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BOARD of DIRECTORS MEETING

01/14/23

Lake Expo – Monroe Room

Owner's Meeting with Board of Directors

Call to Order:

Board President called the meeting to order at 9:58 AM

Roll call:

Board Members Present:

President - Doug Allen, Vice President - Aaron Zaner, Secretary - Laura Schneider, Sergeant at Arms - Jason Adams, Dave Edler, Sherri Durbin, Leanna Dalton

Board Members Absent: 0

Chief Operation Manager: Paul Adams

Number of Owners Present: 15

Prior Meeting Minutes Approval: Minutes from September meeting have been approved electronically and posted on website and at reservations.

General Manager's Report: GM expressed appreciation for owners and BOD. The focus going into 2023 is to make LVL even better. There are good support systems in place with owners, the Board, and staff so we are in a good position to improve experiences of owners and staff. The Developer is actively pursuing a sales and marketing team. There were people here the first week of January to view the property. No decisions have been made yet, but we hope to have active sales this coming year. The Owners' Guide is undergoing final approvals before being sent to the printer. We should have the printed copies the beginning of March. An Owner asked if there were any big change in the guide this year. GM advised there were some updates on policies that have already been communicated as well as minor changes in reservations with regard to party reservations. Owner asked why the guides aren't available in January. GM advised that the Lost Valley Lake fiscal year runs from March to March so the

budget, activities planning, and fees run March to March as well. Guides include pricing and activities to align with the budget.

Chief Operations Manager Report: COM agreed with GM stating we had a good year in 2022 despite multiple challenges. Department heads worked hard to take the limited budget and stretch it out to cover increasing costs effectively and we were able to put money into the sewer treatment plant reserve. With regard to the sewer treatment plant, all required data has been collected and is with the engineering firm. They will use the data to determine how big a plant is needed and how much it will cost. The original estimate was done in 2017 so a new estimate is needed. Work will begin on replacing condo roofs as weather permits. Some new furniture has been purchased for the condos. Road work is ongoing. We continue to be challenged in attracting enough employees to staff at the levels we have historically had. That challenge is not unique to Lost Valley Lake. We continue to cross-train employees to ensure we have good coverage where and when needed. We have been able to retain some good employees over this past year. The first bay of the woodshed is done and additional work continues. The spillway is leaking. A few contractors have been brought in to evaluate and propose a solution and accompanying charges. We have some money in the budget for that project. Work is also needed on the dam. An owner asked if LVL is using employment agencies to recruit. COM advised that most recruitment has moved to Indeed as well as employee referrals. All openings are posted on Indeed and our Facebook sites. Owner asked about the status of the fountain and repairs. The fountain is obsolete and parts are not available. We will need to replace it completely, and that is not in the budget at this time. The location of the previous fountain in the lake is now shallower than when the original fountain was installed. We have upgraded 30 security cameras around the resort as well as upgrading recording capacities. We have increased monitoring at the guard house. This effort has resulted in some inappropriate behaviors being captured and damages being recovered. Owner asked if WIFI upgrades are complete. They are not. That project is ongoing. We have limited manpower to devote to this endeavor. The next few phases of installation will move slower as we have more rock in the ground to get through. We are still testing to ensure hardware is appropriate. We are still testing stability of the speeds. Owner asked if the roof on the shower house in 100's is due for replacement. COM advised it is, as well as three condo buildings, and the well house. We anticipate three condos being completed this year. The well house and bath house will possibly be completed in 2024. Owner asked if sites are held for Coast to Coast visitors. COM advised we do have to reserve a number of sites for Coast to Coast usage. The owner asked if some of those spots could be released for owners. GM advised that specific sites are not held, just a number of sites. Owner expressed that when they visit other Coast to Coast properties, the sites reserved are not specific sites, but usually you have to go see what is available. Owner asked if there was a certain percentage of sites that we hold. We have to have 10 sites available. Owner said that when they called in to make reservation, the sites they were requesting near the shower house were not available, but when the owner got here the sites were open and no one ever showed up on those sites. Discussion around timing of reservations getting cancelled and owners calling for availability. President asked about blocking sites on major holidays. We do not hold sites open for Coast to Coast on major holidays. There are some sites set for spares to accommodate things like bad pedestals or sewer issues, etc. for our owners who have reservations.

Asst Operations Manager's Report: – We have a lot of challenges with staffing. We appreciate owners' patience. We try hard to ensure that everything runs smoothly. Having the cameras in the security office has been very helpful in curbing inappropriate behaviors. We have been able to bill for damages appropriately. We are going to continue adjusting camera angles to ensure the best views and coverage. We have two new supervisors in Security. They spend time going through camera feeds to look for evidence of behaviors so responsible party can be billed. Both new supervisors have good prior experience. Owner asked if we keep track of vandalism. Yes, we do. There was a discussion regarding holding responsible parties accountable and possibly publicizing who the offenders are. The resort needs to be mindful of privacy and will not publicize specific names of offenders. COM recognized that Ways and Means has been key to getting the funds for the cameras and upgrades that will ultimately pay for themselves as we are able to recover for damages.

Ways and Means Committee Report from Dana Edler: The raffles are doing very well as a fund raiser. Memorial weekend netted approx. \$3000, Labor Day was around \$2000. The Silent Auction on New Year's Eve went very well. They used donated items for the auction and raised around \$1600 in 1.5 hours. The committee would like to do that again next year. Activities Director has approved a corn hole tournament over Memorial Day weekend that will raise funds for the Ways and Means Committee. We will also have another raffle Memorial weekend. In addition to the cameras, the Ways and Means Committee has also recently purchased new balls for the activities office.

Open Discussion

- Owner asked for date on trout tournament
 - March 25th
- Owner asked if the Polar corn hole game today would be played inside or outside
 - COM advised that it would depend on the temps closer to starting time. There is a backup plan for indoor event.
- Owner asked if the 40 and Over Week is ran by LVL or ran by the people in the group?
 - Lost Valley plans the date and runs the events. There was discussion regarding who was allowed to participate and who decided the events and timing. Management has heard from several owners that participate in that week that they are not in favor of moving the week to June. However, the date is being moved in an attempt to increase participation. The number of people taking part in this event has stagnated in recent years. Management is evaluating the timing of several traditional calendar events to allow for more participation and have events when there are more people on the property. We need to get more people to participate in events like the 40 and Over week and the Comedy show in order to justify the cost.
- Owner asked about status of lakes in general
 - The main lake had some challenges related to a later winter and early summer heat. We had a lot of growth in the lake very rapidly. Other lakes in this area had same or similar issues. It happens more in the shallow areas. We treat it, but this past summer it got too dry to treat. If you treat for the growth, it depletes the oxygen level and kills the fish.
 - Owner asked if fountain would help

- No – not having the fountain was not a factor in what we experienced with the growth.
- Owner asked if grass carp were in the lake
 - Yes, and they were doing their job, but they don't eat off the top and the growth was too aggressive.
- Owner asked what was being done about the skunk problem. There is a very large skunk living near the Gathering Place
 - We place natural chemicals, moth balls, etc. to run them off, but we tend to get more wildlife when there are fewer people. The biggest help to reducing the nuisance is for people to quit feeding wildlife around the resort. They lose their fear of people and are going to come back for more food. The wooden deck at the Gathering Place will be replaced with concrete this spring. This should help with that area.
- Owner asked about the possibility of adding a fire pit at gathering place.
 - COM said they could explore that. Would need to be in front of the building where it could be monitored, and placed far enough away from the building that it wouldn't pose a fire hazard.
- Owner stated that on busier weekends, the entrance gets backed up and asked if we can have two entry lanes like we have before.
 - The availability of two lanes is driven by staffing. Checking ID's on entry also takes more time than we have had to take in the past. It is helpful when all adults in the vehicle have their ID's ready to give to the guard before they get to the front of the line.
- Owner asked if ID checking is resulting in people being turned away
 - Yes, it is. People without appropriate ID are being turned away. We have experienced instances of owners bringing other owners in who have either been banned or who are behind on dues. We are also identifying guests on the resort without the owner present.
- Owner asked how many owners are not paying their dues
 - 1,547
- Owner asked if deceased owners are being identified.
 - That is ongoing.
- Owner asked if they were pursuing their prior recommendation of requiring notarized signatures
 - Discussion around what levers we can pull around collections as well as keeping them off the property.
- Owner asked if we are putting any money back for things like pool replacement that will come up in the future.
 - COM advised that three percent of dues each year goes to a reserve.
- An Owner asked what happens when we send an account to collections. Are we getting all that money?
 - GM advised what activities go into collections. Discussion around collection activities and possibility of the Resort taking ownerships back. There is no legal recourse to taking an ownership away from an owner who will not pay their dues.
- Owner asked if we will have a sales office this year?
 - GM advised that was covered at the start of the meeting and we are hopeful that we will. In the meantime, we have been offering self-guided tours. This has resulted in 3 new owners, 55 transfers, 41 level-to-level upgrades, and 6 Coast to Coast membership sales in 2022. We

are set to complete 3 transfers already in 2023. This means more active owners and more owners paying dues.

- Discussion about developing more camping sites as we sell more ownerships.
- Open meeting adjourned at 11:07

Board Of Directors Meeting (Closed Session)

Called to order 11:20

Old Business

- Welcome Committee – Aaron has reached out to everyone that he has contact information for.
- Dry hydrant – rock is coming as soon as this coming Friday (January 20th).
- Camera system update – covered in open meeting
- WIFI update – we still have trenching to do. As discussed in the open meeting there will be some challenging terrain involved. We continue testing and are replacing some hardware that we determined was not performing as needed.
- Waste Water Treatment Plant Update – New engineer has been on site and looked at the plant. He has all the studies and well information. Next reporting date to DNR is March 31st. We expect something back by then, but the engineering firm is also challenged with staffing and other project deadlines right now.
- RV Storage Report – The charter lot has 13 units coming in and 1 on the waiting list. Typical wait time on for this list is 6 months. The Executive Storage lot has 21 units coming in and 31 on the waitlist. Incoming units include 5 motor homes and 16 pull-behinds. The typical wait time on this list is 1 year for pull behinds and 2 years for motor homes and 5th wheels. The number of units we can store decreases as the size of the individual units continues to increase.
- Status of spillway repair – We have had two contractors come out to evaluate and propose solutions. Each has a different solution. We will evaluate solutions and accompanying bids when they are received.
- Speeding Fines – will evaluate proposed new rule in New Business
- Clarification of the unattended units on 48-hour rule – Reports of violations from other owners on site, but it is difficult to prove when people are not attending their site for more than 48 hours.
- Sales Program update – covered in open meeting

New Business

- Budget and Expense Report Review – The 9% increase in maintenance fees is currently projected to result in the same operating capital as we had in 2022. That is due to the number of owners who are current on their dues declining.
- Projects Completed on the Resort – Wood shed underway, safety committee being formed, condo flooring, condo furniture, deep cleaning, entertainment contracts, horse training, 2023 department budgeting, condo roofs, dry hydrant completion, vehicle search, gathering place porch.

- MOChip Program status – COM has inquired with local Masons. They confirm event can only be held by local lodge. Dates that would most likely result in the needed number of children in attendance are Easter and Halloween. Each event must be staffed by Masons. Waiting on a response from local lodge regarding availability and interest.
- Removal of non-owners and associates from Owner's only Facebook group – recently removed 266 former owners and associates.
- Discussed updates to revised policy regarding vehicle violations - motion was made and 2nd to approve revised policy as written. Motion passed. Rule will be posted and go into effect after changes have been communicated to staff.
- Changes to Rules – Discussed which rules are voted on by the Board and which fall to the management team. Some owners are being told that rules were changed by the BOD when the BOD has not discussed or voted on them. Asst. Mgr. asked for specifics so she could follow up with the right person for correct information. We have new employees and it is important that we get them the correct information quickly. The Shared Rules and Regulations are decided jointly by the BOD and management. The day-to-day enforcement of rules and guidelines covered in the Bylaws and practical running of the business are at the discretion of management. The BOD does not set all the rules.
- Motion to adjourn received and 2nd. Meeting adjourned at 1:29PM.

Minutes electronically Approved: 01/31/23

Minutes submitted by: Laura Schneider, Secretary