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**BOARD of DIRECTORS MEETING
January 4, 2020
Monroe Room**

Board Members Present:

President Sallie Halverson, Vice President Aaron Zaner, Secretary Doug Allen, Sergeant of Arms Cathy Bess, Leanna Dalton, Sherri Durbin and Kevin Hawk

Resort Chief Operation Manager:

Paul Adams

There were 28 owners in attendance of the board meeting.

The Board President opened the meeting at 09:55 with the Pledge of Allegiance to the flag. At this time the President advised the owners there were two retirements in management on the resort in December 2019; one was Tom Fannon general manager and Carrie Tainter resort manager.

The Board President advised that Sherri Durbin will be taking Tom Fannon's position as the General Manager of Mid America and Lost Valley Lake Resort and Paul Adams will be taking Carrie Tainter's position as Chief Operation Manager of Lost Valley Lake.

The two new elected board members are Kevin Hawk and Leanna Dalton with Doug Allen and Sallie Halverson being re-elected to the board by the owners.

At this time a roll call was done by the Board President with all board members present.

The past board meeting minutes were approved by the board members electronically and posted on line and at reservations.

All new board members and managers were welcomed by the board members and owners in attendance.

Sherri Durbin got up and introduced herself to the audience and spoke about her history with Mid America and that she is an owner at Lost Valley Lake. She lived in Owensville and graduated from Owensville High School and now lives in Rosebud. She started at Mid-America in 2015. She does have a degree in marketing. She has been married for 32 years and has two adult daughters. She enjoys promoting Lost Valley Lake to the surrounding area.

She updated the owners on the sewer treatment plant. She advised she has spoken to the engineering firm and they advised everything is still moving forward. The final drawings are being completed and will be submitted to DNR for permitting this summer. The plans are to start construction on the plant late fall of 2020 with a completion in 2021. She also explained that the delay is due to the government not us.

The main focus is to continue marketing and selling to the new owners. The new owners are the blood life line at Lost Valley Resort. During the year of 2019 the sales staff has added 178 new owners to the resort. Please remember we are still trying to build back our ownerships due to the mass exodus of over 250 owners back in 2017.

At this time the board president asked for a report from Paul Adams.

He advised that the blue tarp on condo 1's roof will be removed shortly and a new roof installed.

A question was asked what Paul's goals are going to be at the resort?

Paul stated to help improve the ownership base and make Lost Valley Resort a family and friendly resort to come to and enjoy.

The board president asked Leanna Dalton for a report:

She advised she is the operation/ customer service manager at Lost Valley Lake. She advised she takes her job very serious. She is working with all of the departments on the resort. She reminded the owners there is a customer service email that she would like the owners to use.

She spoke about the Wow cards on the resort. She was happy to announce that they have received over 382 Wow cards on the resort last year.

She spoke about the paperless statements that are now available that will save the resort a lot of money in postage.

She advised they have changed condo buildings 2 and 6 to non-smoking pet friendly buildings. Condo 5 is smoking and pets and Condo 4 is smoking no pets condo buildings.

She advised one of her goals this year is to post a work list so if any owners would like to help out there will be a list available. She will be asking the department managers what they would need help with such as planting flowers, pulling weeds from the flower beds, and cleaning the fire rings. Cleaning the fire rings is a big task on the resort. The list will be posted around the resort, on the website and Facebook.

The board president announced that Racheal Springmeyer will be the new chairperson of the Ways and Means committee. If anyone has any ideals please let her know or contact the board president at the board members email bod@lostvalleylake.com.

The Floor was Opened for Owners Questions:

1. What is being done about the main road washing out by Rita Ranch.

The resort chief operation manager advised there is money in the budget to make the needed repairs just waiting on the weather conditions to allow the work. He also advised they will be making provisions to make access to the other side of the resort while the repairs are being done.

One board member made a comment that he would like to see more of a date or time frame on job completions and not so much later, little bit or this year time frames.

2. Regarding the road repair can it done during the winter months? The last few days have been very warm where it seems some work could be done.

A board member advised that the asphalt plants are closed for the winter. You want the weather to be hot and dry before doing any chip and seal work. The board member also advised that there is no reason that the new drain pipe could be put in during the winter so the rock and gravel can settle in around the new drain pipe. Then when the asphalt plants open in the spring you should be able to put down the chip and seal to complete the project.

3. How is it decided on what upgrades are going to take place at the resort and who prioritizes the upgrades?

The chief operations manager and the department heads have been making those decisions. The chief operation manager advised he has been meeting with department heads to see what the resort needs. He also advised yesterday the maintenance manager and himself went building to building making a list and prioritized the list. The first on the list is safety issues and then comfort for the owners.

4. Is there a 5-year and 10-year plan?

The resort is working on a 5-10-year plan. The chief operation officer advised there is not a plan in place at this time. He is working on putting a plan together.

A board member advised that the owners do want to see progress on the resort. The communications should be improved so the owners are aware of how their money is being spent which will certainly bring comfort and trust to the owners.

A board member also advised that there was a 5-10-year list that the past resort manager had put together that her replacement may not have been aware of such as the condo roofs repairs, road repairs, shade around the pool and several other items.

The board president advised that the operations manager will be bringing to every board meeting a complete list of work that has been done and a break down of the other projects on the resort.

5. Can there be more rock on the camping sites?

The chief operations officer advised that was put on the list yesterday.

6. With 178 new members is there anything being done about the junk trailers in the storage lots.

The board advised that there have been 26 junk trailers removed but the resort has to go through the legal process to get the junk titles to move the owner's trailers.

The general manager advised the other issue is enforcing the rules. There is a great set of rules in place so this issue is being address to also help improve the storage area.

7. A discussion was held on the storage lot across from reservations on top of the hill for the paying owners that are not executive owners. The board advised that the lot was on Richard Gentry's ground not Lost Valley Resort property. Richard Gentry developed the lot and pays the taxes on the property so he receives the money for rentals on that lot.

The board advised that the storage lot that was being used by maintenance was completely out of room so Richard Gentry helped the resort by building the other area.

A board member asked why there is not a lot on the resort that Lost Valley can keep the storage money to help the resort funds. The board member also offered to setup a committee to look for a location on the resort to store the paying owners' trailers.

8. A question was asked how many more years before Richard Gentry is paid off for the storage lot so Lost Valley can start recovering money for storage.
9. A question was asked who collects the money for the storage lot.

It was explained that Mid America collects the fees for the lot.

10. It was asked if Lost Valley could do an assessment of 5 dollars a year for the roads to all of the owners. The other owners in attendance advised that is what the maintenance fees pay.

11. There are some owners who are not paid up on their maintenance's fees coming in with other owners.

The operations manager advised to let her know who is doing that so she can get that stopped. That is against the rules and regulations of the Resort.

12. A question was asked what happens to owners who have not paid their maintenance fees for many years.

The operations manager advised those owners are sent to an outside collection's agency to collect the past dues. They are coded on the resort system that alerts security of their status. They are also required to remove their trailer from the resort.

13. A question was asked about the cost of maintenance fees going up every year.

The board president advised the cost of operations continues to rise such as minimum wages are increasing, and the cost associated with gas and electric. The board does not want to raise the maintenance fees but the resort has to keep up the with the cost.

A board member advised this place is a gold mine but it is our responsibility as owners to recruit new members to help keep the maintenance fees down.

The board president advised it is also the owner's responsibility to let someone know if someone is tearing up the property on the resort. When someone tears up something on the resort the owners have to pay to make the repairs.

14. Is there a cap on the membership? Yes 14,000. The owner advised he is having a hard time making reservations to stay at the resort.

The general manager advised that the free week that sales offered at the different shows and trailer sales has been discontinued.

15. A question was asked about having someone work like a camp host at state parks where the resort would get free labor and in return the owner is allowed to stay on a campsite longer than the 21 days.

A board member advised you are blocking out a spot for the season from other owners and that also makes a liability for the insurance company. The insurance company limits what activities and who can be put on the volunteer list.

16. A question was asked if Lost Valley could start charging 5 dollars or 10 dollars a day to camp.

Several owners stated they would not do that. That is what the maintenance fees are for.

The board advised that has been discussed several times but have agreed not to get into charging owners for camping at this time.

17. A question was asked if the sewer treatment plant has been paid for? Why are the owners still paying on the sewer treatment plant since it is supposed to be paid for?

The general manager advised that the bills that we have received have been paid. There is a fund setup in a CD account just for the bills that come in for the treatment plant.

A board member advised the resort does not have the actual competition cost at this time. The cost that was presented to the owners and the board was an estimated cost from the engineering firm. Until the State of Missouri DNR approves the final drawings from the engineer and the engineering firm goes out for at least 3 bids the resort does not have the final cost of the project.

18. There were a lot of good comments made about Purdy's restaurant and the owners were glad to hear they were staying another year.

19. Several people were asking about the status on fixing the bocce ball court.

The chief operations officer advised he was talking to maintenance about the issue yesterday to try and make the needed repairs.

The open meeting was adjourned at 11:05 a.m.

The Board Closed meeting was opened by the Board President Sallie Halverson at 11:35 a.m.

Richard Gentry and Karen Gentry spoke to the board for about 20 minutes explaining their position in the company and what they stand for. Richard wants to work closely with the board to make the board and his ideals successful. We need a lot of rebuilding and we forget what has been done in the past. The main goal is to create a wonderful family and individual experience when they are visiting Lost Valley Lake. We want people to come out and have a great time with the people and friends at Lost Valley Lake. Lost Valley Lake was developed over 37 years ago. Richard invested over 5 million dollars to develop the resort. He wants everyone to enjoy their

time spent at Lost Valley Lake Resort. Richard's ideal is building the best resort for all members at the resort. His ideal is about quality of the resort. When something is replaced, he wants it better and or the best for the experience. Everything is run on a budget. He will not vary from the safety of the resort.

The board members thanked Richard and Karen for coming to the board meeting.

Old Business:

A discussion was held on the sewer treatment plant and funding. Sherri did talk to the engineer and the drawings are still in Hannibal and have not been turned over to the designer yet but will be in the near future.

A board member advised the resort information must be easier to get to. The owners do not want to be spending a lot of time looking for the information. A lot of people rely on social media and it may be better to link the information from Facebook to Lost Valley Lake's web site.

The general manager advised that when the bills go out in January, there will be full sheet explaining the management changes at Lost Valley Resort.

Absentee voting was brought up. A proposal was presented to the board and the general manager advised she will be sending the proposal out for legal review. There was a discussion held on this issue.

A discussion was held on updating the Wi-Fi service. The equipment Lost Valley Lake has at this time no longer has replacement parts available. The current system is an open mesh system. Over the next few months Lost Valley Lake IT department will be testing some new equipment in several areas of the resort. The biggest problem still comes down to that Lost Valley Lake is in a rural area and the communication supplier does not have enough fiber optic laid towards Lost Valley Lake.

The board president advised Purdy's Restaurant will be at the resort again for year 2020. Purdy's will also be working on having food and snacks available at the pool.

A discussion was held on the new pool rules. The new rules will be posted in the new calendar. Food will only be allowed in the concession area by the tennis court and no drinks will be allowed in the pool. No glass is allowed anywhere in the pool area. Security will also be doing more walk throughs around the pool area.

A discussion was held regarding the hot tubs on the resort. The chief operation manager advised the fiberglass hot tubs in the aquatic are beginning to crack because of their age. They are looking at replacing the in- ground hot tubs to above- ground so if an issue comes up, the tubs can be replaced. This type would also be more efficient as well.

A discussion was held on repairing the bocce ball court. The chief operations manager was advised to consider making the repairs using the Ways and Means funds. This had been previously approved by the board at a previous meeting.

A discussion has held on placing a sign at the lodge that the basement is open. The general manager advised she will look into placing a sign that will be visible so the owners know the lower level is open. A board member also asked if the information is available on the activity sheets? The chief operation officer advised the lodge lower level has the same hours as the Lake Expo location.

A question was asked if the DVD player had been replaced at the Gathering Place. The operation manager advised she will check to see if one has been placed at the Gathering Place.

The chief operation officer advised that a new red emergency phone will be in operation at the pool at the being of the season. He also advised that there will be an adult pool time. The hours will be posted in the new Lost Valley Lake calendar.

The chief operation manager advised that they are going to start performing child to adult checks again at the pool. A while back, there was a 6-year-old who pushed a stroller in to the pool while the parents were at Wal-Mart. There was also a discussion held on what is being done to prevent small children from getting into the pool without wearing the proper swim diapers.

A discussion was held on the new reservation rules. A motion was made by Board Member Doug Allen to accept the submitted rules. The motion was seconded by Board Member Cathy Bess, the motion was passed by all of the board members.

A discussion has held on owners working a business out of their campers. There have been complaints about individuals trying to sell different items on the Lost Valley Facebook Group page. Owners are not supposed to be doing that. Owners are not supposed to be putting tables in front of there campers and selling their goods according to the rules. The general manger advised that the Facebook group policy has been updated and the Rules and Regulations state that the sites are for recreational use only. No signs can be posted on the sites. Signs can be posted at the service center community board if approved by the management. The general manager advised they are looking for available space where a vendor can pay the resort to display his/her goods.

A discussion was held on the marijuana enforcement on the resort. The general manager advised there are two seminars coming up for the employees on how to handle this issue on the resort.

There was a discussion held on how often an audit of the resort books is done. The last audit that some board members were aware of was done in 2012. The general manager advised that the way the audits are being done has changed since 2012. Since 2012 a third-party audit agency

locks down the resort records every three months. The review is an ongoing process that is done throughout the year. If there are any issues the problems are addressed at that time.

A discussion was held on the financial paperwork that was given to the board of directors at the board meetings. There were some questions raised about different line items on the proposed 2020/2021 budget. A question was asked why the professional fees were increased between the two years. The general manager advised that the professional category went up due to an IRS audit which potentially spawned from an inquisitive owner. After the IRS agent audited Lost Valley Lake's books and the facility, there were no issues found. According to the IRS agent everything was very much in order with the Resort's accounting processes and those of our hired accounting firm. Even though all was in order, unfortunately, the legal and accounting fees associated with the audit cost the owners \$30,000.00 out of the maintenance budget that could better have been used for roofs, roads, and other needs on the resort.

A board member asked if there was any more discussion on charging the associates \$10.00 a night for camping. At this time the issue has been tabled for future discussion.

The board president asked how many employees are at Lost Valley. The chief operation manager advised it varies but they like to have 80 employees in the peak season and 40 employees in the off season. He did advise it has been very hard to get enough employees.

A board member advised that when she had checked in the greeter was very bubbly and great to talk with.

A board member asked where the line item was for the capital improvement funds that was in the previous budget. Usually there is 3% taken from the total maintenance fees and placed in the capital improvement fund every year.

A board member asked how many owners attended the New Year's Eve party. The chief operation manager advised about 150 owners attended.

A question was asked what is considered a budget year time frame for Lost Valley Lake? It was advised the budget year runs from March-to the end of February. A board member talked about a complaint he had received on the use of a free condo week. A discussion was held on free week policy.

The operations manager brought up there has been several complaints on the speeding on the resort. To try and resolve the issue the operation manager suggested maybe the resort should start issuing \$5.00 tickets for speeding. Any fines collected will be placed in the Way and Means funds. A board member suggested to put together a policy and bring it back to the board for review.

The board president asked if the employees moving trailers block the wheels when they park the units on a site. She had witnessed a trailer roll down the hill because the unit had not been blocked.

A board member suggested maybe place some pickle ball courts in the upper part of the lodge.

Cathy Bess made a motion to adjourn the meeting at 13:38. Aaron Zaner seconded the motion. All board members approved the motion.

Minutes approved: 01/25/2020 Electronically approved by all Board Members

Minutes submitted by: *Doug Allen*