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Board of Directors Meeting

January 17, 2015

Board Members Present:

President Pat Leach, Vice President Sallie Halverson, Secretary Doug Allen, Bud Morice, Al Evans, and Aaron Zaner

Board Members Absent:

Tom Fannon

Resort Manager:

Carrie Tanner

Owners in Attendance:

29 Owners were present

President Pat Leach opened the meeting for comments at 09:58

The following are question and comments presented to the board:

Carrie Tainter filled the owners in on what the maintenance crew has been doing during the winter. So far they have retiled the floors in some of the condo's, completed the deck on condo 18, and winterized all of the rental units. When the weather gets better maintenance will start working on the rental trailers upgrades and start to do some painting around the resort.

One owner advised Carrie that there was an issue with the rubber floors they have been putting down. Carrie advised she was aware of the issue, she thinks it may be a weather issue and they were having the same problem in other areas. Carrie advised the resort will not be using that type of floor again.

One owner was asking how often the rental trailers get power washed. Carrie advised they do not power wash the units because the power washer takes the finish off the rental units. The workers try to hand wash all trailer rental units at least once a year but sometimes not all of the units get washed.

The owner also advised there was an issue with the door splitting on unit 219 he believes. He advised the units are comfortable and they do not leak but the units just need to be kept up. Carrie advised they do try to correct issues that come up. The owner advised that everyone is doing a good job overall.

The owner was also concerned about the junk trailers in storage, sometimes he has a hard time with his 41 foot 5th wheel being towed with his Ford 350 truck trying to get back in a storage spot. Carrie advised they are trying to work on getting the junk trailers out but they have to apply for a salvage title from the State of Missouri. Once Lost Valley receives the title, maintenance will pull out the trailers and dispose or recycle the rest of the unit. The owner also asked if Lost Valley could pull his unit out of storage and put it back in storage for free. (The board decided there would have to be a charge to pull the trailer in and out of the storage area).

An owner had a question regarding the financial statement that was mailed out. Carrie advised the updated one is on Lost Valley's web site. The statement was on an employee's computer and they accidentally got the wrong year on the top of the report. There should also be a corrected report in the news letter's coming out.

A question was ask about the maintenance fee increase. Pat L. advised the reason for the increase was because of the five (5) year dues being frozen and because of the operating expenses going up is why an increase was needed. Pat advised there are two (2) sets of members. There is a total of 8,452 members. Out of that number 6,796 are paying members and that is the number the board has to work with. There are 1,656 non paying owners. An owner asked what is being done to collect the non paying owner's maintenance fees. Carrie advised that they try several times to collect the fees. If the owner still does not pay then the information is turned over to a collection agency. Pat also advised that the non paying owners are not allowed to come into the park. The owner also asked if there was any future plans to do improvements at the new lake such as a boat house. Carrie advised that nothing in the future is planned. The owner asked if Lost Valley has thought about putting the swinging rope back over the lake. The owner advised her sons stopped coming because the rope was removed. Carried advised that there were a lot of rope related injuries and a big liability to the resort so the rope will not be put back up.

An owner asked again how many owners there are and Pat advised 8,452 and the owner ask how many were non-paying, Sallie advised 1,656. Carrie advised they actually mailed out 6,014 maintenance fee statements. The owners had a discussion on different percentages maybe doing a survey to see what some of the issues are of why some owners were not paying. Carrie advised they do not have the owners e-mail addresses on file to do that kind of survey. That was part of the reason for the meeting was to gather that type of information. Pat ask the group if it is better to spend the money to do surveys or better to spend the money trying to collect the money.

Pat had a discussion on unsold ownerships that were given to Lost Valley Resort for future use. Once the developer decides Lost Valley can sell these ownerships, it will help bring money into the resort in the future.

An owner asked about the status of freezing the dues at age 65. Pat advised the board does not have the number of owners that are 65 or older to even try to make that decision at this time. There was a discussion from the owners, that it would be difficult to freeze the dues for owners at age 65. By freezing the dues it could hurt the resort in the future.

An owner asked if the property where Rita Ranch is located belonged to Lost Valley. Pat and Carrie explained that the property has never belonged to Lost Valley. That property and the storage lot on the hill belongs to Mid America. The individuals that buy into Rita Ranch are required to be executive owners at Lost Valley Resort. The owner asked if the new lake belonged to Lost Valley. Carrie advised the new lake has a line down the middle where part of it belongs to Lost Valley and the other half belongs to Mid America.

An owner ask what is included if you buy into Rita Ranch. Sallie advised the owner she would have to talk to Mid America since Lost Valley has no control over Rita Ranch.

There was a discussion on payment of maintenance fees. Carrie and Pat advised the group that there are payment options that are available if an owner cannot pay their dues in one lump sum. The information was on the statement that was mailed out and is also available by contacting Mid America office.

An owner asked about the transfer fees. Sallie advised the owner to check with Mid America. Lost Valley has nothing to do with collecting the transfer fees. The owner also asked if Lost Valley handled the ownerships. Pat advised the owners that Mid America handles all of the ownerships and transfers.

An owner stated that if you have bought into Lost Valley as a financial investment then you will not recoup your money that way, but what you have invested in is a lifelong enjoyment for you and your family. Sallie did advise the owners that Lost Valley is not in debt to anyone. Carrie advised that our bylaws do not allow us to be in debt.

An owner asked if there is a road map or goals for the future for Lost Valley such as roads and other issues. Pat advised the board has tried to set goals but it has been difficult because of the cost jumps over the past years. The owner also had a discussion about the roads that have ruts and run off in some areas. Carrie advised the owner to let her know the location and she will send a tractor up to make the repairs. Carrie advised that they try to prioritize things that need to be done. Pat advised that 3-5 years ago a plan was put together when the dues were frozen. Everything on the list was accomplished except the roads. Carrie also advised that her staff has not had a raise in several years.

A discussion was held on options for owners that are behind in their dues.

An owner talked about the sales meetings she has been attending. She went to find out about the changes and about the assessment to catch up on repair work. She also stated the salesman was trying to encourage her to drop out of Lost Valley as an owner for \$4,000.00. It makes her upset and that the letters were coming from Lost Valley not Mid America. She stated she was just going to disregard any future sales letters.

Pat ask since the subject of assessment was brought up, would the group be in favor of having an assessment. There was a discussion of the assessment and several questions were asked. Pat advised if there was assessment it would be ear marked for a certain project and the money would not go into the general fund. Owners advised to maybe set it up for three years on a certain project. An owner advised we should get the cost of the project before the amount of the assessment would be setup. Sallie stated that if the assessment was a \$100.00 then Lost Valley would get approximately \$700,000.00 for a project if all members paid.

Pat advised it was not a question about a certain project, but how the assessment would be received to try and solve the short fall of money issues.

An owner ask if the developer has helped on the road issue. Carrie advised the developer has purchased equipment to help with the road project.

Pat advised the developer has always been very helpful on different projects. If the developer helps make the resort better then it helps him with future sales.

An owner ask about maybe using concrete instead of asphalt. There was a discussion from the group on the cost and the amount of time the different areas would have to shut down. Carrie advised there were issues when the roads were built 20-30 years ago that needs to be address as well.

A question was asked about the lodge of why we ran out of money when the lodge was rebuilt. Pat advised that a bigger lodge was built and the lodge was made of steel and concrete instead of just wood frame. Also some of the money was used to build or put additions on other building while the lodge was being rebuilt. Carrie advised the basement has been made usable and in the summer time the deck is used.

Pat advised if owners have any other questions just let us know.

The comment and question meeting was closed at 11:05 a.m.

The closed board meeting was opened by President Pat Leach at 11:22 a.m.

The first item was to be address was an issue regarding a couple that had been suspended from the park. After a discussion with the couple Sallie made a motion that the couple be reinstated to full use of the park. Doug seconded the motion all board members approved the motion.

Pat asked for a motion to approve the minutes from the 10-18-2014 meeting. Sallie made a motion to approve the minutes and Bud seconded the motion. All board members approved the minutes.

Old Business:

Carrie was going to check on the use of the 600 and 700 camp sites. Carrie ask why the board wanted the information. Aaron advised to see if there was an issue with the area being shut down during the winter. Carrie advised it has not been an issue, that most owners have been ok with it.

Pat brought up that the owners had concerns about why the lodge has not been completed but no one has really decided on what to be put in the upper part of the lodge at this time. Pat advised to maybe put that on the back burner for now and concentrate on the roads. All of the board members agreed with Pat. With all of the things built in Lake Expo (Sports Arena) when it was built, it addressed most of the activities that were in the old lodge.

Pat ask if anything was being done regarding bingo. A discussion was held on possible options or others ways to bring bingo back. Carrie was going to check on some of the options that were discussed.

Doug ask if anything was being done with the culvert pipe on site 619 and the mud sliding on the sites in the 700 area. Carrie advised it was on the list and give them till May to address the issues.

Sallie asked about a snack truck at the pool and Carrie was going to check on that. Sallie also brought up about extending the pool hours a couple nights a week. Carrie said they did extend the pool hours for a while. Carrie advised they kept track of the number of owners that took advantage of the extended hours. Only a few owners took advantage of the extended pool hours. Sallie mentioned that maybe better advertisement of the pool had extended hours would help. Carrie advised it was on the activate sheet.

New Business:

A discussion was held on pulling campers in and out of storage spots in the storage lot for the owners. The board decided there would have to be a charge for pulling campers in and out of the lot.

Sallie asked if it would be possible to get the age of the owners coming in. Pat advised it would be very difficult to get that information. A discussion was held on the issue.

Doug asked if the resort was making a profit on the restaurant. Carrie advised the restaurant is doing better than it has done the last 6 or 7 years. The restaurant is paying their own utilities which has not happened for several years. Pat advised the resort makes its money on the rent from the building.

Doug asked Carrie how the new head of security was doing. Carrie advised he is working at learning the job.

Doug ask when the budget cycle starts. Carrie advised it runs on the calendar year.

A discussion was held on the assessment. Carrie was going to get some cost information for the board to review to make a decision on making the improvements such as the roads. Carrie advised that the roads are first thing they are going try and get done. Lost Valley does have the equipment to install the new asphalt. Carrie advised that some of the maintenance crew have had some training on the equipment but they do not have the experience yet. Al brought up maybe do a poll to see what the owners think about having an assessment.

Sallie asked if there is any new equipment that is going to be purchased such as washer and dryers or security vehicles. Sallie asked if security could maybe use golf carts instead of the larger vehicles. Carrie advised they have had issues with the golf carts being a maintenance issue in the pass. Carrie advised she is looking at not purchasing 4 wheel drive vehicles for security since the trailer tow vehicles are 4 wheel drive.

Sallie asked about a mirror being installed in the corner of the hallway by the activities office. Sallie advised she had a safety concern that owners on electric carts or walkers could run into some one at the corner. Sallie was also concerned about someone getting knocked down.

Sallie advised the cost would be around \$40.00. She also gave Carrie a location of where the mirror could be purchased. Carrie advised they will get a mirror installed.

At this time there are no meetings being held by Mid America. Mid America will be doing something new in the marketing concept. They are going to the RV dealers and doing a promotion through them.

Bud made a motion to adjourn the meeting. Sallie seconded the motion. All board members approved the motion.

Meeting was adjourned 12:03 p.m.

Minutes approved: May16, 2015

Minutes submitted by: Doug Allen