



P.O.A.T.R.I.
BOARD OF DIRECTORS' QUARTERLY MEETING MINUTES
SATURDAY, OCTOBER 28, 2017

The Quarterly Meeting of the POATRI Board of Directors was called to order at 10:07am on Saturday, October 28, 2017.

Roll Call and Certification of Board Members by the Secretary, Kathy Pothier
Marilynn Anthenat - Present Yvonne Diaz - Present Chris King - Present
Larry Leaming – Present Kathy Pothier – Present
Linda Shank – Present Bill Vogl – Present

There were no public service announcements.

Kathy Pothier noted that we have been successful in uploading the recordings of our meetings to POATRI.org and that this meeting was being recorded.

Acceptance of Minutes as Presented - Kathy Pothier, Secretary. The minutes from the July Quarterly Board meeting were emailed to all directors and posted on POATRI.org. I move the minutes be approved as emailed. Seconded by Chris King. It was unanimous to approve the July Quarterly meeting minutes.

There was an executive session held on Friday, October 27 to discuss personnel and legal issues. All directors were present as well as attorney Brady Ortego. After discussion and review with the attorney, the board approved and directed the president to sign the remaining documents. The motion carried by a vote of 6 yes, 1 no, 0 absent and 0 abstentions.

President's Report by Marilyn Anthenat is attached at the end of these minutes.

Treasurer's Report by Linda Shank is attached at the end of these minutes.

Manager's Report by Anita Goss is attached at the end of these minutes. Congratulations to the road crew on the shape of the last three miles of the ranch road. The water from the pool renovation is being dumped on the ranch road to continue to work this section of the road. 20,000 gallons of water was used on just the first mile.

Committee/Task Force Reports

Budget and Finance Committee by Linda Shank, Chair is attached at the end of these minutes.

Audit Committee by Linda Shank had no projects this quarter and therefore no report.

Communications Committee by Chris King and Yvonne Diaz had no projects this quarter and therefore no report.

Legal Task Force Coordinators by Kathy Pothier and Chris King had no formal report.

Hunt Committee - Larry Leaming agreed to chair this committee. Anita reported that the deer locker is ready for the hunt season and we have a new deer hoist.



3-Mile Task Force by Linda Shank and Nancy Reyes is attached at the end of these minutes. Out of the discussion from the Friday workshop - Larry Leaming and Yvonne Diaz volunteered to research alternatives to paving and report back to the board by November 11, 2017. Linda did quick research regarding chip seal paving and the lower cost of \$2.00/sq ft would be roughly \$634,000 and the high cost of \$5.00/sq ft would be roughly \$1,584,000. Linda recommends that we continue to work toward the last three miles becoming part of the Brewster County road network. Linda's workshop follow-up is attached at the end of these minutes. It was agreed the 3-mile task force would develop a questionnaire and Larry & Yvonne would research the alternatives to paving.

Water Conservation Task Force by Steve Elliott, Nester Reyes and Jim Miller, Jr. Steve shared that the Brewster County Groundwater Conservation District has new proposed rates. There is a district meeting on October 30, 2017 in Alpine. Anyone interested in joining Steve on this task force please contact Marilyn or Steve.

Airport Committee – Jim Miller, Jr. Anita reported that the tie downs have been repainted. They can now be seen.

OLD BUSINESS:

The agenda for the Friday Workshop will no longer have task force and committee report highlights. We will still have executive sessions if needed on Friday morning and Friday afternoon will be open discussion about the topics/issues to be addressed at the quarterly meeting.

Marilynn Anthenat gave a quick update on the legal issues. As reported previously, the legal task force and the board has spent three years or more reviewing and researching documents to clarify the rights of ingress and egress primarily as it relates to increasing the marketability of property on Terlingua Ranch. Our corporate attorney had researched and recommended a four-step process of documentation, two of which have already been completed. On Friday the board affirmed the signatures of the president on the final documents in the process.

NEW BUSINESS:

There was no property owner participation.

TSUS and Christmas Mountains Update – Marilyn Anthenat has been researching the historical use of the Christmas Mountains with the GLO (General Land Office) and with their new caretaker – TSUS (Texas State University System). John Hayek, the Vice Chancellor of TSUS has taken an active interest in the Christmas Mountains. Marilyn reviewed with our attorney the potential liability of POATRI regarding the permit process for groups going up into the Christmas Mountains. Our attorney agrees that we need a more formalized document and he will draft a document to share with the board and TSUS to limit our liability.

Annual Assessment CPI Recommendation – Linda Shank, Budget & Finance Committee – the resolution is attached at the end of these minutes.

Terlingua Ranch Road – Linda Shank and 3-Mile Task Force – there was no further discussion.



Terlingua Ranch Facebook Page – Bill Vogl – We have a very good Terlingua Ranch Lodge Facebook page. We are working with ranch management to re-gain control of this page.

Drawing for Candidate Position on Board of Directors Ballot

Position 1 – Kathy Pothier
Position 2 – Russell Bundy
Position 3 – Bill Vogl
Position 4 – Billy Ellis
Position 5 – Jarrod Beck
Position 6 – Carolyn Small

Other New Business

Pool Decking – Anita is looking at estimates for new pool decking. The pool is being drained. Concrete around the exterior is epoxy and should be removed and replaced. Several quotes have been received for roughly \$30,000 - \$40,000. Anita is looking at other ways to deck the pool. Composite decking would cost approximately \$18,000. Anita suggests that we go this way. This decking could last as much as 30 years. This decking goes over the concrete, is composite and looks good. This cost will be added to the 2018 budget. The decking will be done in February 2018 to have the pool re-opened by March 1, 2018.

Resolutions are attached at the end of these minutes.

Larry Leaming moved to adjourn, Kathy Pothier seconded. The meeting was unanimously adjourned at 11:35am

Respectfully submitted,

Kathy Pothier
Secretary, POATRI Board of Directors



RESOLUTION BY THE BOARD OF DIRECTORS

DISCUSSION: As Required by the POATRI By-Laws, Article 4.01.f, the Treasurer has reviewed the average of the monthly United States Department of Labor, Bureau of Statistics, All Urban Consumers (South Urban) Consumer Price Index (CPI) on which the CPI in Section I of the Maintenance Agreement (approved July 23, 2005) is based.

WHEREAS: Based on the reference of CPI-All Urban Consumers Sept 2016 and Sept 2017, as of the US Bureau of Labor Statistics, extracted on October 13, 2017, the calculation of Annual Average Consumer Price Index (CPI) yields a ratio increase of 2.384% since September 2016.

BE IT HEREBY RESOLVED: to approve and adopt the average CPI increase of 2.384% which equates to an increase of \$4.08, for a new assessment of \$175.20 for calendar year 2018.

Effective Date: December 1, 2018
Motion By: Marilynn Anthenat
Second: Bill Vogl

Ayes: 6 Nays: 1 Abstain: 0 Absent: 0

Record of Voting:

Y M. Anthenat
Y Y. Diaz
Y C. King
N L. Leaming
Y K. Pothier
Y L. Shank
Y B. Vogl



RESOLUTION BY THE BOARD OF DIRECTORS

Discussion: WHEREAS,

The Ranch Manager is tasked with a yearly evaluation of the discounts,

Therefore;

The manager recommends increasing the discount on rooms for property owners in good standing.

BE IT HEREBY RESOLVED:

To amend the first sentence of 9. A. of Lodge Discount Policy of the Policies & Procedures Manual to read

“Members in Good standing are eligible for a 25% discount of rooms reserved at Terlingua Ranch Lodge.”

This resolution amends replaces revokes adds
 Article _____ Section 9 of the
 By-laws Policy and Procedures Manual

Effective Date: January 1, 2018
Motion By: Bill Vogl
Second: Marilynn Anthenat
Ayes: 7 Nays: 0 Abstain: 0 Absent: 0

Record of Voting:

Y M. Anthenat
Y Y. Diaz
Y C. King
Y L. Leaming
Y K. Pothier
Y L. Shank
Y B. Vogl



RESOLUTION BY THE BOARD OF DIRECTORS

Discussion: WHEREAS,

Item 9 Lodge Discount policy in the Policies and Procedures manual instructs the manager to annually evaluate the room rates and discounts and present these recommendations to the Board

Therefore;

The Manager has recommended to increase the room rates.

BE IT HEREBY RESOLVED:

To increase the room rates for 2 people in a room to \$95.00 per room per night and the rate for 4 people in a room to \$99.00 per room per night.

This resolution amends replaces revokes adds
 Article _____ Section _____ of the
 By-laws Policy and Procedures Manual

Effective Date: January 1, 2018
Motion By: Linda Shank
Second: Bill Vogl
Ayes: 6 Nays: 1 Abstain: 0 Absent: 0
Record of Voting:

Y M. Anthenat
Y Y. Diaz
Y C. King
N L. Leaming
Y K. Pothier
Y L. Shank
Y B. Vogl



BOARD OF DIRECTORS' MEETING – PRESIDENT'S REPORT

OCTOBER, 2017

We continue to welcome more groups using ranch facilities. We enjoyed hosting the Terlingua Preservation Society who held their luncheon at the Bad Rabbit on October 5. Part of our POATRI history includes Carroll Shelby. The TPS is a group of folks who love Carroll Shelby-designed vehicles and our far west Texas location. They raise funds to help support the Terlingua community and sponsor speed and handling competitions and car shows. Thanks, TPS, we enjoyed having you here. And many thanks to Anita and the café staff for making a fantastic fajita buffet.

Anita and her team did a fantastic job renovating the Bad Rabbit from scouring and de-greasing equipment to clearly identifying gas lines to painting and decorating. Many thanks to all who worked making this happen and re-opening the café on schedule.

As has been previously reported, after extensive research and our attorney's recommendation, a four-step process relating to clarifying ingress/egress rights was approved by the Board of Directors in 2016. Our attorney has provided the final documents and the Board has approved the President's signature on these documents, which we expect to have signed and filed within a few days.

Respectfully submitted

Marilynn Anthenat

President, POATRI Board of Directors



Property Owners Association, Terlingua Ranch, Inc.
Treasurer's Report
For the Quarter Period ended 9/30/17

There are several preliminary, unaudited financial reports for the nine-month period ending 9/30/17. Each report presents the financial status of POATRI from a unique position. The P&L Budget Performance Report reflects Actual revenue & expenditures for each line items versus the Approved Budget for each line item; the Comparative P&L reports revenue & expenditures for the nine-months in 2017 compared to the nine-month period in 2016; the P&L by Class (Cost Center) reports revenue & expenditures for each individual class (Cost Center). This report can also be generated to reflect each line item but this quarter period is presented in a "condensed" version so that it will fit on 2 pages, rather than 8 pages. The Balance Sheet reflects Assets, Liabilities, and Equity as of Sept 2017 and as of Sept 2016.

At the end of Sept 2017, POATRI had cash on hand and in banks totaling approximately **\$718,544**, including approximately **\$317,216** in bank accounts reserved for contingency situations and capital reserve funds.

For the nine-month period ended 9-30-17, POATRI received gross income (before expenses) as follows:

Assessment Related Revenue	\$ 561,321
Supplemental (Lodge) Revenue	\$ 325,495
Miscellaneous Income	\$ <u>1,898</u>
Total Gross Income	<u>\$ 888,714</u>

The Budget Performance P&L reports that POATRI had net income before depreciation for the nine-month period of approximately **\$185,200** versus the budget projection of **\$120,663**.

This report also reflects that Assessment Revenue of \$561,321 is significantly larger than the budget projection of \$488,017. The Manager diligently contacted and effectively sent out follow-up notices to unpaid accounts. Each P&L Revenue account for each year shows payments larger than budget. In particular, Acct # 4018 shows revenue collected for years prior to 2011 of \$36,043, compared to the budget of \$12,628. Also, Acct # 4037 for 2017 Assessments reports \$389,148, compared to budget of \$361,000. Thanks to all owners who recognize their financial responsibility towards Terlingua Ranch; and special thanks to Anita and her staff for their financial diligence and for helping to create a positive Terlingua Ranch atmosphere.

It is important to note that Supplemental (Lodge activities) depends upon ongoing revenue throughout the year. In contrast, Non-Supplemental yearly activities depend upon Assessments which have historically been paid to a large degree within the first six months – and then have to be judiciously managed/allocated to meet the expenditures for these non-supplemental areas for the next six months thru December 31. Supplemental Class (Lodge) reports a net



overall loss of (\$15,512) as of Sept 30., which includes the 3-months of hot summer weather when Lodge revenue is historically lower. However, the net loss for Supplemental for 2017 was smaller than the loss of (\$22,587) at 9-30-16. Management anticipates that cabin revenue in particular will be significantly higher in the 4th quarter and the 12-month P&L report as of 12/31/17, will hopefully show a net overall income for Lodge activities.

Other financial information and statistics:

Patsy Culver, CPA, the outside auditor/tax preparer recently completed the audited financials and tax return for 2016. She had an initial timing conflict that delayed her start date. Audited financials will be posted on POATRI.org shortly.

Submitted October 28, 2017

Linda Shank

Treasurer, POATRI Board of Directors



From the Desk of Anita Goss

2017 has been a momentous year for Terlingua Ranch! Thank you to all the members, property owners, staff, and board of directors for all the support that has been shown in the management of the lodge. The Lodge is at full staff once again and ready for the upcoming hunting and holiday seasons. The Bad Rabbit café has a fresh coat of paint, a serious week long deep cleaning, added staff, and new menu items. If you haven't been out in a while, come join us for a great evening of great food and friendly atmosphere. New Specials and longer hours greet the 2017 Fall / Winter season. Holiday hours will be posted on the News Page of www.poatri.org, you may also find flyers posted around the area on Festivities!

The cabins are almost complete, we are down to our last two renovations in Cabin 39 and Cabin 40. The new ADA rooms will feature tiled wet rooms with seating, no thresholds and 36" doorway entries. The cabin décor ranges from Western to Old Mexico; to Desert Themes with Cactus, Bluebonnets, Agaves, and Desert Thunderstorms. As soon as the last two cabins are complete we will issue a press release to Brewster county and surrounding area chambers of commerce.

Even though cabin revenue has dropped off for 2017, we are looking at an upward trend in the 4th quarter of 2017. Since Sept 1st, we have been partnering with www.booking.com to help boost cabin reservations. There is a significant increase in cabin revenue and we expect this trend to continue upwards thru 2018. With Booking.com we are tapping into a whole new market. We are seeing new guests and these people are new prospective property owners who will learn of the lodge, love it, and be glad to pay dues to be in such a beautiful place. We have stellar reviews online. Trip advisor also has us ranked at #2 Hotel in Terlingua this is due to our excellent housekeeping staff, our on-point front desk staff and newly renovated rooms.

To drive more property owner reservations, the Board may consider keeping the Property Owner Discount to 25%. Raising the Room Rates to 95.00 and 99.00 a night to cover the cost of doing business with booking.com. Our discounts are not passed on to booking.com guests. They pay full rate. Of Course, booking.com works on a black out calendar, so dates like Spring Break, May Symposium, Chili Cook Off, Thanksgiving, Hunting Season, and New Years are not available to book online.

Collections this year went well. This year so far, we have collected \$62,536.73 As we come to the close of 2017 payments are also slowing. We currently have 5019 Members, 2914 Members in Good Standing, 627 Exempt Members, and

We currently have 62 payment plans. Two hundred more members moved into good standing after the interim billing went out July 10th of this year. We will continue to file liens on properties that have not made payments. Billing for 2018 will go out on Dec 1st, 2017.

The Café has always been a difficult business to run. Since the property owner's association



resumed management it has been an ongoing challenge. We know from experience that cabin revenue directly correlates with the success of the restaurant. We (the staff) as a team have worked very hard to bring the Bad Rabbit café to the fore front of people's hearts and minds, growing the café business and its reputation. We have succeeded in that respect and have come very near to meeting our budget despite a cabin revenue shortfall for the first three quarters of this year. With the surge in guests resulting from our partnership with booking.com we expect good things for the Bad Rabbit in the 4th quarter.

As we are expecting a revenue increase for next year, I am adding staff to support the growth. We will employ more people in 2018 than in last few years. This next year we will have 3.5 people working on the road crew, to keep up with the Overall growth of the area, climate change, and maintenance to the equipment. Reservations growth also demands more staff. We are currently working on finalizing the budget for 2018 to be presented at the January Board of Directors Meeting. Thanks for a successful 2017 and I hope to see you again at the next meeting.



**Budget & Finance Committee Report
October 2017 BOD Meeting 10-28-17
For 3rd Qtr 9-30-17**

The POATRI Budget & Finance Committee has 3 members:

Bill Vogl, Linda Shank, and Marilyn Anthenat

The Manager, Anita Goss, is a non-voting member of all committees.

During the 3rd quarter from July thru September, 2017, the committee assisted the Manager, when requested, with calculations and historical analysis for her preparation of the 2018 Operating and Performance Budget, that will be finalized and voted on at the January 2018 BOD meeting.

Bill Vogl followed the Bylaws Article 4.01.f. and computed the average CPI increase of 2.384% since Sept 2016, and the resulting increase of \$4.08 in the assessment fee for an annual 2018 assessment fee per account of \$175.20.

Respectfully submitted,

Linda Shank, Chair



POATRI
3-MILE TASK FORCE REPORT
October 28, 2017

Status of Task Force Activity To Date:

Researched history of paved portion of Terlingua Ranch Road (13 miles) that was conveyed to Brewster County.

Researched POATRI files for history on last 3 miles (unpaved).

Met with County Commissioner Hugh Garrett and Judge Cano and obtained encouragement on their interest in accepting the last 3 miles of Terlingua Ranch Road into the county road system.

Judge Cano and Commissioner Garrett also stated that Texas counties do not have legal right of eminent domain. The conveyance of the last miles of Terlingua Ranch Road to the County would require each owner along that section of the road to be willing to assign right-of-way to Brewster County

Discuss Follow-up with BOD:

Coordinate BOD discussion of whether to continue to pursue coordinating with Owners for the conveyance to the County of The Last 3 Miles.

If the Board continues to support POATRI's involvement, the following is recommended:

- 1) The Manager or another designated POATRI agent personally contact each property owner along the last 3 miles to explain the project/answer questions to establish positive or negative feedback for each property owner.
- 2) Follow-up initial contact with a letter requesting that the property owner(s) indicate their positive support for an easement to the County, with assurance that property owner is not legally committing themselves at this point.
- 3) If conveyance is supported by 100% affected property owners, BOD's Agent(s) will follow up with obtaining recommended legal document template from POATRI legal counsel
- 4) Once template is prepared, Agent(s) coordinate conveyance of legal documents to affected Owners for execution and coordinate getting executed documents to Brewster County Commissioners.