

Forbes LOA

Meeting Minutes - Monday, April 4th, 2011

In Attendance: Greg Martin, Bill Drefs, Mike Moran, Leslie Newell, Rich Meister, Al Julius, Al Kessler, Ann Marie Kessler, John Hafele, Jacob Gant, Jim Pratt. Several owners in attendance for lunch only.

Land Owners Forum: no items for discussion.

1 Call to Order

2 **Establish Quorum:** Beth introduced new Director, Doug Schmidt and welcomed Virginia back. All present. Ray Knox asked if the meetings were still being conducted by Robert's Rules of Order. Beth responded that meetings were generally under those rules, but that she tried to allow those in attendance to contribute their ideas and ask questions during the meeting. Ray asked that respect be shown to each other and an effort made by all to keep background conversations to a minimum so that an orderly meeting could be maintained and minutes transcribed accurately. Beth reiterated that we should be considerate of and courteous to each other so that we could keep the meetings open and positive. Beth reminded everyone that we are scheduling a lunch after each monthly meeting.

3 **ECC Approvals**

Motion made by Jack, seconded by Rusty to approved the septic systems requirements for lots on our interior lakes as presented today by ECC (attached); all in favor.

4 **Financial Reports**

Cindy will present financials for this month since Virginia just returned and has not had a chance to review. Reports have been simplified but detailed reports are still available upon request. New reports are much less complicated but still demonstrate important facts.

A **Budget vs. Actual Year to Date Expenses** (see attached): approved budget for the fiscal year was \$417,500; expenses through March 31st were \$256,396 which leaves \$161,104 for the final six (6) months. Expenses have been scheduled to adhere to this budget balance. There are a couple of very important items to be discussed; 1) Professional fees (legal) show \$40,000 through March 31st but we are projecting an income (negative expense) of \$59,000 based on \$1,000 per lot for the expense recovery from funds from the foreclosed lots of \$59,000. 2) Common area fiscal year budget was \$20,000; we've spent \$4,257 so far but part of the funds were redirected. \$10,887 remains for the next six (6) months. This will be discussed later today during the strategic planning meeting. We will continue to adjust scheduled expenses monthly to adhere to the approved budget. 3) Snow removal of \$10,500 is not included in year to date expenses because the Board directed that this amount be taken from our emergency funds of \$150,000 leaving a balance of \$139,500. The emergency fund does not show on our balance sheet and is strictly a budget item.

Jack asked Chuck about the condition of the bath house at the RV Park. Chuck is going spruce it up just with cleaning and painting, etc. at not just the bath house, but the pavilion and picnic tables, RV slips, etc. He's researching the idea of putting a polymer coating which would be maintenance free on the floor in the bath house to eliminate sanding and re-painting caused by water damage; reduce recurring costs. There should not be any major expenses this year. The dirt work that we did 1 1/2 years ago solved most of our flooding problems. Any future buildings should be elevated at least 12". If Deer Creek is out of it's banks, the water at the RV park can be 3'-4' deep.

Beth asked about our existing contracts; which ones called for a surcharge if fuel prices increased to a specific amount. Elwin Yoder does have a 5% surcharge in his contract and this increase will be in effect for our spring grading. No other existing contract had that stipulation. Chuck explained that this 5% adjustment is not covering Mr. Yoder's increased expenses. Cindy will contact APAC to get the price list on gravel products for 2011.

Chuck expressed his concern about the huge impact new home construction could have on the LOA. In the past, if a land owner built a home on a grass road, the LOA has provided white rock to the driveway. We simply cannot afford to continue to provide this service without completely depleting our funds. Directors will discuss options at the strategic planning meeting later today. This is one of the reasons that we considered mining our own gravel. Chuck will find out if the gravel stored at Deer Creek is suitable for our purposes. He will let Doug know and Doug will find out if it is available by contacting the people in charge.

B Cash Flow Analysis: (See attached report)

This report has been simplified as well. Cash on hand excluding emergency funds and including receivables equals \$186,844. Balance in budget is \$161,103 which leaves a balance of \$25,741. Please refer to notes above on foreclosure expenses, etc.

5 Committee Reports

Ray Knox, Deputy Sheriff: expressed concern about members of Mid Missouri Marksmen abusing steel targets and equipment and leaving a mess. Steel targets are expensive and are not meant for use with high powered rifles. Members should have keys; no one should be climbing the fence for access. Get in touch with Gary, Mike or Ray if your key doesn't work. If you see someone at the range who appears to be unauthorized, contact the office who will call Ray.

Chuck Willison, Park Superintendent:

Vertical cutback: cleared and chipped all roads on M Highway and the 8 mile loop on Forbes Road. Yablon which was really bad has also been done. Gravel roads and some grass roads if they were accessible directly from the gravel roads were done as well so we didn't have to back track at a later date. Chuck invited everyone to check on color coded map in the shop area that shows which roads have been done in 2009, 2010 and 2011 for a much better perspective on what's been accomplished. Trinchera will be started next week.

RV Park: will be open (with water) this week. We've already had a couple of campers this year.

High winds: limbs down everywhere on roads; still asking owners to stay off soggy grass roads; vehicles cause ruts which are very expensive to repair. Signs are being posted to that effect. April and May will probably continue to be wet and travel should be restricted where possible.

Culverts: continue to work on unplugging culverts and ditches so spring rains can run off without causing road damage.

Road Grading: will be started as soon as possible, weather permitting.

Entrance Landscaping: plan on starting with Carlson as a test case; estimate is \$400; again as part of a long range plan to reduce recurring expenses. Some of the larger entrances like Mulholland may not be feasible because of the cost involved.

New Gates: solar gates are working well so far. We do need to stress to owners that the gate will open automatically when you exit. Trying to use the clicker to open it quicker just confuses the system and causes fuses to blow. Stop at the sign and be patient; only takes about 20 seconds. It's also important to enter either with the clicker or key pad by using the code once and waiting; if you keep entering the code or pushing the clicker, you're just causing problems; if it doesn't work, wait 30 seconds for the system to reset itself and start over slowly.

6 Board of Director Reports/Agenda Items: none

7 Recurring Agenda Items

A Contracts to be renewed:

Common area mowing contract; 2 bids received. Chuck spoke favorably of our current contractor, Basswood Lawn Service (Ed Wellborn) - the quality of his work and his willingness to do whatever we need. His bid was the lowest by \$60 and he has obtained the required workers comp insurance. The other bid did not include workers comp insurance. Basswood's bid did include a rider for increased fuel prices. Office will contact Mr. Wellborn to document details of this fuel surcharge. The price per hour for mowing outside of the contract went from \$20 to \$30; however, we have never used him for extra mowing. There was a substantial increase in his bid compared to the last contract because we required him to obtain Workers Comp insurance at an annual cost of about \$1,800. Contract will be tabled until specifics are obtained. Office will forward to the Board for approval as quickly as possible since mowing will be starting very soon.

B Office Report

1 Receivables Report: (see attached)

Owners owe a total of \$63,799 minus \$11,993 paid in advance for a actual total of \$51,806. Decreased \$12,590 from February 28th. All accounts previous to October of 2009 which total \$10,875 are making payments. All accounts in foreclosure have been written off. We have 46 owners who have not paid for both 2009 and 2010 for a total of \$24,419 and 101 owners who owe for 2010 in the amount of \$28,505.

2 March Special Projects

- a Developed tri-fold brochure for Chamber vacation/relocation packets and other promotion opportunities. Will be completed, printed and forwarded to the Chamber for distribution. The cost will be \$75 for 2011. Chamber mailed out 235 packets last year. Our estimated cost per brochure is \$.25 for materials and printing. We will also have copies available in the office and ask that any one who knows of a business that would be willing to make these available to their customers let us know. We'll be happy to provide as many copies as necessary to be delivered or mailed. Good possibilities are restaurants, motels, realtors, etc., both in nearby cities, but out of state as well. We will include an article about these in our newsletter with the hope that some of our owners will help us distribute these as widely as possible. Office has obtained permission to include the photo of the home from the owner. The office thanks everyone who took time to contribute their ideas!
- b Draft of newsletter; will be submitted to Directors for approval prior to printing. We plan on publishing as soon as we receive sheriff's sale dates from attorney so that this information can be included, as well as sealed bid details to encourage successful sale of our foreclosed lots which dramatically impacts our budget.
- c Electric lines removed from map
- d Foreclosure Status: details to be included in newsletter
Foreclosure figures are subject to change up to the date of the sheriff's sale.
One account that was in the December batch was paid in full (6 lots, over \$3,000).
#1 December 2010 batch (26 owners): default judgment 4/6; set date of sheriff's sale and publish for 4 consecutive weeks
#2 January 2011 batch (27 owners): petition filed 3/22: 45 days to respond; estimate 5/15; about six (6) weeks behind December 2010 batch
#3 March 2010 batch: same approximate time frame as December 2010 batch.
Office will verify status and forward information to Board.

A question was asked about why a person who purchased one of the foreclosed lots received notice from our attorney of the foreclosure. Cindy explained that they were included in the suit as a co-defendant as required by law. They would have the option of paying the association dues which would remove the lot/s from foreclosure. However, if the owner redeemed the lot from tax sale, this person would be put in the position of attempting to collect the dues paid from the owner.

There was a question on if lots sold at tax sale caused a problem with our foreclosure action. Cindy explained that the LOA chose accounts for foreclosure based on total amount owed to the LOA, delinquent tax status and lack of payments because we have to write off the assessments if a lot sells at tax sale. LOA potentially recovers past assessments if we foreclose so this is a much better option for the association.

3 April Special Projects

	Status
a Strategic planning	25% complete
b Job Descriptions	not started
c Plat and record lake front lots and mileage	25% complete
d Newsletter production/mailing/e-mailing	25% complete

We have made advertising space available to cover the cost of printing/mailing.

If you know of anyone who may be interested, let us know!

We have over 1,700 land owners so it's inexpensive advertising and supports the LOA!

Nearly 700 of our owners will have access to the newsletter from our website. The

balance of 1,000 will be mailed at an estimated cost of \$.60 per = \$600.

We would actually have an income of over \$150 instead of a \$600 expense. Help us sell ads! Realtors, contractors, motels and other types of lodging and lots for sale!

e Southwest Electric summary worksheet	not started
--	-------------

Cindy explained that this project involves organizing and documenting our multiple accounts with Southwest including location numbers, light numbers, etc. The last time we had a light out on a gate, we didn't have the information we needed immediately available. We just want to ensure that this won't happen in the future.

f Interactive forms on internet	In progress
---------------------------------	-------------

Kay is working on posting interactive forms on our website. This is a difficult task and will be on-going. She has posted our road maintenance calendar which will be especially important this spring as road grader, gravel trucks and mowers will be on our roads.

8 Old Business

- A Emergency Phone Tree: project has been abandoned as both not necessary and not feasible. Well intentioned, but not practical. Deer Creek Fire Department does send vehicles out with sirens in case of tornado warning. (Donations to our Deer Creek Fire Department are welcome!)
- B Office generator: should be delivered this week; costs are as budgeted. Chuck will wait until the unit is delivered so he can measure brackets that will be used to anchor to concrete pad for security. Will need to obtain shock absorbing pads for placement between generator and concrete. Chuck will contact the propane company to find out how far the unit should be from the tank.
- C Billboard @ Hwy 7 and M: researching of potential options in progress
- D Emergency Preparedness Class: Beth proposed a second class for April 13th, but the office suggested that future events be planned farther into the future to allow for better organization and more promotion. Beth worked with Kay and Cindy to develop a checklist of where we advertise and when so that all events can be promoted within the whole community, not just Forbes owners. We need to decide whether to limit attendance to the number that can be seated in the office area or use the shop area which requires a considerable amount of prep work by Chuck. A land owner did reiterate that the 'shop' area was finished with the idea that it would be used for all types of functions, not just as a garage.

- E Low Impact landscaping; great class, but only 8 or 9 were in attendance. The option of eliminating recurring mowing costs at our boat ramps was discussed. Ameren would encourage us to use low impact landscaping instead because of the benefit to Lake of the Ozarks. We will continue to research. The LOA and the ECC need to be mindful of potential run off hazards from future construction on our interior lakes as well. There is a large assortment of materials left by LOWA and Jo Spicer for our land owners and our reference.

- F Event Calendar: no recent additions. Grief Recovery by George Fowler is scheduled for May 17th; we have not received any preregistration phone calls. Office will make sure that we have promoted as directed by Beth. Picnic is scheduled for May 21st. This is for Forbes only - not the entire community and will only be promoted on our website to the Forbes Neighborhood.

- G Fishing Tournament June 25th (rain date June 26th): will be promoted in newsletter and on website. We need enough fishing reports for the tournament. Kay will work on putting the interactive registration form on our website. Any one who registers before May 31st will get a free shirt. Sample should be in next week. Need volunteer to be the judge - sound the starting horn and do the official measuring. Also need someone to cook, help serve, move the grill, etc. We do have land owners that do not want people fishing from their lot. We will need someone to mark these lots. Board authorized Jacob to do this for us. Office will make list for him. We have written a letter to BassPro about purchase of \$25 gift certificate and asking if they would be willing to contribute anything else. Jack asked that we also contact Cabelas and Nicums in Warsaw. Office will add a statement requiring participants to adhere to the State of Missouri Water Regulations. We also need to add a statement requiring guests to be with the land owner (either in boat or on the shore in the same vicinity) at all times and the land owner is responsible for the guest. Jim Pratt offered to see if any of the Deer Creek volunteers would be willing to be in the area in case of accident. We will wait to see how many people sign up before we request this service. We hope that this is a successful event and that future tournaments can be planned.

New Business: no items discussed.

Motion to adjourn at 11:15 by Doug; seconded by Jack; motion passed.

Land Owners Forum: no discussion.

Minutes submitted by Rusty; transcribed by Cindy Dolan.

LOA Source and Use of Funds

	<i>Bank Balance under E are from Balance</i>	AS OF	AS OF	AS OF
		28-Feb-2011	31-Mar-2011	31-Mar-2010
1	FUNDS AVAILABLE (Cash Flow Summ:			
2	Petty Cash	100	100	
3	1st Community Bank Accts: Mc	159,486	114,568	
4	Opera	15,888	11,423	
5	Debit	2,053	2,577	
6	Bank Accounts Subtotal	177,426	128,568	
7	Cdars (36 mth @ 2%) Nov 2013	150,000	150,000	
8	Total Funds Available	327,526	278,668	332,711
9	ACCOUNTS PAYABLE	(864)	(4,130)	(20,565)
10	FUNDS AVAILABLE after subtracting p	326,662	274,538	312,146
11	Emergency Fund	(150,000)	(139,500)	(150,000)
12	Operating Funds (cash available for	176,662	135,038	162,146
13				
14	Dues Paid (deposits made)	8,194	7,129	
15				
16	ACCOUNTS RECEIVABLE (Dues owed to LOA)			
17	Current Fiscal Year Dues	54,529	48,580	
18	Prior Year Dues	21,143	15,219	
19	Subtotal	75,672	63,799	
20	Paid In Advance	(11,276)	(11,993)	
21	Actual Accounts Receivable	64,396	51,806	83,310
22				
23	TOTAL POTENTIAL FUNDS AVAILABLE (from r	326,662	274,538	
24	TOTAL RECEIVABLES (from row 21)	64,396	51,806	
25	TOTAL POTENTIAL CASH FLOW	391,058	326,344	
26				
27	Total Approved Budget for Fiscal Ye	417,500	417,500	
28	Year to Date Expenses		(256,397)	
29	BUDGET BALANCE: Total Budget	224,512	161,103	
30				
31	Potential Excess: Total potential c	166,546	165,241	
32	Total cash flow minus Emergenc	16,546	25,741	
33	Subtract Accounts Receivable ((64,396)	(51,806)	
34	Adjusted Cash Balance	(47,850)	(26,065)	
35				
38	EXPENSE SUMMARY			
39	Fixed Expenses (in general)	27,029	21,917	
40	Wages	9,856	15,075	
41	Maintenance	6,842	32,116	
42	Equipment Purchase	-	-	
		43,727	69,108	

Expense	FISCAL YEAR	YTD EXPENSES	BUDGET	PROJECTED	
	BUDGET	OCT-MAR	BALANCE	6 MTH BUD	YEAR END
Meeting	2,000	1,828	172	300	2,128
Bad Debts	2,500	825	1,675	-	825
Collections		2,563	(2,563)	900	3,463
Contributions		250	(250)	-	250
Dues/Subs	200	307	(107)	-	307
Eqmt Maint	1,000	1,631	(631)	-	1,631
1 Eqmt Purch	1,000	646	354	12,500	13,146
Fuel	2,500	1,596	904	1,750	3,346
Insurance	12,000	6,250	5,750	6,540	12,790
Misc	1,200	1,938	(738)	900	2,838
2 Mowing	35,500	12,240	23,260	23,260	35,500
Office	4,500	5,148	(648)	1,200	6,348
Postage	2,500	714	1,786	1,320	2,034
Printing	1,750	1,019	731	1,900	2,919
Prof Fees	3,000	40,030	(37,030)	(59,000)	(18,970) *
3 Roads	132,500	78,183	54,317	60,000	138,183
Common Areas	20,000	4,257	15,743	10,887	15,144 *
Security	48,500	24,933	23,567	23,011	47,944
Shop Supplies	1,500	681	819	600	1,281
Taxes	350	309	41	236	545
Telephone	2,500	1,183	1,317	1,200	2,383
Utilities	7,500	4,647	2,853	3,400	8,047
Payroll	135,000	65,219	69,781	70,200	135,419
Total Expense	417,500	256,396	161,104	161,104	417,500
SNOW REMOVAL (EMERGENCY)		10,500	417,500		
1	Truck: \$6,000 Generator \$5,000: Salt Spreader \$1,500			12,500	
2	Road Mowing: May, June and August and common areas			23,260	
3	Vert Cut: \$10,000: Trinchera \$5,000: Grading: \$25,000: Misc \$20,000			60,000	