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BOARD of DIRECTORS MEETING
1/9/2021
Lake Expo – Gentry Hall

Call to Order:

Board President called the meeting to order at 10:00 am and led attendees in the Pledge of Allegiance.

Roll call:

Board Members Present:

President - Sallie Halverson, Vice President - Aaron Zaner, Secretary - Laura Schneider, Sergeant at Arms - Kevin Hawk, Doug Allen, Sherri Durbin, Leanna Dalton

Board Members Absent:

Chief Operation Manager:

Paul Adams

Number of Owners Present: 40

AGENDA

- Approval of minutes – Minutes of the past board meeting were approved electronically. They are posted on the website and at Reservations.
- General Manager's Report: Sherri Durbin reported that Mid-America Resorts (MAR) is in the process of reevaluating a number of items by conducting internal and external reviews. MAR has not been able to reopen sales and marketing since March due to the pandemic. MAR is working with outside consulting group to review current sales practices. Sales are necessary to maintain a sustainable business. The consultant is performing market research in order to further define target markets and look at products and services. The goal is to have Marketing and Sales open by mid-Spring. Mr. Gentry is not present today because he is in a high-risk age group due to his age. He asked GM

to express his appreciation and his passion about family and owners at LVL. His goal has not changed. He wants to continue to provide a well maintained, sustainable resort for families to enjoy for years to come.

- Chief Operation Manager Report: Paul Adams reiterated that there has been a lot accomplished in 2020 and that they continue to work on infrastructure around the resort. He advised that upgrades to Dish Network are complete and the upgrade on the Wi-Fi is in progress. According to the provider, we should increase the download speeds from 30 mpbs to 300 mbps. The new hot tub at the outdoor pool will be ready when the pool opens for the season Memorial Day weekend. The outdoor hot tub was delayed due to manufacturer shut down during the pandemic.
- Financial Services Manager Report: Leanna Dalton advised that the Financial Services Department has tried to work with owners to assist with payments throughout 2020. Efforts to collect dues have been successful by arranging monthly payments. Owners with financial challenges should contact Financial Services Department.

The Board President opened the floor to owner concerns:

- Owner concerned about the number of trees being cut, but not being replaced and suggested Board appoint a committee to address.
 - COM responded that majority of trees that were cut were diseased. In those areas, we will not replace the trees. Three Rivers supplies power to the resort. In the past, they have only trimmed around their lines, but have now elected to clear the 15' easement. If we replace trees within their easement, they will come back and take them out again. In other areas we are looking at replacing the trees with native species.
- One owner brought several concerns:
 - Owner has concerns about reports that were just given. Owner stated he is concerned about the lack of details in the reports that were delivered. He stated that the reports were too general. Owner is concerned about financials.
 - COM responded that the lists that have been provided are the details. Schedule for sewage treatment plant is laid out.
 - Owner wants more details regarding the budget.
 - Owner stated that he represents a group of owners that want voting and meetings need to be made available virtually. We do not have the capacity to house everyone so we should provide virtual options. Owner suggest meetings live on Facebook. Owner offered to do it, but prefers to participate in the meetings.
 - COM advised that these two items have been brought up repeatedly in the past. The capabilities will be reevaluated after internet upgrades.
 - A different owner questioned why an individual owner is representing owners when the person is not on the board.
 - Owner suggested a committee for voting.

- Board member responded that there has been an ongoing committee over the years that has worked on the resolution. There are concerns that need to be addressed such as alignment with bylaws, security of the votes, how to verify that votes are cast by owners in good standing, etc.
 - Owner wants something “put down”. Owner concerned there are no committees.
 - Board member offered information regarding several standing committees. Board member suggested that the owner review past Board minutes to obtain the information he is seeking. The Board minutes are posted on the LVL website going back several years and have a lot of information in them that may be helpful for owners wanting more information.
 - Owner acknowledged that he had not seen the past meeting minutes as he has only recently become aware that there is a Board at LVL. Owner has a desire to push change and improve the resort.
- Owner thanked Board for not raising the dues and asked who was paying for the outside consulting firm.
 - Board member advised that MAR is paying for the firm and the reviews.
- Owner asked the Board to address Covid protocol. Leanna Dalton reviewed current protocols. Housekeeping is using chemicals and processes approved by CDC including the use of a fog machine (Nano X) in rentals and common areas. Cleaning is done after each check-out and after each event.
- Owner staying in handicap condo offered feedback that the unit is very clean and safe and asked if there is more than one unit that is handicap accessible.
 - Board member advised there are more handicap accessible units.
- Owner concerned that when they called maintenance for an issue in the rental unit, the maintenance worker did not wear a mask when entering the unit. Owner asked if it was possible to have maintenance wear masks when inside the units.
 - COM advised that will be done.
- Owner asked about staffing plan.
 - COM advised they are utilizing a few different resources to recruit and they are also focused on retaining current staff.
- Owner recognized Paul as well as the Housekeeping and maintenance staffs.
- Owner asked if dinner will be cancelled for Valentine dinner and dance.
 - COM advised they are exploring different options to ensure safety protocols in serving a meal, but have not reached a decision at this time.
- Owner requested explanation on difference between MAR (Mid-America Resorts) and Lost Valley.
 - COM explained that MAR is the development company. MAR has the ownerships to sell. MAR is responsible for sales and marketing. Revenue from the sale of new ownerships and transfer of ownerships goes to MAR. LVL is the operations side. Annual maintenance dues and fees to use the resort, such as rental units, are collected by LVL and they comprise the operating budget for the resort.
- Owner questioned how MAR re-sells ownerships if the ownership is already LVL’s

- The ownership transfers from one owner to another. They aren't re-selling the ownership. An ownership is only sold one time. After that it is a transfer.
- Owner asked how new memberships work.
 - MAR sells the new ownerships and that money goes to MAR, not LVL. The dues from that ownership go to LVL.
- Owner asked about when MAR brings in people for free use, does MAR pay LVL?
 - Yes, they do. Those guests are required to sit in on a sales presentation for ownership.
- Owner asked about trial memberships.
 - A few years ago when sales lagged, one salesperson suggested selling a few trial memberships as a test run. There are a lot of parameters, and it has produced dues paying members. It is not currently offered.
 - Owner asked if the trial ownerships pay dues
 - Yes, they pay the same maintenance fees as other owners.
- Owner asked if Board could provide details around the market research
 - The study is not yet completed.
- Board President closed the open meeting at 10:55

The closed portion of the board meeting was called to order at 11:12 with all board members and COM present.

Old business

- Culvert repair status: COM advised we have had to wait on weather. We are removing the rock off hole 1 of the old golf course and relocating it to cover the culvert to return to original slope so that it can be safely mowed.
- Update on Wi-Fi: covered in open meeting. Information being communicated is based on Fidelity Communication's information and schedule. They indicate we will have better service. They estimate 300 mbps download speed. LVL's IT staff is working on getting fiber to more locations throughout the resort.
- Status on RV storage: There are currently three (3) owners on the waiting list for executive storage. All three are snowbirds so they do not need the space until Spring. Both storage locations are full. Removing abandoned units opened 22 spots for pull behinds and 7 spots for 5th wheels. We were able to recover \$1200 from scrap. No decision on separate space for owners who move their own campers. At this time, there is no room for that. Security must accompany owners moving their own units.
- Sewer plant smoke test update: two tanks that need repaired. 7 lines need to be repaired as well. They will be repaired per the agreed schedule. We had a lot of water entering the system that did not need to be treated. Everything done so far is in the plan. Schedule was adjusted based off findings. Getting the rain water out of the system ensures an appropriately sized treatment plant moving forward.

- Status on new vehicles: Replaced one security vehicle with 2WD Ford Ranger. The other security vehicle still works. No need to replace right now because we do not have additional security personnel to ensure utilization. No other new purchases planned in immediate future but we have several ahead of us. Staffing restrictions have allowed delayed replacement.
- Status on welcoming committee: Aaron and Leanna are working on that effort. Leanna had IT email a list of new owners. The letter has not been drafted.
- Status on private sign at entrance: Sherri advised she is working to incorporate, “Private Resort” into the two signs at entrance. There is already a plan in place to replace some of the wooden signage and incorporate the “private” verbiage into those as well.

New business

- Purdy’s contract: It has been a challenging year, but they want to be here. Conversations are in progress about expanding. Covid has stagnated plans. Initial term was one year with extension at mutual agreement. Discussion about ways to support revenue generation.
- Water tower repair: It has been repaired and restructured. That type of event should not happen again. Water quality is tested monthly.
- Rule enforcement: COM advised that the plan is for the first approach to be made by staff. If staff does not get compliance, it escalates to security, and then to management. If a situation goes beyond that we do have the option to get law enforcement involved and to ban repeat offenders.
- American flag at entrance: Board President indicated a number of owners would like to see an American flag at entrance. It has been posted on FB. Board members had a discussion regarding owners with the desire to keep the American flag at the guardhouse where it can be properly displayed and cared for. There is more risk at the entrance. We will get more information to owners about the proper display and care of the flag for understanding behind the decision.
- Price increases for rentals and services: Discussion about the data behind the proposals. One board member asked for more information. Rates for overnight rentals have not increased since 2013, which was during the 5-year annual dues freeze that began in 2010. Discussion regarding the shortage in the operations budget as a result of holding the annual dues and not raising prices while costs continue to climb. Board members reviewed proposal from LVL staff and modified several line items. Motion made and 2nd to approve modified proposal. Motion passed. New rates for rentals and services will be communicated in the 2021 Calendar.
- Concerns raised by board member in email communication to fellow board members – Discussion around long term planning. What is MAR doing to ensure that we are selling new ownerships which generate more dues/revenue? Board member very concerned that we may not be sustainable long-term if the only option continues to be raising the annual

dues. There was agreement that this is a concern. There was a lengthy discussion about looking for new ways to generate revenue as well as ensuring that usage and service fees align with other similar resorts. There is a strong desire to ensure that LVL remain a true value by keeping costs to owners down, but we cannot keep them so low that the resort cannot operate or maintain infrastructure and services. Sherri and Paul provided information regarding current ongoing efforts with the consultant. We should have an update in the coming weeks regarding recommendations.

- Board discussed ways to improve communication for owners via Facebook and other established means. Because we are a not-for-profit, there are legitimate concerns about recording or broadcasting the board meetings. Even if /when bandwidth and technology allow it, we need to ensure we follow best practices and legal counsel recommendations for conducting the business of a not-for-profit organization.
- Board member brought up some ways to facilitate elections digitally such as Survey Monkey, election runner, etc. COM advised IT is working out a secure solution that would ensure that only owners in good standing vote, bylaws are followed, etc.
- Financials – COM reviewed financial reports.
- Dish Network upgrade is complete. Receivers were part of the delay.
- Board President asked that all board members acknowledge emails. There have been a few instances where not everyone received communication as intended. Agreed that everyone will acknowledge emails to ensure effective communication among Board members.
- A Board member had a request from an owner. Owner asked that Board consider owners who are making payments for dues be allowed to vote if they are under a payment arrangement and in good standing with that agreement. A motion was made that if an owner is on a payment plan, is paid current, and is otherwise a member in good standing that they be allowed to vote in the election. Discussion revealed that is already allowed in the bylaws and should be allowed. Motion received 2nd. Motion passed.
- Motion to adjourn the meeting and 2nd.
- Meeting adjourned at 1:39 PM

Minutes electronically Approved: 1/12/2021

Minutes submitted by: Laura Schneider, Secretary