THE PRAIRIE ENTHUSIASTS
Board Meeting Minutes
Sunday, February 22, 2009
9:00 am
Crowne Plaza Hotel, Madison, WI

ACTION ITEMS IN RED

1. Roll Call

ATTENDEES:
Directors: Evanne Hunt, Jack Kussmaul, Nick Faessler, Jan Amberson, Jim Rogala, Richard Henderson, Karin Strenski, Dave Hamel for Ann Woldt, Jim Sime

Staff: Carol Winge, Victoria Oberle

Directors Absent: Jaime Edwards, Ann Woldt, Richard Oberle

Visitors: Ed Strenski, Earl Mihlbauer, Jon Traver

The meeting of the Board was called to order at 9:01 am by President Evanne Hunt.

2. Meeting Minutes

A motion was made by Jim Sime and seconded by Karin Strenski to accept the minutes of the January 8, 2009 Board meeting as presented. Motion carried.

3. Treasurer's Report

Nick Faessler presented the year end December 31, 2008 Statement of Financial Position. This report is unaudited and a final year end report will be provided to the board after the audit is completed. Likely there would be adjustments made during the audit that will be reflected in the final audited report. The report presented today shows a year end total case on hand (includes restricted and unrestricted funds but not securities) of $445,788.90. Total unrestricted cash for central and the chapters at year end is $347,760.43.

A motion was made by Jack Kussmaul and seconded by Jan Amberson to accept the Treasurer's report as presented. Motion carried.

Carol Winge noted that the 2008 audit has begun. The auditors will be in Claudia's office this week doing their field work. She would anticipate the audit report to be completed in mid-April.

Nick Faessler reported that he and Carol Winge have been exploring services provided by Associated Bank to see if it would be a good banking solution for TPE to use. There are many different banking options available with Associated but the biggest benefit would be the ability for Chapters to have on line read only access to their bank accounts so they can view transactions in their accounts at any given time. Carol Winge wants to explore what is available for TPE to

maximize its return on its funds deposited in the bank. We need to earn as much interest as we can. So far the option we are looking at would cost us in service fees because of low interest rates. At this time we have decided not to move our accounts to Associated Bank because of the service fees. Jon Traver encouraged Nick and Carol to go back to the bank and try to negotiate a reduction or waiving of services fees. Our account is significant and the bank, if they really want our business, should be willing to work with us to reduce the fees.

ACTION: The Board directed Carol to contact Associated Bank to renegotiate options with them. The Board also directed Carol and Nick to re-evaluate banking options with Associated from time to time over the next six months to see if interest rates improve.

4. Endowment Funds

Jon Traver presented a report on the Endowment Funds and the Land Management Trust. The stock portions of all portfolios were down significantly mirroring the S&P 500. Relatively good performance of all portfolios was due to our asset allocation, how we averaged into the market the first year and luck. No one knows what is going to happen in 2009 so we can only hope we hold our own.

The Trustees of the Land Management Trust met on January 26, 2009 to review the 2008 results. We were fortunate in that we had our investments in a Vanguard Fund. That Fund was up 5% over the last five years. The TPE Investment Policy approved by the Board in January, 2008, calls for a 60% stock/40% fixed income portfolio re-balanced every January after year-end results are reviewed. The Investment Policy was deliberately set up this way so that it is pretty automatic and a relatively simple process to re-balance. The Trustees voted to re-balance all portfolios to 60% stocks/40% fixed income as directed in the Investment Policy. All portfolios were re-balanced to 60% stocks/40% fixed income on January 28, 2009.

Jon Traver further stated that with the Land Management Trust our goal is to get to a level where we live off of the interest and are able to reinvest principal. The Trust document specifies that it pay out 5% income to TPE annually. Jack Kussmaul said he would hope that the Trust language would allow for flexibility so that the Trust Trustees and TPE Board could opt to not take money out of the Trust until we really have a need. The Trust document could be amended, if need be, to allow for this flexibility. Rich Henderson suggested that at some point we need to develop more of a policy on the Trust payout. Perhaps the language should say that the Trust will only payout if the TPE Board requests it.

ACTION: Jack Kussmaul will check with our auditor Kristin Lein to see how flexible they are with the ability to payout on request and will report back to the Board.

ACTION: Jack Kussmaul will send the Trust document to Carol Winge to send out to the Board for their review.

A motion was made by Jan Amberson and seconded by Nick Faessler to direct that this year's payment to TPE from the Trust be withheld and reinvested in the Trust. Motion carried.

5. Dual TPE Board Members and TPE Trust Trustees

This item was moved up on the agenda per Jon Traver's request. Jim Sime expressed his concern that at the time the "Prairie Enthusiasts Trust" was formed there was a question as to the legality of having Elected Officers and/or members of the Board of Directors serve on this separate entity. It was determined that dual membership was not specifically prohibited but the implication was that this is a poor business practice. The two corporations are truly independent with their own incorporation and tax numbers. The TPE Board is unable to set conditions for membership in another organization but we can make policy for TPE.

A motion was made by Jim Sime that no trustees of the TPE Trust be eligible for elected office in The Prairie Enthusiasts or be a member of The Prairie Enthusiasts Board of Directors. Jack Kussmaul noted that other organizations have crossover of trustees and board members. But the board members are a minority on the Trust Board. Jack Kussmaul further noted that there can be an inherent "conflict of interest" between Trustees, whose goal it is to protect the trust and to maximize the equity of the fund and a Board of Directors whose goal may be to utilize as much of the trust as possible even down to spending it all. Rich Henderson stated that it is a bit different for TPE as the Trust was formed by this organization to support this organization's mission so it is different from other organizations. In addition the Trust document states that the TPE Board cannot touch the principal in the Trust, only the interest. The motion died for lack of a second.

ACTION: Jack Kussmaul charged the Board to take a hard look at the Trust document and see if we need to make any changes.

6. Membership Report

Victoria Oberle presented the TPE membership breakdown for the first quarter for year's 2007, 2008 and 2009. The report shows a steady increase in overall memberships for this period. Her report also shows new memberships for the period 2004-2008. New members have steadily declined to only 93 in 2008. We need to do something to promote new members to the organization. Perhaps refer a friend idea where anyone who refers a friend becomes eligible for a drawing for some sort of prize.

Evanne Hunt noted that the Bump Up campaign has been very successful. This is a three year program and 2009 is the last year for this campaign.

A motion was made by Rich Henderson and seconded by Jim Rogala to accept the February 21, 2009, membership report as presented. Motion carried.

7. Finance Committee

Nick Faessler made a motion that it be the policy of The Prairie Enthusiasts, Inc. (TPE) that individual chapter funds (monies raised by and for a chapter of TPE) are designated by the TPE Board for use by that chapter, and, except as may be prohibited by law or government regulation,

the management of individual chapter funds is the responsibility of the individual chapters. The motion was seconded by Jim Sime.

Discussion: The question is what belongs to the organization and what belongs to the Chapters. According to our Bylaws all funds belong to the organization and the Board has the authority to designate funds to the chapters. Rich Henderson stated that the motion needs to address the issue of donor money designated for a specific geographic area or purpose. Rich Henderson further stated that the TPE Board has a fiduciary responsibility for the organization and should not give that up. Evanne Hunt noted that is the purpose of the Board of Directors. The Board is responsible for the affairs of the corporation and has the fiduciary responsibility for the corporation. Jim Sime felt approving this motion will strengthen the chapters' position and give them more ownership in the organization.

A motion to table was made by Jim Rogala and seconded by Jack Kussmaul. Motion passed with Jim Sime and Karin Strenski opposed.

8. Land Protection Committee

Jack Kussmaul presented the recommendation of the Land Protection Committee to approve the renewal of the Mazomanie Bluff Management Agreement. He stated he had polled the Land Protection Committee members and, while all members did not respond, those that did constituted a quorum and all who responded recommended approval of the agreement. A motion was made by Jack Kussmaul and seconded by Rich Henderson to approve the renewal of the Mazomanie Bluff Management Agreement. Motion carried.

9. Review and Approve 2009 Chapter Budgets

Due to time, the Board agreed to review and approve budgets at its next meeting. However, the board would like to see more details provided in the Chapter budgets, especially when there are big items listed.

Rich asked why some chapters had budgeted for insurance. He reminded Board members that general liability insurance is paid for by the organization. Chapters may pay back a portion of general liability insurance if they are earning money on land through crops or rental. Otherwise, the only insurance a chapter would be required to pay would be for vehicles or exceptions outside of the general insurance coverage.

ACTION: Carol Winge will ask the Chapters to provide details for larger items identified in their proposed budgets.

10. Future Board Meetings

The next board meeting will be held on Tuesday, May 12, 2009 at 7:00 pm by telephone conference call.

The annual picnic, membership meeting and board meeting will be on Sunday, July 19, 2009.

There being no further business, the meeting adjourned at 11:10 am.

Respectfully submitted,

Carol A. Winge
TPE Business Manager