

**ORIENT LAND TRUST (OLT) BOARD OF DIRECTORS MEETING
SEITZ RESIDENCE ADJACENT TO THE OLT WELCOME CENTER
SATURDAY, JANUARY 15, 2011, 9:00 AM
MINUTES**

- I. Record Attendance – **Those present - Board:** Doug Bishop, Mike Blevins, Dan Jones, Harold Pratt, Paul Zoric. John Eiseman and Marilyn Sherbring arrived at 9:12 AM. **Staff:** Suzanne Ewy, Barbara Tidd, Matt Greuel, Mark Jacobi, Terry Seitz, Neil Seitz. **Guests:** Deb H., Don G. John S arrived at about 9:40 AM. Camille R. arrived at 9:45 AM. Nancy Butler arrived at 11:44 AM. Hayden M., Andrew Mackie, Bill S., Mikela T., Philip T., and Sher C. joined the meeting at about noon. Camille, Nancy, Hayden, Andrew, Bill, Mikela, Philip, and Sher departed at 1:40 PM.
- II. Meeting Call to Order – Dan called the meeting to order at 9:03 AM.
- III. Changes to Agenda – Suzanne had additional hand-outs for the budget and Executive Session. Dan added under XI. Committee and task force reports item f. survey task force.
- IV. Guest Questions/Comments – Dan introduced guests.
- V. Executive Director Report (in packet) – Suzanne summarized her Executive Director (ED) report. She reported that the Visitor Services Manager (VSM) has jumped in. The database has been migrated from Access 2000 to MySQL and is waiting for the website design to be finished. First designs were sent yesterday. It will be on in the next couple of weeks. Staff has been very helpful. The site planning task force is doing great. Suzanne had a successful meeting with Bill S., JoAnn R., and Andrew Mackie. See *Saving Land* article regarding mergers and collaboration of land trusts. Suzanne also met with Andrew and Hayden of LTUA. They agreed in principle that if OLT has a conservation easement (CE) that would benefit OLT, LTUA would hold the CE. Also, they're interested in collaboration with education and other aspects of land conservation. Re: state certification, Suzanne's feeling was that we shouldn't renew it for 2011, but it is okay for now. If we collaborate with other land trusts, OLT would not renew its State certification. Suzanne foresees a Memorandum of Understanding (MOU) with LTUA and CBLT. RiGHT has declined to be a part of this at this time. Such collaboration would not change OLT's focus in the Northern Valley.

Resource Development Committee came up with additional member benefits for 2011. In 2010, admissions were up and donations were down, but donations were up for December. About \$30,000 in donations were received in December.

Suzanne directed the board's attention to the 2011 ED Action Plan. She has been working with Edward Gray as an ED coach. She took the board's strategic objectives and OLT Mission and incorporated them into the Action Plan. She then applied the three A's of non-profit excellence as a focus for the Action Plan. She stressed that it's important to know the desired impact of what we're doing and be able to measure the success of each task/measure.

Mike asked Suzanne about her characterization of the increase in donations as a soft measure of improving the visitor experience. Suzanne said that while an increase in donations is a hard indicator, it is indirect. If our real impact under the Positive Visitor Experience objective is that we provide a positive naturist experience, people want to get involved, come back, donate, volunteer, and practice stewardship and land conservation, and by taking their opinions and

incorporating them into our decision making, donations increase, that is an indirect indicator. Donations may increase for a variety of reasons.

Suzanne feels confident about the Action Plan. She feels this exercise with the Action Plan has helped her progress rapidly in her role as ED. She said that they've accomplished a ton since October. Having hired a VSM and Facilities Mgr. has made a big difference in Suzanne being able to accomplish what OLT wants to accomplish. Harold pointed out that all Measures in the Action Plan would need to be coupled with budget items. Harold would like to see these numbered. Six months from now or by the next quarter he would like a progress report. Suzanne offered to forward her calendar to the board. Items referencing staff have been discussed with staff. Suzanne has factored in extra time with regard to deadlines in the Action Plan.

Mike asked about the WWTP. Suzanne said if we can use an eco-machine, we can get funding for it. If we can create a working model and complete OLT's sustainability, we can get funding. Otherwise, it would cost \$120,000 minimum, which would have to be paid for over 3 years. It will drastically change our bottom line if we can get funding. The research has not cost OLT any money thus far. Suzanne will be looking into funding sources over the next couple of months. Mike emphasized that the Action Plan should reflect this change in direction for the WWTP – a decision point should be noted in the Action Plan. Doug said we should focus on what we really want. Harold said it depends on the price. Suzanne said she prefers Gray's approach, which is: Ask where do we want to be? How do we get there? vs. This is how much money we have. What can we do with it? Paul brought up that we need to be sure to factor in the cost of maintenance. There are several living systems in Colorado. We have a contact at the University of Alabama. The photos in the packet are from a facility in Florida. Suzanne is confident that we have the staff to run either the eco-machine or the mechanical WWTP. Construction of either system would have to be contracted out. If we get outside funding, we could ramp this up. Otherwise, we must provide the project with seed money. John said that the board has to get away from managing each decision. The board needs to vest Suzanne with responsibility to implement so long as she keeps the board informed. Doug said he agrees in principle, but Suzanne would benefit from the board providing input. Suzanne thinks the goal is that the board needs to be freed up to be a land trust board, not a board running a hot springs. She said we need a group to run the hot springs and an ED to run both. John said the board needs to be really careful that they don't over-manage the ED. Suzanne agreed and said we work together, that is exactly our goal, and we treat each other with respect. Harold clarified that it's a board decision as to which WWTP will be constructed because of the cost and ambiance. John wanted to be sure the board isn't at a level that paralyzes staff.

Neil said regarding the WWTP, before you get started, the State of Colorado will be OLT's partner in all of this because of their regulatory role

Dan said that as Suzanne's experience and longevity increases, the board will give her more autonomy.

- VI. Board Chair Report (in packet) – Dan asked for any questions on his report. Dan commented after having been at OLT that Suzanne has an awesome staff. Suzanne commented that it isn't easy bringing in new management. During December, Dan wrote 125 thank you cards to donors.

Mike asked regarding the ED Action Plan, Addendum A, Objective 18, if we engage in an MOU, doesn't that change the objective? Suzanne said that yes, that does change this objective.

See p. 25 of the Action Plan. Suzanne explained that the purpose of hiring a land conservation specialist is to get the land conservation expertise. Andrew M. has land conservation expertise. By collaborating with LTUA, we will get some of this. We may decide down the road to get a land conservation specialist. Dan said that Suzanne has the liberty to loosely interpret our objective of hiring an LCS by implementing some of the roles such a manager would fulfill.

- VII. Facilities Manager Report (in packet) – Mark provided a power point presentation showing what has been accomplished since the last board meeting. Diesel generator auto start is not yet operational. If there is a hydroelectric system shut down, this new diesel generator will run the entire village until the hydroelectric system is brought back online. The new governor system is being installed. A cottonwood tree was removed. The energy audit was completed. OLT can gain about 15.375 kW out of 60 kW (25%) by putting geothermal heating in the small cabins. The platform to the Meadow Pond has been installed; railings are to be installed. They're working on Oak House weatherization. They repainted cabin exteriors and poly'd interiors. New carpet is in Aspen. New safety lights are in pool baths. Welcome Center Library was recreated from the former Executive Director's office and was repainted. They installed new washers and dryers tripling capacity; they get laundry cleaner; and they're more energy efficient. Welcome Center bathroom was made ADA compliant. There is an ADA consulting group that has assisted Mark. To make the existing main bathroom ADA compliant will be difficult. If the pool bath is made ADA compliant, we may need to put a stall on the deck. Mark would like to come off Sunset and put in an ADA compliant bath along with showers. Someone from Canada has also offered to come to OLT this summer to consult. ADA compliance is more of a workability issue than a legal issue.

Mark has been researching waste water treatment options. Andrew M. put in a John Todd facility when he was with the Audobon Society in Florida.

Trailer bed section was replaced. Water lines were flushed and tested per state drinking water regulations. Building envelopes were located and marked. Mark and the consultant rectified discrepancies on the ground on Thursday. TNC needs to be notified. Survey pins were in the ground, but they hadn't been GPS'd. Fall volunteers did fence posts, history signs, and other tasks. Colorado College students are coming again this week. The plan is to expand our volunteer program to other local colleges. John said we should buy an ad in Colorado College's annual magazine or something similar saying 'thank you'. Also, Suzanne said we should advertise in college newspapers for volunteers. They're continuing to research the steam sauna heater. Mark showed outside sinks drawing and discussed it. The plan is to heat the pool deck surface for safety both to prevent slipping and to avoid shoveling. John said that the beginning of seed money for the repair and remediation work around the pool is in the 2011 budget. Mike suggested that someone research whether the hot tub should be inside the fenced area. Neil said that the existing fence was mandated by OLT's insurance company several years ago. Mark said they're looking at possibly converting the pavilion to an indoor facility for winter possibly by using removable panels that can be raised and lowered providing massage area, dishwashing, etc. Fish were moved and the reservoir reclaimed. Meanders are connected to the new reservoir. Housing is possible at the ranch if the bunkhouse was renovated. Moffat School group toured OLT in December.

- VIII. Visitor Services Manager Report (in packet) – Matt gave a quick summary of his resume which includes the better part of 7 years with the Park Service and has many similarities to his work at OLT. He is working on the new website and looking at the reliability and security of it. He has been working with Suzanne, Keno, and Don on the survey; they're on schedule for the survey to go out to the public around Feb. 1. Survey Monkey will probably be used. It will target anyone for whom we have an email address. Suzanne said she could provide the survey to the board before it goes out. John wants to be sure that we're also including the local community in the survey at some point. Matt is getting documentation from massage therapists who want to perform massage at OLT. The next e-newsletter will go out in a couple of weeks, although Suzanne said that more donations come in from the paper newsletter. The purpose of e-news is to keep OLT in front of visitors. Dan suggested a postcard perhaps in July. Matt mentioned building a volunteer structure, being able to train and keep volunteers, and tracking of volunteers. Suzanne added we need to look at how to equate a volunteer level to donations in terms of member benefits. Matt is looking at merchandising. OLT netted \$9,000 on merchandise in 2010. Suzanne said that OLT's website will have a shopping cart, which could help bring in as much as \$10,000 or more in additional income. Matt is looking into getting an AED defibrillator. Safety is of primary importance to Matt. Suzanne said that Matt has a lot of experience in social media that could be of great benefit to OLT. About 75% of the approximately 1600 people who 'Like' OLT on Facebook are regular/returning users of our Facebook page. This is an untapped resource. Contact Matt for more information on social media. Harold asked for the purpose, objective, and goal of social media. Matt said the short answer is that it builds community and support. Harold wants more than that. It was agreed Matt would give the board a social media tutorial at the April board meeting.
- IX. Secretary Report and Correspondence (in packet) – Barb reported that she had received correspondence from the CO Div. of Real Estate approving OLT's renewal for 2011 of its state certification to hold conservation easements for which a state tax credit is claimed.
- X. Treasurer Report
- a. Final analysis of 2010 budget – John reported that 2010 came very near in line with what we budgeted. The only item out of line was moving of the reservoir which cost \$85,000 and \$35,000 was budgeted. We made up for the shortfall in land conservation from visitor services. Repayment to the land conservation fund was not done because of this shortfall. Terry said that we took more from visitor services funds to pay land conservation expenses.
 - b. Income Statements, Balance Sheet, Cash Flow Statement (in packet) – Terry said that the extra \$6,500 to \$7,000 was for an insurance premium for 2009 that was due per the previous insurance company's annual audit of the prior year based on OLT's income. We're expecting very little difference for 2010. John said that we have 2 more years of \$40,000 annual payments (\$80,000 total) on the Essen property. Then all OLT owned property will be paid in full.

John reported that we had a \$21,000 outflow in cash for year 2010 after absorbing December. We are in decent shape. \$85,000 was expenses for the reservoir. This is probably the first year in which we've had an outflow of cash. This is not an unmanageable surprise. We've tried to add about \$50,000 into the 2011 budget that includes putting funds into

reserves. John would like to see us stronger by raising this to \$50,000 to \$100,000 in the next couple of years.

\$137,000 is restricted. Doug asked about funds for monitoring OLT's lands on which there are not CEs. Suzanne said legally OLT needs to monitor only the Essen property because OLT's other lands are under CE by other agencies/organizations. OLT may well choose to help LTUA in its endeavors in holding CEs in OLT's area. John said that the reason we didn't put any more funds into the stewardship, monitoring, and legal defense (SMLD) fund is because we seem to be going in a different direction with respect to not holding CEs. Terry and Suzanne said that the SMLD fund is for CEs. The CD at SCCU was renewed for 6 months. Net unrestricted funds are \$80,000. Operating restrictions are covered. We won't have to borrow in 2011. Financially we are stable.

Doug moved to approve the financial (Treasurer's) reports. Mike seconded, and the motion carried: all in favor, none opposed, no abstentions.

John asked for any questions from the public or staff and offered to answer any questions at any time. As a not for profit, our mission is to maintain a low cost recreational experience, be positive contributors to the positive sense of community and to our staff to give them a good living; therefore, we don't squeeze like a profit corporation to make a profit to benefit shareholders. Harold said looking ahead in 2 years after Essen is paid in full, the board will have to make significant decisions because of our additional revenue. Harold thinks we should do some long-range planning to decide what to do with the excess revenue. Doug isn't sure we'll be that flush considering the WWTP. Mike said that with an MOU, we'd probably be contributing to this.

c. Stats Charts (in packet) – We skipped over Barb's report because of time.

XI. Committee & Task Force Reports – (70 min.)

a. Board Development (report in packet) – Harold

- i. Director position description revision (see packet) – Harold said there are two changes and explained them.

Harold moved to approve the revised Director position description as shown in the printed Board packet at pp. 50-51. Doug seconded, and the motion carried: all in favor, none opposed, no abstentions. *Secretary note: The approved amended Board Position Description includes the following sentence which was added at the 7/17/10 Board meeting, but which was not included in the Board Position Description in the board packet: A primary responsibility of each Board member is to carry out the goals, mission and other organizational requirements of OLT.*

Harold reported that in Executive Session, the board will be discussing prospective board members and the process going forward. Some will be invited to the April board meeting. The board will vote on the board members at the July annual meeting.

- b. Investment – John reported that the SCCU CD was rolled over for 6 months. We're in compliance with safeguarding assets of OLT. We're not in a position to look at longer term investments other than CDs. That will occur perhaps in 2 years. John was asked recently if OLT

is in a position to accept stock in addition to cash as a donation. OLT is still in that position. We may be accepting stock in the next year or so.

- c. Land Action/Land Management – Dan said that we temporarily merged the two committees into one. Marilyn said they got a volunteer, whom she will contact. Marilyn will collect documents, e.g., management plans and baseline documents and go from there. Dan has the 2006 management plan for the ranch. The committee has a plan of action to determine volunteers and how Doug can transfer information to Marilyn. Marilyn and Doug will co-chair the committee for now. Dan said that the Essen parcel is one to work on for monitoring. Doug said the management of the ranch is a priority. Doug said that some projects will be run through the site planning task force rather than the land management committee. Suzanne’s action plan indicates the ranch management plan would be completed by the end of 2011. We should be doing some monitoring, stewardship. Doug said that we should also be looking outside OLT’s currently owned parcels. Dan suggested that Marilyn, Suzanne, and Doug discuss and decide how they want to splinter this. Camille offered to help wherever she could. John Scorsine also offered to help from a legal perspective. Doug named other members of the committee. John clarified that there are really two mandates: 1) what to do with the lands we own; and 2) look at properties outside OLT’s properties to see how we can assist. Dan suggested contacting all landowners who have ‘for sale’ signs on their property. Doug also suggested that they stay updated re: landowners. Dan suggested that by the April meeting the committee have more structure.
- d. Resource Development (see packet) – Deb invited Matt to be a committee member. Suzanne has mandated that he be on it. A raffle will be held this year; looking for big ticket items; will be in e-newsletter. She asked for ideas which were suggested, e.g., vehicle. A 16-month calendar for 2012 is in the works. Matt has had requests for 2011 calendars. Terry reminded us that any items for sale must be related to OLT’s mission; otherwise, the income is taxed. OLT’s public is being asked to submit photos for the calendar. Neil suggested that the value of a grand prize should be at least \$5,000. Marilyn said that 80% of what corporations donate is in-kind rather than cash.
- e. Site Planning (see packet) – Dan clarified that the site planning’s initial task was to come up with a timeline.
 - i. Timeline for the process (see packet) – Doug reported on needs vs. wants (see p. 69 of packet). Doug went over the questions referenced in the Feb. 15, 2011 entry of the Site Plan Timeline (see p. 67 of packet). These questions came out of the task force discussions. (See attached Appendix A for the complete questions and task force comments.) The questions in abbreviated form and the board’s discussion follow.
 1. What is required of us by ADA standards?
 2. What is our energy audit and budget for future projects?
 Harold would like to see in the energy audit and asked, how close to capacity are we running? Doug said that all the power that is produced is being distributed in one form or another year around.

Dan suggested that the water that drains from the hot tub could be used for something else.

3. What is our weekend winter usage? How often is it maxed out?

Suzanne said that with the new database, staff will be able to provide the Board with more accurate information.

4. Wastewater Treatment Plant - What did the engineers say about the life expectancy of our current facilities? What has the health department told us?

The question was asked, where are we with the State CO Dept. of Public Health & Environment (CDPHE) concerning the WWTP; how crucial is it? The Task Force doesn't know. Harold's concern is because it's a big expense, and we need to look at what we are required to do as well as what we want to do.

5. What additional safety requirements are needed at the mine?

The Task Force thinks we have that one covered, but this question needs to be answered along with the other questions by Feb. 15, 2011.

Doug pointed out the Energy Audit (pp. 72-73). Pages 70-71 shows the budget as it relates to the prioritized items. Some of these items have been covered in the 2011 budget.

John asked if we're overtaxing staff in asking for all this information. Suzanne said staff was overtaxed in November, but they are doing better now; information will be more easily obtained with the new database. Suzanne said that school students will be doing an energy audit at OLT. As we ramp up, we will be able to better get this information to the best of our knowledge or we'll hire knowledge. John doesn't want the board's requests for information to hinder staff's ability to do what they need to do. Harold asked if these tasks are in the Action Plan? If not, can they be fitted in without sacrificing something else? They need to be added if they're not already included. It's important to have good information before starting a project. The reservoir is a good example. Suzanne said we are in better shape now than in November to get the information. John would like to give Suzanne the ability to push the board back if she doesn't think her staff can accomplish what the board is requesting. The board concurred.

Dan said the tipi is a possible revenue producer. Doug said that the tipi was not discussed by the task force. Its location needs to be decided. Suzanne suggested the tipi be used as a back-up for when the cabins are unusable because of construction to add geothermal heat.

Doug said that one of the priorities for the task force was for it to get approval today for the top 10 items on their list that are for 2011; John said, certainly the top 5 items.

Harold suggested deferring approval of these expenditures until approval of the budget. John said that by approving the budget, we will be approving or denying approval of each item along with the budget approval. Approval was deferred. Doug said that the list of projects is minimal. The task force accomplished its goals.

f. Survey task force.

Don reported that there is much work to do with the questions and expects they'll get the survey out as scheduled. Technically, questions are to be submitted by midnight today.

Mike asked about the thermal conversion of cabins. He asked if they calculated having the cabins unavailable for occupancy. Suzanne said that the project will be spread out in the spring and fall during the week. This is not in the budget. John said there is conservatism in the budget, which will help OLT's ability to absorb this lost income.

The Board wants the draft of categories and questions to go out to staff and board before it goes out to the public.

- XII. Guest Questions/Comments – Neil throws his support to OLT to not do CEs but rather acquire fee simple property. He added to consider putting a naturist deed restriction on the mine similar to the one that is on the hot springs property.

Business

XIII. Unfinished Business

- i. Regional land conservation and collaboration with neighboring land trusts – Dan introduced this topic as a golden opportunity for the land trusts to talk together.

Suzanne said we've looked at holding CEs. She said it was thought it might be counterproductive for OLT to compete in holding CEs when there are other very competent land trusts in the area already holding CEs. She would rather collaborate with these other land trusts and see what other roles OLT might play that would be more productive. OLT has had dialogue with RiGHT, BCLT, and LTUA to see how we might collaborate considering the high costs of acquiring and holding CEs. How can we best come to the place of collaborating? How can we protect lands in the Valley that may come up for CEs if OLT doesn't hold CEs? Suzanne is discussing an MOU with LTUA and CBLT. We'll always be open to ideas and discussions with RiGHT. LTUA is interested in holding CEs for lands that are important to OLT. Issues will be money and human resources. How can we get help from other land trusts to use the ranch as an educational model for other landowners who want to put a CE on their property?

See p. 13 of packet-Addendum. What are the possibilities that can come from this agreement? What are the resources, goals? What is each organization best at? What can we do together?
- ii. Guest participation: Nancy Butler, Executive Director, Rio Grande Headwaters Land Trust (RiGHT); Andrew Mackie, Executive Director, Land Trust of the Upper Arkansas (LTUA); Bill Sutherland, President, Crestone/Baca Land Trust –

Andrew-LTUA formed in 2001. They work in Lake, Chaffee, Fremont, a little of Saguache, and Park Counties. LTUA has been growing with the addition of Andrew as ED in early 2009. This year LTUA is looking at bringing on additional help – perhaps a land projects person. Currently LTUA holds 26 CEs in 3 counties. They are also undertaking a Poncha Pass Initiative, hopefully working on their first 630-acre CE there. Andrew has been pushing the idea of merger/collaboration in the central Colorado area because he sees it as the only way for land trusts to be sustainable in the long-term. Land trusts seem to be continually getting added costs without additional donations. CEs are in perpetuity, so land trusts must think about how we are going to be around forever. The number one goal is to do as effective conservation as possible, however that can be done. How best can we use

the resources that are brought to the table? How can we keep agriculture, ranchland or farmland viable so that there are not legal challenges to the CEs in the long-term? We can look at common issues, e.g., Gunnison sage grouse, Gunnison prairie dog, global climate change, and water resources.

Nancy said their office is in Del Norte. RiGHT has 3 CEs in Saguache County, though not in the north end. RiGHT is an active participant in the NSLVC Roundtable. RiGHT is taking a bit of a backseat on the MOU; it chose not to participate at this time; it would like to see OLT have a stronger emphasis on land conservation. Nancy borrowed a phrase from one of her colleagues who has said, we are all competing collaborators and collaborating competitors. If there are other resources RiGHT can bring to the table without being directly involved in the MOU, they are open to it. RiGHT holds about 17,000 acres in 21 CEs. RiGHT has a special focus on the Rio Grande corridor. RiGHT has 10 easements lined up this year, which is twice as many as they've had in past years. Marilyn mentioned and Nancy briefly elaborated on the cap on State tax credits in effect for 2011 through 2013 that will limit the number of CEs for which State tax credits can be claimed. Andrew said that Colorado Cattleman's Agricultural Land Trust has 11 CEs that they are getting ready to close this month in order to be at the head of the line for State tax credits.

Bill said that CBLT, a small organization, is a footnote compared to the large parcel CEs. CBLT is urban with many streams running through its CEs. They have valuable ecosystems according to the Colorado Natural Heritage Program. CBLT holds about 12 CEs plus a substantial amount of land that the County has designated as open space. When new state regulations came up regarding holding of CEs, CBLT decided to not seek any additional CEs. CBLT sought to align itself with an organization that could assist them. CBLT's focus recently has been more directed to education in the community.

John asked what the landowner motivation is. Nancy thinks no one would put a CE on their property if there were no tax incentives. But, landowners don't put CEs on their property only for the tax credit because the tax credit is nowhere near the value of what a landowner could get on the open market if s/he were to sell the parcel for development. Nancy thinks if the tax incentive disappeared, donated CEs would disappear. Except, Andrew noted, for wealthy landowners. Andrew said that if there remains funding for the purchase of a CE, that would continue, but donation of a CE would likely disappear. Bill said in Crestone, landowners may be able to be a bit more flexible because it is small acreage that may be valuable. Bill said people love the land and that's key – we haven't done enough to contact the landowners. He used the Northern SLV Conservation Roundtable meeting as an example. He said that when the landowners spoke, at first they seemed negative toward what we were doing, but as they heard more from us, they seemed to come around. We need to make more of a pitch that we're in this together. If we lose tax credits, how do we continue in our land conservation efforts? Andrew and Suzanne have discussed food production. Bill thinks collaborative effort should be more than just land trusts. Suzanne said that funding changes if funding is for more than only CEs. Suzanne said OLT is uniquely positioned to pursue the educational component of land conservation; she spoke highly of CBLT's educational resources.

Andrew spoke of GARNA-Greater Arkansas River Nature Assn. GARNA's and LTUA's mission statements are very similar but they do different things. They don't do CEs or land

acquisition work; they're primarily a public programming, environmental education, trail building/maintenance organization, and help public lands with their long-term stewardship activities. Andrew thought there was enough overlap between the organizations and Andrew comes from a non-Colorado land trust background, so he is used to land trusts having a broader mission and vision in terms of education, trail building, land use planning, and such, which is more typical of land trusts in the east where land trusts are older. Land trusts in Colorado have been missing it. You make connections in the community and become part of that community. You become so important to the community that the community wants you to be there and believes in what you're doing. Andrew doesn't think that Colorado has been doing this because they are focused only on CEs because of the State tax credit. This has to change with respect to community interest and funding resources. Land trusts must start looking at all these other avenues.

John said that volunteers should be mobilized. It seems that we could share resources in which volunteers have fun projects.

Nancy said RiGHT has mostly focused on CEs. Their trend will be more toward stewardship vs. acquisition in the future because they've done a lot of project development that is coming to fruition now. RiGHT has talked a lot in the last year of how to utilize volunteers because their CEs are on private land.

Camille said her organization started as a land trust over 10-15 years ago, never holding CEs. They merged with a local watershed group; part of their work was linking landowners with land trusts. Their county has 96% federal land. They recently initiated a community garden with the idea of sustainable food production. If we were to offer OLT lands for something like this, there is great potential.

Doug asked if ED's see CEs as declining. Nancy said she does see them declining in the future. Some organizations may have certain tools, while other organizations may have other tools.

Nancy said about 200,000 acres, about 3%, are under CEs in the SLV, including the 80,000-acre Trinchera ranch and the 50,000-acre Medano Zapata Ranch. Colorado is only one of 4 states that has the transferable tax credit.

Mark asked if the possible repeal of the estate tax credit would impact CEs. Nancy couldn't answer that. Andrew said that he worked with someone who told Andrew that the landowner's estate tax burden would be lowered with a CE on the property.

We should all be lobbying for ranchers and farmers to have a lower estate tax so they can pass their land onto their heirs to keep ranching and farming alive. This helps agriculture in general.

A third-party can pay the costs of holding a CE. If we can lower costs of education and as a group we're more attractive as a CE holder, that is a benefit. The SMLD fund is an example.

Andrew said that the due diligence costs for a landowner who wants a CE on his property are somewhere between \$15,000 and \$30,000, which must be paid out before the landowner sees any tax credit. This can be challenging when most landowners' assets are tied up in their property. Some land trusts have their own loan funds. LTUA has been going through Colorado Conservation Trust (CCT) for loan funds. This program may go

away. A regional loan program may be something to look at, especially if the State CCT program goes away.

Bill said that the County gave CBLT 51 lots a while back. This presented a challenge for CBLT.

iii. Establish goals and desired process –

Suzanne said they have not yet decided on the details of the MOU. One detail to cover is the costs of holding CEs and to ensure that we have an organization in the group that can hold CEs with the reciprocal understanding that we'll share the costs to lower expenses per group.

Suzanne said we don't want to limit this yet because we don't yet know the resources. Andrew said to start with a very general MOU that doesn't obligate the land trust to do anything, but provides a general agreement that we'll try to work together on these things and share resources. Harold suggested perhaps one element, e.g., education. Harold would like to see this broader mission embedded in the initial MOU, but understands where they're going with this.

Dan said that Shannon Meyer, who is now with LTA, has offered to meet with representatives from land trusts at the CCLT conference in March to help get this going. Suzanne suggested boards sharing costs for board development training.

- b. Final confirmation to hire Matt Greuel as Visitor Services Manager – Harold moved to confirm the hiring of Matt Greuel as Visitor Services Manager. Mike seconded, and the motion carried: all in favor, none opposed, no abstentions.
- c. Site Planning Task Force – scope, membership & direction – Doug said that everyone on the task force wants to stay on the task force: Suzanne, Mark, Susan, Doug, Mike, Harold, and Don. Suzanne suggested a minimum of one more non-board member for the task force. Deb H. volunteered.

Discussion ensued about the future of the task force. Suzanne asked, What is the board's and staff/ED's role? How do these work together? Mark said that it is logical to him that the site planning task force would be under the land committee as a task force focusing only on the Village. The information flow is from task force to committee to ED to Board. Mark asked, Is the resulting recommendation from the task force to the Board and what comes from the board to the staff a mandate from the Board? The board's decision is final. Harold said that budget and projects overlap and approval of a budget item is the determining factor in approval of a project. As we work together, the staff brings well thought-out recommendations to the site planning task force so that the board understands them. The board then proceeds well informed. Doug said this is the process we need to use. Suzanne commended Doug on this process. The task force reports to Suzanne. Suzanne makes the ultimate decision on what to recommend to the board.

Harold moved that we continue this effort in the name of Site Planning Committee and that somewhere between Doug, the committee, and Dan that a charge be prepared and approved at the April 2011 meeting. Dan brought to Matt's attention the list of committees and information about each one so that this information could become integrated to the new

website in order to increase transparency and garner additional volunteers. Mike seconded the motion, and the motion carried: all in favor, none opposed, no abstentions. Doug is chair of the committee.

- d. 2011 Budget – John said that in the past we did not have specific items listed on the budget, but rather only categories were listed. This budget includes specific items.

Land Conservation: John went over the 2010 budget, actual and 2011 projected budget. Suzanne stated that the budget is more conservative than 2010, but it's based on 2010 actuals. Suzanne said that the first four items under Ranch projects are mandated. Any other projects will come from the Ranch Improvements-contingencies line item. John said that the mandated projects should then be in the 'vanilla' budget.

The payroll difference is due to a reallocation of staff time to land conservation rather than visitor services. Paul – weed control should be \$1,000 more to be consistent.

\$3,010 State CE certification fee is lowered but not removed because it's anticipated that we'll be contributing to the 2011 renewal fee of another land trust.

It is difficult to estimate payroll for each project because we don't have the experience to estimate hours for each project. Suzanne thinks that next year we will have the experience to create these figures. \$85,609 is about two FTE's. John said this estimates the time of staff as a whole that they're spending on land conservation projects. The figure comes from a percentage of total staff time.

The Treasurer is suggesting that Land Conservation will take in \$177,000. We'll incur about \$107,000 without projects, \$126,000 with projects. Gross income is estimated at about \$70,000 with no projects; \$50,000 with projects. From that, \$40,000 is to pay Essen; \$30,000 without projects; \$10,000 with projects. John said that there is nothing in the budget to pay back the land conservation fund from the visitor services fund. At some point, the land conservation fund will write off this receivable from the visitor services fund since visitor services is part of our core mission.

Suzanne said that the board needs to look at the \$10,000 under Ranch improvements-contingencies as seed money for possible projects, e.g., bunk house restoration. This \$10,000 would be in the 'reserved' funds. Irrigation sprinkler deadline is the end of 2012.

Visitor Services: John went over the 2010 actuals compared to the 2010 budget and 2011 budget. This is conservative and 2011 projected income is no change from 2010 actuals.

Terry said that there is no inventory variance because by the time the auditor is done, that amount is negligible.

Suzanne said that the projects budget includes a part-time maintenance person.

The \$15,000 IT line item is for a consultant to do the website interface, database upgrade, and online reservations.

Harold said that the swimming pool improvements are not part of the Site Planning Task Force's recommendations.

Neil explained the pump to get drinking water to Sunset. It also heats things. It needs to be finished out at some time. The governor upgrade is ongoing in 2010 and 2011. This is similar to

the diesel generator that was just installed. There is now a pump in the basement, not yet hooked up. Water to Sunset is now gravity fed and limits the effectiveness of the heating.

Suzanne will leave the pressure pump in the proposed budget.

Suzanne - governor and pressure pump, diesel generator and geothermal – a significant portion of this expense will be incurred in 2011.

John and Suzanne suggest swimming pool improvements notwithstanding that it was not a recommendation of the site planning task force.

Suzanne will provide the board figures if we were to do all projects.

Out of \$115,850 total for new construction, the top 5 Site Planning Task Force recommendations are:

1. \$3,000 hydro governor upgrade
2. \$3,000 diesel generator back-up w/ shed
3. **\$12,250*** (5) cabins @ 2250 e. – geothermal [2 cabins on list for 2011]
4. \$40,000 WWTP seed money
5. \$4,000 backup sauna heater

\$62,650 TOTAL site planning task force recommendations

***This figure should be \$11,250 (2,250 X 5 = 11,250)**

\$10,000 pool improvements seed money

\$25,000 seed money for a steam sauna

51,000 + 62,500 = \$113,500

We're missing \$600 for 2 sinks and \$2,000 for pressure pump.

Mike thinks that piping and manifold for putting in geothermal heat for all 5 cabins is a black hole. Suzanne's suggestion is that we do 2 cabins.

\$135,000 of initiatives are on the board. What do we want to do?

Harold wants Suzanne's budget recommendations.

Suzanne's recommendations are:

- governor (\$3,000), pressure pump (\$2,000), diesel generator w/ shed (\$3,000), geothermal in 2 cabins (\$4500): Willow and Elm or Cedar and Aspen so that we can get a process down. This will mean most of the infrastructure will be planned then for the other cabins.
- swimming pool improvements because of safety considerations. We have three concrete specialists on staff plus Doug. Suzanne thinks we need to do much much more but need to seed this for \$5,000. She thinks seeding it is important.
- We need a backup sauna heater because the sauna is an important amenity. (\$4,000)
- \$20,000 seed money for WWTP. Suzanne thinks she can get more money.
- Massage therapists would prefer massage areas rather than one massage deck. Suzanne recommends starting small with the areas. We can try different areas. \$100 is allocated for this.
- Do one sink to start. (\$300)

\$41,900 is the total construction costs for Suzanne's recommendations.

About 60% of the visitor services budget is payroll.

2010 rent expense includes \$10,000 to the State Land Board for the utility corridor right-of-way by the old power plant. This is a 30-year lease, so it won't be an annual cost. This was also set up for the WWTP line.

Less than \$2,000 net income is projected with Suzanne's recommended budget including hiring of a part-time person.

Doug would like to see more for the WWTP, but Harold's question about state regulations is important.

Harold suggested that the \$5,000 seed money for the swimming pool not be used until a plan goes through the site planning committee and goes back to the board.

Mike would like to put in 2 sinks and get the discussion off the table. Suzanne said it's time and energy. Mark said if you do 2, you can do it cheaper with fewer resources. Dan said if you do one sink, let the staff decide if they want to do another.

Harold said this is not a conservative budget, unless the income increases by \$10,000 or 15,000. Harold doesn't consider the income estimate conservative.

Suzanne thinks we can bring in more money with grants and donations.

John said we should reduce expenses. Suzanne doesn't want us to be in a situation of having to borrow another \$100,000.

Harold suggests we reduce payroll expenses by at least partially eliminating the proposed additional part-time maintenance person. Let the determining factor be time and adjust projects accordingly.

Suzanne said volunteers may help.

Neil said he has \$10,000 the board can have in that we'll save money in heating cabins if we pick a hot tub site higher than Cedar cabin.

John moved that the Board approve the Land Conservation budget with projects on Suzanne's recommended budget and the Visitor Services budget with Suzanne's recommended budget with the following condition: that we authorize \$8,350 for a part-time person this year (cutting \$12,000 from the proposed budget) bringing the budgeted net income to about \$15,000. If we can build seasonality into it and if mid-summer we're ahead of pace, we authorize the hiring of a part-time person mid-year. We'll revisit this. If we're exceeding the standard, we'll devote additional resources to the project(s). Harold seconded, and the motion carried: all in favor, none opposed, no abstentions.

- e. Fundraising and the Impact Statement – Edward Gray introduced the topic of impact statement. What impact does OLT want to have? Is the mission statement a good starting point for an impact statement? We're going to create the point of the spear which is your impact.

An impact statement will be briefer and more memorable than a mission statement. Your impact statement can be tailored depending on who you're talking to. It could be a tagline, but that's not our primary goal. The primary goal is to create an impact statement that drives your income development plan and actions. An impact statement answers the donor's question, What good will come of my gift?

Following the Board's work on the impact statement exercise, Edward read the mission statement and said what program language he removed. He and the board discussed what they wrote as an impact statement. Suzanne asked the board to mail these to her. Edward will collect these writings at the end of the exercise.

Right now, the impact statement that the board is working on is a generic impact statement. You want to have a number of different iterations of the impact statement for different donors. You want to talk about what their gift will do.

Harold said that an impact statement has to have a purpose and it needs to be stated in the impact statement.

The board will not come up with one impact statement now. The key thing for board members is that an impact statement may reflect where you're most engaged. This could be your own personal impact statement.

Different impact statements may be used for different donors. Think about who you're approaching. What impact do you think they're most interested in? You want to be as specific as possible with an impact statement. Create a more specific statement for specific donors. Impact drives income. Once a donor agrees about the impact, *then* you can ask him/her for a donation. Next steps – income development plan – how you ask for money. The plan lays out earned income, grant income, and individual major gifts. Many organizations thrive on major gifts – key for growth. You need to identify these people and find out what do we do that interests them. Do an annual campaign.

Edward sees it as we're a land trust with an operating ranch. The naturist resort is part of our operations – as it was donated to OLT. We can easily accept donations restricted to either land conservation or visitor services.

An income development plan is a mirror image of the budget. This traces back where all of our donations will go. Example, if we're going to get a \$25,000 grant, we state that we're going to get \$100,000 in donations from whom and for what. Be specific. You need to identify prospects for donations. So much of income development is a numbers game. It's probably a ratio of 1 yes to 5 no's. A gift chart shows different combinations of donors and amounts. It is a combination of outside donors and board members. Find someone who has a passion for this mission. The board's job is to find those people and introduce them to OLT, get them in front of Suzanne. Start thinking about people who share the impact that you just talked about. Suzanne will then follow up. A major donor society is people who give at \$1,000 or above. OLT can create one. The key is that the board involves them on a regular basis, e.g., newsletter, updates, exciting happenings. It is a group that OLT can involve in a meaningful way. Edward recommends short e-news, mail, invite them to a membership dinner annually, special tour, leadership dinner, bring the Superintendent of the Sand Dunes.

Harold asked Edward's recommendation regarding hiring an outside fundraiser (with no research). Edward asked, Who knows people who are passionate about the things you mentioned? You or an outside person? There is some value to getting someone who is going to find donors for you. But, before you ask someone else to do that, the board needs to do that. Harold said what about someone who has experience in this arena to assist Suzanne or a board member in courting donors. Someone can help the board with an income development plan to set strategy and do coaching. Edward sees a consultant on a regular basis spending most of his/her time with Suzanne, the Board Chair, and the income development committee.

Execution is something for which to have a workshop. Sketch out low income things to do for a donor society.

A retreat day with the Board could be: Suzanne and Edward would come up with an income development plan with Dan's input for the board's input. Look at what it means for Suzanne's time; could do coaching, role playing. Best thing would be for a board member to go to lunch with Suzanne and a potential donor. Be sure the plan is feasible, monitored, and continually growing. Edward doesn't think it's the board's job to do this.

XIV. New Business

a. Debit card approval for Visitor Services Manager

John moved to approve the Resolution Concerning Business Check Cards effective January 15, 2011, as shown in the printed Board packet at pp. 69-70. Marilyn seconded, and the motion carried: all in favor, none opposed, no abstentions.

b. Planning April retreat – Dan said the Sand Dunes is tentatively set up for Sun., April 17. Dan said he has heard that it seems fundraising is a topic. Harold asked if we have information about Edward's track record. Harold will research that. Ranch management was a possible topic, but Dan thinks this is being handled through committee.

Matt – social networking

Art – talk on water in the San Luis Valley

Idea for Sunday is to break from regular business.

Mike-maximize Edward's benefit when we have new board members.

Dan-There is a lot more to it.

Suzanne-quality of pitch affects the amount of donation.

Harold – need 12 to 18 months of cultivation.

Ask Edward – if we work together, then in April we work as a board, could Edward work with new board members for an hour or two and bring them up to speed?

Art wants the board to stay 2 nights at \$20/person/night. Dan envisioned leaving OLT about 4 pm to travel to the Sand Dunes. Some could only go for one night. Dan suggested stay one night and making a donation for one night. Spouses and significant others are encouraged to attend. Paul may not be able to attend at all that weekend.

Keep the board meeting at OLT.

XV. How did we do today? Self-examination on our governance – Dan asked Deb who said the board did great. Mike thinks too much time was spent on some details in the budget. Doug thought it was informative. Doug thought it was a little rough around the edges. Mike said that it's all infrastructure that's needed, nothing that visitors will see. Harold suggested the power point presentations be on the web as our progress report. Paul thought the link of the budget to the action plan to the objectives was great. Deb suggests that we do something that visitors see.

XVI. Announcements

a. 6:30pm tonight – Board & Staff – Dinner & Poetry with Peggy Godfrey at The Trade

b. 2011 Board Meeting Schedule

