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**BOARD of DIRECTORS MEETING**  
**09/30/23**  
**Lake Expo – Gentry Hall**

**Board Of Directors Meeting (Closed Session)**

**Called to order 9:56**

**Roll call:**

**Board Members Present:**

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

**Board Members Absent:** Dave Edler

**Chief Operation Manager:** Paul Adams

**Prior Meeting Minutes Approval:** Minutes approved electronically and posted.

**General Manager's Report:** Dusty will have a table at the Owners' meeting for people to ask questions about social media. The Website is revamped and we are getting more traffic. The Online reservation form is going well. We have a tracking system for requests. We have added a pop-up feature for people searching for resorts. This has resulted in more inquiries and interest in LVL. We have had 28 tours, some self-tours, some are stays. This has resulted in over \$1600 in revenue for resort as the stays are paid. We have two sales pending from that, and 9 more pending tours. Inquiries regarding membership have more than tripled. This year we have completed 34 transfers and 6 upgrades. We have more currently pending. We currently have 4926 ownerships with 3,020 in good standing. We currently have 8643 Associates listed on the ownerships in good standing. Dues are coming in short compared to last year at this time. We have more payment plans this year. We have 262 ownerships in collections which is more than last year. Mr. Gentry will not be in attendance today. He and Tracey have been busy meeting with different developments and prospective sales and marketing firms. They are designing product offerings that are more desirable for families than the three products we have now. People and families are looking for different options than they were when Lost Valley started out.

**Chief Operations Manager Report:** Most updates are in the packet. We currently have 37 employees. Previous to the pandemic, we had 90. The number of reservations is down compared to last year. Some of that is for good reason. We are seeing the effects of asking for IDs at guard house. We are turning away people that should not be using the resort - people that are not in good standing, people who are not owners, and people who have been banned. The people who are using the resort are the ones who should be here. Since the use of the resort is down, some of the bills are down as well. We don't have as many things to fix. The resort is not getting as torn up as it was. We have had less vandalism, fights, etc. COM has received many comments from owners that the resort is getting back to what they purchased. They have noticed that the changes we have made, and enforcing the rules are having a positive effect. With regard to the sewer treatment plant, the State has a few questions we need to provide answers to. Most will be answered by the engineering firm. There are a few items to look at when addressing issues with the lake. We have an estimate for dredging the lake from the low-water bridge to the boathouse. This estimate is just under \$400,000. We also have a bid for an annual program to maintain aquatic life in the lake. The bid is for \$20,000 for the first year of coverage. Each year thereafter, the price will be based on what is required after reevaluation. We also need to install a sediment pond that will keep some of the sediment out of the lake. We do not yet have an estimate for that. We have not yet been able to accomplish the plan for the spillway. The contractor is behind on other work and we need to reevaluate the plan based on the impact of August rainfall. The dam is holding up well with the rock that was placed last year. There are several pieces that need to be executed in the right order and we need to determine what that is before we can create an overall plan and budget for it. The road that washed out at the boathouse has been repaired. The walking bridge is going have to be taken out and the sidewalk redirected. We removed 107 geese at a cost of \$2600. There are approx. 40 new/different geese that have arrived. We know this because as the geese are removed, they are banded. Although we have tried numerous tactics in the past, they are only effective for a short time. We could spend a lot of money and still have more geese on the resort than some people want. Right now, demolition of the condo is scheduled in mid-October at a cost of \$46,000. The building will be removed down to the foundation. We need to determine what we put back in that space. If we decide we need a condo or rental, what kind of layout will keep that building occupied. We now have outsourced security. It is expensive, but we need it. The Aquatic Center is unstaffed at times. This isn't ideal, but the alternative is to close it down completely. We are down to 3 employees who can work during the weekdays. Security monitors live camera feed from the aquatic center to the guard house. There is also a monitor in Lake Expo and IT has enabled remote notifications via the loudspeaker. Usage is low and we haven't had many issues. If usage picks up or we experience busy times, we can adjust staff as needed. The Haunted Hayride will only be offered the last weekend of October. This is another adjustment that is necessary due to the lack of staff available for these events as well as lackluster hayride attendance at the first Halloween weekend in 2022.

**Asst Operations Manager's Report:** We are currently going through all the rental units to get an inventory of items in the units and a list of what needs to be replaced. We are attempting to balance that with items purchased last year. We did have to place a new dryer in the service center. The previous dryer was over 20 years old when it failed. Salaries have not decreased just because there are fewer people. Minimum wage and overtime has increased. Core employees have earned increases, etc. Discussion regarding how we may be able to attract and retain the appropriate number of people. BOD President asked about 2<sup>nd</sup> to last weekend in October not being available for free week in condos. It is a high-volume weekend and printed in the guide.

### **Old Business:**

1. Status of spillway repair – already covered
2. Speeding Fines and warnings that have been issued report since May meeting. May 14, June 4, July 13, August 18, September 4.
3. Sales Program Update – no more info other than they are working on it
4. Welcome Committee Update – Aaron sent out emails on the current list. Low response late.
5. Update on Condo 5 Fire – already covered
6. RV Storage Report – Storage area was damaged in the flood. Staff is still putting things back together. None of the RV's were damaged. We have very large holes that were created by the water stream. There continues to be movement on the waiting lists to get into Storage. We have moved in 3 from the Charter list and have 5 currently on the waiting list. We have moved 11 in from the Executive waiting list and have 49 currently on the waiting list. There is still about a one-year wait on the Executive lot, but some of the 11 that were moved in were 5<sup>th</sup> wheels and motorhomes which continue to be the challenge due to their size.
7. Updated Organization Chart – GM advised it hasn't changed a lot and circulated an updated chart.
8. Waste Water Treatment Plant Update and review engineer information – During August flooding, the lake got high enough that it went into the lift station at the boat house. Trash cans did get washed into the lake. There were some concerns from an owner that the lift station overflowed into the lake and it was reported to DNR. DNR responded on site. It was determined that the lake got into the lift station, not the other way around. DNR asked that a report be filed, but has not found a violation.
9. Additional reservation purchase option – GM advised they have decided against moving forward with that at this time.
10. Ways and Means Request – Requested that LVL donate a free weekend in the condos for silent auction NYE . We should be able to provide as we did last year. Are there items that are not moving from the store that could be donated as well? Leanna will check. Discussed mouse races and trivia nights. Mouse races are considered gambling. LVL would donate a room for the trivia night if it was put together.

### **New Business:**

- Budget and Expense Report Review and pay questions – we have more expense than budget.
- Projects completed on the resort – in the packet
- E Bikes – same rules of the road as a motor vehicle as far as speeding, etc. Not currently banned. Must have lights if riding at night. Will clarify in Shared Rules and Regulations at next BOD meeting.
- Owner Suspension – Reviewed facts of incidents leading to suspension of an adult associate and their guest. Primary owners have asked if they need to come before the BOD in person as they live out of state and the next BOD meeting is in January. The BOD agreed that they need to appear in person if they want their associated reinstated. Motion to ban the guest of the associate was made and a 2<sup>nd</sup> was received. Motion passed.
- Reviewed list of security incidents.

- What information is available to LVL employees when they use their devices to check ID upon entry? - Employees use devices to access a web browser on the LVL network. That portion of the web browser cannot be accessed off the resort network. There is no financial or personally sensitive data available. They can only verify whether or not an owner/guest is in good standing or banned from the resort, and they report if an owner or guest is turned away or sent to another location on the property. No data leaves the resort network.
- Owners complaining that employees are back-talking them and stating that the employee doesn't work for the owner, they work for LVL. BOD member told employee that while that is true, if the owner feels that the employees are being disrespectful or abusive, they need to report the incident. Harassment policy applies to employee as well.
- Reservation Change name Policy – policy was originally only to change the name, not getting applied to site changes, etc. GM advised that it was not voted on and that although that was what was discussed, they have applied the change fee for changes that require the employee to go through labor- intensive efforts in the reservation system, require additional printing, etc. Introducing the fee has cut down on multiple changes being made to the reservation from the time it was made until check-in.

Not covered due to pending start of Annual Owners' Meeting and tabled to next BOD meeting:

- Using empty camp sites policy
- Updating shared rules and regulations
- Rule question on owners staying on same reservation (like a ladies/men weekend)
- Any other resort updates or Concerns
- Set a workshop date for November or December

Motion to adjourn received and 2<sup>nd</sup>. Meeting adjourned at 12:49

### **Annual Owners' Meeting**

**Board President called the meeting to order at 1:07 PM.**

**Pledge of Allegiance**

**Call for other nominees for the Board of Directors from the floor. None submitted**

**General Manager:** Thank you for coming out. Thank you to the owners who are running for a position on the Board. Also want to give a shout out to Ways and Means Committee. They have worked very hard this year. Information packets are available at entry if you didn't pick one up as you came in. There is a lot of information in the packets. As you can see, the departments have been very busy. We appreciate our staff members. Please let them know you appreciate their efforts as well. The Social Media table is set up at the back. Dusty heads up the social media efforts and is very active on the Facebook pages. She can help you with any questions and get you signed up. Check out the new website that was revamped a few months ago. We added some new information and new features. The public site has a pop up now. It's designed to interact with prospective new owners. If someone is searching for camping, memberships etc., the pop up will come up. It has been successful in

generating new interest and inquiries for memberships. We keep track of how many inquiries we get every month. Since we implemented the pop-up, the inquiries have tripled. It has resulted in several tours and stays and has generated revenue for the resort. We have 2 sales pending and more in the works. Financial Services is also here today. She can help with questions on your accounts. We currently have 4926 ownerships with 3,020 in good standing. If you know fellow owners that no longer want or need their membership, please encourage them to post it. There are people that want to be here. Dues coming in a bit shy of this time last year. There are payment plans available. We've also had several members that have gone to collections as the price of everything continues to climb. Mr. Gentry had surgery yesterday so unable to be here today. He's expected to make a full recovery. He and Tracey have been busy trying to develop a product that has more favorable options that families today desire. The current three products we have are becoming obsolete. They are anxious to secure new product and sales service. Thank you again. Come back tonight for the comedy event.

BOD President introduced the candidates for election and each was allowed up to 3 minutes to address attendees. Candidates include: Kristie Plantz, Jason Adams, David Bartlett, Doug Allen, Dave Edler, Leanna Dalton, and Scott Maddox

**Ways and Means Committee** –Kathy Kessler. Thank you to everyone who has purchased tickets and helped us raise money. We have been able to help out with a lot of good things this year including installation of the dry hydrant, wood shed, security cameras, equipment at Lake Expo, and corn hole boards for tournaments. We will be having another silent auction on New Year's Eve. If you have items to donate, please take them to reservations. Dana Edler will get the items photographed and on Facebook so everyone can see what will be up for auction.

**Chief Operations Manager** – Thanked everyone for coming out. COM has been here for over 30 years. Every department plays a part in this meeting and we appreciate all the preparation and work that was put in. The waste water treatment plant is one of the things that looms large in our future. There are rumors that there is no money for this project. That is untrue. A lot of money was collected at the time it was determined we had to build a new plant, but it wasn't enough. A lot of owners did not fulfill their obligations as owners. They left. Over time we have been able to get to the 2017 projected amount. Throughout the process, you have to collect and solidify the data needed to determine what exactly is needed to comply. You have to work with the state to determine what is needed. It's been an ongoing process. We figured out that the inflow to the sewer treatment plant had some issues that have been addressed. Because we identified and fixed the leaks, the engineers have determined that we now need an 86,000 gallon a day plant. That's a lot less than the 150,000 gallon a day plant that was originally proposed. A lot of things have happened since then, including record inflation, supply chain challenges, etc. Once we have the details of the plant needed, it will go out to bid. We do not yet know how much the 2017 dollars will cover in 2024. We do have the money we collected from the owners so we need to put the rumor about no money to rest.

The rains this year have caused some large washouts and have challenged us to make real progress on the roads. We still have a plan, but there have been additional challenges with the weather and the money will not get us as far as originally anticipated.

The Lost Valley family has lost some good people this year. Sallie Halverson and Jerry Hanson passed away last month. Sallie loved the resort. She served on the Board and was President of the Board for years. She was instrumental in getting a lot of things accomplished during her terms on the board

including the dog park. Jerry Hanson was operations manager for 14 years. He was a mentor. He was an ace with numbers and money. His legacy lives on here today. That's what we are trying to accomplish at Lost Valley today. We want to help our employees develop and grow and be good people. We want everyone out here to enjoy a family atmosphere and make new friends and memories.

These events had me reflecting on how people spent the nights on the resorts when I started. Condos were king. The free weeks couldn't be split. Sunday check-ins were big. It helped us even out the occupancy peaks and valleys. It created more level attendance on the resort. I remember owners arguing about the difference in staying in the condo vs time in an RV. The RV industry picked up their game since then and people who have their own RV's can enjoy all the comforts of home in them. Attendance in the condos came down. The condos used to be full all the time and the camping sites for RV's were very low in the off-season. Now the average stay on campsites is longer. The number of 21-day stays is increasing. I get asked a lot, where is my money going. Part of your money is going towards supporting general maintenance. The condo rentals fueled a lot of the operating budget in the past. The condos have not been completely booked any day this year. The top three weekends for occupancy in the condos were the Kids carnival weekend, the wrestling show and the Luau. Even without Condo 5, we have had vacant units every day of 2023 so far. So now we have to determine what we build back in place of Condo 5 if we aren't using what we already have. The insurance money is there. But should we build it if it won't be used? Is that money better spent elsewhere? Such as helping to bridge any potential shortfall on the sewer treatment construction project? We are a team. We confront the issues, and we address the challenges as a team. COM will be available for questions after the meeting. Don't forget to fill out your comments sheet and turn them back in.

BOD President explained 4 votes per ownership to be divided how you wish. Polls are open ½ hour. There are 21 proxies at the meeting today.

Meeting adjourned at 2:06 PM

Minutes electronically Approved: 10/17/23

Minutes submitted by: Laura Schneider, Secretary