



*a community partner protecting land, water and quality of life
through conservation, stewardship and education*

Sunday, October 19, 2014

1:00 to 4:00 pm—Open House: Boston Pond & Paavola Wetlands Nature Areas

2:00 pm—2014 Annual General Membership Meeting

1:00 Open House

Draft Annual Meeting Agenda

- | | | |
|------|--|--------------------------------------|
| 2:00 | Welcome & Board Member Introductions | Dave Harmon, KLT Board President |
| 2:05 | Amend/Approve Agenda
Amend/Approve Minutes of 2013 General Membership Meeting | |
| 2:10 | Financial Report | Keren Tischler, KLT Board Treasurer |
| 2:20 | Elections to KLT Board
Directors up for Re-Election: Don Keith & Keren Tischler | Erika Vye & Jared Johnson, Directors |
| 2:30 | Executive Director Report | Evan McDonald |
| 2:40 | Member Comments | |
| | End of Annual General Membership Meeting | |

Refreshments and Open House

**KLT Board of Directors
2013-14**

Dave Harmon, President
Terry Kinzel, Vice President
Keren Tischler, Treasurer
Erika Vye, Secretary

Aaron Bickel	Don Keith
Bill Deephouse	Robert Stinson
Clay Hixson	Lucas Westcott
Jared Johnson	

**KLT Staff
2013-14**

Evan McDonald
Executive Director
Patricia Toczydlowski
Project Specialist
Nathan Miller
Project Coordinator
Curtis Perala
Marsin Property

2013 Annual General Membership Meeting Minutes

December 3, 2013

Draft Minutes

Directors present: Bill Deephouse, Dave Harmon, Don Keith, Terry Kinzel, Phil Musser, Bruce Peterson, Keren Tischler, Erika Vye

Directors absent: no directors absent

Staff present: Evan McDonald, Executive Director; Pat Toczydlowski, Project Specialist; Nathan Miller, Project Intern

Members present: An estimate of 25-30 additional member households were in attendance.

Call to Order: The business meeting was called to order at 7:01 by Dave Harmon, Board President.

Amend/Approve Agenda and 2012 General Membership Meeting Minutes:

A **Motion** to approve the Agenda was moved by Terry Kinzel, seconded by Erika Vye and passed unanimously.

The minutes of the 2012 Annual General Membership Meeting were unanimously approved with a **motion** by Pat Toczydlowski that was seconded by Steve Karpiak.

Financial Report: Phil Musser, Board Treasurer (7:05 pm)

The Finance Committee includes Phil, Musser (chair), Dave Harmon and Bill Leonard

Note: The finances of a Land Trust can be complicated; these financials are meant as an overview

Profit and Loss Statement:

To date in 2013, there is a net loss of \$2623. (In 2012, there was a net loss of \$17, 923)

While memberships have increased by 194%, only \$10k of membership funds were not earmarked, and thus available for General Operations.

Between 2012 to 2013, grants increased by 19%.

On the expense side, payroll has increased by 26% to cover increased needs associated with new projects and operations.

Question (Steve Karpiak): What accounts for increased communications expenses? Answer (Evan M., Phil M. and Pat T.): KLT began a bulk email subscription service including an online survey tool in 2013.

Legacies & Bequests

Most of these monies were restricted.

Dedicated Funds

The Land Purchase Fund went down a little in 2013.

The Land Stewardship Fund increased this past year due to the increasing practice of asking for a donation to this fund to cover the possibility of future associated with Stewardship Projects. This money has been in CDs, which are earning less than inflation at the moment. KLT is considering other conservative investment options that could increase interest earnings.

The Operating Reserve Fund was drawn on by \$20,000 over the past year. There is a desire to increase this fund.

The Staff Capacity Fund has been drawn down by \$5,000 over the past year.

Balance Sheet

Current Assets – a large proportion are restricted funds.

Fixed Assets – increased by 9% as a result of the Hungarian Falls and Steve Farm Projects.

The Land Stewardship Fund increased by 8% in the past year.

The Marsin Endowment increased by 8% due to favorable stock market.

The Marsin Endowment was a gift of more than \$700,000 to KLT with the Marsin Property for long-term property management.

The Endowment gained nearly \$28,000 over the last year.

The ending balance (as of 11-15) was \$632,291 in 2012 and \$690,759 in 2013. The 2013 initial fund balance was \$628,082

There were fewer withdrawals this year than in 2012.

2013 Annual General Membership Meeting Minutes
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Looking Forward

Successes

- No long-term debt
- Manageable current liabilities
- Fixed assets increasing
- Marsin Endowment increasing
- Staff successfully bringing in grants

Challenges

- Inadequate operating funds
- Need for increased membership dues
- Need for increased land stewardship fund
- Operating revenues insufficient to cover Marsin and Lightfoot Bay
- Need for additional revenues for staff salaries

Elections to KLT Board: Erika Vye, KLT board member (7:24pm)

This year's Nomination Committee included board members Erika Vye (chair) and Don Keith and KLT members Shawn Oppliger and Lloyd Wescoat.

Nominees for the 2014 Board of Directors were Lucas Westcott, Aaron Bickel, Bob Stenson, Clay Hixson and Jared Johnson. Each provided a brief personal statement.

Erika called for a Petition for Nominations and Vote by Proxy from the floor: none were received.

A **motion** to close nominations was moved by Steve Karpiak, supported by Phil Musser and unanimously approved.

A **motion** to vote by acclimation was moved by Steve Karpiak, seconded by Phil Musser and unanimously approved.

We welcome each of our five nominees to the KLT board and look forward to a productive year with a full board of 12 members. Many thanks to the Nominations Committee and the new board members.

Executive Director Report: Evan McDonald (07:28 pm)

KLT serves the western 6 Counties of the Upper Peninsula, with a core service area in Keweenaw, Houghton and Baraga Counties.

2013 Project Highlights

Hungarian Falls Project

A big project success this year was the Hungarian Falls project. Though not on the work plan, KLT was able to take this on with major adjustments and much community support. The project received great press coverage, and the Dam Jam fundraiser was the most successful fundraiser for KLT to-date. The dedication in October was well-attended. Bill Rose, tonight's guest presenter, will speak to the GeoHeritage partnership created through this project. Other partnerships include Stan Vitton's Senior Design students assessing trails, signage, and dam for use in KLT's management plan, and The Keweenaw Soundscapes project partnership with MTU faculty and students.

2014 Project Goals are supported by the Community Foundation of the Upper Peninsula.

Hancock-Calumet Corridor

Projects at Paavola Wetlands and Boston Pond will include interpretive information and accessibility such as boardwalks, bridges and viewing platforms.

Pilgrim Community Forest within the Pilgrim River Watershed Project

KLT received a grant to purchase 276 acres of the Pilgrim River Watershed, including a 1-mile stretch of the river and a 2.5 mile trail within a few miles of Houghton.

Steve Farm at Lovell Creek

KLT received a land donation by family heirs who wanted the property conserved in perpetuity. A dedication at the site is forthcoming.

2013 Annual General Membership Meeting Minutes
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Conservation Easements

Pike River Road – Ken Kraft Family easement

Anderson Lake – 360 acre ONF in-holding completely surrounding a loon lake (~80 ac). Single-family owned with no motors on lake for over 60 years. A unique opportunity to impact an area much larger than the size of the preserve.

Marsin Nature Retreat Center

Lakeshore Restoration workshop at Marsin in partnership with the Gratiot Lake Conservancy. Boardwalk under construction between Center and the main preserve through the wetland. Design help received by the landscape architect that assisted with the Byway project, and support from a Youth Advisory Grant from the Keweenaw Community Foundation.

Outreach

2013 goal of four newsletter/year and will be met

Newsletter survey results: more pictures, less from the ED!

In the works: Updated portfolio, new landowner guide, website updates

Facebook 'likes' increased from 48 to 584 from beginning of 2013 to-date.

>2600 people reached assoc. with Hungarian Falls

Steve Farm: 2300 people reached

Brockway >2200 people reached

Nathan as well as Pat have been instrumental

Facebook 'likes' increased from 48 to 584 from beginning of 2013 to-date.

>2600 people reached assoc. with Hungarian Falls

Steve Farm: 2300 people reached

Brockway >2200 people reached

Nathan as well as Pat have been instrumental in these accomplishments.

Donor Trends

The portion of donors that are online donors has increased significantly in 2013 with the Hungarian Falls Project. In 2013, nearly 200 online donors and ~550 total donors.

Donation totals of gifts <\$5,000: Online ~\$13,000 in 2013, total 2013 donors nearly \$80,000

Membership Goals

2013 Year-end Membership Challenge: Terry and Sue Ellen will match 1:1 up to \$10,000

2014 goal: 1,000 member households (~double current membership)

Partnership Highlights: Keweenaw Soundscapes Project, Christopher Plummer, Sound Engineer at MTU (07:52)

The Keweenaw Soundscapes project will build a sound library from KLT Preserves over time to be used to look at changes in the oral landscape.

Bernie Krause, well-known acoustic ecologist recently visited.

MTU Students Evan Gray, Tom Conrad, Colin Doerr-Newton and Jon Moths presented virtual hikes of Hungarian Falls

Meeting Adjournment: __

Minutes submitted by Keren Tischler, Secretary



Project Highlight: Manitou Island Light Station

The KLT was awarded a 2014-15 Michigan Lighthouse Assistance Program grant to repair the historic crib dock on Manitou Island. This dock is the key point of access to the island and critical to bringing people and supplies to support the project.

Special thanks to Captain Ben Kilpela and the Isle Royale Queen IV for lighthouse cruises to Gull Rock and Manitou Island in 2013 and 2014 to raise money for the Gull Rock Lightkeepers Association and the Keweenaw Land Trust to support these two maritime heritage projects.

2013 Financial Overview

Profit & Loss Statement (January - December 2013)

Income	2012	2013	% Change
Contributions	\$29,294	\$67,316	130%
Grants	\$60,382	\$65,995	9%
Legacies & Bequests	\$25,000	\$104,600	318%
Investments	\$23,628	\$24,295	3%
Programs	\$2,332	\$4,041	73%
Events	\$6,087	\$11,053	82%
Other	\$666	\$1,141	71%
Total	\$147,389	\$278,441	89%
Expenses	2012	2013	% Change
Payroll	\$73,157	\$88,398	21%
Operations	\$10,090	\$16,753	66%
Land Projects	\$7,649	\$17,551	129%
Events	\$1,042	\$4,016	385%
Communications & Meetings	\$3,293	\$7,038	214%
Professional Fees	\$13,537	\$17,562	30%
Insurance	\$7,309	\$7,396	1%
Maintenance	\$10,780	\$799	-93%
Travel	\$1,769	\$2,924	65%
Grants	\$21,036	\$5,310	-75%
Total	\$149,662	\$167,746	12%
Net Ordinary Income	-\$2,273	\$110,696	4970%
Other Income/Expenses	\$30,668	\$95,384	211%
Net Income	\$28,394	\$206,080	626%

Overview of KLT Financial Status

Balance Sheet (12/31/2013)

Assets	2012	2013	% Change
Current Assets	\$232,522	\$207,252	-11%
Fixed Assets	\$1,769,785	\$1,899,386	7%
Other Assets	\$770,617	\$867,413	13%
Total	\$2,772,924	\$2,974,050	7%
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Liabilities & Equity	2012	2013	% Change
Total Liabilities	\$27,202	\$22,249	-18%
Total Equity	\$2,745,722	\$2,951,801	8%
Total Liabilities & Equity	\$2,772,924	\$2,974,050	7%

Fund Balances (12/31/2013)

Unrestricted Funds	2012	2013	Restricted Funds	2012	2013
General Operations	\$69,895	\$19,251	Insurance Settlement	\$20,254	\$20,254
Total Unrestricted Funds	\$69,895	\$19,251	Current Gen. Ops. Grants	\$21,500	\$40,000
			Hungarian Falls		\$24,784
			Land Purchase	\$28,129	\$18,079
			Huron & Lightfoot Bays	\$1,388	\$923
			Manitou Island	\$600	\$2,214
			Marsin	\$7,255	\$7,907
			HC Corridor/Byway	\$50,196	\$40,442
			Mason/Audubon	\$32,246	\$32,246
Dedicated Endowments	2012	2013	Total Restricted Funds	\$161,568	\$186,849
Land Stewardship Fund	\$142,536	\$156,159			
Marsin Endowment	\$628,082	\$711,254			
Total Dedicated Endowments	\$770,617	\$867,413			

2013 Financial Overview

General Notes:

Financial statements in this annual report cover the last completed fiscal year. As this is a different approach than last year, much of the financial information contained here was also presented in the last annual report.

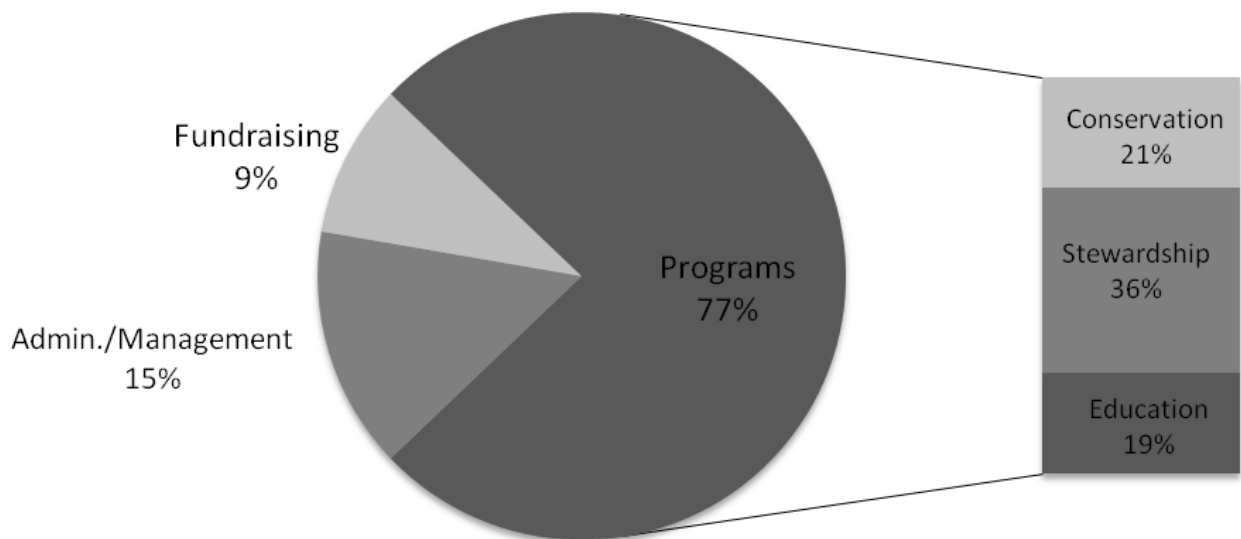
General Operations received **21% of contributions**, accounting for **60% of total income**.

The **Lovell Creek Bequest** accounted for the majority of net income.

KLT Preserves account for **97% of the value of Fixed Assets**.

Other Assets include the **Land Stewardship Fund** and the **Marsin Fund**.

2013 Expenses by type



Conservation, Stewardship & Education

- Updated Conservation Priority Themes—With the input provided by KLT Member and community surveys, focus group discussions, and literature review of land use and strategic conservation plans for region, the KLT Board of Directors adopted the following Conservation Priority Themes in 2014 to guide the KLT land Conservation mission:

Protect Region's Intact and Unfragmented Forests and Natural Areas

Protect Natural Shorelines of Lake Superior

Conserve Ecologically Significant Habitats/Ecosystems and Environmental Health

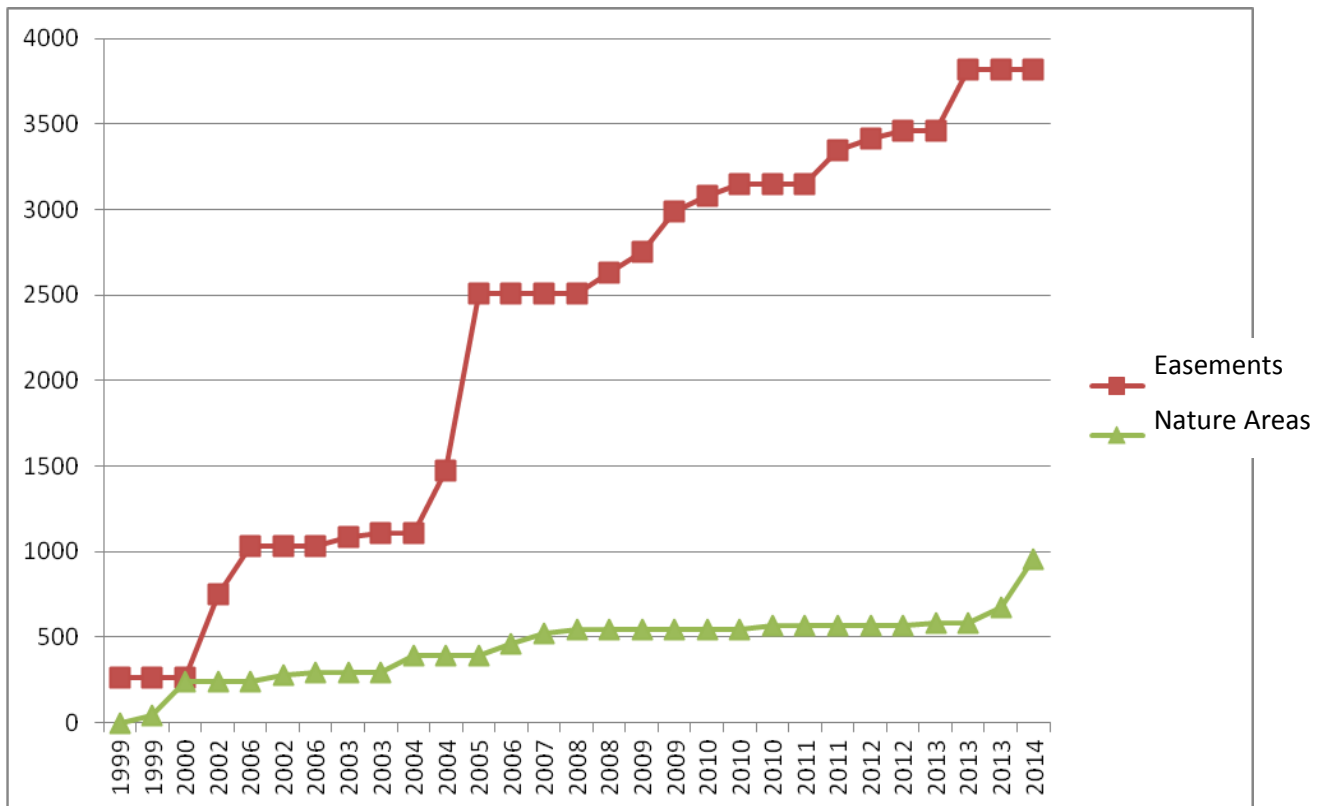
Protect and Enhance Public Access to Recreational and Scenic Areas

Safeguard the Region's Inland Waters

Encourage Sustainable Forestry and Land Use Practices

- Hungarian Falls Nature Area – with over 300 donors contributing to a success for the community the KLT purchased 10-acres in the gorge with the upper falls to keep open forever for public enjoyment.
- Lovell Creek - Thanks to the generosity of family heirs, the 96-acre Steve Farm Nature Area was donated to KLT and is available for nature exploration and study – a string of beaver ponds along a forested stretch of Lovell Creek south of Dollar Bay near Point Mills.
- U.S. Forest Service Community Forest Program grant received for KLT to purchase 276 acre parcel along Pilgrim River.
- Gratiot Lake Conservancy and KLT teamed up to bring Jane Herbert, a Senior Educator with MSU Extension to the Keweenaw for a workshop that helped participants understand the importance of the land and water interface and better manage shoreline vegetation to increase its function, and enhance water, wildlife and aesthetic qualities.
- MTU Wetlands Research – the White Cedar forested wetland stand at the Marsin Nature Area hosts a long-term research study looking at a variety of environmental factors, including the atmospheric exchange of vegetation and soil. The Marsin site is an excellent and healthy example of a white cedar stand. The scope of the research will be expanding and involving more MTU students, with an atmospheric monitoring tower being erected for data collection.
- MTU Industrial Archaeology graduate student working with Dr. Carol MacLennan on a well researched interpretive narrative that documents and describes landscape stories of KLT nature areas at Boston Pond and Paavola wetlands to share the mining history, including facets of our agriculture and immigrant homesteading culture. Their work will include an interpretive plan to guide KLT in sharing this information through a diversity of media.

KLT Land Protection Progress over the Years



Organizational Development

- Implementation of the policy governance framework continues with Board putting it into practice to strengthen and increase the effectiveness of governance and the productivity of meetings.
- Land Protection policy updated in 2014 to align with Board adopted Conservation Priority Themes and Policy Governance, with reports improved to guide and plan land protection work.
- Expanding our reach through ongoing website improvements, online social media, more frequent newsletters, and new publications.

Keweenaw Land Trust Nature Areas:

- Paavola Wetlands—115 acres: Improved, trails, education, stewardship projects, historic resources
- Six Mile Creek – 200 acres: Rustic/rugged, difficult to access
- Lightfoot Bay—80 acres: Rustic, trails, Lake Superior shoreline, berry picking, scenic, deer hunting - opportunity to expand
- Manitou Island—93 acres: Rustic, historic resources, difficult to access, boating picnics, kayak camping
- Boston Pond –26 acres: Improved, education, stewardship projects, picnic area
- Mason Nature Area—1 acre: Rustic, education, stewardship projects
- Marsin Nature Retreat—56 acres: Improved, trails, education, stewardship projects, research, community facility
- Upper Hungarian Falls—10 acres: Trails, education, stewardship projects, picnic area, historic resources
- Steve Farm - Lovell Creek—96 acres: Land Donation - Trails, education, & stewardship
- Pilgrim Community Forest—276 acres

KLT Conservation Easements:

- Simi—260 acres: Legacy family lands, including working forest
- Churning Rapids—770 acres: Trails open to the public, some CFA working forest
- Covered Road—57 acres: Habitat protection, Scenic drive
- Joseph and Mary Lizzadro Lakeshore—4 acres: Owned by Houghton Keweenaw Conservation District. Rustic, Dan's Point, Lake Superior shoreline, scenic drive
- Dunes and Marshes—360 acres: Owned by Eagle Harbor Township. Recreation trails, critical dunes habitats, deer hunting per grant agreement
- Bete Grise South—1040 acres: Owned by Houghton Keweenaw Conservation District. Rustic, Lake Superior shoreline, berry picking, scenic - opportunity to expand
- Chamberlain Lake—120 acres: *Inland Waters*
- Blue Lake—120 acres: *Inland Waters* - Opportunity to expand
- South Branch Ontonagon River—237 acres: *Inland Waters*
- Traverse Island—91 acres: Island on Lake Superior, Resident artists/research program
- Keweenaw Bay—70 acres: Habitat protection, Visible from Lake Superior
- Highway Location—200 acres: Diverse habitats, part of Scenic Byway Corridor Conservation Initiative
- Lower Hemlock Rapids—65 acres: *Inland Waters*, on Paint River
- Pike River Road—46 acres: Legacy family lands, enhanced habitats
- Anderson Lake—360 acres: *Inland Waters*

KLT Involved in Ongoing Partnerships:

- Pilgrim River Watershed Project
- Lake Superior Stewardship Initiative
- Copper Country Trail National Byway
- Michigan Technological University - Ecological research, Senior Design projects, & ***Keweenaw Soundscapes***
- Regional Conservation Collaboration:
 - Copper Country Chapter of Trout Unlimited, The Nature Conservancy Michigan Chapter, Copper Country Audubon, Michigan Nature Association, and Houghton Keweenaw Conservation District
- KLT Partnering with Michigan Department of Natural Resources for shared stewardship of resources in the Hungarian Gorge

President's Report 2014

In this report I just want to say a few words about the behind-the-scenes work the Board has been doing. Evan and his team are keeping you well up to date with the conservation and stewardship successes that are at the heart of KLT's work. For those of us on the Board, we try to focus on the high-level direction and long-term viability of the organization.

Toward that end, we are slowly but surely getting a formal framework for managing KLT operations in place. This has been a multi-year process of developing policies that clearly define the role of the Board and of the staff. Sometimes it has been arduous—nobody really likes poring over policy manuals—but it is necessary. We have come a long distance, but we still have a way to go to find the right balance between the complexity of policies needed for a growing organization and making sure we don't overwhelm the capacity of the Board to oversee them.

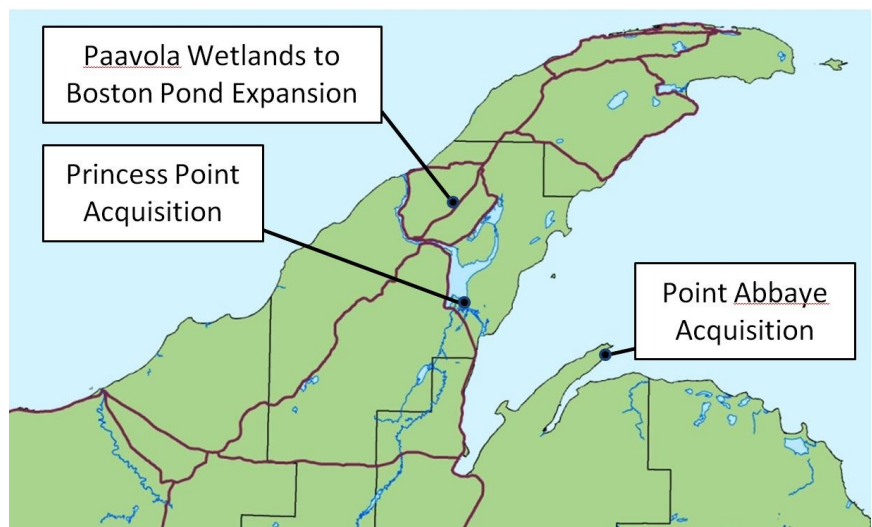
A related point, and one that I have harped on in my three years on the Board, is the need to make sure that KLT members understand that a portion of every donation we receive from the public must go toward general operations. This includes donations that are earmarked for a specific project. I think most members understand this; if we don't support our general operations we can't do conservation and stewardship. Nor we will be able to expand the staff as we need to. Building that capacity is one of the Board's main focuses.

The KLT is on the cusp of stepping up to the next level of effectiveness. I thank our staff—Evan, Pat, Nathan, and Curtis, as well as all our dedicated volunteers (and a special shout-out here to Kelly Luck for her invaluable help)—and my fellow Board members for all their hard work. And I thank all of you, our members, for your support. Together we are going in the right direction.

Sincerely,
Dave Harmon

Looking Ahead

- The 2014 "Land Jam" fundraising event was held as a follow-up to the 2013 "Dam Jam" to boost our land protection program and we hope to keep this fun this annual event going for the foreseeable future!
- Pilgrim Community Forest—Involve community stakeholders to develop multi-use resource management plan.
- Continue with site enhancements for access, education and interpretive signage for KLT nature areas at Boston Pond, Paavola Wetlands, Hungarian Falls, and the Marsin Nature Retreat.
- KLT Board has set a goal to have 1000 member households by the end of 2014—help us reach this milestone!
- Land Slam Campaign for Conservation—acquisitions at Point Abbaye, Princess Point, and within the National Byway corridor to expand Paavola Wetlands Nature Area to Boston Pond.



Project Highlights: Boston Pond & Paavola Wetlands Nature Areas

Along the Copper Country Trail National Byway

A Community Partnership Celebrating the Copper Country's Heritage and Scenic Beauty



These two nature areas were acquired by KLT many years ago to protect their extensive wetlands along the high elevations that form the headwaters for many streams and provide wildlife habitat, and for their location close to schools and communities making them easy for visitors to enjoy.

The late Marilyn Mason helped buy the Boston Pond property to make KLT's work more visible to the community, and she later left a generous bequest to support enhancements there to facilitate public outreach and enjoyment. KLT leveraged Marilyn's gift to secure a National Byways grant, funded in part by the Federal Highway Administration, for an enhancement project endorsed by the Copper Country Trail. These are two of KLT's more

convenient and utilized nature areas, having become outdoor classrooms adopted by schools in the Lake Superior Stewardship Initiative. This project makes them even more inviting by adding wheelchair accessible trails, viewing platforms along open water, boardwalks over wet areas, school bus parking, a pavillion and pit toilets. Another project component was development of historically accurate narratives linking the stories of these places to the larger Byway story. Dr. Carol MacLennan of the MTU Industrial Archeology Program donated time as match to the grant to oversee Anna Lee Presley, a graduate student working with archival materials and conducting interviews to prepare interpretive content.

- Additional funding was provided by Finlandia Foundation National
- In Kind assistance provided by Sanders \$ Czapski Associates

Learn More About the Copper Country Trail National Byway at
www.coppercountrytrail.org



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