

Forbes Meeting Minutes
Monday, May 2, 2011

Attendees: Al Julius, Clay Gant, Rich Meister, Les Newell, Bill Drefs, John Hafele, Greg Martin, Mike Moran

Board Members: Beth Gant, Jack Spicer, Glenn Moberly, Doug Schmidt & Virginia Betts; quorum established.

Land Owner Forum: Clay Gant brought up the subject of purchasing equipment for the association such as snow blade and lawn tractor. He said over time we would save money by paying less for contractor's services. Another land owner said that one snow plow is not going to get the roads plowed as fast as our contractor can. Also, it would mean hiring another employee. Clay said we should earmark the strategic planning funds of 10% and use it toward machinery and development. *Attachment of estimated yearly savings on a tractor can be found at the end of these meeting minutes.*

Meeting called to order.

Financials (see report at the end of meeting minutes)

Security Report

Ray Knox reminded everyone that if they have visitors coming to Forbes to make sure they have visitor passes and that the passes are displayed. Ray also wanted to remind all land owners that entering another person's property is considered trespassing (even if mushroom hunting) unless you have permission from the land owner. It will be added to the upcoming newsletter that only roads are common area.

Park Superintend Report

The RV Park was opened April 10th; no frozen pipes. Chuck hasn't unwrapped the water fountain yet. The weather is unpredictable right now and Chuck wants to wait. The new generator is in. The concrete pad has been poured to mount it on. Once it's put in place, the electrician will be called to wire it. Spring grading has started. We're going sparingly on the gravel. We did lose some gravel from the snow plows but the gravel that was pushed to the sides of the road was raked back on the roads. Chuck said we probably saved 20 to 30 percent of the gravel by raking it from the ditches. This has never been done before. The outdated signage on the lakes was removed and new signs put up. Entrance mowing has started. We're still looking at doing landscaping of some entrances. The association can save money on entrance mowing by putting in some weed barrier then cover with gravel and spraying the remainder of the weeds. Vertical cutback was completed last week. Thirty miles was done this year. Vertical cutback hadn't been done for about ten years and there were some really large limbs and saplings that needed to be cut back and removed. By the time we're finished with this project, we will have spent \$144,000. Had we been doing it every year as was done in the past, we would have spent \$258,000. The plan is to do 30 miles per year, then after 5 years when all roads have been cut back, start over. Cindy checked with Mike Moran, Circle M Farms on an estimate the second round which will begin in 2015. Mike said based on the cost he had this year he estimated about \$400-\$500 a mile, whereas now we're paying \$1,000 a mile. Chuck said even though vertical cutback is costly, there's a big savings in the long run. By doing the cut back, it lets more sun and wind in on the roads which means the sun melts the snow off faster and they dry up quicker after rain and there's less damage done and less maintenance needed.

Also, when we get high, heavy winds, Chuck has to go around and clear the roads. The vertical cutback helps to minimize the debris.

No Contracts to be renewed.

Office Report

Receivable reports (see report at the end of meeting minutes). Our foreclosures with the Camden County attorney were discussed; their fees were much higher than our Benton County attorney. We will try to appeal with the Camden County attorney on their outrageous legal fees at the end of the sheriff's sale on May 13th.

Ray Knox said trash is being left at the lakes. The board asked that trash cans should be put at the lakes. Chuck will buy the cans and Ray offered to empty the cans each week.

The new Forbes brochure is finished and copies have been dropped off at the Chamber of Commerce to be included in their packet requests. We are also asking that local businesses display our brochures.

The spring newsletter is being worked on. We may need some volunteers to help get it out. We want to get the newsletters out before the first sheriff's sale.

Regarding the sheriff's sale, our attorney suggested first that the board decide which board members will be going to the sale, and then do a resolution on how much to bid up to on each lot. Virginia Betts and Glenn Moberly volunteered to attend the May 13th sale. The only payment acceptable on a foreclosed lot is either cash, certified or cashier's check made payable and delivered to the Benton County Sheriff by 4:00 the day of the sale. Beth asked if we were able to contact the lot owners whose lots are in foreclosure and ask them to turn the lots over to the association rather than go in to foreclosure. It was felt that there would be no incentive to the land owner to turn over their lots; however, it would save us attorney fees. Virginia asked if any of the local realtors would list our lots (from foreclosure) on line. Most people looking for property go on line and usually with real estate companies.

Beth asked that if anyone has any documentation of transfer from Sangre De Cristo to the LOA to please let the office know. There should be some documentation that would have stated the conditions of the transfer, some kind of legal transfer. A land owner said Bob Meintz organized everything, however, he passed away. One land owner said we would have to go back to the early '90's to find any documents. A land owner said that Forbes gradually phased itself out back around 1996. Back when Forbes Corp. was around, there were 3 members on the corporate board and the LOA board members. There were a lot of disagreements between corporate and the LOA, but Forbes retained control until 1996 when the officers gave up and turned it over the LOA. There may be documentation at Forbes in the attic that needs to be brought down and gone through.

Signage at Hwy M & 7 – Beth and Jack met with the county commissioners a few weeks ago. One of the commissioners said they had the same problem we have had with the lady from MODOT in erecting signage. Their suggestion was to take our information to our state representative and state senator and have them call MODOT and that we should make sure to tell them we are non-profit and just need directional signage for visitors.

LOA picnic has been rescheduled from Saturday, May 21 to June 4th at 1:00. The office staff will be in charge of organizing.

Beth Gant and Jo Spicer went to the boat ramps to see if there was any type of low maintenance landscaping that could be done. There isn't much that can be done. Beth mentioned that there are a couple of broken boat dock cables; one the east side boat ramp and the other on Deer Creek. Chuck will check on it.

Motion to adjourn made by Doug Schmidt, seconded by Glenn Moberly, all in favor.

Land Owner Forum: One land owner thought that Forbes should look for a used tractor to do some smaller jobs on Forbes. Another land owner said when the association used to have a tractor; it was broke more than it worked. Also Chuck has so much to do he shouldn't have to spend time working on broken down equipment. Most agreed.

4/30/11 Expense	FISCAL YEAR	YTD EXPENSES	BUDGET	PROJECTED		DIFF
	BUDGET	OCT-APL	BALANCE	6 MTH BUD	YEAR END	
Meeting	2,000	2,083	(83)	250	2,333	(333)
Bad Debts	2,500	825	1,675	-	825	1,675
Collections		3,587	(3,587)	875	4,462	(4,462)
Contributions		250	(250)	-	250	(250)
Dues/Subs	200	307	(107)	-	307	(107)
Eqmt Maint	1,000	1,631	(631)	-	1,631	(631)
1 Eqmt Purch	1,000	4,132	(3,132)	7,500	11,632	(10,632)
Fuel	2,500	1,596	904	1,500	3,096	(596)
Insurance	12,000	7,340	4,660	5,450	12,790	(790)
Misc	1,200	2,093	(893)	750	2,843	(1,643)
2 Mowing	35,500	12,240	23,260	23,260	35,500	-
Office	4,500	5,287	(787)	1,000	6,287	(1,787)
Postage	2,500	1,234	1,266	860	2,094	406
Printing	1,750	1,261	489	1,250	2,511	(761)
3 Prof Fees	3,000	39,657	(36,657)	(43,000)	(3,343)	6,343
4 Roads	132,500	90,961	41,539	40,500	131,461	1,039
Common Areas	20,000	4,716	15,284	3,000	7,716	12,284
Security	48,500	28,790	19,710	18,930	47,720	780
Shop Supplies	1,500	801	699	500	1,301	199
Taxes	350	309	41	236	545	(195)
Telephone	2,500	1,390	1,110	1,000	2,390	110
Utilities	7,500	5,665	1,835	2,300	7,965	(465)
Payroll	135,000	75,185	59,815	60,000	135,185	(185)
Total Expense	417,500	291,339	126,161	126,161	417,500	(0)
SNOW REMOVAL (EMERGENCY)		10,500	417,500			
1 Truck: \$6,000; Salt Spreader \$1,500				7,500		
2 Road Mowing: May, June and August and common areas				23,260		
3 Professional Fees: Foreclosed lots sales \$43,000 (43@ \$1,000)				(43,000)		
4 Trinchera \$5,000; Grading: \$25,000; Misc \$10,500				40,500		

CASH FLOW ANALYSIS

April-11

Cash on hand

241,700

Accounts Receivable

51,881

Emergency Fund

(139,500)

TOTAL OPERATING CASH

154,081

Budget for Fiscal year

417,500

Expenses Year to Date

(291,339)

BUDGET BALANCE

126,161

CASH DEFICIT OR OVERAGE

27,920

	<u>Current</u>	<u>10/1/10</u>	<u>10/1/09</u>	<u>10/1/08</u>	<u>older</u>	<u>TOTAL</u>
AS OF APRIL 30, 2011	ADVANCE	Oct-10	Oct-09	Oct-08	OLDER	TOTAL
38 Advance	-12,077					-12,077
100 Oct 2010		26,191				26,191
47 Oct 2010 and Oct 2009		18,206	11,301			29,507
3 Oct 2010, Oct 2009, Oct 2008		418	409	279		1,106
5 > 3 years		<u>2,990</u>	<u>2,300</u>	<u>792</u>	<u>1,072</u>	<u>7,154</u>
	-12,077	47,805	14,010	1,071	1,072	51,881

TOTAL BILLED	417,381	379,516	345,108
% UNPAID FROM TOTAL BILLED	11.5%	3.7%	0.3%

AS OF MARCH 31, 2011

	66,492
Advance	(11,276)
Actual	55,216
Decrease	(3,335)
Payments	(3,828)
Charges	493
	(3,335)

FORECLOSURE SUMMARY

	<u>BENTON</u>	<u>BENTON</u>	<u>BENTON</u>	<u>BENTON</u>	<u>CAMDEN</u>	<u>BENTON</u>		
	SHIPLEY	SHIPLEY	WILLIAMS	SHIPLEY	SHIPLEY	SHIPLEY		TOTALS
	<u>#1</u>	<u>#2</u>	<u>#3 APL 10</u>	<u>#4 DEC 10</u>	<u>#4C DEC 10CA</u>	<u>#5 JAN 11</u>		
INITIATION DATE (LIST TO ATTORNEY)	15-Jan-08	12-Dec-09	31-Mar-10	10-Dec-10	W/ #4	15-Feb-11	in process	
NUMBER OF LETTERS SENT ORIGINALLY	10	14	5	26		17		72
PAID IN FULL	-1			-2		-5		-8
PAYMENT ARRANGEMENTS	-3	-1	-2	-6		-6		-18
# OF OWNERS ADDED				0		3		3
BALANCE : Final count	<u>6</u>	<u>13</u>	<u>3</u>	<u>18</u>		<u>9</u>	<u>30</u>	<u>49</u>
ASSESSMENT DUE TO LOA	\$9,841	\$12,695	\$1,814	\$13,809		\$4,700	20,322	\$42,858
NUMBER OF LOTS	<u>13</u>	<u>19</u>	<u>5</u>	<u>26</u>		<u>10</u>	<u>41</u>	<u>73</u>
AVERAGE PER OWNER	\$1,640	\$977	\$140	\$767		\$522	\$677	\$875
AVERAGE PER LOT	\$757	\$668	\$363	\$531		\$470	\$496	\$587

EXPENSE SUMMARY: AS OF 4/30/11

LEGAL (overlaps 2 fiscal years)			\$6,746	\$4,145	w/ #4	\$910	
OTHER (overlaps 2 fiscal years)			\$984	\$3,181		\$740	
SUBTOTAL			<u>\$7,730</u>	<u>\$7,326</u>		<u>\$1,650</u>	
LEGAL AND OTHER PER LOT	\$1,055	\$609	\$1,546	\$282		\$165	
ASSESSMENTS PER LOT	\$757	\$668	\$363	\$767			
TOTAL EXPENSES PER LOT	<u>\$1,812</u>	<u>\$1,277</u>	<u>\$1,909</u>	<u>\$1,049</u>		<u>\$635</u>	

FINANCIAL SUMMARY

Date of Sheriff's Sale	10-Aug-09	25-Aug-10	13-May-11	31-May-11		
# of lots sold at Sheriff's Sale	4	12				
Money to LOA from Sheriff's Sale	\$4,888	\$15,999				
# of lots by sealed bid	9	6				
Proceeds from sealed bids	\$15,800	\$9,075				
TOTAL PROCEEDS TO LOA	\$20,688	\$25,074				
Total Foreclosure Expenses (W/dues)	\$23,553	\$24,262				
Gain or Loss	<u>-\$2,865</u>	<u>\$812</u>				
TOTAL EXPENSES (w/dues)	\$23,553	\$24,262				
PER OWNER	\$3,926	\$1,866				
PER LOT	\$1,812	\$1,277				
TOTAL EXPENSES (without dues)	\$13,712	\$11,567				
PER OWNER	\$2,285	\$890				
PER LOT	\$1,055	\$609				
ELAPSED TIME	19 MTHS	8 MTHS	13 MTHS	5 MTHS	5MTHS	5 MTHS

Est. yearly savings on tractor

- R.V. Park mowing of expanded area..... \$3705
- Mowing back of dams \$2991
- Snow removal \$10,500
- Flat moving of all roads..... 10,000 – 15,000??
- [You have the contracts on this]
- Small / medium road repairs
- Brown Gravel replacement grading on back roads
- Small / medium dirt work
- Landscaping Rocks etc.
- Removal of trees & limbs on roads
- Blading of side ditches {being done now}, back slopes
- Putting white rock back in place after snow removal
- Many, many mis. Jobs
- Smoothing of soft spots in road

Est. savings per year **\$50,000**

Futurelawn mowers

Purchasing mowing equipment cost est. \$15,000 - \$20,000
Savings will be contract now?? And the luxury of expanding areas for a better more improved LOA.

Shop building for machinery etc.

The generator you have already purchased could of been under this machinery fund.

This 10% 42,800 per year used only for these reasons year after year can save a lot for the LOA as long as you leave it for the reason it is **attended**.

Est. Cost on Tractor & Machinery 50,000 60,000

Facts of the Last 5 years

5 years ago dues were 82.50they are now 120.70

an increase of **60% in dollar value** in just 5 years

We have grown from a 280,000 a year LOAto one of 418,000

We have crossed over from a LOA of **maintenance to an LOA of.. growth**

With this growth we have taken on many new responsibilities

A growth that seems to have always **exceeded our budgeted funds.**
and this will always..... **be true.**

The realization of this was voiced in the last meeting by your park superintendent

That soon home growth needs will exceed are capabilities to fund them in certain areas.

An echo... of a statement made before a past board, **just two years ago.**

Growth is good But we have over looked one important item.

The need to work on our the budget from **with in** to stop outsourcing what we can do ourselves.

I urge this board to do so we can no longer operate as we did 5 years ago to achieve any kind of growth towards..... the future.

The past was a lesson... but the past is not **now,.. anymore than it is the future.**

I do not like due raises but sometimes you have to do things you don't want to do in order..... to correct problems

Today.....I am asking this board for one more due raise of 10% a total of \$42,800 per yearto be used next year and every year there after only for machinery purchases and labor to run this machinery,

To reduce our needs in the use of outside contractors in the areas we should be doing ourselves..... right now.

I feel this labeled dues fund will stop the need of raising our dues so often as we have done in the past 5 years.