

**Piedras Blancas Light Station Association
Minutes from Board Meeting
RaboBank, Main Street, Cambria, CA
February 27, 2013**

Board Members in attendance: Tim Postiff (Vice Chair), Jim Harris (Secretary), Fred Apitz (Treasurer), Jim Boucher (Ex-Officio), and [Carole Adams (Ex-Officio) – left after San Luis Obispo Bicycle Club check presentation]

Board Members not present: Jack Morehead (Chair)

Others present: Holly Gant (PBLSA Program Director), Molly Nilsson (American Conservation Experience (ACE) intern), Nancy Hartwick, Abel Martinez, and [Robert Davis (President of SLO Bike Club) - left after San Luis Obispo Bicycle Club check presentation]

Tim Postiff called the meeting to order at 6:00 p.m.

Announcements: Tim Postiff introduced Robert Davis, President of the San Luis Obispo Bicycle Club, who presented the PBLSA a \$500 check as a donation. Robert stated that the club has two major events each year, the Wildflower in the Spring and the Lighthouse in the Fall. In appreciation for the support of the Piedras Blancas Light Station, the SLOBBC has donated a check to the PBLSA in the past, and Robert said that he wanted to present the donation this year in person to express his appreciation. He stated in response to a question that the donation is use as the PBLSA desires. Tim Postiff thanked Robert on behalf of PBLSA.

Approval of the Agenda: Agenda was approved.

Reports:

1. Secretary Report - Jim Harris previously emailed a copy of the minutes of January 23, 2013 for review. *M/S/P Minutes of January 23, 2013 approved.*
2. Financial Status and Treasurer's Report – Fred Apitz distributed his report with the emailed agenda for this meeting for review prior to the meeting; see Appendix A. During discussion three motions were passed, and they are presented under New Business below.
M/S/P Treasurer's Report of February 27, 2013 approved.
3. Gift Shop Report – Holly Gant gave the report based upon Carole Adams document presented in Appendix B. Holly reported that Brick Paver Campaign is off to a good start with 679 letters sent out with 22 purchases so far. It was agreed that the report of the Brick Paver Campaign would be addressed using the Gift Shop report, and that the financials would be presented in the Special Events category. See Appendix C for Carole Adams document on the status of the Brick Paver Campaign. As part of a discussion on the bulk mailing issues, the following motion was passed: *M/S/P The PBLSA authorizes Holly Gant to have signature authority for checks up to \$500.*
4. BLM Update – Jim Boucher presented the February 27, 2013 BLM report that was previously presented with the agenda for the meeting, and is contained in Appendix D.
5. Website Development- Holly Gant reported that 89 people “like us” on Facebook. She also reported that there have been about 1100 visits to the website each month for January and February this year. Holly distributed a document which summarized her website study of other like organizations and their presentation of financial statements and minutes on their websites (the document is presented in Appendix E).
6. PBLSA Events – Jim Boucher gave a report based upon Carole Adams document presented in Appendix F. The plans are progressing for the 2013 California Central Coast Lighthouse Conference to be held on Saturday and Sunday, April 27 and 28, at Cavalier Plaza, San Simeon. Jim Boucher passed around the flyer for the event. The planning is going well for the Life at the Lighthouse Cottage event to be held on June 2, 2013.
7. Grants – Jim Boucher reported that in addition to the grants presented in the BLM report, there were two federal grants for the trail and rehabilitation. Jim Harris added that the 3D computer model of the PBLSONA is progressing, and after a meeting with Cesar Torres-Bustamante at Cal Poly, it appears that the project will be incorporated into his LA 427 course in the Spring quarter as a student project; he is preparing a proposal for the project. Jim Harris stated that Jeff Emrick of Garret and Taylor is preparing a design/build bid for the replica tower top in response to the request for a study. Jim Boucher stated that John Skibinski (BLM) has given the same material given to Jeff to the Walt Disney Imagineering for their thoughts on a replica top.
8. Membership – Tim Postiff reported that the remainder of the membership renewal letters has been sent.

Old Business:

1. Restoration Brochure - Jim Boucher reported for Carole Adams (as updated by Carole's document) that Jack Morehead approved the last revision of the restoration booklet, and it has been sent to the printer.

New Business:

1. Treasurer's Report Motion 1: *M/S/P The Treasurer will provide a complete financial statement for the PBLSA at the end of each quarter (April, July, October, and January PBLSA Board meetings) that will include, but not be limited to, the P&L, Net Worth, and Investment (Fidelity) statements.*
2. Treasurer's Report Motion 2: *M/S/P The PBLSA approves the recommendation of the Finance Committee to: 1.) Invest \$11K in SLRC, 2.) Sell \$125K of FCONX and 3.) Purchase \$75K of FAGIX, \$25K of FASIX and \$25K of FGMNX.*
3. Treasurer's Report Motion 3: *M/S/P The PBLSA approves the recommendation of the Finance Committee to implement a 10% "stop loss" policy on all REIT and BDC positions, and supports their decision to sell the PMT REIT.*

Discussion:

1. Possible Sequester – Jim Boucher shared with the PBLSA a summary of the contents of letters from the Secretary of the Department of Interior and the Director of the Bureau of Land Management regarding the impact of the Sequester. Under the circumstances, Jim Boucher alerted that he might need the financial assistance from PBLSA to implement the projects under way due to the potential lack of BLM funds and the imposition of future BLM policies due to the Sequester.

Tim Postiff adjourned the meeting at 7:47pm

Appendix A: Treasurer's Report 2/27/13 Fred Apitz

Treasurers Report Light Station Association Board meeting 2-27-13

A) Past Financials

1) Below a recap of our investment history (copied from the Fidelity website), not overwhelming, but keep in mind that only a portion of our capital is being invested at a time.

Since Inception* (11/01/2012 - 01/31/2013)

Time Frame: [Year-to-Date](#) [Since Inception*](#) Frequency: [Monthly](#) [Quarterly](#) [Yearly](#)

		Total Gain/Loss			Total Deposits/ Withdrawals		
Month	Beginning Balance	Market Change	Dividends & Interest	Fees	Deposits	Withdrawals	Ending Balance
Nov 2012	280,134.39	-374.65	333.21	0.00	135,000.00	0.00	415,092.95
Dec 2012	415,092.95	-1,139.06	461.96	0.00	123,364.37	-25,000.00	512,780.22
Jan 2013	512,780.22	+1,674.43	602.49	0.00	107,950.17	-5,950.17	617,057.14
Total		+160.72	1,397.66	0.00	366,314.54	-30,950.17	
		+1,558.38			335,364.37		

The \$25,000 amount shown under “withdrawal” consists of \$15,000 to the Heritage Oaks account (Interpretation and Visitor Service) and \$10,000 to the dedicated light house fund, and \$5950.17 from the matured Heritage Oaks CD to Rabobank operations account as previously reported.

B) Current Financials

1) We have sent our 2012 year end statements to our CPA, he is currently working on our Tax Return and should be finished well ahead of the April 15 deadline.

2) To perform a realistic profit or loss calculation for the gift shop, it is necessary to take a physical inventory of items in stock (I'd be happy to provide an explanation, if desired). A realistic profit or loss figure is needed to publish a P & L and Net Worth Statement, and since taking inventory is time consuming (in excess of 1 hour) and cumbersome, Jack and Carole requested that we publish these statements on a quarterly basis, rather than the monthly we are currently using. The next Statements would be published at the April Board meeting covering the first quarter 2013.

I contacted our current CPA, Ben Priest; he agreed that for an organization of our size, and with a somewhat predictable performance, it would be satisfactory. He also advised doing any less might leave us vulnerable to accusations of negligence and/or financial mismanagement.

I will copy the P&L numbers to a spreadsheet for easy comparison, showing quarters a year to date sum and the approved budget. (see the enclosed “Profit / Loss 2013”)

Motion: The Treasurer will provide a complete financial statement for the PBLSA at the end of each quarter (April, July, October, and January PBLSA Board meetings) that will include, but not be limited to, the P&L, Net Worth, and Investment (Fidelity) statements.

C) Future

1) The Finance Committee has reviewed and approved the following amounts to be invested in the below positions:

a) SLRC a BDC with an expected return of 9.57% \$11,000.00
this would be to replace the PMT position I sold a while back.

b) FAGIX Fidelity Capital & Income Fund expected return 5% \$75,000.00
this would be funded by selling the conservative 1% Fund (FCONX)

c) We would also like to increase our existing holdings in FASIX and FGMNX by \$25,000 each to \$75,000 each.

That will increase our holdings of Fidelity Funds to \$225,000 (3 * 75,000) and others to \$200,000 (5 * 10,000 + 2 * 75,000) roughly in keeping with our guidelines.

Motion: The PBLSA approves the recommendation of the Finance Committee to: 1.) Invest \$11K in SLRC, 2.) Sell \$125K of FCONX and 3.) Purchase \$75K of FAGIX, \$25K of FASIX and \$25K of FGMNX.

2) One of our REIT positions (PMT) took an unexpected downturn of almost 10%, I intervened and sold all shares, my rationale was to preserve a small profit of \$600 rather than risk losing all gains in that position, unfortunately we already lost about \$1000 of previous gains.

It occurred to me that I have no authorization to engage in trading of this kind, neither should I really be able to react in this, what amounts to, emotional fashion.

Chances are 50/50 that the decision turns out to be wrong.

Yet we should have a safeguard against unexpected downturns, after conversations with Jeff from Fidelity and the finance committee we came to the conclusion that a trailing "stop loss" trade should be filed with Fidelity, that would automatically execute if a REIT or BDC should lose 10% from its high market value.

That would be true whether the loss occurs gradually or all at once, if you concur I will enter these "stop loss" trades against the remaining 4 higher yielding positions, these trades should be reviewed every 2 or 3 months for reevaluation.

Motion: The PBLSA approves the recommendation of the Finance Committee to implement a 10% "stop loss" policy on all REIT and BDC positions, and supports their decision to sell the PMT REIT.

Thanks
Fred W Apitz

Memorandum

To: PBLSA Board Members
From: Fred W Apitz
Date: February 27, 2013

Ref.: Interim Progress Report

A recent multitude of requests and recommendations for change in all areas of financial record keeping and reporting prompts me to generate this interim report of change and progress made in this area.

Allow me to start with the obvious, the state of the Association when you asked me to take on the job of Treasurer.

I came in as the 3rd or 4th Treasurer of this year, payroll had been skipped for a few months of this year, a penalty for late filing of the 2010 tax return was pending, the current tax return (2011) was 8 months late, we spent thousands of dollars on outside audit and accounting help. In previous years we spent over 10's of thousands for the same service. We had a cumbersome accounting system, penalties for late and missed payments became the norm, and we were losing money with nauseating regularity. Transparency in accounting and progress was essentially non-existent, our assets were buried in safe but non-performing CD's that yielded in the area of 0.3% per annum.

Accounting

We have changed and simplified the accounting system, we are providing (until recently) monthly P&L and net worth statement, we are providing monthly reports of our activities and ask for consent before making major decisions.

We have established committees for areas of responsibility and created a budget for this year using the committee input.

We have discontinued redundant and confusing accounting methods (such as payment in kind)

Investment

We have terminated all CD's and Money Market accounts, we have established investment accounts with Fidelity and are in the process of placing our assets in higher yielding instruments (with the expressed consent of the Board).

Payroll

We hired Paychex to perform monthly payroll duty and reporting.

Gift shop

We have established a reporting system where credit card receipts, checks and cash are accounted for in an easy to follow spreadsheet and, more importantly, easily balanced with bank-statements. Where in the past this task was time-consuming, difficult, and resulted in regular corrective book-entries, it is now comparatively simple and easy to understand.

Taxes

Sales tax is automatically calculated each month and paid on a quarterly basis.

This year the year-end filing is expected to be on time.

Past penalties have been resolved and are not likely to reoccur.

Future

The following items are on the shortlist to be accomplished:

- a) Split accounting in 2 categories “BLM Support” and “Operation” as previously approved.
- b) Complete investment strategy, show on a monthly basis the increasing return in dividend and interest, hopefully overwhelming the fluctuations in market change.
- c) Complete and perfect the monthly/quarterly/yearly “to do list”.
- d) Locate, demonstrate and get approved a simple material control method.

There are additional needs to be addressed in the long term, not relevant to this discussion.

While we have agreed to change our reporting intervals to quarterly from a monthly basis, we find this solution less than satisfactory. We hope to be able to change back, for reasons of transparency, to a monthly interval by using an alternate, less cumbersome and time-consuming material tracking method.

Before we go on and make further wholesale changes in accounting and reporting methods I beg your indulgence a little while longer, with the changed reporting interval I ask through the end of April to be able to prove the concept.

Normally I would ask for a year to be able to make my case, but with the increasing impatience with the current process and calls for change, I ask to be allowed to proceed through the end of April.

At that time you will be better able to judge the effectiveness of current methodology and consider change if desired.

Thanks for your understanding.

Fred W. Apitz

Profit / Loss 2013						
	1 QTR.	2 QTR.	3 QTR.	4 QTR.	2013 Total	Budget
Income by Category						
Category						
Income						\$47,700.00
a)Income:Gift Shop Income						\$25,000.00
b)Income:Membership Dues						\$6,500.00
c)Income:Special Event : Whale Night						\$3,200.00
c)Income:Special Event : Membership Drive						\$1,000.00
c)Income:Special Event : Monster Bash						\$500.00
d)Income:Donations						\$4,500.00
e)Interest Inc.						\$7,000.00
OVERALL TOTAL						\$47,700.00
Spending by Category						
Category						
a)Cost Of Goods Sold						\$20,650.00
Cost Of Goods Sold:Credit Card Expense						\$1,300.00
Cost Of Goods Sold:Cost of Material						\$17,500.00
Cost Of Goods Sold:Sales Tax, Expense						\$1,850.00
b)Membership						\$2,450.00
Membership:Beacon printing						\$1,050.00
Membership:other printing						\$400.00
Membership:Postage						\$1,000.00
c)Special Event						\$1,300.00
Special Event:membership Drive June 2013						\$300.00
Special Event:Monster Bash 2013						\$500.00
Special Event:Whale Talk 2013						\$500.00
d)Public Relations						\$3,950.00
Beacon printing:split 50%						\$1,050.00
Other printing - Brochure						\$300.00
Miscellaneous						\$750.00
Website						\$250.00
Volunteer Appreciation						\$400.00
Promo Items						\$800.00
Business Outreach						\$400.00
e)Fees & Charges						\$95.00
Fees & Charges:Late Fee						\$0.00
Membership Dues (Cham. Of Comm)						\$0.00
Fees & Charges:Registration Renewal Fee						\$50.00
Tax Franchise Tax Board						\$45.00
f)Financial						\$3,250.00
Financial:CPA						\$750.00
Financial:Insurance - Liability D & O						\$2,500.00
g)Office Expense						\$2,980.00
Office Expense:Equipment						\$1,000.00
Office Expense:Postage						\$130.00
Office Expense:Software						\$500.00
Office Expense:Supplies						\$950.00
Other Office Expense						\$400.00
h)Payroll Expenses						\$11,920.00
Payroll Expenses:ODD Payables						\$700.00
Payroll Expenses:Federal 941						\$1,450.00
Payroll Expenses:Paychex Fee						\$540.00
Payroll Expenses:Salary						\$8,500.00
Payroll Expenses:Unemployment Insurance						\$530.00
OVERALL TOTAL						\$45,295.00
Profit / Loss						\$2,405.00

Appendix B: Gift Shop Report – Carole Adams

Gift shop

January 2013 total sales was \$1,848 That is a huge increase over last year.

Jan 2012 was \$862

Jan 2011 was \$884

Prices were raised slightly on 6 items.

Suggest that gift shop inventory be done quarterly, at the end of March, June, Sept, and December by volunteers or interns and the numbers be turned over to Holly to record.

Suggest the remaining stock of Nature Books and fold-out guides be donated to Friends of the Elephant Seal for sale in their gift shop.

Appendix C: Brick Paver Campaign – Carole Adams

Brick paver campaign:

Letters were sent to 679 people.

Email notification was sent to several dozen people.

At least 4 bricks have been purchased.

Holly will be doing record keeping and follow-up and it should be started immediately:

1. Approval of text from both BLM and Association
2. Thank you letter to donor letting them know the text was approved and telling them they will be notified when the paver has been placed.
3. Notification that paver was placed.

Cost of campaign so far: (round off to about \$500)

Printing of letters	\$247.25
Order cards donated	no cost
Postage	\$189.42 (bulk mailing through Morro Bay Chamber)
Envelopes & labels	
Salary	

Recommend an official letter of appreciation be sent to the Morro Bay Chamber of Commerce.

Information from Frank DeVroede:

- Frank did not charge for the order cards.
- He was extremely helpful in suggesting ways to cut down on expenses.
- Frank suggests that future mass mailers be printed on legal size paper and folded into quarters, using one section for addressing. The return address can be printed on the mailing to avoid expense of envelopes and time/expense involved in using labels.
- The printer Frank uses can print the addresses directly on the envelope and can stuff them into envelopes. The printer can also mail using his bulk mailing rate. To compare costs of having the printer stuff and print envelopes add \$250 to what was paid.. Printer's postage cost is unknown but is probably similar to what was paid for first mailing. It would depend on the mailing.

The cost of bulk mailing through the Morro Bay Chamber ended up being more than we initially thought, but it was still a considerable savings - 679 pieces were sent for a total of \$189.42. (468 were sent at \$0.274 and 211 were sent at \$0.290). The bulk mailing clerk at the Morro Bay Post Office was extremely helpful in filling out the correct paperwork and explaining how to handle bulk mailing in the future. Bottom line, the Association should look into obtaining their own bulk mailing permit: Go to USPS.com and click business solution – tools. The correct form is "Postage Statement – Standard Mail-Easy Nonautomation Letters or flats. The MB PO will contact the Chamber to clarify forms and fees. The only sorting needed is within 934 zip codes and outside 934.

You have 3 options for bulk mailing in the future: 1. Get your own permit. 2. Go through the printer. 3. Go through Morro Bay Chamber.

There was tremendous teamwork and positive energy going into the brick paver mailing. Thanks go to all who helped. The list is long. Thanks also to Holly for making arrangements with the Morro Bay Chamber of Commerce for bulk mailing.

Appendix D: BLM Update 2/27/13 Jim Boucher

BLM Update 02/27/2013

Communication Tower – Wellsona Iron and Engineering has finished the foundation. Prepping and assembly of wood structures is taking place in Paso Robles.

Fog Signal Bldg. Foundation – Bruce Elster of Shoreline Engineering has completed plans to upgrade the foundation of the Fog Signal Bldg. The project will be advertised for competitive bid through the government.

CA Coastal Trail Segment- The project evaluation component for CEQA compliance is complete. A land use permit with SLO Co is being pursued. Wetland permitting with the Army Corps of Engineers will not be required. Recreational Trails Program grant coordinator, Barbara Baker will be on site March 6 to review the project with representatives from State Parks and myself.

Electrical Utility Lines – Burial of the utility lines does not fit the criteria for the PG&E Community Investment Grant. Diana Haines from SLO Co Public Works will be on site to review the proposed project and will determine if SLO Co can assist with the project.

Brick Paver Project – Materials have been obtained and are on-site. The project will start in March.

Educational Outreach – Bauer Speck Elementary School (Paso Robles) will visit in March and Baywood Elementary School (Baywood) will visit in April and that will conclude the outreach program for this school year. A proposal of \$8000 for BLM “youth” funding to cover the outreach program for next year was submitted. The proposal ranked second in CA and would have a good chance of receiving funding.

Grants – An \$800 dollar grant has been awarded to the PBLSA from Cambria Community Council to help fund the Educational Outreach Program.

Special event/tour- 138 visitors attended the PB Lighthouse birthday tour on Feb 16. The lighthouse was 138 old. A sunset whale watching tour will be held on Saturday March 23.

Training- Tour guide and assistant training will take place in March to provide additional volunteers to conduct tours during the summer.

Appendix E: Financial Statements on Websites – Holly Gant

Financial Statements on Websites

Yosemite Conservancy

About Us Page

2011 Annual Report (separate webpages, pie charts, very fancy)

2010 & 2011 Tax Form 990 (44 page pdf)

2010 & 2011 Audited Financial Statement (27 page pdf)

No minutes

Grand Canyon Association

About Us Page

2011 & 2010 Annual Report (10 page pdf)

No tax forms

No minutes

Sequoia Natural History Association

About Us Page

2011 Annual Report (revenue, assets, expenses, 2 page pdf)

No tax forms

No minutes

Yellowstone Association

About Us Page

2010 Tax Form 990 (38 page pdf)

2010 & 2011 Audited Financial Report (30 page pdf)

No Minutes

Friends of Red Rock State Park

About Us Page

2010 Tax Form 990 and financial statement (40 page pdf)

No minutes

Local lighthouse associations

Nothing anywhere on the website

Appendix F Special Events Document – Carole Adams

Special Events:

The **2013 Central Coast Lighthouse Conference** has been very well received. (flyers)

- Board members and volunteers will be recruited to help at the Theater event.
- There will be a fee of probably no more than \$250 to cover theater staff salary.
- The public will be asked for a \$5 donation for the theater presentation.
- Mike Hanchett is providing a room at the Cavalier Plaza for no fee. He will also supply beverages and snacks during the morning and afternoon.
- Lunch on Saturday will be catered by the Cavalier, for a fee.

Plans for the **Life at the Lighthouse Cottage** event on June 2nd are progressing.

- The owners have 2 requests: do not disturb neighbors and protect contents of home and garden. We will clean up after the event.
- Abel and Carole developed the basic tour outline..
- Holly will be in charge of publicity, reservations, and fee collection.
- The cottage owners are donating a 2 night stay as raffle item. . Tickets for the raffle may be sold in advance and the winner need not attend.
- Date: Sunday, June 2. Fee: \$15. Tours will be limited to 8 people each. Reservations are required. The Association office phone number will be used and Holly can take advance credit card payment. Details will be given at the time reservations are made. The address of the cottage will not be given out, but rather instructions on how to get there and where to park. Tour times: 1:00, 1:30; 2:00, 2:30, and 3:00. The cottage tour will last about ½ hour. People will be invited to linger a little while in the garden to enjoy a beverage, cookie, or nuts. We estimate each person will be there for about one hour.
- A table in front of the garage door will have information about the light station and about the Association: restoration goals; Beacons, brochures, rack cards, membership . Holly will be set up greet people as they arrive, check their names off the reservation list and to collect fees from those who did not pay in advance
- A total of 15-16 volunteers/board members will be needed.
- There is minimal expense involved with this event and it will generate a lot of positive publicity

Future event suggestions:

Fred suggested that a joint event be held with the Hearst Castle friends group. A simple way to initiate that would be to offer a sunset tour of the light station as part of a fundraising event at the Castle or Ranch. One bus load of people would be maximum number that could be handled and the timing would have to be carefully planned. We already have a full plate of special tours, but there is one date in early December that would be appropriate for an additional sunset tour.

Other ideas being investigated include a boat trip from Morro Bay or Avila along the coast to view Piedras Blancas from the sea. It would probably be expensive to charter a boat for a long trip but it would be unique offering. People can go whale watching anytime but there are few opportunities to see PB from sea. There are obvious drawbacks, including sea sickness. But, it would generate a lot of interest.