopted with all in favor, none opposed and no abstentions. Chris moved that Taylor and Company be retained for the 2005 operating year audit. Doug seconded. In discussion, John suggested this decision be made for 2006 in November 2006 to facilitate the budget process. The motion was adopted with all in favor, none opposed and no abstentions.

IX. Resource Development Committee report – Barb stated there was no Resource Development Committee report, but there is a draft fundraising plan that has been created; the Committee will continue to work on this and report back to the board at the March meeting.

## X. New Business

- a. Preservation/protection update – Neil reported on the closing of the Raby property sale and described it as a win-win situation for everyone involved. Harold confirmed with Neil that OLT counsel was involved in preparation of the transaction papers and the agreements between OLT and the Susman Trust. Neil indicated communications are still open in regard to the property adjacent to the Raby parcel. Staff is being proactive to contact other property owners in the area to let them know about OLT's goals. Neil wants to establish communication before "For Sale" signs go up and to let them and new potential landowners know OLT is here to help with conservation-oriented transactions.

The regular board meeting adjourned at 11:07 AM. Following a break, executive session convened at 11:20 AM. Executive session adjourned at 1:47 PM.

Following a break, the regular session reconvened at 2:48 PM.

- b. Model Code of Ethics and Statement of Values – Doug moved that the Board adopt the Independent Sector *Statement of Values and Code of Ethics for Nonprofit and Philanthropic Organizations* as presented in Executive Session. (Attachment E) Seconded by Harold. Discussion confirmed that the document is copyright-free and intended to be copied by non-profits. The motion was adopted with all in favor, none opposed and no abstentions.

## XI. Unfinished Business

- a. Property and liability insurance update – Neil reported the overall cost had remained about the same as last year; the board agreed to keep the same coverage.
- b. Debt Policy for General Fund – John moved that the Debt Guideline for 2006 be to assume no more debt than the \$88,000 debt, support for which can be made in the 2006 budget. Motion died for a lack of a second. After discussion it was agreed John will bring a proposal to the May meeting outlining a percentage of total assets that can be borrowed in any year.
- c. Operating Plan – Neil presented the Operating Plan (Attachment F.) He stated it was developed with staff input and is intended to be a long range plan; outlining Goals, Objectives, Tasks, the Responsible Person and the year to accomplish. Work Plans will detail the steps to be taken to accomplish the Operating Plan items. Harold asked to see a connection between the plans and budget items. Chris asked how results will be tracked. Neil said the Work Plan will be specific by year; physical tasks will be measurable although others will need evaluation. The Work Plans will be the method of measuring results. Harold stated he would like to stay in touch with staff to assure Work Plans are met. He also encouraged that Work Plans are established as early as possible, and have an established anniversary date, at least by the November meeting, to facilitate the budget process as well as the ED evaluation. It was suggested that the ED bring a detailed, objective by objective report on the Work Plan to the November meeting. John suggested that the Operating Plan be posted for the staff as well. Chris wanted to assure Work Plans are detailed in terms of actual number of hours a particular person is required to spend to be sure there is no burn out and that tasks can be properly budgeted. Some grammatical changes were made to the document, as well as Mia's suggestion that job titles replace names. John moved to approve the Operating Plan with minor changes as discussed. Harold seconded: 5 in favor, none opposed, Chris and Kate abstained; Chris because he would like to see the Work Plan presented with the Operating Plan.
- d. 2006 Budget – Neil presented the draft budget for 2006 (Attachment G) with brief line by line comments, noting that the minimum bank balance of \$40,000 is not included in the figures. Total income is shown at \$659,000, with total expenses of \$505,406 and net income of \$153,594. He paralleled income for 2006 from 2005, with some changes in interest earned and noted that 2004 figures are audited, not actual. Harold mentioned comparing audited figures to audited (accrual) and actual to actual (cash basis) is helpful; Doug pointed out having a yearly audit will facilitate this comparison. Admissions are fairly consistent; and Neil stated staff is always working to improve contributions. Neil said he was comfortable spending an additional \$39,656 to draw down cash on hand because of the savings accounts and donations. Harold pointed out it was consistent with the *Statement of Values* that organizations not maintain excessive operating funds. Neil also discussed the Financial Goals and Policies for FY 2006 document (Attachment H.) Minor changes were agreed on to include the previously approved \$5,000 audit. John moved to approve the budget as revised. Mia seconded. In discussion, Chris asked if John was comfortable with the level of contributions as a target, and John is; he also is comfortable with leaving the \$17,000 in for Additional Land Preservation. Harold would like to see that money as being board restricted. Harold amended the motion to make the \$17,000 Additional Land Preservation item in the budget board restricted, seconded by Chris. In discussion, Neil clarified the intent of Harold's restriction. John is more in favor of not restricting funds due to bookkeeping concerns; it allows OLT flexibility. Barb called for

a vote on the amended motion: Harold and Chris in favor; Mia opposed; John, Doug, Kate and Rob abstaining; amended motion is not approved. Barb called for the vote on the original motion to approve the budget as revised. The motion was adopted with 6 in favor, Rob opposed, no abstentions. John moved to approve the Financial Goals and Policies for FY 2006 as presented by Neil omitting the “100 % towards Land and Open Space Preservation and Protection” section; omitting the Goal under Capital Reserve; and omitting the Goal under Endowment Startup; and reserving those omitted items for the March meeting. Harold seconded. The motion was adopted with 5 in favor, Rob opposed, Mia abstaining.

- e. Respect and Responsibility Policy – Neil presented a revised policy (Attachment I.) Staff wanted to keep this positive and use it for a reference when problems arise; the incident report is a component of this policy. The goal is to deal with problems in a timely manner for quick resolution. Neil stated staff hasn’t been requiring a signature for visitors to acknowledge receipt of the policy; it was not considered practical during busy times. Board members were unaware that the requirement for signature had been allowed to lapse. The board had requested the signatures to limit liability issues; Harold stated that the fact that the board had specifically asked for the signatures and it had been discontinued was a cause for concern. Kate suggested the policy could be less wordy and more graphical. The board identified two issues for future consideration: approval of The Three Rs policy and staff asking for signatures as directed by the board. The board agreed to revisit this item in March and John said he would assist staff.
- f. Email Communications Policy – Chris proposed moving this item to the March meeting and the Board concurred.
- g. OLT leases – Kate presented the Orient Land Trust Post Lease document (Attachment J) of standards and practices in conservation easement stewardship. Kate stated the document offers a long-term plan for how to handle land conservation issues. OLT needs to look at a budget issues associated with managing properties it owns. The document also addresses general issues, including the post lease issues. Kate recommended the board be prepared a year in advance as to how to deal with the lease renewal. The lease terminates Dec. 31, 2009. The document also then addresses conservation easement options with examples of easements as used throughout the country. Kate would move in March to form a board committee with a staff member to brainstorm options and make recommendations to the board; to ask the ED/founder/lessee to participate in the process; to have an outside speaker come into advise; and to have a board member attend LTA meetings. Barb requested that board members be ready to vote on this issue at the March meeting.
- h. Governance Model – Chris proposed moving this item to the March meeting and the Board concurred.
- i. LTA Standards and Practices (2004 revised) – continued from 11/12/05 meeting with reports from each Board member regarding OLT’s following of LTA guidelines. The Board agreed to continue again until the March meeting.

## XII. New Business

- a. Executive Director Performance Evaluation – Harold presented a framework for performance review (Attachment K.) He stated that the basic premise is that it is the board’s responsibility to review the ED’s performance. The document outlines the components in such a procedure. Harold moved that the proposed evaluation procedure as outlined in the Proposed Executive Director Evaluation Procedure be initiated in January 2006 based on the Board approved Work Plan and that the Executive Director Job Description be revised to include this evaluation procedure. The specific criteria called for in the second step will be developed by the Board or its designee(s) in collaboration with the executive director for review and approval at the March Board meeting. John seconded. In discussion, Doug clarified that this proposal is for this year forward while Barb’s performance

evaluation (next item) is a one-time document for 2005, when the strategic plan was not in place. Discussion continued regarding the board’s approval of the Operating Plan vs. the Work Plan, and if it is appropriate for the board to approve the Work Plan or if is considered micro-management. Following discussion, the motion was approved with all in favor, none opposed, no abstentions. The Board agreed it will want to see the Work Plan at the March meeting

- b. Executive Director performance monitoring and evaluation (2006-07), performance evaluation (2005-06); and position description – Barb passed the chair to Rob to present Recommendations for Motions (Attachment L.) Barb moved Motion #1: The Board directs the ED to perform a self-evaluation for the period from 1/1/2005 to 12/31/2005. The ED shall provide this evaluation to the Board via email by March 5, 2006 for the Board’s review in conjunction with the March 11, 2006 annual meeting. Chris seconded. The motion was adopted with all in favor, none opposed, no abstentions. Barb withdrew Motions #2 and #3 after discussion that the ED’s reports at each meeting will be based on the Work Plan. Rob passed the chair back to Barb.
- c. Board member self-evaluation – It was agreed the document presented by Barb (Attachment M) would be discussed further in email communications; no action was taken.
- d. Amend Bylaws Section 3.2(a) regarding Board of Directors Qualifications (to align with strategic plan) – This item postponed to be considered in March with the Attendance Requirement. Barb indicated she will be prepared to make a motion regarding the addition of the phrase “resource management” to directors’ qualifications.
- e. Amend Bylaws Section 3.3(b) Attendance Requirement (to bring in line with LTA standard) – Postponed until the March meeting to be considered with other bylaws amendment above. (Attachment N.)
- f. Board Development Committee and Board Nominating Committee – membership demographics and responsibilities – Barb agreed to leave the committee in place and revisit the question later in the year, with reference to the Recommendations for Motions Document in the Board packet (Attachment O.)
- g. Records policy (draft) (LTA Standard 2) – Terry presented a Records Policy Draft #1 (Attachment P.) It was agreed this item could be reviewed and discussed in email.

XIII. Confirm Annual Meeting date – Next meeting was confirmed for Saturday, March 11, 2006 at **8 AM** at the Seitz residence. Barb noted this annual meeting includes election of board members and officers. She stated that letters of intent had been received from Rob and Mia but not Kate, who said she is not sure she can recommit to three years. Barb also mentioned board members consider officer candidates for the March elections prior to the meeting.

XIV. Regular meeting adjourned at 6:08 PM. Rob moved to adjourn. Mia seconded. All in favor, none opposed, no abstentions.

Submitted by:

Approved by:

\_\_\_\_\_ / \_\_\_\_\_

\_\_\_\_\_ / \_\_\_\_\_

Betsy Miller, Secretary                      Date

Barb Tidd, Chairperson                      Date

Guests: Don Geddes, Sarah Halliday and Paul Krza.

