

WARRIORS and QUIET WATERS

Board Meeting Minutes

Location: Quiet Waters Ranch
3743 Reese Creek Rd
Belgrade, MT 59714, USA

Date/Time: Feb 7, 2019, 3:30 – 5:15pm

Members Present: Tom Stiffler, Aaron Demro, Eugen Graf, Ed Brandt, Joe Esparza, Ali Ramirez, Greg Putnam, Tim Richmond, Chris Oliver, Diane Bristol

Non-Voting Members in attendance: Faye Nelson, Peter Pfankuch, Mike Powell

Members Not Present: Brian Finnan, Jim Collins

I. Meeting Called to Order with a quorum met @ 3:30pm

II. **Consent Agenda**

Tom

- a. Approval/Acceptance of: Move to Accept - Tim, 2nd by Joe. Unanimous vote.
- b. Jan EXCOM Meeting Minutes
- c. Dec/Jan ED Reports
 - i. April's role? Reporting to Mike. Emily will transition volunteer duties to someone else down the road.
- d. SP Dashboard
- e. Financials

III. **Discussion Agenda**

- a. Dec and Special Mtg Board Minutes Tom
 - i. Motion – Ed, 2nd – Ali. Unanimous vote (Eugen abstained).
- b. 2019 Budget Approval Ed
 - i. 3 more FXs in 2019 than '18 – normally we would anticipate different budget #s with the additional FXs. Fortunately, it is not a lot of increase in expense.
 - ii. Increase in personnel with one FT to-date, additional possible in '19.
 - iii. Raising funds – approximately same amount as we needed in 2018. (these are donations from general public, not anomaly million dollar gifts).
 1. Components are different: no golf tournament in '19; WTF event for '19 (budgeted to raise \$250k).
 2. Strong BDORA.
 - iv. Ali – any concerns? Ed – A bit concerned with WTF given the amount budgeted.
 1. WTF update – sponsor lunch donated, 4 distilleries signed up, one brewery, couple of artists, light on restaurants (5 confirmed) but expect those will increase once additional sponsors are confirmed.
 - a. Uber and Lyft are set to give
 2. Tom – Venue? All indoors.
 - v. Finance Committee recommends approval. Move to accept - Ed, Eugen – 2nd. Unanimous.

1. Discussion: Joe – capital expenditures going to come in where we expected? Ed – the caretaker house is dependent upon donor coming through with reimbursement. We're prepared to pay Eugen if/when he needs to submit invoices to WQW. Eugen feels the final bill will be significantly less – original budget \$436k, EG confident construction will come in under.
2. Faye – kitchen remodel covered by donor (with overview of the remodel), starting on Monday & done by 4/1; review ED report re living room, blinds, AV; office upgrade – not ready to talk about, but have solutions that range from cubicle to moving walls, nothing needs to be done right now; lawnmower & brush cutter – pay through temp restricted funds leftover from capital campaign or wait until we sell Chevy/camper trailer; fitness center equipment is long-term, probably won't happen this year – Eugen said that Steve from The Ridge will help (donate or get cheaper), Faye also identified that we have to figure out where it would go, budgeted amount was probably at retail; Warrior boat – donor has paid for it.
3. Aaron – budget includes for Salesforce upgrades & software enhancements? Faye – yes, the real cost is the consulting fee, which is significant, budgeted at \$75k. Continue to look at other integration tools – is there any discretionary budget that we can use to be even more efficient? Faye – I believe so. Will follow-up.

c. Investment Update

Ed

- i. Two institutions working for us: local (DA Davidson) – met with them yesterday, provided an update on marketplace, the S&P value is heavily weighted by about 10 stocks – in '18 a lot of those struggled, pretty speculative; about \$2.8MM at JP Morgan in NY office, hesitant to move out of JPM because of relationship with significant donor, Ed visited JPM late last year to receive an update & give feedback how money is distributed and about customer service, with latest visit and “noise”, have received more focus (went with 60 equities/40 in fixed income), JPM can create an S&P traded funds, but they can exclude those tentative funds.
- ii. For 2019 – stay with JPM, give them a chance & spread across equities and bond funds, assess the relationship and decide for 2020.
- iii. Investment performance:
 1. JPM – update this morning, in '18 (end of Jan 2018 – end of Jan 2019) our portfolio was down 2.9%.
 2. DAD – pooled gift annuity down 5%, Uihlein down 5.7%, additional was down 6/7%. Range of 5.5% across the board.
 3. Different situations & different amounts of money. Inline with the rest of the market. We need a better understanding with JPM of what we want and when we want it. We'll get quarterly updates for apples to apples information.
 4. Joe – in the past, we've received a forecast. Ed – both companies gave forecast for 2019. Range of 4-5% for organic growth. Strange market. Overdue for recession is causing some of the nervous energy.

5. Ali – Ed’s board tenure expires for 2020. How will this change impact with JPM? Chris – not a concern. Tom – we haven’t established our expectations.
 6. Greg – projections aligned between DAD and JPM? Ed – 5 to 5.5% in their projections. Both close. Chris – take the long view & reposition.
 7. Ed – follow-up with JPM, 3-year average is 6.1% annualized. Since inception – 4.9%.
- d. Board Meeting Dates & Times Tom
- i. Take to EXCOM – looks like we’ll move meeting time to 4pm (Mountain Time), would make a difference. Will report back to full board in March.
- e. Board Candidate Discussion/Recommendation Tim
- i. August meeting – talked more seriously about succession planning and needs of the board; provided handouts.
 - ii. Propose the election of a new board member, candidates & timing.
 - iii. Minimum of 3, max of 15 as per Bylaws.
 - iv. Present – who to add and when. Got aligned with Brian. Nancy Sander. April or June meeting. Followed by Bryant Harp. 3rd John Silkman (would like to get him settled to Bozeman). Shelley would not be a top recommendation today, but looks like great potential.
 1. Defer additional board members until further in the year.
 - v. Discussion?
 1. Ed – where do they fit in matrix? Tim: Nancy – diversity, military/veteran, medical.
 - vi. Greg – recommend Nancy and so moved, Ali – 2nd. Unanimous.
 1. How to onboard? Seek Brian’s recommendation on notification. Wait until April to add Nancy to regular communication.
 - vii. Ed – consider matrix and areas that we need to focus, it looks like legal has a void. Tim – we are looking at legal and finance and how we can evolve the board. Joe – can have non-board members on Finance committee, consider that Ed stay on after he completes board tenure.
 - viii. Greg – having people with specific background on finance is critical, but doesn’t feel that legal background is as important. We have outside providers that fill the legal need. Faye – someone with legal background could identify areas that we should seek external counsel. The person on the board would be there to concur with outside counsel, etc.
- f. Approve modification of existing policies Faye
- i. Mission statement, address change, etc. Reflect current information.
 - ii. Authorization to make changes that have already been approved.
 - iii. Moved – Chris, 2nd – Tim. Unanimous.
- g. Acceptance of modified personnel policy Faye
- i. Adjusting the formula and adding another accrual level. Prior conversations with Diane and Tim regarding PTO. Considering staff increases and potential for employee retention and level for negotiation.
 - ii. Tim – compared to another NPO, which has a richer policy & doesn’t track Director & above. This proposal is very reasonable to honor tenure and level in organization. Ali – take when? Faye – 3 mos. Probationary period before accruing PTO. Faye is not proposing to change to probationary period.

- iii. Greg – flexibility with new hires to negotiate? Faye – ED does have discretion, for consistency, bring this next tier. Not instead of this proposed plan, but in addition.
- iv. Joe – would like more detail about the other NPO PTO. Tim – Travis Manion – don't track for Directors because the thinking is that Director-level people have extra responsibility and measure on performance. TM gives 15 days for 1-3 year. At 5 years it's 18 days.
- v. Ali – what are you changing? Faye – it was 3 weeks across the board, no matter what.
- vi. Tim – move to approve, Chris – 2nd. Unanimous.
- h. Additional EXCOM Member Tom
 - i. EXCOM discussion – minutes reflect that it's a good thing to do.
 - ii. 2019 will be a pilot. There's a chance for board members to experience.
 - iii. Joe – at first, was resistant. Think so because it's new. It's good to see what happens on the EXCOM. See the behind-the-scenes. Good if someone wants to be more involved.
 - iv. Greg – odd number should help to get decisions made.
 - v. Tim – add an at-large member. Doesn't require a motion or a vote.
 - vi. Joe – procedural question. All officers are voted in. A volunteer would not need to be voted in.
 - vii. Tom – because it's a volunteer, it's a one-year term for 2019.
 - viii. Eugen has volunteered and will join the EXCOM in 2019 as an at-large member.

IV. ITEMS FROM THE FLOOR

- a. Chris – Highly encourage to build a pass-down binder. Ability to make transition easier.
- b. Ali – continuity folder, consider for Faye.
- c. Tim – Jim did give a binder when he took over the G&A committee.
- d. Eugen – two things: Erin & Eugen wanted to make sure that QWR had a copy of her painting; Theresa (cousin) is executive of Going to the Sun Rally, 2019 in Bozeman, announced continuing donation to WQW, do first kick-off dinner at QWR. Faye – a lot of really good donor cultivation reasons to host this event. Have a lot of details to discuss with the neighbors, including CUP (conditional use permit), core covenants & zoning, for # of FXs. Thinking to gather neighbors to talk through the FXs and this event. Ryan does have some concerns given that neighbors have pushed back on weddings, etc. Faye provided some background on the CUP restrictions/requirements.
 - i. Joe – at the hearing, the county wrote the CUP to be very restrictive. At the time, we didn't think it would be a big deal. They could enforce it if they got complaints. That's why we want to have it redone to remove those restrictions.
 - ii. Chris – effort underway to change the CUP? Faye – not at this time. Joe – the idea when we talked about when to do that was to do this after Ryan is here. Great steward, builds relationships. Have a steady presence. Chris – who approves it? County Commissioner.
 - iii. Eugen – any personal relationship with the County Commissioners would be important before they have a hint of a request for change.
 - iv. Faye – relations with the neighbors in the last 1-2 years are so much stronger. An example – neighbor behind called 2-3 days ago to ask where the Caretaker home is going. Neighbor said that's not where you said it would go.

Faye explained that County had us move 50 ft. Neighbor said that's not what they agreed. "Some of the neighbors have called and ask." 50 ft matters.

v. Greg – huge donor potential.

vi. Joe – says don't ask. Faye – Ryan would really have a problem. Eugen – go to Commissioners.

vii. Tom – the neighbors really know what's going on.

viii. Faye – it does need to be fast-tracked. Need to come up with a plan quickly because the event is in September.

ix. The board is in agreement that we should try to make this event happen.

e. Faye – according to our Bylaws, everyone must sign the annual conflict of interest & the whistleblower policies.

f. Aaron – survey summary.

g. Ali – phone system needs to be made user-friendly; can't get ahold of any individual within the WQW org via voice mail. Faye – April set up this week.

h. Chris – take Susan off of the voicemail.

V. ADJOURN at 5:17pm. Unanimous.