

Orient Land Trust Board of Directors Regular Meeting
Seitz Residence – OLT/Valley View Hot Springs
Saturday, July 8, 2006 – Noon

MINUTES

- I. Record attendance – Barb, Terry, Neil, Bruce, Chris, Amy, Mark, Harold, Doug, Mia, John and Betsy in attendance.
- II. Meeting called to order at 12:04 PM.
- III. No changes to the Agenda.
- IV. Approve minutes from May 13, 2006 regular meeting (attached.) – Doug moved to approve the minutes from the May 13, 2006 regular meeting, Mia seconded. There was no discussion and the motion was adopted: all in favor, none opposed, no abstentions.
- V. Questions/comments from guests – Jill Fowler, applicant for Deputy Director, thanked everyone for their welcome and said she would be honored to join OLT.

ED, Officer, and Committee Reports

- VI. Executive Director's report (attached.) – Neil reported on the status of fundraising, outreach and other programs. He also provided an update on current land projects, staff and administration, including the status of interviews for the deputy director position. Chris asked what the break even point is for the raffle. Neil said it is roughly \$4,000.00, and with some \$8,000 in sales so far, expenses have been covered. Neil said if all tickets sell, OLT can expect some \$14,000 in profits. Neil added to his report that the staff spent several days changing the bearings in the hydro-electric plant, which was a great improvement as it now runs quietly.
 - Newsletter – Barb requested that the board submit a message for the fall newsletter. Neil would like to see a deadline of August 1st for submissions to meet an early September mailing date. Amy volunteered to write the board's message.
- VII. Secretary's report/Correspondence – Betsy reported there was no correspondence.
- VIII. Treasurer's report –
 - a. Income statement, Balance sheet, Cash flow statement (attached.) – John said OLT has had a nicely budgeted, solid couple of months with slightly more revenue and fewer expenses than estimated. Terry stated that one notable expense was due to the new bearings for the hydro plant. It was agreed to rename the Land Acquisition line item to Land Conservation as it is a more accurate description of the account. In response to Harold's question regarding an OLT investment policy, John said he will finalize his draft policy by the September meeting. Following some discussion of other line items, Harold moved to approve the Treasurer's report. Chris seconded. The motion was adopted: all in favor, none opposed, no abstentions.
 - b. Stats Charts (attached.) – Chris presented the graphical representation OLT performance statistics; OLT is at 109% of total income for last year, with admissions at 112%. Income from donations is about on track with last year. There were 8,929 visitors to OLT in June and 80% of the donations were made by individuals.
- IX. Resource Development Committee report – Neil stated that if any board member has raffle money to turn in, they can do so. Neil reported it has been more of a challenge than expected to sell raffle tickets since by law

they can not be charged to a credit card or mailed through the US Postal Service. The fall newsletter will include a note that people can buy tickets by sending a check to OLT, and the tickets will be held at the office for “will call.” The committee will continue into the fall working on a presentation that can be given to potential donors. David Van de Water has volunteered to work with John to develop the presentation.

- X. Post-Lease Plan Committee report – Neil reported the committee was discussing how to initiate a baseline study regarding the inventory of resources and, with Bruce’s help, had found a person to do the job. Neil said that the founders have been considering accelerating the donation of property to OLT for various reasons, including obtaining grants and donations. This acceleration could alter the timing of the Post-Lease Plan development. It was the intent to have a Post-Lease Plan in place when the property transfer takes place, but Neil said it might be more effective to do the Post-Lease Plan after the transfer is finalized. He said the founders will begin bringing issues to the board for consideration, and the board will need to hire an attorney for representation to negotiate and facilitate the transfer of the property. There was discussion of the timing of the various studies and development of a land management plan for the properties within OLT’s purview. There was also discussion of the pros and cons of conservation easements, deed restrictions and other methods of securing the future of a piece of land. It was agreed that the Post-Lease Plan Committee needs to continue to consider the timing of the transfer, the method (in fee simple or other title vs. a conservation easement) and various other legal issues. Neil resigned from the committee since it is a conflict of interest. Bruce, Harold, Kate, Doug, Mark, Mia and Amy are on the committee, and Doug volunteered to coordinate the committee. Amy will review the transaction issues from the board’s perspective to make a recommendation.

XI. Unfinished business

- a. Debt Policy for General Fund (attached.) – John had been charged with providing a motion for a systematic approach to protecting OLT assets when contracting debt. Prior to the meeting, John provided a written motion for how the board would approach debt in the future, and Barb suggested some revisions via email. Chris questioned the amount of the reserve being set to \$10,000 and John said that amount was up to the board’s discretion. He stated that this figure is in addition to the \$40,000 reserve already in place, which the board agreed should be maintained. The consensus was that the additional \$10,000 was acceptable. There was discussion regarding the number of votes needed to make changes to the current cash plan, and it was agreed a 2/3 majority is acceptable. A finalized version of the policy will be presented to the board for consideration at the September meeting and John said he will provide a flow chart to the board to guide decisions regarding debt.
- b. 2007 admission and accommodation prices (attached.) – Neil presented a chart of proposed rates for next year. Neil noted all prices include sales and lodging taxes, which total about 5%. John moved to accept the pricing structure as articulated by the ED. Amy seconded. In discussion, Mia questioned the narrowing gap between the winter and summer rates. Neil explained that the purpose of cheaper prices in winter was to fill unused space. But it now appears from increased occupancy rates through October and earlier in the spring, as well as on winter weekends, that it is not necessary to offer deep discounts to encourage visitors. Chris asked why there was no new charge for vehicle sites, when there is inherent value in having a flat, easily accessible site which can be reserved in advance. Neil indicated a new charge was contingent on adding electricity and other amenities to the vehicle sites. He also noted the increased staff time to process vehicle site reservations. Barb called for the question, and the motion was adopted: 6 in favor, none opposed, Chris and Mia abstaining.
- c. Guest Registration Objectives (attached.) – Neil presented a Waiver and Release draft document from attorney Greg Powell for board comment and discussion. There are still details to be worked out regarding guest signatures, but Neil asked if the draft was along the lines of what the board desired. John liked the idea of an electronic version to reduce paper handling and said the document was in line with what he wanted to see. Chris agreed it was the direction he wanted to see, even though it was a cumbersome document and process. Harold still wanted to see a simpler version that would just ask visitors to acknowledge OLT rules and regulations, but conceded he may be out of sync with the board consensus. Terry suggested it might be appropriate to consult with the insurance company to

see if such a document would reduce insurance costs. Mark stated that if the document didn't limit liability, perhaps it wasn't necessary in light of the additional workload on staff. Barb asked for a straw vote on whether or not the ED should proceed with the project or ask the insurance company for input first. It was agreed Neil would check with the insurance agent for input, clarify some issues with the attorney, and then report back to the board before finalizing such a document.

- d. Property and liability insurance update – Neil reported that liability rates continue to increase based on increased revenues, while property insurance has increased only slightly.
- e. Land Conservation update – Neil presented documents to the board to illustrate the steps that are taken and the documents necessary when establishing a conservation easement. Staff is currently working on the Raby Ranch Conservation Easement project and has applied for a Gates Foundation Grant to facilitate the process.

- i. Criteria for Acquisition of Conservation Easements (attached.) – Neil stated the policy as presented was mostly drawn from LTA standards. Amy suggested a revision to the last paragraph on the first page, and will rewrite that portion. Bruce discussed the use of the term “phasing” on the last page, and other wording in regard to ethical considerations. John asked if such wording is to help protect land trusts from being used for individuals’ tax planning. Bruce explained that it is not wrong for individuals to benefit from donations to land trusts, but that OLT must review any donations in light of their value to the goals of OLT. John moved that the board accept the Policy of Orient Land Trust in Regard to Criteria for Acquisition of Conservation Easements subject to Amy’s revisions of the final paragraph on page 1 and #7 (add “quantity”) on Page 2. Harold seconded. Following discussion, it was agreed to standardize the use of Orient Land Trust/OLT throughout the document. The motion was withdrawn and John moved that the board accept the Policy of Orient Land Trust in Regard to Criteria for Acquisition of Conservation Easements, subject to revisions as discussed. Harold seconded. The motion was adopted: all in favor, none opposed, no abstentions.

Following a break, the meeting resumed at 3:35 PM. Mark announced there were copies of bat information available for anyone who wanted one. Neil presented a Draft Outline of Procedure for the Raby Ranch Conservation Easement (attached.) It should be known by November 2006 if the Gates Foundation grant applied for this month will be funded to assist with the Raby Ranch Conservation Easement project. Bruce said based on his experiences, it was very helpful for organizations to have such a procedural outline in place when establishing conservation easements.

- ii. Land Values Assessment Checklist (attached.) – Neil presented a checklist regarding the Raby Ranch to illustrate this facet of the process. Neil stated the Raby Ranch excels in regard to the criteria that land conservationists value. Bruce said that completing such a checklist is helpful if there is an audit, and is in conformance with LTA operating standards. He also said in his experience, such a checklist can be utilized as a decision document by the board.

- iii. Letter of Preliminary Value (attached.) – Neil presented a letter to the board from an appraiser for information purposes so the board could see this element of the conservation easement process. Barb stated such a document needs to be dated. Bruce noted that a final appraisal is only good for 60 days, so an undated preliminary appraisal is of value when trying to expedite a conservation easement.

The regular board meeting adjourned at 4:08 PM and the board convened in executive session. Executive session adjourned at 4:22 PM. Following a break, the regular session reconvened at 4:32 PM.

- iv. Letter of Intent (attached.) – Neil presented a Letter of Intent which would be used to initiate the process of establishing a conservation easement for the Raby property. Neil noted there were funds budgeted for such a project, whether or not the Gates Foundation Grant is received. Bruce

moved that OLT move forward in the process to put the Raby Ranch into a conservation easement. John seconded. The motion was adopted: all in favor, none opposed, no abstentions.

- f. Implementation of inventory control system in database – Chris told the board this item will be included with an overall systems revision and will be completed later this year.
- g. Employee fidelity bonding (per auditor recommendation in 3/16/06 letter) – Terry discussed that it would cost \$360 more per year for crime coverage, and employee bonding, as recommended by the auditor. Doug said it wasn't a great expenditure to show good faith in following the auditors' recommendations. The board consensus was that it would be added to the September agenda for consideration.
- h. LTA Standards and Practices (2004 revised) – This item is a continuation from the 05/13/06 meeting in which Board members have analyzed and reported on OLT's following of LTA guidelines.
 - LTA S&P 8: Evaluating and Selecting Conservation Projects (attached.) Neil's earlier presentation of documents regarding the Raby Ranch showed OLT is operating in a manner consist with LTA standards regarding conservation projects.
 - LTA S&P 9: Ensuring Sound Transactions (attached.) Barb reported that OLT is substantially in compliance with the 12 points in this standard, working diligently to see that every land and easement transaction is legally, ethically and technically sound.

XII. There was no New Business

XIII. Board governance: How have we conducted business today? How do we want to govern? Survey Results – Chris thanked the board members for responding to his survey. He said that in a general sense, it doesn't seem to be imperative to choose a governance model quickly, as the board still is learning methods of operation. He will try to publish the survey results for the September meeting.

Announcements

XIV. Board work session – Sunday, July 9, 2006 at 9:30 a.m. to consider the Board Task List. The Resource Development Committee agreed to meet following the board work session.

XV. Confirm next meeting date – **Saturday**, September 9, 2006 at **NOON** at Seitz residence. Chris and Betsy Miller indicated they will not be present, Terry will serve as secretary. Bruce also will not attend.

XVI. Regular meeting adjourned at 5:08 PM. Mia moved to adjourn. John seconded. The motion was adopted: all in favor, none opposed, no abstentions.

Submitted by:

Approved by:

_____ / _____

_____ / _____

Betsy Miller, Secretary Date

Barb Tidd, Chairperson Date

Guests: Jill Fowler, Don and Kathy Geddes and Lea Bonewell