

**Regular Board Meeting Minutes_Aproved
Orient Land Trust (OLT) Board of Directors Meeting
Seitz Residence adjacent to Welcome Center
Saturday, January 17, 2015, 9:00 AM**

Record Attendance

Board Members Present: Geneva Mixon, John Standish, Deb Hoffman, Myron Hulen, Mike Blevins, Martin Jolley, John Lorenz and Chris Miller
Staff: Doug Bishop, Doug Bates, Mark Jacobi, Pam Nelson
Guests: Barbara T., David M., Lisa M., Don G., Neil S., Terry S., Jan K., Daniel F., Leo Mazeo??[see sign-in sheet]

Meeting Call to Order: Board Chair Geneva M. called the meeting to order at 9:03 am.

Guest Questions/Comments (relating to agenda)

Geneva M. called for comments or questions related to the agenda. Guest Barbara T. commended the Board for the increase of about \$250,000 in net income over the past year. Geneva thanked staff for everyone who worked so hard.

Consent Agenda

Board member Martin J. made a motion to approve the consent agenda and previous meeting minutes. Mike B. seconded. There was no discussion. Passed unanimously by all board members present.

Management Reports & Updates (Full reports are available in the board packet; these minutes reflect questions and additions to the reports.)

Board Chairperson

Geneva thanked everyone for working so hard. Committee reorganization is already helping work flow. She has seen a lot of activity in committees this past quarter. She thanked ED Doug as well.

Executive Director (Executive Facilitator)

Changes to visitor center have been universally approved by visitors. We got additional front desk and practically new carpet for less than \$100 from the White Eagle, Crestone. Yesterday, we received a new motherboard for governor. 3 hrs. later power went down, so plugged in old motherboard. Will look into.

Board member asked for more information about ED Doug's presentation to Alamosa Rotary Club. Contact was made through Dan J.'s association with Dean Swift. Doug presented a slide show (90 slides; PPP) for about 45 min. (saved if anyone wants to use it). Presentation was well rec'd. 3 of 25 present come to OLT often. Club meets once/week. Could probably put slide show on website. Bates could investigate.

Neil said they have old DVDs. John S. said link to UTube, vimeo, e.g., could be put on website for viewing videos, DVDs.

P⁶ (to the 6th) 5-yr. priority project task force members: Scott H., John E., Harold P. agreed to be on this.

28 Mtn. Valley School visitors during Dec.: students + 3 teachers and bus driver (3rd, 4th, 5th graders) had a lot of fun.

Geneva commented Sunset is toasty. 76 deg. with no supplemental heat. Too warm.

Joyful Journey HS GM and maintenance person tour of OLT went well. We are partners with JJHS in that they send folks to us and vice versa. Doug stated JJHS's accommodation rates. Their pools are closed at 10 pm (including for overnight guests). Mike suggested Board tour JJHS. Brochure was circulated.

Facilities Manager

WWTF tank is in the pipeline. 60% down payment has been made (2015 expense). Oak Room pest incident was hit immediately and room was cooked when OLT was closed. Discussion as to how to approach visitor who knows s/he has pests in home and frequently visits OLT. ED Doug said we have a pretty good cooker and were able to heat room to 170 degrees.

Seeded above top pond with wild flowers. Mike asked about possibility of solar powered sprinkler. Mark could check with TNC as far as what we could do. Seeds sit under snow all winter. Native species are fine with TNC.

Neil suggested we put in more trees. John L. said we would need to check with TNC as to type of trees allowed. Doug said there is a cottonwood available from Adams State Univ. that is native and does not produce cotton. 2 trees that threatened ranch house were addressed. Ed Self was here this spring that addressed bull thistle. Doug did not do Roundup on Canadian thistle. John L. offered that Ed may be a good person to get info. from about planting trees. A volunteer was here who helped.

Mark doesn't know if WWTF tank is under construction yet. We're figuring to have it completed around April. We have to have a certain predictability of dryness in the soil for installation. Extra \$20,000 in budget is for Biohabitats to monitor for one year. We have to report to State re: groundwater discharge. Mark will be doing reporting.

Chris asked if any challenges or concerns. Mark said nothing we can't handle. Wants to put effort into stabilizing Oak House. Scott came up with idea of how to retrofit hot water to Oak House; looks promising; will look into it. Mark would like to be moving faster on methane digester at Ranch; working with volunteer.

Mark and ED Doug talked about road base on entry road, which is very bony, cost twice (\$4,000) what we anticipated, and we're about 1/3 of the way there. Need to put road base in budget for next 3 years to build it up. ED Doug - if we did \$3,000 to 4,000 for the next 3 years, we could take care of it. We can do it as we have the funds. Welcome Ctr. was about \$7,000. It's been at least 5 yrs. since road base had been put on road.

Geneva asked about Saguache water incident. Water got contaminated. Don G. said it happened in fall possibly when Town maintenance dug into line and it broke.

Massage area: 3 heaters with electric blanket seems to be working.

A lot of volunteers are helping out.

Development Director

Mike - Colo. Gives Day went very well for OLT. Thinks b/c we had good graphics on website and mailout. Geneva said interesting discussion about admin. fees. John S. said cr. card fee is more than admin. fee. Pam said it's good for new donors, but good to harness repeat donors outside of Colo. Gives Day and have them as match and use National Gives Day. ED Doug said it makes sense to continue with Colo. Gives Day now that we've put the time into the narrative, it only needs to be updated. John S. said there is a lot of publicity around Colo. Gives Day. ED Doug said some commented that they were glad to see OLT participate in Colo. Gives Day. Work needs to be done re: donor categories.

Mike asked about spring fundraising dinner. Rand Wentworth would like to come to Colo., but we declined deal he offered. New TNC director recommended lead scientist for SLV. Pam will contact. Dates at Radisson are disappearing. 180 people at \$35/person to cover cost. Sheraton possibility. \$35/person and 200 people minimum. Possible art and photography show. We should see fundraising move off WWTF to conservation and land acquisition. ED Doug suggested fundraiser with more VVHS centric approach in-house. Pam pursued UNC professor re: bats. Pam needs to move on it and get mailing out in early February for April. John L. doesn't see that the increase to \$35 won't turn people off. People will come to support OLT and for fun. Possibly have our musicians after dinner and speaker.

Chris suggested Pam connect with Amy Beatie, Exec. Dir. of Colo. Water Trust, as possible speaker. Deb could do presentation on local plants. ED Doug suggested committee meeting to nail down. David M. suggested local fund raiser in April and Front Range fundraiser for later in year. Others suggested doing Front Range dinner fundraiser in autumn rather than April based on where we are in planning process now. Martin suggested Louis Bacon speaker as to conserving Sangres. Mike suggested herbalist. Geneva suggested 8 mos. out to get keynote speaker. Geneva offered something as simple as slide show of members' photos for local fund raiser.

Martin this week confirmed Denver Art Society space for fundraiser on April 24 (4th Friday) (across street from Fielder's) for \$50 (stage for music); tentative show for VVHS folks. DAS will publicize through their database.

Visitor Services Manager/Volunteer Coordinator

Chris asked if we are stretching quota; seems we get more and more visitors every year. ED Doug - we're reaching quota more days. In Aug., there were 16 days at capacity and 3 or 4 we were near capacity. In July, 9 or 10 days at capacity and more near capacity. Not stretching quota. Seems Thurs. through Sat. rather than Fri. and Sat. seem to be reaching quota. Doubled membership. People are donating more than is required. Doug thanked volunteers again on Welcome Ctr. floor. Prefinished solid oak flooring from Lumber Liquidators who donated shipping. There is oak flooring left over.

Ranch- ED Doug said one baby pig died over Christmas.

Office Manager - ED Doug said we have \$11,000 in inventory. Costs in 2014 were \$10,000 less than retail sales.

ISS-Geneva said IT task force will give update later today and will discuss in work session. Bates said we need phone system that has multiline hunting. External system, e.g., Google Voice, could do that. Scott Wilfong is heading up weather station. Anemometer blew away, so no wind showing on website. Bates is grateful for all the help he has been getting.

John L. asked how often internet goes down. Bates said about quarterly and not for long. Last summer fiber optic cable got cut, and we were down for 2.5 days. Looking into Crestone Telecom and AT&T as back-up. Crestone Telecom not as reliable as Fairpoint though. Crestone Telecom may be faster.

Break - Geneva M. called for a 10 minute break at 10:24 am. Geneva M. called the meeting back to order at 10:35 am.

Committee Reports

External Affairs working on mission statement. Dan F. has ideas on ways to market and tell conservation story. Geneva asked Dan if he wanted to be liaison to committee. Dan suggested that for everything OLT does, send out press release; good PR. ED Doug - plan 6 events/year. Build rhythm as to events.

Jan K. suggested short monthly e-newsletter; could be in addition to more involved newsletter. ED Doug said that's what they've been shooting for. Geneva agreed - to keep people feeling connected. Chris - consistency is key, even if short. David M. - move newsletter from monthly to qtrly. and do short monthly e-news. John S. agreed. ED Doug said 2014 annual report will be coming out. Geneva said we'll fill more seats on these committees.

Governance Committee - Chris commented that it's wonderful that we have a non-Board member and Board member as co-chairs. Going to try to tap more expertise of advisory board to not lose track of history. Very proud of what comm. has put together as its model. John S. - expanded mission of comm. to keep OLT on task as far as continuing path set by previous boards and founders. Tried to structure comm. to have more non-board than board members on it. Geneva - need to diversity opinions and get input from non-board membership to include both new and long-time members. Would like to see comm. take on board reviews. Chris - transparency is key goal. Prime opportunity for non-board members to understand structure of organization and have input as to where OLT is going. Burden is very much less than being on Board. Mike suggested inviting major donors to be on committee.

Internal Affairs-Finance combined with HR policies (which includes health insurance). 3 or 4 meetings since 12/17/14. Discussing budget and board designated funds. Looked at program income and expenses individually. Linda (~~Frederick-remove last name from public min.~~) will join committee. If anyone has HR experience and would like to contribute, you are welcome to join the committee. John S. - one of the top responsibilities of Board is finances. Chris - comm. has put a lot of work into how we go about re-funding funds and priority of those funds. ED Doug - instead of spending down funds, we are increasing funds and need to decide where to put the money.

Scott has been instrumental in helping board understand different funds and where money goes. Chris, Myron said how helpful Scott has been. Scott said he can give Board just about whatever it wants to see because it is set up in accounting software. Chris said it seems group is saying that we should be looking at finances from program perspective and how employees are allocated to those programs. John S. - gives you picture of how healthy each of these aspects are.

Conservation

Dan F. - Ideas: Could OLT possibly be refuge for honeybees? at Ranch? Mine property? Managed intensive rotational grazing. ED Doug - that is plan with cows and pigs (wholistic range management); starting slow. It is managed, not as intense as it could be. Both ideas are good PR. Dan suggested using small experimental area to test intensive grazing, for example. How we manage grazing on Everson Ranch has to be approved by TNC. It's more conservation than preservation. Mark - there are some bees in wall of building at Everson Ranch; could be expanded. Wild flowers would enhance bee habitat.

Comm. will be reviewing Ranch Management Plan and monitoring Essen parcel. Doug referred to Laura O'Leary's mgmt. plan and Doug, Mark, and Mike O. created draft of a plan. Will share with David M.

Site Planning - Mike said it did not meet this quarter. Main thing is siting of Amish cabin which hope to do this year. Geneva pointed out survey re: site planning and encouraged folks to complete. Mike brought up possibility of Survey Monkey, though labor intensive.

Scott M. previously pointed out that according to the Bylaws, committee charters need to be approved by Board resolution. Geneva doesn't know Scott's proposed timeline for approval of resolution re: committee charters. Mike likes having charter in board packet. ED Doug said board approval adds a level of oversight. Geneva said charters need not be approved all at once.

Updates

IT task force will be discussed in Sunday's work session. Mike thinks task force is ready to make some rough decisions as to what NOT to do. Chris-trying to replace reservation system. Scott has been instrumental in pulling together information from different vendors. In Dec., Bates and Chris stabilized and reduced the database in size by 50%. Back-end more stable now and Chris is not so concerned. Much more stable now. Mike - looking at on-line reservation system (not part of current system). Chris - need down time to do it; need to be evaluating products now, doing internal demos through summer if we want to put online in December. Chris said we do have some performance issues with current database. \$50,000 is figure Chris threw out for off-the-shelf product. If custom, it would be in the \$200,000 range. ED Doug-could lease for \$8,000/yr. with support. Mike asked, no matter what system we go with, to what extent do we get ownership of data?

P⁶ (to the 6th) task force (penta-period project priority planning): Geneva - may convene during next quarter. Chris's idea. ED Doug likes having participation by past board members and Scott Hamilton. Membership on task force is not closed. Chris said it's the big picture.

WWTP - ED Doug - accepted Weaver's bid; most recent bid \$171,000. If have to buy washed sand, it will be at least this much. If not, it will be \$156,000. Dependent on weather, their schedule and getting tank in queue. Weaver tentatively scheduled for late March/early April. They understand that we'd like to be done by June, May actually. They say 2 weeks to finish this. We are using some of our staff for connections; may save money if some of our gravel by power house can be used. Chris suggested photo 2-week effort; do time lapse videos.

Gated Pipe Project is in 2015 budget. ED Doug-may be able to double acreage we have. We have budgeted for straight pipe. NRCS did not fund a single irrigation project in the State. May be because State is encouraging dry-up of areas with no surface water rights. One-third of properties in SLV do not have surface water rights; State wants to dry up those areas with no surface water rights.

Eiseman education scholarship program: ED Doug reported that Mark contacted Moffat counselor who is excited about it and will recruit for us. If kids cannot do full-time, we'll try to get more part-time kids; will start earlier if we can. Ted P. asked for dates for science camp. More PR needed. Mike suggested flyers to schools. ED Doug suggested getting info. out sooner to guests and having it for 2-3 days instead of a week at a time. Geneva-get out info. as soon as we can because people start making summer plans. In 2014, bat specialist, geology specialist, botany specialist presented to kids. John L. suggested Jess K. to possibly teach writing about nature; journal. Mike asked about grant potential for science camp. Geneva said, yes, there is

grant potential, particularly if we can say that our camp helps supplement required education standards. Bring back fun to education! Scott W. will be judge at Adams State Univ. science fair in 2015 as he did in 2014. OLT will cover Scott's wages during that time.

Mark-per Kirk Navo, he and group took spore samples in summer 2014 at bat cave - no white nose syndrome found. Kirk sent his report to ED Doug. If you want to see it, contact ED Doug.

Electricity production: summer 61 kW; at 57kW now. We were down to 34 kW at one point. 1.5 kW is going to diesel heater. ED Doug-we have ceiling on electrical production because of size of wires. Mike - generator capable of 97kW. Per Neil - that was per build-out. Jay Simms project to measure volume (on entire system?). Terry-there is chart converting cfs to kW, depending on efficiency. Measuring water/volume/kW would be good project for School of Mines. There is one measuring device below hydro plant and one just above reservoir. We are missing metrics at each spring and above hydro plant.

Mark - found map of interior of bat cave.

Break for Lunch - Geneva M. called a break for lunch at 11:55 am. The meeting resumed at 1:00 pm.

Financial Reports

Income Statements, Balance Sheet, Cash Flow Statements - Myron reported net operating income of about \$361,000. Adding capital expenditures back to operating budget = \$369,000. Very nice profit margin. Why so well? \$35 to make rez more than 1 day in advance; entire State in a bit of a boom; a lot of water; warm weather; roads open; no forest fires; a lot of good Facebook PR; word of mouth. Can we do it again? John L.-what obstacles are there to prevent us from doing this again (weather and economy notwithstanding for which we have no control)? Myron-increase in rates may have changed demographics somewhat. ED Doug-we made real effort to be friendlier/ welcoming in Welcome Ctr. - answer phones (instead of voicemail), meet and greet; did not turn away people without taking them around. Deb, Dan F. - change in management and what ED Doug is doing is very noticeable, i.e., ED Doug being in Welcome Ctr. and taking people around during busiest time (weekends), working at front desk, answering phones as needed. John L. - We can have personal vs. corporate vibe, which is important.

Myron - Visitor Services, Land Conservation, Other and Support Services program areas need to be refined, but good first cut (referring to pp. 59-66).

Terry said that since 2004, the program division (classification in QuickBooks) has been used because it is required to be broken out for the IRS 990. The divisions have gone into and out of board reports as the Board has requested over the years. **[Scott: The Board would like to see the annual IRS 990]**. Discussion ensued about how reports break out income and expenses.

Restricted Income

John S. wants to discuss plans to allocate money to pay back WWTF loan. We borrowed \$100,000 and paid \$103,000 for down payment on tank. No payments have been made yet on the \$100,000 loan. Annual payments are due for 3 or 4 years beginning Oct. 1, 2015 at 4.25%; interest accrues; no prepayment penalty. Balance will need to come out of capital reserves and WWTF restricted funds. Discussion about early payoff if have extra cash. Myron-some funds are being funded (land conservation 90%; SMLD 10%) from donations. Good to tell donors, but can be confusing as we have other designated funds. ED Doug - all donations have gone toward land conservation; motivates a lot of people. It has never changed.

Stats Charts - not discussed

Annual Review of Operating Checking Balance - not discussed

Board Designated Funds

Myron brought the Board's attention to Board designated funds: Land Conservation Projects (LCP) and Stewardship, Monitoring and Legal Defense (SMLD) Funds (pp. 57-58). ED Doug reported that the Internal Affairs Comm. recommended rolling these two funds together and include the purposes of both in one Declaration (to be discussed later in meeting). Recommendation includes transfer on books of \$99,610 retained earnings to LCP fund to bring that balance to 0, then transfer SMLD funds to bring LCP/SMLD fund to 89,103. Leaves balance of \$78,927 in Retained Earnings.

Chris-hoping everyone on Board can understand breakdown of programs; Scott M. will present programs breakdown at future board meetings. There should be no 'Other' category.

Myron will work with Scott M. on refining reporting by class and allocation, replenishment of funds, and what % of operating funds goes into each designated fund. It's not right yet.

Myron - updated most financial policies. Have not looked at Investment Policy. Wants to check Endowment Fund Declaration for revisions. Chris - OLT may make contributions to current Endowment Fund, which OLT seeded; can also have restricted Endowment fund(s) set up by donor(s). Endowment fund we have is Board designated fund. Myron-Board can adopt policy re: endowment fund that we can't touch it, but then can change policy and touch it.

Myron-We need funds for conservation legal defense; however, insurance may cover at a nominal amount of \$300-600/yr. instead of carrying \$100,000.

ED Doug - We have taken some money from \$176,000 winter reserve for Dec. expenses. Now at \$126,000. Jan. \$32,000 insurance due, so will take more in Jan. and some in Feb. That will be last time. We're in good shape. If things go well, we'll have bal. in current winter reserve to start building up next year's winter reserve. Terry-think winter reserve started at \$80,000 and grew gradually. ED Doug-No winter reserve was put away for 2013-14 winter reserve. Neil - must have a good reserve if, e.g., something with hydro breaks. ED Doug - it's a line item in budget.

Break - Geneva M. called for a 10 minute break at 1:50 pm. Geneva M. called the meeting back to order at 2:03 pm.

Business

Review and Approve amendments to Board Designated Funds

Myron - recommended transfer of retained earnings to LCP/SMLD fund and folding SMLD into LCP fund. LCP fund will have revised purpose including SMLD purpose. If insurance is purchased at \$300-600/yr., that would be paid for from this fund.

Creation of 4 basic funds (p.36): (1) LCP (no upper limit); (2) capital savings (we're now doing capital projects from operating fund) which we already have; (3) operating reserve (\$50,000 now; should have 3 mos. to 1 yr operating expenses); (4) winter reserve separate - not Board designated.

We have 2 existing bank accounts - board designated and restricted; winter operating is a separate savings acct. **[Scott - I don't think this is correct. You'll know what OLT has.]**

In lieu of spending operating funds for capital projects, transfer surplus into various funds - not ready yet for adoption. Charge capital projects against capital fund and replenish at end of year.

Motion: Myron moved and Martin seconded the motion to transfer retained earnings (paper transfer only) to LCP fund to bring LCP fund to 0. John S. - Do we eliminate the formula we've been using of putting 90% of donations into the LCP fund and 10% into the SMLD fund? ED Doug - if folding them together, then all the money goes into same fund and the formula would not then apply. Discussion ensued. Motion passed unanimously.

LCP and SMLD Declaration was discussed. Barb read her suggested revisions. It was suggested that we fold the SMLD into the LCP fund without replenishing formulas going forward and retaining language in LCP and SMLD Declaration. Barb pointed out that if the formula is eliminated, then all the funds could be used to purchase land and there would be no funds for SMLD. The last paragraph 6. of the Declaration would no longer apply if the funds are melded together and there is no distinction between which funds are for LCP and which are for SMLD. There would be no separate allocation for the separate purposes.

Chris - must have a % reserved for SMLD. What allocation must be for SMLD? We don't know. Myron - that % is Board designated, so it can be changed at any time. Discussion ensued. Terry asked what is the purpose of folding the two funds together. ED Doug said the purpose is to move the \$89,103 from the SMLD to LCP so the LCP balance is not zero.

Terry - There should be a minimum in the fund for each purpose (LCP and SMLD).

It was suggested to incorporate Barb's language into the Declaration and keep insurance deductible as minimum. But we don't know what that deductible is. Doug suggested possible \$50,000 minimum for SMLD. By rolling together we have positive balance rather than negative balance. Geneva asked if we should table this until research is done with terrafirma.org re: insurance for conservation legal defense. Martin is concerned about the message we're giving to the public by saying that 100% of donations go to land conservation, yet the LCP fund is zero. Deb suggested further research. Some Board members suggested transferring some funds from the SMLD into LCP now to raise balance in LCP above zero. Myron said we could transfer, e.g., \$75,000 into LCP fund because there are some expenses from LCP fund coming up soon. Then it was suggested tabling this and looking into insurance. LCP/SMLD Fund Declaration tabled until next regular meeting or mid-quarter special meeting.

Motion: Myron moved, John L. seconded the motion to establish an operating reserve fund with a minimum reserve of 3 mos. up to a maximum of 12 mos. operating (non-capital) expenses. This fund will contain the minimum operating balance as designated by the Board as well as operating reserve funds. It will provide operating funds when revenues are unexpectedly low because of unusual or catastrophic events such as the Oak House or Sunset House is destroyed, forest fires, etc. It will provide for major repairs that are critical to maintain regular operations and/or safety, especially if they are unexpected. An example of such a repair would be the replacement of inside walls in Elm and Willow after pest control efforts. This fund should not be used for minor repairs when regular operations and/or the Winter Savings fund is adequate. "Repair expense" is defined as an expenditure that does not appreciably prolong the life of the property, but maintains it in a normal operating state. Authorization to spend: Requires Board approval. Further, buildings are insured; however, there is a deductible, and if there is a loss of income from an external source because of, e.g., destruction of an accommodation, the loss of income is not covered by insurance, and OLT would have to have funds to cover this loss of income.

Discussion: This fund would have a ceiling of \$800,000 (specific figure is purposely not part of motion). We have minimum operating balance. This creates designated fund. Terry asked where will money sit? Myron said in second bank acct. with Board designated funds and Endowment Fund. Myron said as it grows, it could be invested. John S.-who would decide when money goes in there? Authorization would require Board approval per policy. Allocation for funding would be 45% to Capital Reserve Fund, 45% to Operating Reserve Fund, and 10% to Endowment Fund - rough guess that committee talked about as percentage split of Visitor Services revenue minus Visitor Services, Support Services and Other program expenses. Geneva called for the vote. The motion passed unanimously.

Review and Approve Financial Policy Updates

Myron summarized the Debt Policy.

Motion: John S. moved, Myron seconded the motion to approve the Debt Policy as presented in the Board packet which changes Treasurer to Executive Director. There was no discussion, and the motion passed unanimously.

Myron - Financial Oversight Policy - good in concept, but can't implement on day-to-day basis. ED Doug - when see something out of whack, bring to people's attention. Would like everyone to watch, not just ED. Myron would eliminate. Intent is good. Operationally, it is difficult. Last Oct., supplies and printing were slightly over budget. Chris-expect ED would notify us if something is substantially out of whack. Deb-if we see data monthly, what is the problem? We would see if something needs to be addressed. ED Doug and Board receive monthly financial statement showing monthly and annual actuals compared to budget.

Motion: Myron moved, Mike seconded the motion to eliminate the Financial Oversight Policy adopted July 17, 2010 in recognition of the fact that the Board is receiving monthly financial reports. The motion passed, all in favor except John S. who voted against the motion; no abstentions.

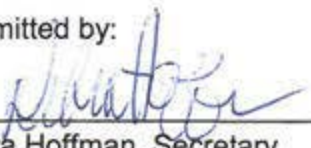
2015 Budget

Myron said there is a disagreement re: budget assumptions. ED Doug wants conservative estimate of revenues. Revenues may be less and expenses more. Others want expenses lowered because they think they are too high, particularly employee expenses, and they do not like the negative last line, which includes capital expenditures that haven't been booked yet, e.g., WWTF. Most readers of this wouldn't understand it. Do we have disagreements following Thursday's revisions? Could bottom line be addressed with clarifying note? Chris said he thinks Myron is more concerned than Chris that we have negative number at bottom line. Chris has expense ratio concern. ED Doug said employee expenses are 57% of total income. Chris said he is measuring employee ratio from gross profit, whereas ED Doug is measuring employee ratio from total income. Chris said we made a lot of progress on Thurs. Myron suggested preparing 3 budgets with membership and accommodation fees: 1) take 110% of total visitor numbers in best year; 2) Use lowest number of visitors in last 5 yrs.; and 3) Use a number somewhere in the middle. ED Doug said this is more work. We'll make adjustments as we go along. Mike - don't think we need multiple budgets. ED Doug - makes sense to separate out capital budget, but for Scott, he has to do books according to standards. Budget doesn't have to be that way. Scott would like people to know that we have these expenses coming to avoid surprises. Negative bottom line like this doesn't look good. Geneva likes separate capital budget. Chris-Budget confusing b/c of variance month-to-month cyclical business. ED Doug-will divide this into months based on historical income/expense. Put in page break after **Net Ordinary Income (bold, underline, caps)**. Capital budget would show source of funds and expenses for each project. Auditor recommends expensing entire project in first year, but budget need not be prepared that way. This was a way to avoid conflict between budget and actual. It was suggested that along the way, e.g., at 6 mos., we look at which track we're on and adjust budget accordingly.

Another possibility is to do separate capital expenditure budget. That would eliminate negative in operating account. Mike said we can adjust budget as we go along. Will table approval of budget, discuss during Jan. 18, 2015 work session, and go back into special meeting following executive session on Jan. 18, 2015 to consider approval of budget.

There being no further business to come before the meeting, the meeting was adjourned at 3:30 pm.


Submitted by:


Debra Hoffman, Secretary

Date

4/18/15

Approved by:


Geneva Nixon, Chair

Date

4/18/15 gm