**P.O.A.T.R.I.**

**BOARD OF DIRECTORS’**

**QUARTERLY MEETING MINUTES**

**Saturday, October 31, 2020**

**10:00 AM QUARTERLY MEETING**

The meeting was called to order by President Russell Bundy at 10:05 AM on Saturday, October 31, 2020

Roll Call and Certification of Board Members by Secretary, Kathy Pothier

R Bradbury – P; R Bundy – P; P Green – P; C King – P; K Pothier – P; C Small – P; B Vogl – P

Russell introduced new manager, Keven Brinneman. Keven comes to us with a vast amount of experience – more than 30 years in the industry. We anticipate a good working relationship with Keven going forward as evidenced by this first month.

**Acceptance of Minutes as Presented** by Secretary Kathy Pothier. The minutes from the July 2020 meeting were emailed to all directors and posted to poatri.org. K Pothier moved, C Small seconded the minutes be approved as emailed and posted. The minutes were unanimously approved.

The board continued to meet every two weeks via zoom since the last quarterly meeting for a budget update due to COVID-19.

August 11, 2020 – Rick, Russell, Chris, Kathy, and Bill were present; Carolyn and Phillip were absent. Interim manager, Denese Jones and BFC member Ed Marcato were also present. No votes were taken during this meeting.

August 25, 2020 – Rick, Russell, Chris, Carolyn, and Kathy were present; Phillip and Bill were absent. Interim manager, Denese Jones and BFC member Ed Marcato were also present. No votes were taken during this meeting.

September 8, 2020 – Rick, Russell, Chris, Kathy, Carolyn, and Bill were present; Phillip was absent. Interim manager, Denese Jones and BFC member Ed Marcato were also present. The board voted to hire Keven Brinneman as Manager. Record of voting – Rick – Yes; Russell – Yes; Phillip – Absent; Chris – Yes; Kathy – Yes; Carolyn – Yes; Bill – Yes. 6 voted yes, 0 voted no and 1 absent.

September 22, 2020 – Rick, Russell, Chris, Kathy, and Bill were present; Carolyn and Phillip were absent. Interim manager Denese Jones and BFC member Ed Marcato were also present. No votes were taken during this meeting.

October 6, 2020 – Rick, Phillip, Chris, Kathy, and Bill were present; Phillip was present for a while (connection issues); Russell and Carolyn were absent. Keven Brinneman, manager, Denese Jones, and BFC member Ed Marcato were also present. Kathy moved; Bill seconded to authorize $10,080.99 + tax for the repair of the 120H. Record of voting – Rick – Yes; Russell – Absent; Phillip – absent for vote; Chris – Yes; Kathy – Yes; Carolyn – Absent; Bill – Yes. 4 Yes, 0 No and 3 absent.

October 20, 2020 – Rick, Russell, Phillip, Chris, Kathy, and Bill were present. Keven Brinneman, Denese Jones and BFC member Ed Marcato were also present. Chris moved; Bill seconded to authorize the expense of $6,700 for foam filled tires for the Loader. Rick – Yes; Russell – Yes; Phillip – Yes; Chris – Yes; Kathy – Yes; Carolyn – Absent; Bill – Yes. 6 yes; 0 No; 1 Absent

**President’s Report** by Russell Bundy.

“As president, I am very proud of our board members. The tenacity of our community members going through this COVID time understanding the difficulties and challenges and hanging in with us as we continue to process who our new manager is going to be. It was a long year. Fortunately, we found someone who can do the job and do it very well. That takes a lot of initiative and endurance from the community itself. I am very proud to be a board member of this community. I want to thank everyone for their hard work.

**Three Mile Road Project report** is attached at the end of these minutes. Thank you from the board to Nancy and the team for their continued good work on this project.

**Treasurer’s Report** by Rick Bradbury is attached at the end of these minutes.

**Manager’s Report** by Keven Brinneman is attached at the end of these minutes.

**Committee/Task Force Reports**:

**Budget and Finance Committee** – Rick Bradbury - Chair. Members Bill Vogl, Ed -Marcato, and Russell Bundy

Rick asked for questions from the zoom audience regarding the treasurer’s report. The financial statements will be posted on poatri.org. There were no questions from the zoom audience. The board agreed that the continuous budget update meetings have been helpful for understanding exactly where we are regarding our finances. Ed said it had been a privilege for him to serve the board by keeping the board updated regarding the financial recovery. We have been closely tracking the recovery and the real issue is on the revenue side not on the expense side – Keven, Denese and staff have kept the expenses below even the revised budget. The real issue has been assessment collections and lodge recovery rate. The lodge re-opened in June after closing in mid-March. In October we have exceeded what we did last year. We continue to expect a strong recovery and a positive year next year – dependent on COVID-19 and state and local regulations. Assessment collections are down over last year however a couple of months have started to recover a little bit – not enough yet to call it a trend – but let’s hope more people will pay their assessments - assessments are essential for the survival of the ranch. Ed then brought up the P&L by Class. The net financial condition of the assessment side has spent more than we have taken in in assessments. The lodge operation side was profitable making our net profit for all operations of $4000 for the year so far. There were no questions from the board or the zoom audience. Bill thanked Ed for guiding us through these budget updates. The BFC has also worked on the CPI calculation for the yearly assessment increase of 1.34% making the 2021 assessment 182.88 – up $2.42 over last year.

**Water Task Force Update** – VP Chris King

A meeting was set up with Derek Turner of Jacob Martin, who has helped us with the as-builts and certification of the Smith Well, to follow-up on the certification with TCEQ of the Smith Well. As part of the certification we had to perform a year of testing concerning water quality and a few other things. Derek has taken our log results and is presenting them back to TCEQ (Texas Commission on Environmental Quality) with the anticipation that they will officially certify the Smith Well towards the middle to end of November. This is good news as it makes the well official with TCEQ.

There is additional work to continue with the Smith Well which is a lengthier project in multiple phases. Keven has hit the ground running with this must have project. It involves storage and a new pump. We will be installing a new tank next to the Smith Well and installing an external pump that will pump the water from the new tank and push it through our system and up to the tank on the mountain. The reason for doing this is that during peak, high usage times, the well was having trouble keeping water in the system at a decent pressure. The pump that is in the well has already been replaced once and this project will extend the life of the well pump. There will also be upgrades around the pump regarding water treatment. Derek is creating a project plan that includes the engineering drawings for the project and they will oversee the project.

**OLD BUSINESS** – The workshop session on Friday afternoon was exceptionally good and we have started working on our strategic plan. There was no other old business.

**NEW BUSINESS:**

**Drawing for Ballot Positions** - There are nine (9) owners running for the five (5) available seats to be filled on January 30, 2021. The ballot positions are as follows:

1. Rossi English
2. Bill Vogl
3. Ed Marcato
4. Chris Leland
5. Scott Walker
6. Kelly Dayton
7. Roger Folz
8. Larry Sunderland
9. Jim Spofford

We will ask all candidates to provide a 100-word summary that they would like the voters to know about them, why they should vote for them. The 100-word summary will be included in the ballot. A link will be provided to the full candidate applications. Kathy will reach out to the candidates via email to provide this summary. It is wonderful that there are so many folks stepping up to run for the board.

* **Property Owner Communication** – There were no questions or comments from the Zoom audience. There were 11 folks in the zoom audience.
* **Other New Business**

Future workshops will be open via zoom.

We can have zoom meetings like we are doing now and can push it to Facebook which may work better for most folks to listen. We will communicate this better going forward and in advance.

COVID-19 has pushed us to make the meetings more accessible to all members and this is a good thing. Members are appreciative of this action.

Because of the ballot process and the candidacy, it has opened an area for us to review. We have a resolution to amend the bylaws we will vote on later. This is regarding eligibility for being a board member and we will be using the Texas Property Code 209.0059(1). Things that once were requirements are no longer requirements for a director. We will be making this change and abide by the property codes.

The BFC had also reviewed the financial roles of the organization – Treasurer, Auditor, CPA, Bookkeeper. The objective was to look at the responsibilities of these roles and see if there was overlap. We reviewed these roles in the POATRI Bylaws, Policies & Procedures Manual, and the Board of Directors Procedure Manual. We had a lengthy discussion, and our determination was that the actual performance of the roles does match the governing documents and that there was no overlap. There are no recommendations for change currently.

Question - was is it a helpful process? Overall, yes it was. Would it be helpful for the other officer positions to have the same kind of scrutiny? Yes, as we transition in January with new directors, we need to pay attention to our on-boarding of new directors. We can make a study of the officer roles a workshop item for the future board. It is important to understand how the governing documents inform the officer roles and the tasks involved in each position.

The transition of officers in January 2021 will be important to success of the new officers. Everyone will have a different style and the tasks still need to be done. If the biweekly budget meetings are to continue, they need to be formalized. The biweekly meetings were a response to COVID-19 specifically. If the board is going to continue operating in this way, there are sections that tell us how we can meet. The board has the ability to change these items – they just need to be looked at to be sure we are operating accordingly. From the manager’s perspective, these biweekly meetings have been extremely helpful.

Question from the audience regarding Texas Property Code referenced in upcoming resolution. Google Texas Property Code Section 209. There is a caution to read carefully because some of those items apply and some of them do not apply to us.

Specifically, Texas Property Code Chapter 209. Texas Residential Property Owners Protection Act <https://statutes.capitol.texas.gov/Docs/PR/htm/PR.209.htm> Some of the property codes apply to us some of them do not.

* **Resolutions** are attached at the end of these minutes.
* **Adjournment**

Kathy moved to adjourn, Rick seconded, and the vote was unanimous. The meeting adjourned at 11:28.

Respectfully submitted

Kathy Pothier

Secretary, POATRI Board of Directors

**Treasurer’s Report**

**October 31, 2020**

I first want to let everyone know that the Profit and Loss and Balance Sheet statements have been posted to the POATRI web site since we cannot provide hard copy statements at this meeting.

As of the third quarter POATRI operations remain profitable despite a loss of Lodge revenue and lower assessment collec*tions* due to the Corona Virus. This is due primarily to a reasonable recovery in Lodge business and the Payroll Protection Plan loan that we received. Here is an overview of our financial performance as of the third quarter.

* POATRI’s Net Income for all operations was $4,500. Although this is a small profit, and, much lower than last year’s profit of $151,000, it is better than our revised Budget estimate of a loss of $75,000. Just to remind everyone, after the Corona Virus hit in February and March, we put together a revised budget to reflect the anticipated loss in revenue.
* Assessment collections are down by $60,000 from last year, down from $534,000 to $474,000. We believe this is due to the Corona Virus, as we also experience a significant reduction in collections during the recession in 2008 to 2010.
* Lodge revenue this year is $511,000, versus $620,000 for last year, because we had to close the Lodge halfway through spring break in March, and for April and May. Since we opened in June there has been a steady recovery, and October revenue looks like it will be higher than last year. The trend indicates we will have a full recovery of the Lodge operation. Despite the reduced revenue, the Lodge has contributed a profit of $38,500.
* Expenses are $12,000 under the revised budget, and we have made no large capital expenditures.
* At the end of September our Cash Balance for Operations was $272,400, and we have not touched our Contingency or Capital Reserve Funds.
* As previously reported, we have not laid off any staff, but several staff have decided to leave on their own. With the Lodge operations strong recovery, we are hiring to replace needed staff for the Restaurant and other positions.
* The Board and Management continue to track Lodge occupancy reservations on a weekly basis, and meet every two weeks to monitor the trend in Lodge recovery, our financial condition, and, our Cash Flow projections for the rest of this year. In addition, we have developed a preliminary budget for 2021, which we will update based on the Lodge recovery and on assessment collections for the next two months.

This completes the Treasurer’s report. If you have questions, we will address them during the Budget & Finance Committee discussion.

Rick Bradbury

Treasurer

**Ranch Manager Report**

**October 31, 2020**

I am thankful to Terlingua Ranch for this amazing opportunity to serve the community and meet amazing people in this short period of time.

# Ongoing improvements:

* The team is now concentrating efforts on corrective maintenance for the facility
* With the increase of visitors for the season we are committed to provide the best experience possible at the lodge
* Working with the Board of Directors to improve the current water infrastructure with the Smith Well
* We are implementing a Property Management System for the lodge and restaurant; the system will automate many tasks we currently have on reservation handling and online booking as well as order taking for the restaurant.
* Working with The International Dark-Sky Association since we have an opportunity to became one of the few Dark Sky Certified communities worldwide
* Currently working on the 2021 budget

Keven Brinneman

Ranch Manager

**3 Mile Task Force**

**Report to POATRI Board**

**October 31, 2020**

The Task Force continues to make progress with the 3 Mile Project. Since the July Board meeting, 4 more easements and petitions were received, with the easements recorded. We now have easements and petitions from 11 of the 22 owners of tracts along the 3-mile stretch – half of all owners. We are actively working with 3 more owners who have committed to signing the documents and are working with them to get the documents finalized.

* **22** easements and petitions were sent out to owners in January 2019 (26 tracts total but some owners have multiple tracts).
* As of this Board meeting, **11** easements and petitions (increase from 7) have been signed and returned to the Ranch Office and have been recorded in the Brewster County real property records (1/2 of the 22 owners).
* **3** owners have committed to signing the documents and the Task Force is working with them to get documents finalized.
* **5** owners – Task Force has received no response or has been unable to contact (due to bad mailing addresses, no or bad email addresses, no phone numbers, owner is deceased, or no response whatsoever). The Task Force is periodically checking public records (Brewster Real Property records, TRIPOD, Brewster County tax records) to find out whether there have been changes in ownership or contact information. All these owners have been sent certified letters, return receipt requested.
* **3** owners so far have declined to sign (down from 4).

Task Force recommendation:

The Task Force would like more time to continue to work with owners, try to locate and contact missing owners, and to continue researching public records for changes in ownership or contact information.

Nancy Reyes, Task Force Chair

Dale Weiss

Russell Bundy, Board Liaison

**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 2019 through August 2020, as of the US Bureau of Labor Statistics, extracted on October 21, 2020 the calculation of Annual Average Consumer Price Index (CPI) yields a ratio increase of 1.34% since September 2019.

**BE IT HEREBY RESOLVED: to approve and adopt the average CPI increase of 1.34% which equates to an increase of $2.42, for a new assessment of $182.88 for calendar year 2021.**

Effective Date: \_\_December 1, 2020\_\_

Motion By: \_\_Rick Bradbury\_\_\_\_\_\_

Second: \_\_\_Carolyn Small\_\_\_\_\_

Ayes: 7 Nays: 0 Abstain: 0 Absent: \_\_0\_\_

Record of Voting:

R Bradbury \_\_Y\_\_\_; R Bundy \_\_\_Y\_\_; P Green \_\_\_Y\_\_; C King \_\_\_Y\_\_; K Pothier \_\_Y\_\_\_

C Small \_Y\_\_\_\_; B Vogl \_\_Y\_\_\_

**RESOLUTION BY THE BOARD OF DIRECTORS**

**Discussion: WHEREAS**,

The Smith well is pumping water directly into a ground tank with elevation of the other side of the lodge reducing the lifespan of the pump and the need to improve the current infrastructure of the pump system,

**Therefore;**

**BE IT HEREBY RESOLVED**:

to authorize the manager to sign the consulting agreement for professional services and engineering work with Derek Turner, engineer, Jacob Martin, LLC at a cost not to exceed $60,000 from the Capital Reserve Fund to be paid back based on profits in the 2021 budget exclusively from lodging.

Effective Date: \_\_October 31, 2020\_\_

Motion By: \_\_Chris King\_\_\_\_\_\_ Second: \_\_\_Phillip Green\_\_\_\_\_

Ayes: 7 Nays: 0 Abstain: 0 Absent: \_\_0\_\_

Record of Voting:

R Bradbury \_\_Y\_\_\_; R Bundy \_\_\_Y\_\_; P Green \_\_\_Y\_\_; C King \_\_\_Y\_\_; K Pothier \_\_Y\_\_\_

C Small \_Y\_\_\_\_; B Vogl \_\_Y\_\_\_

**RESOLUTION BY THE BOARD OF DIRECTORS**

**Discussion: WHEREAS**,

We currently have two credit card processing systems (front desk and café) that do not talk to each other and our costs for credit card sales are not cost effective;

**Therefore;**

**BE IT HEREBY RESOLVED:**

To authorize the manager to sign the agreement to consolidate these systems into one property management system at a cost of $307.00 per month for the software and;

To purchase the necessary hardware to support the new property management system not to exceed $5,000.00

Effective Date: \_\_October 31, 2020\_\_

Motion By: \_\_Chris King\_\_\_\_\_\_ Second: \_\_\_Bill Vogl\_\_\_\_\_

Ayes: 7 Nays: 0 Abstain: 0 Absent: \_\_0\_\_

Record of Voting:

R Bradbury \_\_Y\_\_\_; R Bundy \_\_\_Y\_\_; P Green \_\_\_Y\_\_; C King \_\_\_Y\_\_; K Pothier \_\_Y\_\_\_

C Small \_Y\_\_\_\_; B Vogl \_\_Y\_\_\_

**RESOLUTION BY THE BOARD OF DIRECTORS**

**Discussion: WHEREAS**,

The Bylaws Article 4, Section 4.04 Qualifications and Liability of Directors items (a), (b), and (c) regarding qualifications to be eligible to seek election to a seat on the Board of Directors and serve on the Board of Directors of POATRI are not in compliance with Texas Property Code Section 209.00591 (a) which provides that, except in limited circumstances “a provision in a dedicatory instrument that restricts a property owner’s right to run for a position on the board of the property owners’ association is void.”,

**Therefore;**

**BE IT HEREBY RESOLVED:**

That Article 4.04 (a), (b) and (c) be removed in its entirety and the board approve the Certificate of Amendment to the Bylaws of POATRI as attached making Article 4.04 Qualifications and Liability of Directors to read:

4.04 (a) A person may not serve as a director if the person cohabits at the same primary residence with another Director.

4.04 (b) A Director shall discharge the Director’s duties, including duties as a Committee member, in good faith, with ordinary care, and in a manner the Director reasonable believes to be in the best interest of POATRI,

4.04 (c) A Director is not liable to POATRI, A Member, or another person for an action taken or not taken as a Director, if the Director acted in compliance with Article 4.04(b)

4.04 (d) Each Director shall annually affirm and sign the Code of Ethics and Standard of Conduct of the POATRI Board of Directors and the Release and Indemnification Agreement at the January Board meeting. Failure to do so shall disqualify such Director from serving until such time as the Director Complies with this provision.

This resolution [X ] amends [ ] replaces [ ] revokes [ ] adds

[ ] Article \_\_4\_\_\_ [ ] Section \_\_04\_\_\_\_ of the [X ] By-laws

[ ] Policy and Procedures Manual [ ] \_\_\_\_\_\_\_\_\_\_\_\_\_ [ ] Article\_\_\_\_\_\_ [ ] Section\_\_\_\_\_\_

Effective Date: \_\_October 31, 2020\_\_

Motion By: \_\_Carolyn Small\_\_\_\_\_\_ Second: \_\_\_Rick Bradbury\_\_\_\_\_

Ayes: 7 Nays: 0 Abstain: 0 Absent: \_\_0\_\_

Record of Voting:

R Bradbury \_\_Y\_\_\_; R Bundy \_\_\_Y\_\_; P Green \_\_\_Y\_\_; C King \_\_\_Y\_\_; K Pothier \_\_Y\_\_\_

C Small \_Y\_\_\_\_; B Vogl \_\_Y\_\_\_

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