

ORIENT LAND TRUST (OLT) BOARD OF DIRECTORS QUARTERLY MEETING
SEITZ RESIDENCE ADJACENT TO THE OLT WELCOME CENTER
SATURDAY, OCTOBER 19, 2013, 9:00 AM

MINUTES

- I. Record Attendance – **Those present - Board:** Dan Jones, Deb Hoffman, Doug Bishop, Geneva Mixon, Mike Blevins. **Advisory Board:** Don G, Harold P, Neil Seitz, Terry Seitz (Interim Executive Director); Kathy G arrived at 12:30 pm. **Staff:** Dave B, Doug B, Mark Jacobi, Pamela N; Scott M attended via Google hangout from time to time. **Guests:** Barbara P, Radar B, Jan K, Gail M, Randy J, Steve B, Lisa M, Sharon R, Julie K-S, Myron H, John S, Annie P, Denis V, Susan S, Susan A, Natalie G-C, Daniel F, Greg G, Martin J, Jane J, Marilyn K, Dudley F, Germaine F, David M, Alan S., Barbara Tidd-Acting Secretary Attended via Google hangout: Alan R, Jeff B, Jim B, Lisa G.
- II. Geneva called the meeting to order at 9:01 AM.
- III. Geneva entertained questions/comments from guests.

Barbara P - Concerned re: winter rates that did not go into effect in Oct. Lower rates will bring in more people. Donations-refused to donate for a long time; after actions in August, increased donation. P. 16 of packet – object to Cherrye's comment re: not a lot of negative feedback. Us 'old timers' is not necessarily a derogatory term, it's how it's used.

Harold came for one comment only – to thank the Board and staff for sticking together through tough times and making courageous and wise decisions. Special thank you to Terry for being here again and again. Harold addressed the Board to think about the organization first – put it at the top of your list. Appreciate what you've done for OLT and this special place. Harold also thanked Dan for all he's done over the years.

Annie - ditto what Harold said.

Gail M – been coming since the early 1990s. After members' party, put comments on website and to Suzanne. Consider reducing the cost for a cabin according to level of membership or give other discount on cabins. Cost seems to hold us back from coming as frequently as we have in the past. Thank you all.

Conrad – intense interest in mission statement, how we define it; there has been a lot of positive discussion and good energy about it.

Daniel F – How do we keep this from getting bad again? Keep Valley View Hot Springs (VVHS) closer. Some kind of definition or mission stmt. needs to include VVHS.

Randy J – been coming for awhile. One thing that has gone away from VVHS is the culture that was established that was due to Neil and Terry initially. We have a special place on the planet from an ecological standpoint. It attracted people who appreciated that and who established a culture. Common sense and courtesy – that's all we need vs. endless signs and corporate mentality. How do we get back to the magic? The sense of ownership that was established was because of how Neil and Terry accepted people. There was a culture of acceptance, wonder - we need to bring that back. Board - keep that in mind going into the future. Would like to see a master plan for development of VVHS for budgeting years ahead of time. Establish financial accounts to address future needs and emergencies to avoid crises.

Dan thanked Barb for her service.

Barbara P thanked Neil and Terry for their vision.

Dudley? – appreciate the rustic, non-modernized atmosphere; we're moving toward a Hilton atmosphere. Conflict comes when we expect everything to be perfect. When we come and it's rustic, we don't expect a Hilton-like perfection.

Germaine F – disappointed with changes in cabins; not as cozy and inviting. Could have been done in a nicer way – throw rugs on floors, more hooks on walls; don't like concrete floors, countertops. I think others not familiar with VVHS would be appalled.

Susan A – Is there any attempt to bring people back who are no longer coming? Do we wait for time to pass? Geneva – hope time will heal and people will come back to OLT because they loved it. Bishop – we’ve been digging through the rubble. We’ll be looking at a lot of things as time goes on, but haven’t looked at that yet. Dan J – new Board members will be seated today. Mike Blevins – there is a new invigorated mailing campaign.

John L – old timers/long timers are back in tune with what’s going on. Some are helping spread the word; some things are changing; please be patient.

Terry – we didn’t get here overnight. We can’t get back to where we were overnight.

Dan J – Re: comments on rates – Board would love to change them, but the rate structure is complicated and there is a lot to consider in changes to rates. Changes need to simplify the process of checking in, not add a layer of complexity. This is really in Terry’s and staff’s hands. We set big picture direction and changes must be looked at in big picture. We encourage you to reevaluate. Because of the financial situation of OLT, let it be for now and we’re looking at 2014 to be more equitable.

Radar - \$10 for camper is a lot of extra money. \$1 for a bag of ice?

Geneva – Board is more big planning. She thanked guests for feedback.

Lisa M – Speaking for those who aren’t donors - part of the beauty in coming to VVHS is coming, discovering and falling in love. She asks the Board to reconsider the mandatory fee to make a reservation more than one day in advance. You don’t fall in love with a place when you’re counting pennies.

Daniel F – Easy donation button on website. Minimum gets us where we want to go. Maybe give breaks later. It’s easy to make a \$25 donation when you make a reservation. Conrad concurred that it’s getting us where we need to go.

There were no comments from those on Google hangout. No one was uncomfortable having their picture taken.

Staff introduced themselves: Mark Jacobi, Dave B, Pam N, Doug B, Terry Seitz.

Dudley – Re: Donation fee to make a reservation; suggests lower rate for first night’s stay, either high rate for one night’s stay or reduction for multiple night’s stay.

Barb thanked the Board for again including stats charts in the packet and for their actions and hard work since the July meeting.

Dan J requested that the Board Development Committee (BDC) Agenda item be moved to the first slot before ED/Management reports.

New Business

- IV. Board Development committee (BDC) – Geneva reported that the BDC recommended three new Board members, introduced Don G as Chair of the BDC and thanked him for his work. She said we want to appoint Chris M with the Board’s permission. Don said the BDC was himself, Geneva, Dan, Terry, and Neil. Chris M was added later and before interviewing six Board applicants. The BDC recommends: Myron Hulen, John Standish, and John Lorenz.

Mike Blevins moved to accept the recommendations of the BDC to elect John Lorenz, John Standish, and Myron Hulen to the Board of Directors effective immediately to fill unexpired director terms ending in 2015, 2016, and 2016 respectively, and to serve until their term expires and until their successor has been elected and qualified, or until the director’s earlier death, resignation or removal. Doug seconded the motion. Deb Hoffman said she sees a depth of experience in a wide variety of things and was blown away by the applicants. Bishop thanked the BDC for their search and process. Geneva called for the vote; the motion carried unanimously. New Board members were invited to the table and asked to say a few words about themselves.

John Lorenz spent 6 years at OLT, has been in the computer industry, and does photography. He said working at OLT was the most interesting, enriching part of his life. He is glad to be back and will bring anything he can back to the place.

Myron Hulen has been coming for about 8 yrs. He was a tax professor, is retired, and has been involved with non-profit organizations on the financial end of things. He is especially looking forward to helping OLT move forward.

John Standish has been coming since 1986, fell in love at first sight, and became a member asap. He has had a recording studio 22 yrs. He was part of the search committee for a new conductor for the Colorado Springs Philharmonic Orchestra. He is so grateful for all Neil, Terry and everyone has done.

Don and the BDC recommended Chris M to join the BDC. Dan moved to appoint Chris M to the BDC. Mike seconded the motion. Bishop said in the past, committee members were appointed by the committee chair; it didn't have to go through the Board. He wondered why we're taking a vote. Dan said we're being overly cautious and transparent, given current circumstances, and it's an important committee. Dan clarified that it was just for this circumstance. It was recommended that the Board look at guidelines for people becoming committee members so there is a clear process. Chris was Board chair and is very familiar with OLT. Geneva called for vote; the motion carried unanimously. There were no nominations/election of new officers.

- V. Interim ED & Management Reports (in packet) Geneva distributed her Chair report and asked for questions from the Board about any of the reports.

Interim ED

Doug asked re: details of the lease with Nancy R. Terry said Nancy will send Terry copies of what Nancy has. Next week Terry starts interviews for bookkeeper; she has 10 applications. Bookkeeping is caught up. Training and bringing someone up to speed will need to be done.

Geneva asked re: Green Team dinner. Terry said she never had any calls about it. Pam said it was not promoted because of OLT's transition. Purpose was to raise funds for students to continue through the school year. Announcement was in the *Crestone* Eagle with OLT's phone no. but we got no calls.

John L-re: rental income from add'l. employee housing – any short term plans to generate income? Terry – Board will have to talk about it. When Terry moves back into retirement, recommend another staff person occupy employee housing on site. Dan J suggested renting for just Nov., but no furniture, so it may be more of a problem than it's worth.

John S – What were The Nature Conservancy's (TNC) concerns? Terry can get the Board TNC's list. Most had to do with the Ranch, what animals are doing what, grazing, plans in the works with NRCS; also concerned about an extra pool built by visitors at the top – a 4th top pond. There was nothing specifically that OLT has been doing wrong. Terry will send the email string to the Board. A different 4th pond was dismantled. We have to go up and dismantle the hidden 4th pond.

Neil – it's extremely difficult to create a pond. If you see anyone doing it, please be as harsh as possible. Do not disturb any waterways; it makes the hot springs erode very quickly.

Dan – TNC holds a conservation easement (CE) on the VVHS and Everson Ranch properties and annually monitors; the goal is to keep the property environmentally exactly as it is. TNC doesn't want us to do anything to scare fireflies, rid the property of orchids; TNC love naturism; have no fear re: TNC. Everything we undertake, we have a world class organization as a partner and resource for incredible expertise and advice. We carved out bldg. envelopes on VVHS and Ranch properties that we set upon ourselves. TNC has oversight of the agricultural use of the Ranch. Certain animals are not allowed.

Terry thinks things have settled to some sense of normalcy; also with summer's end. Summer was very hectic according to staff. Hopefully, steps will be taken to smooth that out to make it easier for all concerned.

Mike B – good positive energy everywhere.

Facilities Manager

John L – transformer swap from laundry room – Mark explained what is entailed and what they're doing. We have received about \$6,100 in discounts, so the cost now is about \$4,000. Denny with Excel will be back on the job next week.

Trading Post/cabin: John L – Facilities hasn't had a chance to get to that part. Plan to skirt and put in electric heaters. Will have to work out location. Moving it is not easy or cheap. If we can live with it through winter, we'll deal with it in spring. Want to extend water supply pipe to Sunset to get more geothermal into floor. Bishop - Site committee could meet to discuss over winter, so when spring comes, there is a plan. Mark – wherever you put it, there is a tradeoff.

WWTF – Mark - perc test done through county; good percolation. Professional group will fill out forms for the State. Hardest part is the bureaucracy; building it will be the easy part. Expect perc test next week, then will report to State. Mark believes there is leeway for bad weather. Once building begins, it should go quickly. Infiltrators create septic field (\$20/ea. X 500 = \$10,000). We want to know what we need. If you have an extra \$20, buy an infiltrator and put your name on it. Adopt an infiltrator. Shouldn't be any odor; it's all underground. In April or May, we may be able to negotiate a little further forward. Two fiberglass tanks have been preliminarily spec'd - one at \$30K and one \$45K. Until numbers are locked in with the State, we can't cost out. Mark doesn't want to lock in rate; looking cheaper than what has been spec'd out. Design co. has to get paid, labyrinth through state; non-tangible costs yet. Wondered what to do with existing – possible garden. Leave fallow for a couple of years to air out and get natural. Neil suggests talking about that.

Neil – re: Trading Post – heating is something to consider. Stay on sustainability level.

John L. – If it is true that cabins are not quite warm enough in winter, is there anything we can do to mitigate? Mark – had not heard those complaints and thought we were doing fine; there is more flow this year, so he thinks we can get more heat into cabins. Willow and Elm got superinsulated; believe they'll be fine. Aspen, Cedar have slabs but no insulation bump-up. Cottonwood-expecting to put geothermal slab in some time and renovate with more insulation.

Myron asked what is the electricity capacity for the overall Village? Mark said Scott and Eric have been working on ways to conserve power. Last yr. we were down to about 37 kW. Now at 55kW. When Mark arrived, we were at 61kW. It's based on precipitation. It's lower in winter. It's about conservation; we're a microcosm of the world. One staff person knows the gallons/minute. Neil said we're adding equipment to monitor. Metering is available if anyone wants to record.

Myron – any policy on solar energy? Mark said it's in our strategic plan to put solar and/or wind at the Ranch or powerhouse – through a grant; keep putting out feelers with development companies to see if they want to use OLT as a demo project. Working toward possible partnership with one or more of these companies. Trying to be independent at Ranch but grid tied to get credit for generation of electricity.

Visitor Services Manager/Volunteer Program Development Coordinator

John S asked about volunteers who don't show up. Dave B said it's a general problem; people take the position because they don't have a job, then get job or don't come for health reasons. It's a difficult part of Dave's job. Deb asked if there is a back-up plan. Dave said with camp hosts, he started with 2 people; sometimes there were too many, sometimes no one. Hosts were a mix of both repeaters and new volunteers. Working on expanding program. First timers tend to change a lot. Would love 4 or 5 hosts to do one month each. It's a lot of training. Benefits - place to stay, usually RV spot and free soaking; joy of being here. Doug Bates – volunteering should be a gift because you want to give it, not a work exchange. Do it because you love what you do. Pam – there are increased requests to do projects because people can't afford rates. Terry said there is a place for work trade. Dan clarified that work trade is separate from volunteering. Dave said volunteer coordinating involves checking references, training, and follow-up. Doubling up camp hosts this summer really helped.

John L. asked about the reduction in complaints re: rate increase. Dave – there was an initial shock re: rate increase; after a month, people got used to it. New people accepted it. Biggest problem was bump in

rate increase for folks who had previously made a reservation; old rate for those was honored. Pam said staff did a good job in educating guests as to why we needed a rate increase. Dave answered many emails of folks who started out being hostile and then understood once it was explained.

Neil – There is no legal VVHS anymore; it is merely on a map. The only organization, working entity is OLT.

Doug Bishop – Why should we expect an increase in year around membership? Dave said there is nothing scientific behind it; it's based on a sense, inquiries and people I talk to going from pool to pool; a lot of first timers; more and more people are finding out about this. Pam said there are increased printed materials about us too.

John S is a bit concerned that there is only one reservation for entire new years holiday. Terry pointed out that New Years is on Wed. and we open on Sun. or Mon., so we've lost that weekend.

Geneva thanked Dave for his work.

Development Director

Pam distributed (1) Suggestions for Development Committee Structure-Needed Work Groups, (2) OLT Project Plan outline with budget forms, (3) Organizing the Board to Support Revenue Strategy, and (4) Your Board-Engaging New Constituencies from 2013 LTA Rally. We need to set up development committee infrastructure. Marketing is about education. We need events or corporate/business, major donor, planned giving, and grants working groups and people to help staff these groups. We have 33,000 never donated in our database - low hanging fruit that we need to capture and move up the giving ladder. We have about 100 possible grants to pursue that we need help to flesh out. Legacy group – establish to recognize. Suggest we run everything through the project form. Need the Board to support Pam in reaching out to people in the community. It would be great to get local people on the Board or committees. Pam showed the Beyond the Hive collaboration piece with the honey stick that was given away at Members' weekend. Other ideas were given for the WWTP fundraising effort. Daniel Fund is coming next week for a tour.

Bishop didn't know there was a grants committee that Pam had put together. Deb said there is a resource development committee to be reconfigured. Pam said to fund what we need to do, we need a lot of people on different work groups in the development committee structure.

Conrad is hearing expansion of everything. We're interested in contraction. Terry said tomorrow staff and Board are working on the strategic plan. Pam will put Jay Sims on the grants committee.

Neil-Greet people where they are whether known or not. EVERYONE WHO COMES HERE! Just by saying hi, it changes the next 10 min.

John L. – especially for new people, it increases inclusivity, makes them feel a part of it. Need to continue with that; leads to a deeper connection.

Terry – raffle brought in money, but it involved a lot of staff time. Jan asked about volunteers. Deb said it was difficult and an enormous amount of time and resources on the part of committee members who got donations. Raffle/auctions brought in \$8k to \$12K/yr. John L – even if not a huge amount of money, it keeps it in everyone's faces. Pam said Salida artist Joshua Bean is willing to do a fundraiser for OLT.

Dan – Pam's enthusiasm and being in the position is something the Board has been waiting for. Pam would like metrics on donors and membership. Because this is new for the Board and small, now with the Strategic Plan tomorrow, we're poised to go forward. We need a champion on the Board that directly interfaces with Pam. Myron and Pam will work together.

Geneva appreciates Pam's energy and is excited to have Myron on board to help. Grant committee could be very useful and there may be interest from others to join/help with the committee.

Bishop – OLT mission statement is substantially rewritten on the Beyond the Hive/OLT piece. Pam took it off the website; it's not exactly the mission statement.

Neil spoke for Mike O'Donal re: trying to get water to Ranch. Work being done there. Would not take a lot of money or effort. Volunteers could help a lot. Terry said there has been more water lately at the Ranch. There were problems with reservoir because it was put rather low. Water from reservoir could be

used if we could get it out. There is a hole that needs tamping in the ditch that would help. There are Parshall flumes to measure flow.

Jay – another argument for measuring flow in a variety of places.

Dan – flumes at hydro, reservoir. Don't know who, if anyone, is measuring data. Neil said there are a couple of legal measuring points. Those checking should be with water commissioner so all are on same page.

Neil – trying to get water for irrigation purposes; could move pipe to move water.

IT Services

John L. asked about online reservation system. Doug B – based on open source software (SQL) for future changes, a standard hotel booking system, but does not allow for member fees, pets, vehicle site, but designed to work with our website. It will do whatever we make it do. Will be more accessible than current database. Will have ability to interface with more modern tools. Bates will need to do tweaks but not develop from scratch. Mike B-may be able to cut staff once this is in place. Significant investment and security concerns. John L. offered to do software testing.

John L. – website – a lot of missing content, some not important, some is. Status to build up from new visitor point of view – photos and details? Bates – website is secondary because of other priorities. Will be able to update through Facebook (FB) feed. Trying to get more people to help with website updates. Want to keep center voice but appreciate input. FB interface is on website under news. Hope to have entire integration to ultimately have interactive social media. John L would like to see daily post on FB to keep interaction with people who are 'liking' the OLT page. Website would be official site, but social media needs to come first for interactivity.

- VI. Consent Agenda - Geneva introduced the following consent agenda for approval: July 20, 2013 Regular Board Meeting Minutes and August 28, 2013 Special Board Meeting Minutes. Dan moved to approve the Consent Agenda consisting of approval of minutes of the July 20, 2013 regular Board meeting as shown in the Board meeting printed packet at pp. 18-21, and minutes of the August 28, 2013 Special Board meeting as shown in the Board meeting printed packet at pp. 22-27 with the following changes: at I. Staff, add "present for part of the meeting: Eric Frey, Andy McKim, Doug Bates, Mark Jacobi, Mike O'Donal, Cherrye Williams, Pamela Nelson, Scott Wilfong." Remove question marks after "At approximately 12:45 pm??" on p. 27 of the packet (p. 5 of the minutes); on p. 27 (p. 6 of the minutes), second to last paragraph, change "_____ amended the motion" to "the motion was amended..."

Bishop seconded the motion. Barb clarified typos she'll fix: A couple other typos: 2:26 AM change to **PM**. Terry to be compensated at rate she was when retired on 12/31/12. There was no further discussion, and the motion carried unanimously except John L, John S and Myron H abstained.

- VII. Geneva changed the agenda moving up the item: **Reaffirmation of Partnerships with Neighboring Land Trusts re: MOU with LTUA and CBLT**. Geneva introduced Andrew Mackie, Executive Dir. of Land Trust of the Upper Arkansas (LTUA). Bill Sutherland, President of Crestone Baca Land Trust (CBLT), was not present, but indicated to Geneva that at the next CBLT meeting he will ask about reaffirmation and expects the MOU to continue.

Andrew gave some background: About 2 yrs. ago we started discussion with OLT and CBLT about how we might be able to utilize our limited resources, do cooperative work together, and expand conservation work in the Northern SLV, basically Saguache County. An MOU is a Memorandum of Understanding that really has no teeth; it's a general agreement; it is to all of our benefit to work together cooperatively; no contract terms, no money. It was agreed for LTUA to provide expertise in CE deals and help train OLT staff; direction we were heading. LTUA had five training sessions with S. Ewy and M. May and shared model language for CEs, educational materials for landowners, letters of intent, and due diligence requirements.

LTUA's sole interest is increasing conservation work in the SLV. Have long track record of working with landowners in four counties. Takes time and expertise in working with landowners. Takes certain perspective of working with private landowners to be sure you're looking after their needs and fulfilling mission of organizations. Andrew said rumors are an issue for landowners. They don't get facts; they get hearsay and often make decisions based on hearsay. Trying to create relationships over time can be problematic if they're hearing hearsay. Andrew encouraged OLT to deal with that. Biggest issue with OLT and LTUA is the amount of staff resources dedicated because LTUA has trained people who were not in a dedicated role. If someone is not focused on it, it's not going to happen, and if it's done, it's not a good deal. If it's not a good deal, LTUA won't be involved. There are several State efforts in terms of upping standards for CE holders above those in the rest of the country. Div. of Real Estate keeps increasing its oversight of CE holders and has discussed additional certification for staff members with licensing and continuing education. If OLT is really interested in doing conservation, it needs to figure out how to do that without a dedicated staff person or to get a dedicated staff person – what comes first with employees that have multiple hats? The emergencies – need to keep the lights on.

In response to a question, Andrew said that LTUA does not have a position on fracking; it is not an issue in most service areas LUTA works.

LTUA has one CE in Saguache County at this time. Most CEs are in the Arkansas Valley. LTUA has 1.5 FTE dedicated to conservation. Just closed a 680-acre CE on top of Poncha Pass. Poncha Pass Initiative was started by LTUA to retain historical grazing of area and keep open wildlife corridor between 2 mtn. ranges. Sage-grouse was not part of the Initiative when it was started.

Bishop – When MOU was started, OLT didn't want to be CE holder. If OLT has landowner interested in CE, refer to LTUA. LTUA happy to talk to landowner. One reason for MOU was to address this question because OLT hadn't done any CEs. OLT can talk to landowners, refer them to LTUA, and LTUA could hold the CE. State certification is one issue; there are other legal issues and legal defense funds. LTUA has a pretty hefty legal defense fund and is part of the TerraFirma insurance program (started through LTA).

John L. – holding CE is not something OLT could dabble in; can't do as part of what else we're doing.

Andrew – could do as partnership; pursue OLT work on deal using LTUA info. and LTUA hold CE; it would take a minimum 20 hrs./week for an OLT staff person to keep up to date and consistent with a project – otherwise the project would be questionable.

Bishop – send interested landowner to LTUA; use LTUA's expertise to work with and hold CE.

Andrew – when started MOU, LTUA didn't have conservation director. Now we have sufficient resources to take on more projects than we have now. LTUA can do deals in Saguache County now without time conflicts.

Dan – MOU came about because Board decided not to do CEs. Asked Andrew for patience on part of LTUA as OLT moves forward. Tomorrow hope to wrap up Strategic Plan that has specific language re: land conservation to show LTUA's Board. Dan's personal goal is to get dedicated staff for land conservation and to look to LTUA for expertise. Want to work collaboratively and aggressively with LTUA eventually.

Andrew said he either needs to show results to his Board re: conservation here based on training OLT staff or at some point he will need to reallocate his time.

Myron – what does land conservation person need to have for qualifications? Andrew – need not be attorney, but needs some concept of the law; familiar with real estate concepts; key is really relationship building. Must be someone who can often go to conservative ranchers/landowners who are weary of outsiders and in a friendly, matter of fact way, discuss with them the benefits and problems of CEs and let them know that they have to weigh these for themselves.

Dan –because of rumors, uncertainties, for next year, it would behoove OLT to direct people to LTUA and take OLT out of the picture. Pam was going to train with Andrew. She has a real estate license and some legal background; think it goes hand in hand with fundraising. Pam needs Board direction.

Bates – any room for volunteers? Anything to support relationships?

Andrew – talk to your neighbors and ask them if they ever thought about a CE. Ask if they want to talk to someone who knows something about this. From the time a landowner first hears of a CE until a CE closes, it is often 5 yrs. If we did some deals and LTUA held the CE, we would look for OLT volunteers to do annual monitoring. LTUA trains volunteers for monitoring.

Dan will refer someone to Andrew.

Annie asked what rumors/hearsay were. Andrew explained.

Dan – after Sunday, hope to have completed Strategic Plan; he'll provide Andrew to show to his Board. Definitely want to continue with MOU and asked Andrew to let us know if he/his Board wants anything else. Dan said, let's move forward, be positive and constructive.

Geneva distributed public feedback forms.

VIII. Financial

a. Financial Reports - Income Statements, Balance Sheet, Cash Flow Statements, Restricted Income

Bishop reported that we did pretty well, took in more this year than last year or other years and spent more. Took in \$80K+ and spent \$160-200K more; already operating in the red. Money in bank has been allocated and restricted. Going into time when expenses will be more than income and we're already in the red. Single largest increase was in new construction: trading post, employee housing, WWTF-some for professional fees-design, regulatory expenses; not built anything yet, but have \$55K in expenses. Employee exp. – some was paid out as consultant fees, about 7-8% higher than last year; total employee exp. is about \$600,000 this year and last. See p. 38 (p. 4/9 of financials) of packet - last yr. exp. through Sept. = \$378K, this year = \$405K. Total employee exp. a little different. Total employee exp. down from last yr. FLSA went down in 2013, which saved OLT money.

Last yr. we bought \$31K tractor; we didn't this yr. Unless the Board chooses to release restricted funds, we are out of money. Terry explained re: restricted funds that when we have money, this is what we'll spend it on. Restricted funds have been promised for those items listed, e.g., capital improvements, Stewardship Monitoring & Legal Defense (SMLD), endowment. Releasing restricted funds does not improve our financial picture. Doug – we have \$270K cash. \$271K is restricted. Current cash available is a negative number.

John S. asked, what do you suggest as to how to best manage this?

Bishop said we haven't made that leap yet. We anticipated the need for a loan, but we've held off.

Dan – next step is research: loan source, collateral, amount, type of loan.

Bishop – We don't know the interest rate of the line of credit that we have. Last yr, \$139K was set aside for winter 2013. We used \$134K. This year, we have \$5K for the winter reserve.

Terry – 2014 winter reserve is based on last year taking away expenditures from last year that we don't have this year given no unforeseen expenses.

Dan – big picture – WWTF – need to track that; need to project winter operating exp. & hoped-for revenue being conservative – find out the difference. Terry already has a grip on that; then we need a ballpark number.

John L – concerned about winter revenue because with increased winter rates, it's an unknown.

Mike B said we can change winter rates.

Terry would like to see what we have at the end of Oct. 2013 vs. Oct. 2012. More long-term we need to build up reserves again. If you have restricted funds, e.g., capital improvements, SMLD, that money needs to be there in more than just a promise. Over the last 3 yrs., those have been chipped away to save money on interest. This puts OLT in a vulnerable position.

Are there restrictions on borrowing on real property encumbered with a CE? Barb explained that while there isn't a restriction on borrowing on property with a CE on it, a lender would be

subordinate to the CE, and it is questionable whether a lender would want to be in that position. Also, a CE removes much of the value of the property. The Essen property does not have a CE on it.

John L. – by next Sept., will we catch up on the hole from March 2014? Has any analysis been done without borrowing? Terry said that if we don't borrow, we are skating on thin ice to get through March 2014. Then, there is the WWTF. If we borrow for the WWTF now, that was anticipated. We spent \$30K this year on the WWTF. We borrowed from everyday funds to pay for WWTF expenses.

Myron wants to see a monthly cash flow statement to determine choke points. Re: estimate of number of visitors – he would like to track visitors since the rate increase by category, e.g., camp, cabins, etc. This can help in determining what revenues may come in. The strategic plan identified certain capital developments. These need to be prioritized; WWTF is right up there. Get a range of estimates with worst and best case scenarios. With this information, we can pinpoint decisions easier. Pay period by pay period cash flows may be necessary. Look at the NUMBER of visitors vs. dollars. John L – look at prior rate increases to see if there was a drop off in visitors based on past trends to estimate for this winter.

Bishop – stats charts – big spikes in unique donors in July and Aug. Pam did 5200 piece mailing, which caused the Sept. increase. July and Aug increase was because people had to donate to make reservations. Pam is working with Bates to figure out the basis for the donation increase. Bates may not have metrics until Jan. 2014. Mike B asked if we are we moving toward loan decision. Terry said we've been holding off getting a loan the last 2-3 yrs. We either need to reduce expenses or plan for a loan. Bishop – plan for WWTF, really cut expenses, and (Dan) work with Pam. John L said it seems the loan is a matter of when and how much.

Neil – any estimates on loan interest? Terry said no research has been done. Terry and Bishop know nothing about the line of credit. Dan was told \$80K at one time. Terry said that was when we had a larger balance in American Funds at the time. Terry will talk with Charles Ready. Bishop thinks we'll need a \$200-300K loan. Pam thinks USDA didn't close the door completely re: providing a loan for a community facility – not this year, but if the Strategic Plan includes programs that serve the community, we may be able to transfer the loan we get to a USDA loan.

John L – per Terry, there is not a dropdead deadline for WWTF. Per Mark – We're still in good graces with the State. Pam sent out another mailing and email blast to members up for renewal, expired, and another 1200 never donated.

Pam – usually annual giving increases because we're pulling in more people for capital campaign. Looking for 2% positive response return on 33,000 piece mailing.

Mike B – if we get loan, what is our revenue estimate, and will we have a reserve next fall?

Dan said it took 3 yrs. to drain reserves; it may take 3 yrs. to get reserves built back up. Bishop - see projected 2014 draft budget. It shows higher projected net income including paying back \$30K loan. Mike - What can we eliminate to save money?

John S – Is it possible to delineate VVHS/Ranch in financials? Terry said it's done in QuickBooks. Visitor Services is the biggest percentage of expenses. Terry can pull reports that separate out this information. Terry explained, however, that, e.g., with payroll, Mike O'Donal's payroll is expensed to the ranch, but he may spend time at VVHS, same with Mark. A percentage of front desk time is allocated to fundraising. Ranch is now a liability.

Myron said we need program budgeting. Terry said we did that, land conservation and 'everything else' budget. We used to have separate budgets; then decided to put it all as one for simplicity and with different categories. Pam-for fundraising purposes, don't want fundraising expenses to be more than 12-15% of total expenses. Terry and Pam will look at that. Terry said fundraising expense is spread out among staff and a few volunteers; grant writing has been done n

the past by Program & Development Dir. and Deputy Dir.; raffle and auction were done mostly by staff, not volunteers.

Dan – action item – Terry to research loan possibilities – amount, interest, collateral.

John L – nothing to cut really

Mike B – if aggressively pursue online reservation system, save staff time.

Terry – must simplify rate structure and entire structure for online reservations. When running 30 calls behind, you're at capacity about every night.

John L – rate simplification is something to look at. It may not help financial situation, but will take less staff time.

Bishop/Terry – Oct. payroll this yr. was the same as for the same 2-week pay period last yr.

Dan talked to Terry about one fee instead of different fees for overnight and day, but the database doesn't support that. John L said this can be dealt with going forward in next yr. or two.

Visitor Rules acknowledgment is now done once/yr. and is scanned retaining no paper copies. John L. is concerned about scanning personal info. – how protected, what are we doing with it?

Bishop thanked Terry for consistent annual report.

b. Annual Review of Operating Checking Balance was not discussed separately.

c. Proposed change of Annual Meeting from January back to July - This would extend Geneva, Dan and Mike's terms to July 2014. Dan would like to see one annual meeting that is business and outreach, a genuine outreach meeting, for transparency. Re: term limits, per the policy, in certain instances, we can overlook term limits. Dan doesn't think it's wise to make exceptions to term limits but others have said they think it would benefit OLT to have some overlap with Mike and Dan's institutional knowledge. For outreach purposes also. Annual meeting is not in conjunction with membership weekend.

John S. asked how the annual meeting is different from the quarterly meeting. Annual meeting includes election of directors and officers and OLT hosted picnic at Pavilion inviting all guests and Q&A with board.

Dan said this year's annual meeting wasn't constructive re: soliciting comments from guests, and presentations were after executive session later in the day.

Barb added that the naturist deed restriction is acknowledged at the annual meeting. Dan said naturism is at the core of the Strategic Plan and is near and dear to the Board's heart. Naturism at the Ranch is up for discussion. Mark said the Ranch is not very conducive to naturism.

Deb – better chance of getting more people to annual meeting because more people here in July
Geneva – July annual meeting provides more consistency; Board to orient new Board members; more conducive time to have more input from public.

Doug – if we have a lot to do and outreach, is it too much for one meeting?

Terry – At July meeting, financials are not discussed with the same intensity as now or in January.

Dan – need routine; Andersons provide food; chance for visitors to interact with Board; something everyone can count on.

John L. moved to move the annual meeting (business and outreach) to July, and the terms of any directors whose terms are due to expire January 2014 are extended to July 2014. John S. seconded the motion. The motion carried and passed unanimously.

d. Proposed Budget for 2014 - no additional discussion.

Comment: Conrad suggested a thermometer in the Welcome Ctr. as a fundraising focus for a specific purpose.

IX. Bylaw Review

a. Board Development Committee membership – Geneva introduced this item and read the proposed amendment. Because the Board hires the ED, it could be a possible conflict of interest or could be seen as a conflict of interest because it could be seen as the ED possibly vetting his/her future boss.

Bishop moved to amend the Bylaws as shown in the Board meeting printed packet on p. 59, adding to the last sentence in Section 3.11, “except for the Board Development Committee. S/he may be invited to attend meetings not involving Director recruitment.” Dan seconded the motion, there was no discussion, and the motion carried unanimously.

X. Director’s Interpretation of the OLT Mission – Geneva suggested this was a good time to discuss and look at the mission to be sure we all are on the same page and support it. Geneva read the mission statement.

Bishop – preservation is key to what we do; trying to keep something here that’s already here; preserve what’s already here. When we bought the Ranch, we did it to preserve it; not to develop it, not subdivide it. We are not here to change something.

John L. – Agree, but change is involved in restoring wetlands, for example. Keep it with its original intention. Improving it is not necessarily changing the intent.

Bishop – change is inherent; trying to keep, rather than change something. Things are always changing. We work with nature.

John L. – We are sharing it and value of it through education. Outreach/making sure people are aware of value of what we’re doing. Agree with Doug’s interpretation. Not just saving lands for our glorification and letting people know the value of what we’re doing. What we’re doing is good for everyone.

Bishop - Conservation and preservation – difference can be confusing. Conservation can be more active, e.g., restoring wetlands, than preservation. We need to be careful.

Dan – After construction of reservoir, we have weeds. TNC will help with controlled burn and reestablishing native growth. That’s conservation.

Bishop – if we help that along, we don’t have invasive species.

Mike – Philosophically, mission statement minimizes hot springs part of it. Hot springs is sort of a social experience.

Deb also thought about what Mike said; ‘to achieve mission’ mentions about hot springs. In preserving Village, that’s part of preserving historical features. That isn’t in the mission statement.

John L – mission statements tend to be higher level. Mission statements don’t typically name specific places.

John S – there is intention.

Deb – 20 yrs. from now if someone looked at the mission statement, it could be thought to refer to another area.

Dan – that’s where more institutional knowledge and practices would carry the mission through.

Myron – very generic statement; agree with Mike a little. Would like to see it a little more explicit; it will pass muster.

Terry – other things aren’t specifically mentioned like mine, bats. Agree with Dan, it’s in bullet points that go into more detail and Strategic Plan that form nitty gritty of commitment to VVHS. There is no OLT without VVHS and without VVHS there would not be OLT.

John L – If coming from outside, it would be less obvious. From marketing point of view, not saying that it should be specifically mentioned, but can think of why it should be mentioned.

John S – Tend to agree. Key word here is preservation – philosophical key. Feel very strongly that without VVHS, OLT would not exist. VVHS is so key and because of that – here and on website, bullet points are important extension of mission statement, which is preamble to bullet points that need to be achieved or if

we fulfill mission, this is what will happen. It feels like there are some serious connections between bullet points and mission.

John L – lack of specificity could lead us down the road to a future ED who thinks this is not as important; wide range of ways to interpret. That is danger of higher level statement without mentioning most valuable asset.

John S – therefore, need always incorporate second part of mission (“To achieve this mission...”).

Bates – if only using mission statement, bullet points would not be included in mission statement.

Jay Sims asked whether bullet points would be included in mission. They would not be. Bullet points are not part of mission statement.

Daniel F – if you want more donations, including bullet points would go a long way.

John L – possible knee-jerk reaction to get people to donate.

John S – Might be against founders’ original intention.

Neil – Ask us founders anything you want. What does open space mean? Open space never stops. We need very clear, explicit way to describe our presentation of the mission statement. There should be enough verbiage that a person doesn’t get off track. Mission statement will never be done. Wanted it open enough so that when things change, mission can be adapted. Preserving land never stops. **Naturism and open space – two legal frameworks that were key when OLT was set up.**

Jan K (attorney) – When we try to interpret a statute, we look at the legislative intent. Similarly, Neil just told us what the intent was when they set up OLT.

Radar – think proportions as to open space and naturism may be a concern as naturism isn’t in the mission statement.

Daniel – naturism is protected, but the atmosphere at VVHS had changed. How do we maintain that atmosphere created from Neil and Terry’s original intent?

Dan – what drew Neil here was the water; water is at the core; it is what drew the vast majority of us here; generates power, nurtures ranch, runs through different ecosystems. Water addresses the mission. We preserve water and all it touches. That accomplishes the mission.

Geneva, who is a geographer, look at systems and how they interact; probably would have used the term, ‘conservation’ which means conserving systems on the land, springs, in the region – to preserve and champion them for others to learn about them. This is a relatively healthy system, but we have issues like weeds, drought. It is appropriate to manage systems to be as healthy as possible, which means financial, ranching, etc. As a human, the naked body is part of the system. There are not many places we can go and be ourselves and interact with other earth systems in an honest, easy way. Preservation is really high in the mission. It is a big indication as to what the organization is about.

Deb – mission statement is meant to be broad.

John L – perhaps vagueness or generality of mission was used against the organization. Want to keep mission general for flexibility.

Neil – must be caretaker of mission.

Dan – preservation, natural resources – naturism is part of our natural resources. We’re preserving naturism.

Harold – observation of Board and each interpretation – you spoke to synergy of OLT and springs and preservation of it. Each of you touched on it, but that synergy is not in the mission statement. Dan spoke of water that provided a vehicle for synergy.

Daniel F – Board will not always be the same make-up, so perhaps mission statement needs more guidance.

Geneva – we’ll all continue to think about how it serves us and goals. We all have similar perspective now and can move forward honoring that as a Board and help ensure and help new members understand what the organization is about. It would be a Board decision to change the mission. No one person could change it.

Terry – must report on 990 if any there are changes in bylaws or mission statement.

Bates – will provide Board all changes of mission statement throughout the years.
 Geneva – it's a pretty darn good mission statement.

XI. Executive Director Search

a. Review job description – hope Board (other than new members) has reviewed. Any questions/comments?

Dan will offer processes he used in ED search.

Google drive has tracked changes showing differences from previous job description.

Dan – ED needs to have his/her finger on the pulse of everything that's going on, but room for delegation leaving some ambiguity depending on the person in the position.

“(avoid mentioning staff position)” should be omitted.

Pam – 30 to 40% of ED's job is working with Development Dir. (DD) Encourage you to put percentages on each of these areas. Want to be sure ED will be working with DD a lot.

Terry – percentages are in work plan.

Mark – Some kind of triage is needed, not for this document, but in what is communicated to ED in interview process – how much importance do you put into each of these? This may avoid some pitfalls. How much reporting do you want? Think Board having weekly meetings circumvents a lot of paperwork. How much outreach is expected into SLV? How much time, e.g., with landowner contact? How strict are these? What are parameters of good communication between ED and Board? Get ground rules down right away. Need to communicate answers to these.

Neil – Ongoing community outreach - we put money and time into science fair, museum almost on weekly basis. ED has to have some of that; really important; needs to go on continuously.

Conrad – Neil and Terry developed really good relations with ranchers in the SLV.

Terry – it's important that you're proud of being where you're from. If you're not proud of being from OLT, you can't represent OLT effectively.

John L – Description looks intimidating at first; typical of most job descriptions. After you do it, you realize you have been doing this in one way or another.

Mike – It's an overall responsibility for operations. Easy to add, but difficult to subtract.

Neil – Easy to put yourself out to people in Saguache County; there are a lot of ways to connect.

b. Task Force appointment for ED search – Geneva, John L, John S. Dan willing to be on, but only if needed.

Mike offered to review and reduce verbiage. Dan said we can approve now, have Mike reduce verbiage, and then approve again in a special telephone conference.

Myron moved to approve the content of the Executive Director job description subject to editorial changes. Mike seconded the motion. The motion passed unanimously.

Deb – need to tell prospective ED in interview process that person needs to be able to speak to the public in support of and explain naturism. John L concurred. Not as important whether person is naturist, but important that the person can speak in support of and explain naturism. Mike will add a couple of words to the job description.

XII. How did we do today? Examination on our governance – Geneva distributed to the Board a feedback form to complete. It's an LTA suggestion and is also good practice for Board reflection.

XIII. Announcements

a. 2014 Board Meeting Schedule

i. Saturday, January 18th at 9:00 am

ii. Saturday, April 19th at 9:00 am

iii. Saturday, July 19th at 9:00 am

iv. Saturday, October 18th at 9:00 am

b. Northern SLV Conservation Roundtable –Wed., January 8, 2013 meeting hosted by OLT

Comments:

Conrad suggests time throughout the meeting for guest comments. Dan J. said that past practice has been to have guest comments at the beginning of the meeting to give the Board input pertinent to topics in the agenda and again at the end of the meeting. For the Board to function, comments have been limited to these times to allow for the Board to do its work during the meeting.

Annie – Board has been very generous in entertaining comments and questions from guests.

Dan – It's up to the Chair how the Chair wants to handle it.

Deb said at Board meetings for other organizations that she has attended, guests can give comments in writing, but cannot comment verbally at all.

Geneva – today was a balance; thought it was important to get a lot of feedback. My nature is to let people talk. We can have conversations outside of Board meetings. We should probably tighten it up a bit to honor Board volunteers. We want you to know that we wanted to hear from you. We wanted to run this meeting with more opportunity for the public to speak.

Radar – frustrated that someone asks a question and receives no feedback.

Dan responded saying that if a question relates to an action the Board has taken, the Board can respond, but otherwise, the Board has to take the feedback, put it into the process and then respond in the future.

John S – hopefully guests can interact with Board members individually later today or during lunch.

Bishop – my individual opinion doesn't count for the entire Board.

Geneva – Board cannot always speak about everything.

Conrad thanked the Board.

Bates – don't know if people know the amount of time and stress that the Board puts into this.

Someone added - and Doug Bates as well.

The regular Board meeting was adjourned at 2:39 PM.

Submitted by:

Barbara Tidd, 1-18-14
Barbara Tidd, Acting Secretary Date

Approved by:

Geneva Mixon, 4/19/15
Geneva Mixon, Chair Date