

Forbes LOA
Monthly Board Meeting Minutes
Saturday, January 8th, 2011

Please Note: there are typically subjects that are brought up during any meeting that require immediate follow-up.

These items are usually addressed by the time the meeting minutes are transcribed. You will see these special notes in blue type in the body of the meeting minutes which should be an efficient method of documenting action taken rather than communicating by e-mail with all Directors and/or carrying the item over to the next meeting agenda.

Special note: start of meeting was delayed because two (2) Directors were in route. The following items were discussed during this period.

1

Dillon and Michaels gates were both hit by lightening. The circuit board at Dillon and circuit board and batteries on Michaels were destroyed. Replacement parts should be received by early next week. Price on repairs are not known at this time. We do not carry insurance on the gates or docks because of the \$1,000 deductible. Chuck met with Nathan from Southwest to arrange for surge protectors to be placed on these gates and on the new gates at Kip and Aitken to protect equipment against lightening strikes; cost is \$4.95 per month, per gate. Chuck also determined that it would be much more cost effective for the LOA to install fluorescent lights on the electric poles by the gates rather than paying a monthly fee to Southwest for security lights. Office will find out from Southwest why we pay different prices for security lights to determine if we can lower our ongoing costs.

Circle M will be keeping at least two (2) of each part normally needed for maintenance/repair in inventory to avoid future delays in restoring service.

2

Discussed the current meeting schedule of the first Monday of each month and the first Saturday of the month for the first month of each quarter. This schedule was adopted with the goal of making the meetings as accessible as possible to our land owners. Those in attendance felt that the major consideration should be consistency; eliminate confusion. Records show that we average 8 in attendance on Monday vs. 5 on Saturdays. The same group of people come to the meetings. Chuck's availability for Monday meetings is a major consideration because of his involvement with and knowledge of projects and/or problems within the park. Board voted to have all meetings on Mondays; post the new schedule on our website and encourage and monitor comments and/or concerns.

3

Discussed the beaver/otter problem in our lakes; no recent activity has been reported. Feral hogs have not been sighted for several months, but they are a problem and their population will continue to increase because they breed so prolifically. Any hogs seen should be reported to the office as quickly as possible.

Meeting called to order @ 9:30 am; all Directors in attendance with the exception of Virginia Betts, absent (no substitute).
Quorum established.

In attendance: Bill Drefs, Mike Moran, Greg Martin, Frank Drefs, George Fowler, Les Newell, George Frazier, Jim Pratt,
Rich Meister, Darrin Bishop

1 **ECC approvals:** none.

2 **New agenda format;** Cindy explained that future meetings would start with the financial reports as most agenda items were budget dependent.

A **Budget vs. Actual Expense** report (see attached).

Report shows total expenses year to date representing 3 months or 25% of our budget year. Total expenses through December 31st are \$125,626. The balance in the budget is 69.7% so we are running 5.3% above budget. The monthly expenses under each column represent our best estimate of what actual costs will be. The detail for each of the major categories is detailed on the bottom of the report (mowing, road maintenance, etc.). In summary, the total budget for the fiscal year, minus our expenses through December 31st, minus projected expenses for the remaining nine (9) months equals zero (expenses in alignment with budget). This report will be presented every month so that the Board can monitor budget compliance as we progress through the fiscal year and have the information needed to make informed financial decisions.

1 **Truck purchase:** our contract with the Benton County Sheriff's Department provides us the option of purchasing the vehicle used by our security officer for 1/2 of the blue book value. We anticipate that this truck may be available in April. We will check with the sheriff to find out which blue book value he intends to use; resale, private party to private party or trade-in which vary from \$8,000 to \$12,000 based on the information we had on the truck.. The Board will determine what action to take after we have all the facts. \$6,000 was included in the projected expenses for April. It was suggested that we may want to ask Mr. Fajen if he would deduct that amount rather than purchasing a truck with so many miles in spite of it being 7 years newer than our current model.

- 2 **Mowing:** road mowing is scheduled for 3 times per year. This may change based on rainfall. The common area mowing contract expires in April. Our current contractor has indicated he anticipates a 20% increase in his bid because of fuel costs and to provide the required workers compensation insurance coverage.
- 3 **R & M Roads:** January projection includes the gate costs for Kip and Aitken as well as 1/2 of the approved budget for vertical cutback (\$15,000). Circle M is working on a bid for motorizing Moira with solar power. Expense is estimated to be \$2,500 which is also include under January. The balance of the vertical cutback (\$15,000) is scheduled for February, weather permitting. Chuck has prepared a list of the scheduled roads which can be obtained from the office. Road grading and gravel is scheduled for May and June. The amount remaining for contingencies is \$21,533. All road budget items are influenced by weather. There was discussion about we decided where gates should be placed. The Board explained that priority was given to roads the could be gated to restrict access to a large section of Forbes.

B Source and Use of Funds Report (see attached).

\$27,845 less cash on hand as of December 31st compared to the same date last year. \$32,930 more collected in dues compared to the same quarter last year. Receivables are down \$9,527 compared to 2009.

3 Security Report, Ray Knox

Ray reminded owners to notify the office when they were going to be out of town.

He also asked that any vehicles within Forbes without current sticker be reported; it's important to call in a plate number, not just color.

4 Park Superintendent, Chuck Willison (refer to reports).

A Approved expenses for December were \$15,000; actual was \$15,037.

Items listed have all been recorded under the estimated expenses for January on the budget report. Gardiner gate modification is complete and is working very well. Mailboxes have already been moved. on Kip and Aitken.

B **Common Area** (refer to report). Fiscal year budget of \$20,000; \$19,214 balance.

The following items were presented for Board consideration with the note that we will have to wait to see how our snow removal, storm damage, etc. expenses tally up through the winter months.

Projected common area expenses total \$9,325; budget balance of \$9,889.

1 **Portable toilet expense** (\$1,600 annually).

Propose purchasing concrete holding tanks (1,000 gallon) for \$520 and purchasing used portable toilets to eliminate ongoing rental costs. Estimated costs of \$5,280 minus \$1,600 = actual cost \$3,680.

Rusty will also ask R & R to bid on the holding tanks.

The \$9,889 budget balance would then be \$6,209. R & R Septic will be submitting a bid for used units.

2 **Entrance Mowing** (\$5,000 annual payroll cost).

Propose landscaping 10 entrances this year at an average, estimated cost of \$750 per entrance for a total of \$7,500. We would within 3 and 1/2 years eliminate or drastically reduce this annual expense.

We continue to approach problems with the goal of fixing the cause of the expense with permanent solutions to save us money in recurring costs.

General consensus was that this was a great idea. We will not only be reducing costs but will improve the image of the park. We would maximize our efforts by using the creek gravel from catch basins that need to be deepened anyway and by using boulders that are in ditches causing problems for road mowing equipment. An owner pointed out that there is quite a bit of gravel still in our quarry that could be used. This is an idea that is long past due and will really make us look like a park!

Chuck suggests that we start with the entrances that can only be done with a weed-eater (not a mower). We also may want to consider starting with our main entrances. Some entrances may be too steep to done much improvement. Board asked that we continue to brainstorm this idea until we are past snow removal/ice potential to see what funds we have available in our budget.

It was also suggested that we consider that same idea around the gates to eliminate manual mowing and improve appearance. We would then be able to reduce our need for temporary summer help.

We may eventually be able to include this mailboxes. A land owner in attendance offered to paint the box on the east side; board approved.

5 Board of Directors

A Virginia Betts, Treasurer, will be unavailable for the January and February and possibly March. The Board voted to not have a substitute for her as long as there was still a quorum.

B Don Lake, Director at Large, will be in attendance for the February and March meetings but will be unable to fulfill the balance of his term (October, 2011). The Board asked that the office ask Doug Schmidt if he would be willing to replace Don for this period because of his willingness to serve the LOA as demonstrated by running

for office. Office will contact him immediately. If Mr. Schmidt is not available, the office will approach the other owners who consistently attend meetings because of their obvious desire to be involved with the LOA.

C New sign layout for Forbes, Welch and Bob Lakes (see attached) at a cost of \$200 each.

Jack is also planning to replace and/or add to the signs in the front of the boxes holding the fishing report forms to encourage completion of the forms. We will also be re-doing the pictures of the fish that are on display for species identification. Office will develop drafts of these signs for approval as soon as possible.

We may need to add additional signs/boxes to a couple of the lakes and do everything we can to make them visible/eye-catching.

Fishing forms need to be located by the boat ramps and picnic tables to make it convenient for people to complete.

Some of the lakes may require forms in more than one location (by the dam and by the ramp).

Jack will be redesigning the actual fishing report form to make it less complicated.

Jack does not plan on adding minnows this year (\$3,275); he's simply not getting enough fishing report to make a decision on whether or not these are needed. Jack asked that we all encourage any one who fishes to complete the reports; those are the only way we can determine what our lakes need.

It was suggested that we have a monthly drawing for a free LOA hat from the reports submitted.

We need to develop a campaign to impress on people that we need their cooperation in order to continue to develop and improve all of our amenities, including the lakes. We simply cannot justify investment without documented usage.

All lakes are generally in good shape. Grass carp have controlled weeds and structures have been added for nesting.

The addition of copper sulfate has done a good job; no fish kills have been experienced. Fish appear to be healthy.

The new signs are going to be redeveloped to be more positive and welcoming. Remove "private property" and "leave no trace", etc. Leave 'no swimming' and 'remove gas motors'. Office will submit draft to Jack for approval asap.

We'd like to set up some fishing tournaments sometime this year towards the middle or end of the summer and a fish fry afterwards!

6 **Contracts:** Common Area mowing contract expires in April.

7 Recurring agenda items: Cindy explained that this will be a new part of each agenda that contains items that the office will report on monthly. She asked for suggestions from the Board and/or owners on what they would like to see included. This will be a brief review of monthly special projects that occur in addition to normal job functions that impact work load.

A **Receivables Report** (see attached); down \$32,161 compare to the same period last year.

Accounts that are older than 4 years are down to \$5,817; 3 years are \$7,563.

B December special projects.

1 Kay has been trained to do bank reconciliations since Cindy signs checks as required by auditor.

2 Foreclosures: 20 with attorney Dec 10th: 20 owners, 24 lots, \$18,278; \$914 per owner, \$522 per lot
LOA office ordered title reports which were received Friday afternoon. Next step is the preparation of the Petition.

Board asked if we had obtained information on Camden County tax sales.

[Camden County tax sales: held the 4th Monday of August each year. Tax sale notice is published in the Lake Sun Leader every Friday for 3 weeks in the month of July. Office has noted this procedure on our calendar.](#)

3 A/R: 1 certified final warnings and correspondence to all accounts 3 or more years past due

After discussion of past due accounts the foreclosures, the Board asked that Cindy contact

Dale Shipley to see if he could handle starting a 2nd batch of foreclosure right away.

If he is unable or unwilling to do this, the office will contact local attorneys to initiate more foreclosures as quickly as possible.

[We received a response from Dale Shipley on January 11th that he is both willing and able to handle more foreclosures. We did communicate the Board's concerns about time and money \(cost per owner\). We are currently awaiting his assurance that we can streamline this process. The office will forward this correspondence to the Directors for their decision on whether to proceed with Mr. Shipley or find another firm. Cindy is developing a foreclosure procedure checklist to document what can be done by the LOA office to reduce costs and what needs to be done by an attorney; estimated time line will be included. This will be reviewed by Shipley.](#)

[The total number of owners who should/could be in foreclosure right now is 37-40.](#)

[This would clear all accounts that are more than two \(2\) years old.](#)

4 Budget vs. Actual report for monthly presentation

C January Special Projects:

1 End of year: 1099's, W-2's

2 Payroll 4th quarter reports

3 Payroll audit as of 12/31/10

D Deed transfer report (see attached)

- E Lots for sale report/activity (see attached)
251 lots posted for sale as of December 31; no new lots posted.
Average price of lots sold is not available; Benton county does not provide this information. The office sends out a questionnaire with welcome packets requesting this information but seldom receives a response. The office is frequently asked what the 'average' price of lots is; we are unable to answer this question. It's vital information that is just not accessible.
Office will continue to develop methods to extract information from information available for lots posted/sold. For example, number of price reductions, increases, etc.
Office will find out whether website statistics (hits, etc) are available through Pheonix Web.
- F Email stats: currently have 620 of 1,700 owners: 36%
- G RV Park usage report (see attached).
Office will work with Chuck to make sure that the manual reservations forms are picked up from RV slots and pavilion every Monday when he picks up the garbage. This situation is similar to the fishing report form; we need complete information on usage so that the Board can make informed decisions on expenditures. The office also needs to know if someone did not stay at the park after a reservation was made. Ray will help us out with making us aware when this happens.

Meeting was not recorded from this part of the agenda to the end and has been transcribed from memory only.

- 8 Old Business
 - A Cameras for gates:
[Location of cameras and the actual process will not be published for security reasons.](#)
 - B Ray's truck/snow blade: covered earlier on agenda
- 9 New Business
 - A Neighborhood Activities Committee: LOA need volunteers to organize social functions; garage sale, fishing tournaments, classes, etc. Please contact the office if you are interested in helping out!
 - B Board Meetings moved to Mondays (see above).
 - C Comments on new agenda format; approved.

Meeting adjourned @ 11:15. Minutes submitted by Glen Moberly, transcribed by Cindy Dolan.

LOA Source and Use of Funds

As of December 2010 to 2009
2009 **VARIANCE**

	AS OF	AS OF	AS OF		
	31-Oct-2010	30-Nov-2010	31-Dec-2010		
1 FUNDS AVAILABLE (Cash Flow Summary)					
2 Petty Cash	100	100	100		
3 1st Community Bank Accts: Money Market	142,335	216,709	184,348		
4 Operating Acct	24,172	8,826	22,838		
5 Debit Acct	1,785	1,407	1,402		
6 Bank Accounts Subtotal	168,291	226,942	208,588		
7 Cdars (36 mth @ 2%)	225,000	150,000	150,000		
8 Total Funds Available	393,391	377,042	358,688	404,884	(27,843)
9 ACCOUNTS PAYABLE	(5,354)	(12,820)	(5,818)		
10 FUNDS AVAILABLE after subtracting payables	\$ 388,036	\$ 364,222	\$ 352,870		
11 Emergency Fund	(150,000)	(150,000)	(150,000)		
12 Operating Funds (cash available for budget items)	238,036	214,222	202,870		
13					
14 Dues Paid (deposits made)	\$ 116,704	\$ 25,096	\$ 34,136	\$ 175,935	143,006 \$ 32,930
15					
16 ACCOUNTS RECEIVABLE (<i>Dues owed to LOA</i>)					
17 Current Fiscal Year Dues	127,108	106,187	82,336		
18 Prior Year Dues	43,688	43,971	35,778		
19 Subtotal	170,796	150,158	118,114		
20 Paid In Advance	(10,609)	(10,579)	(10,781)		
21 Total	\$ 160,187	\$ 139,579	\$ 107,333	116,860	\$ (9,527)
22					
23 TOTAL POTENTIAL FUNDS AVAILABLE (from row 10)	\$ 388,036	\$ 364,222	\$ 352,870		
24 TOTAL RECEIVABLES	\$ 160,187	\$ 139,579	\$ 107,333		
25 TOTAL POTENTIAL CASH FLOW	548,223	503,801	460,203		
26 EXPENSE SUMMARY					
27 Fixed Expenses (in general)	13,632	13,762	14,395	41,842	
28 Wages	10,197	9,613	10,297	30,108	
29 Maintenance	8,562	27,889	17,378	54,030	
30 Equipment Purchase	646	-	646	646	
31 Total Expenses	33,037	51,264	42,070	126,626	76,646 \$ 49,980
32					
33 BUDGET BALANCE					
37 Total Approved Budget for Fiscal Year			417,500		
38 Total Budget for fiscal year minus YTD expenses			290,874		
39					
40 Potential Excess: Total potential cash flow minus budget			169,329		

PARK SUPERINTENDENT MONTHLY REPORT: Chuck Willison

Meeting Date: 08-Jan-11

A. WORK ORDERS: INCOMPLETE OR IN PROCESS (previously approved)

A.1. TRINCHERA: footings, rebar and slurry on the upstream side after spring rains (approved in April, 2011)	\$ 5,000	\$ -
A.2. GATES: Circle M Estimates	Aitken Lane \$ 2,500	
	Kip Drive \$ 3,000	
	Other estimated associated costs (electric, etc.) \$ 2,500	\$ 8,000
A.3. VERTICAL CUTBACK	1/2 OF APPROVED \$30,000 ESTIMATED FOR JAN AND 1/2 FOR FEB	15,000
TOTAL FOR A		\$ 23,000

B. WORK SCHEDULED FOR JANUARY: (no approval required)

TOTAL FOR B \$ -

C. WORK TO BE AUTHORIZED FOR JANUARY: (Board approval required)

C.1. MOIRA GATE MODIFICATION	CIRCLE M ESTIMATE? SOLAR	\$ 2,500
TOTAL FOR C		\$ 2,500

JANUARY TOTAL FOR A,B,C \$ 25,500

D. COMPLETED IN DECEMBER

	ESTIMATE	ACTUAL	DIFFERENCE
D.1. Grading Central: estimate on November report was	\$ 7,500		
		Actual Total \$ 7,054	\$ (446)
		Grading Actual \$ 1,913	
		Gravel Actual \$ 5,141	
D.2. Ditch and Culvert work: Over the last month, we have cleaned lots of ditches and culverts, deepened and widened catch basins. We are using the material removed to fill in areas of road washed out and to build new turn-around area and mailbox pad on Kip Drive.	\$ 6,000	\$ 6,143	\$ 143
D.3. WORK DONE - NOT SCHEDULED: Michaels Road gate: new lock		\$ 341	\$ 341
D.4. GARDINER GATE: MODIFICATION	\$ 1,500	\$ 1,500	-
	DECEMBER	\$ 15,037	\$ 37