

Forbes LOA

Meeting Minutes - Monday, June 6, 2011

In Attendance: Les Newell, Robin Drefs, Bill Drefs, Al Julius, Rich Meister, John Hafele, Doug and Tracey Craig, Jim Pratt, Greg Martin, Mike Moran

1 Land Owners Forum:

Comment that fine job was done on mowing roads. Also mentioned that we should consider allowing room for mowing around future gates to make it easier for our contractor (room for equipment) which would eliminate manual spraying of weeds. Beth also said that she thought the grass roads really looked good; excellent job by our mowing contractor. Ray said that a homeowner in the central section had stopped him to ask about plans for future gates in that section (Yablon, Bombard and Roberta) because of recent break-ins; 13 this weekend in surrounding subdivisions. The central section will require at least four (4) gates and doing one at a time won't do any good.

2 Call to Order at 9:45am. Quorum established. Beth, Jack, Virginia and Rusty in attendance. Doug absent.

3 ECC Approvals

Beth reiterated that the office contact Ameren to see if we can reach an agreement whereby they will notify the LOA if a permit is requested for land within Forbes. Motion made by Jack; seconded by Rusty. Motion carried.

Motion made to accept ECC approval of the Lowe auction by Virginia; seconded by Jack; motion carried. Beth reminded Ray and/or Chuck that gate will have to be left open that day. Ray will take care of this since he will be on duty.

Motion made that requests from owners for a dock to be constructed on one lot and a home on another be handled on a case by case basis and that requests for homes that span lots will also be handed on a case by case basis made by Virginia; seconded by Jack. Motion carried. ECC will review each case and submit their recommendations to the Board.

4 Financial Reports

Virginia explained that we are going to change the format of reporting for this and future meetings. Each Director was given a copy of the Balance Sheet as of May 31st which shows all assets and liabilities and total equity and the Profit and Loss for May and YTD. (Refer to attached reports.) Loss for May was over \$38,000 but Year to Date profit is over \$82,897. Four (4) months remain in the fiscal year. Cindy reported on the year to date expenses and balance remaining in budget (report attached). The budget is adjusted monthly to reflect actual year to date expenses. The total dollars remaining in the budget are then entered as projections under each expense account for the balance of the fiscal year. This method ensures that year end figures will comply with the approved budget. (See attached report).

Cindy stressed that the most important item shown on the Budget vs. Actual report were the Professional Fees (\$40,564 through May 31st). We've projected negative expenses of \$20,000 for June and \$21,000 for July based on the lots in foreclosure. We have 5 lots available from the 5/13 Sheriff's sale, 17 lots from the 5/31 sale, 2 donated lots; total of 24 lots that can be sold in the near future. In addition, we have 12 lots in Benton County and 5 lots in Camden County that should be scheduled for sheriff's sale in June. By the beginning of July, we will have 41 lots to be sold. The projection of \$21,000 and \$20,000 is based on these lots producing income of at least \$1,000 each for a total of \$41,000. This obviously has a dramatic impact on budget for the last 4 months of this fiscal year. The purchase of the vehicle for \$6,000 is still in the budget. Salt spreader approved several months ago has been postponed until next fiscal year because of the purchase of the mower and trailer.

Cash Flow Analysis (attached): This report is presented at the beginning of each meeting to give the Board the facts they need to make monetary decisions that may be required throughout the course of the meeting. The bottom line shows a potential cash overage of \$31,302, but Cindy stressed the following that 1) May is incomplete since the foreclosure sale took place on the 31st; we are waiting for the final bills and reports from our attorney 2) the overage figure is based on collecting 100% of the \$46,663 owed to us which is not realistic.

5 Committee Reports

Ray Knox, Security; visitor/contractor passes have always been and continue to be a problem. Just a few home owners have large gatherings and ignore the requirement for passes. When the visitors are stopped, they get angry because they feel they are related to the home owner and have a right to be in Forbes. Office asked if Ray handed out passes and he replied that he did not; he just told them to contact the office. Office will contact these specific land/home owners and mail them a supply of passes with a letter explaining why this is important. The office will also make sure that a supply of passes is maintained in our land owner mailbox at the office for convenience. Office will also make sure that we post something on the website about the necessity of passes and the availability of guest vehicle stickers for frequent, recurring visitors. Ray said that home owners frequently give contractors the gate code instead of providing passes.

Chuck Willison, Park Superintendent:

- A. First cut on roads completed the week prior to Memorial Day weekend. Next cut will start June 22nd so that roads are in good shape for 4th of July holiday weekend.
- B. Grading and gravel: will be completed today. White rock roads will be dusty after grading until we get some rain. We had budgeted \$25,000 and will come in at about \$18,000 instead.
- C. Damage from 5" rainfall at the end of May: no big road washouts, but debris did clog many culverts (pictures were displayed). At one point on Friday, May 27th, we got 2" of rain in 40 minutes at the office; overloaded all of our systems - ditches, catch basins and culverts. Clogged culverts cause road washouts. There are at least a dozen places where we lost 3-4" of road. There's really nothing that we can do to prevent this from happening. On Neuharth, we're going to try placing big rocks (refuse concrete slabs) to divert water to reduce road erosion. We lost 4 or 5' of road, 6' deep, on Neuharth which will be costly to repair. Goal is always to do a permanent fix to reduce recurring cost when budget permits and when it is possible.
- D. Gates: the storm on May 27th also caused damage to the Gardiner gate (lightening). We did have a surge protector installed, but found out that this will not adequately protect this equipment. The cost of \$5 per month, per gate, still makes it wise to use surge protectors, but we have to take some other kind of action. The placement of the surge protector by Southwest Electric is, of course, came with a disclaimer that they were not responsible for any damage. This is the 2nd time this gate has been hit blowing out the control panel (\$350), 2 batteries (\$60 each), and motor on one side. The solar gate on Moira has never been hit by lightening so we're going to try installing solar on Gardiner. Gardiner gate handles a lot more traffic; Moira might be 5 or 10 cars a day and Gardiner's more like 100 or more per day. The gate may still take a direct hit, but it's worth a try since the lightening at least can't come in through the line. All the trees around our mailbox, etc are dead because anything metal by itself draws lightening. Steel posts on the gate are buried 5' deep serving as a ground; we're going to put an additional ground by driving a steel rod in the ground nearby. New gates budgeted for next fiscal year (Bombard, Roberta) we will use solar. Discussion followed of the possibility of motion activated solar lights. Office will find out if we can have existing lights removed or if we are committed to a specific time period. Land owner said that no matter where any kind of security light is located, it does not light up the key pad because of the shroud. Keypad does light up as soon as you touch one key so additional lighting should not be necessary; dome light from vehicle should be adequate. Most of the gates are in very dark, isolated locations so minimal motioned activated lights are still necessary to prevent someone from just plowing into the gate. Mercury vapor lights through Southwest cost us about \$200 per year. These lights are necessary to help traffic find the intersection and cannot be eliminated. We're now trying to install our own electric lights at gates to save money (maybe \$8 per month cost for 23 watt, fluorescent bulb) and we can maintain them ourselves.
- E. Generator installed: weighs about 500 lbs anchored to 600 lbs of concrete for security. Electrician tied up with big job, but should complete installation soon.
- F. New mower/trailer and weed eater: good quality - terrific mower. It will pay for itself; cut mowing time by 1/3 just at the office and will be able to use it at 5 or 6 entrances to some degree. No one else will be allowed to use the mower. Land owner asked if we considered a snow blade for the mower, but machine is too small to do much other than maybe a couple inches of snow in the office parking lot and that's being done for free by Circle M!
- G. Sign on Hwy 7: spoke with the owner of 160 acres right on 7, .3 miles to mailbox on left that says "Wise"; ground is across the street: Mike Cezaretti. He is interested in leasing us a place to put up a sign for maybe \$60 per month. We would be responsible for everything - clearing, mounting posts, etc. This is a good spot. Office will find out if a sign would be permitted; will need pictures, measurements, etc. and develop a lease proposal for board approval as quickly as possible. Land will be flagged so Directors can drive by and see the location.

7 Recurring Agenda Items

- A. Contracts to be renewed: none.

B. Office Report

Receivables (report attached):

Accounts older than October of 09 have been, for all practical purposes, eliminated. As of May 31, 2010, our receivables from current year dues only were \$7,000 lower than this year so office will continue to work with these accounts. This is, most likely, a result of the economy.

Foreclosure Summary: current information not available since last sale was on May 31st.

21 lots: 3 sold, 1 retained by original owner because judgment was satisfied with sale of other lots; 17 to be sold by LOA. Method of sale will be determined by Board of Directors.

Office will check with attorney to verify that we can advertise these lots before the July 9th law day.

8 Old Business

- A. Emergency Preparedness Presentation: no one has contacted the office for information so will be put on hold and remain under old business on the agenda.
- B. Fishing Tournament: Mike has agreed to cook, Al will be the official judge and will start and end the event. 28 entries as of today! Office will locate dry erase board for the judge to use for display. Start at 9:00 - end at 12:00; all fish must be weighed by 12:30. Cooking can start about 12:00 and eat between 12:30 and 1:00. Hot dogs, hamburgers, cole slaw, chips and drinks. Jacob will be hired to mark the property pins where fishing from the bank will not be permitted (9 lots). Jack will tell explain everything (rules) before fishing starts. Jack asked that the office make up maps. Mike will take grill/groceries, tables, chairs. Mike should let Jack know if he needs help. Jack doesn't think parking will be a problem. Jack said that he would suggest that people bring their own chairs. Ray will be around to help and Jack asked Al come early too to help with parking. Al will get the air horn. A land owner asked if he could bring is ATV because he is unable to climb the back of the dam. He was told that would not be permitted (private property and we did not receive permission for use of that lot during the tournament). Jack asked the office to put out one more e-mail and advise participants to bring chair/s. It was suggested that the next time we request permission from land owners to allow fishing from their lot, that we require that they contact us if they don't want to allow instead of requiring contact if they do allow! Jack will get unit maps from the office, flags and will take care of flagging lots.

Fishing Report forms: monthly drawing: (see report). Last year we received less than 24 reports total. 44fish were kept and 144 were released.

- C. Office is now preparing a cumulative report of reports submitted. Jack drew from the 3 reports submitted for April and the 4 for May for Forbes hat. The winner was Dave Snow. Office will contact him.
- D. Landscaping entrances: project has not been started.
- E. Landscaping boat ramps. Jo Spicer said that she may have more information for us; we will follow-up with her.
- F. Trash cans at lakes: Jack asked the office to check into putting guard around cans to keep them upright. Office will follow-up. Chuck purchased inexpensive, plastic cans in anticipation of vandalism. Bungee cord already missing. Jack asked that we contact the Corp of Engineers to find out where they get their cages. Cindy suggested that it seemed most logical to check with Chuck to see what he would suggest.
- G. Documentation from Sangre De Cristo; office will ask Jeff he has time to bring the boxes down out of the attic so we can go through them.

New Business: none

Motion to adjourn made by Rusty AT 11:30; seconded by Virginia; motion carried.

Land Owner Forum: no items.

Transcribed by C Dolan

A/R AS OF MAY 31, 2011

	ADVANCE	Oct-10	Oct-09	Oct-08	OLDER	TOTAL
40 Advance	-12,553					-12,553
86 Oct 2010		22,872				22,872
44 Oct 2010 and Oct 2009		17,618	10,583			28,200
3 Oct 2010, Oct 2009, Oct 2008		362	467	239		1,069
5 > 3 years		<u>2,900</u>	<u>2,275</u>	<u>877</u>	<u>1,022</u>	<u>7,074</u>
	-12,553	43,753	13,325	1,116	1,022	46,663

TOTAL BILLED	417,381	379,516	345,108
% UNPAID FROM TOTAL BILLED	10.5%	3.5%	0.3%

AS OF APRIL 30, 2011

	63,958
ADVANCE	(12,077)
ACTUAL	51,881
DECREASE	(5,218)

MAY SUMMARY

PAYMENTS	(7,577)
LATE FEES	2,359
	(5,218)

CASH FLOW ANALYSIS

May-11

Cash on hand

204,388

Accounts Receivable

46,663

SUBTOTAL

251,051

Emergency Fund

(139,500)

TOTAL OPERATING CASH

111,551

Budget for Fiscal year

417,500

Expenses Year to Date

(337,251)

BUDGET BALANCE

80,249

CASH DEFICIT OR OVERAGE

31,302

BUDGET MONTH 8 = 66.6%: % balance should be 33.3%

	OCT-MAY	FISCAL YEAR BUDGET	BUDGET BALANCE	% OF BUDGET BALANCE	PROJECTED				4 MTH BUD	YEAR END	VAR
					Jun-11	Jul-11	Aug-11	Sep-11			
4000 - Income	429,645	445,000	15,355	3.5%							
Expense											
5010 - Meeting Expenses	2,163	2,000	(163)	-8.2%	75	75	75	75	300	2,463	(463)
5015 - Bad Debts Expense	825	2,500	1,675	67.0%					-	825	1,675
5020 - Collection Expense	3,696		(3,696)		25	25	400	400	850	4,546	(4,546) *
5030 - Contributions	-		-						-	-	-
5045 - Dues and Subscriptions	557	200	(357)	-178.5%					-	557	(357)
5050 - Equipment Maintenance	2,018	1,000	(1,018)	-101.8%	100	100	100	100	400	2,418	(1,418)
1 5055 - Equipment Purchase	6,875	1,000	(5,875)	-587.5%	6,000				6,000	12,875	(11,875) *
5060 - Fuel	2,543	2,500	(43)	-1.7%	400	400	400	400	1,600	4,143	(1,643)
5070 - Insurance	8,430	12,000	3,570	29.8%	1,090	1,300	1,300	1,300	4,990	13,420	(1,420)
5100 - Miscellaneous Expense	2,307	1,200	(1,107)	-92.3%	200	200	200	200	800	3,107	(1,907)
2 5200 - Mowing	18,430	35,500	17,070	48.1%	5,040	2,300	7,340	2,390	17,070	35,500	-
5230 - Office	5,530	4,500	(1,030)	-22.9%	200	200	200	200	800	6,330	(1,830)
5240 - Postage	1,597	2,500	903	36.1%		160	400		560	2,157	343
5250 - Printing	1,209	1,750	541	30.9%	150	150	500	150	950	2,159	(409)
5255 - Professional Fees	40,564	3,000	(37,564)	-1252.1%	(20,000)	(21,000)			(41,000)	(436)	3,436 Important!
3 5260 - R & M - Roads	107,975	132,500	24,525	18.5%	7,000	2,500	2,500	2,500	14,500	122,475	10,025
5300 - R & M COMMON AREA	5,142	20,000	14,858	74.3%	1,000	1,000	1,000	1,000	4,000	9,142	10,858
5310 - Security	32,575	48,500	15,925	32.8%	3,800	3,700	3,700	3,922	15,122	47,697	803
5320 - Shop Supplies	1,329	1,500	171	11.4%	100	100	100	100	400	1,729	(229)
5400 - Taxes	382	350	(32)	-9.1%	-	-	-	236	236	618	(268)
5450 - Telephone	1,597	2,500	903	36.1%	200	200	200	200	800	2,397	103
5470 - Utilities	6,162	7,500	1,338	17.8%	400	600	600	470	2,070	8,232	(732)
6560 - Payroll Expenses	85,346	135,000	49,654	36.8%	11,400	11,400	15,600	11,400	49,800	135,146	(146)
Total Expense	337,252	417,500	80,248	19.2%	17,180	3,410	34,615	25,043	80,248	417,500	(0)
SNOW REMOVAL (EMERGENCY FUNDS)	10,500										
	347,752										
BUDGETED PROFIT		27,500									
STRATEGIC FUNDS		7,500									
RESTORE EMERGENCY FUNDS		20,000									

	Lots	Sold	No Sale	Available
FORECLOSURES: reduce Professional Fees				
5/13 sale	5	-	-	5
5/31 sale	21	3	1	17
june sales	12	Incomplete		12
Camden	5	Incomplete		5
	43	3	1	39
Donated	2			2
Total: 41 lots for \$1,000 each				41
				41,000

1 EQUIPMENT: TRUCK \$6,000 : SALT SPREADER \$1,500: ON HOLD!									
	AS OF 5/31	Jun-11	Jul-11	Aug-11	Sep-11	4 MTH BUD			
2 MOWING	18,430								
ROADS: MAY, JUNE AND AUGUST @ \$5,040 EACH (1 DONE IN OCT)		5,040		5,040		10,080			
COMMON AREAS @ \$1,025 EACH: 2 MAY, 2 JUL, 1 AUG, 1 SEP			2,300	2,300	2,390	6,990			
BACKSLOPE: DONE IN OCT: NONE UNTIL OCTOBER (NEXT FISCAL YEAR)						-			
TOTAL MOWING		5,040	2,300	7,340	2,390	17,070			35,500
		Jun-11	Jul-11	Aug-11	Sep-11				
3 R & M ROADS						4 MTH BUD			
GATES (APPROVED) KIP AND AITKEN						-			
GATES : MOIRA (ESTIMATED) (NOT BUDGETED)						-			
VERTICAL CUTBACK (APPROVED)						-			
TRINCHERA (APPROVED IN APRIL 2010)						-	<i>ON HOLD</i>		
MISC WORK (CONTINGINCIES) Landscape Entrances		2,000	2,500	2,500	2,500	9,500			
GRADING (USUALLY SPRING AND FALL (next fy)						-			
						-			
GRADING	18,168	4,690	2,500			2,500			
GRAVEL	33,200	8,078	2,500			2,500			
	51,368	12,768	7,000	2,500	2,500	14,500	14,500	122,475	