



www.lostvalleylake.com

bod@lostvalleylake.com

2334 Hwy ZZ

Owensville, MO 65066

Phone: 800-865-2100 Fax: 573-764-2640

BOARD OF DIRECTORS MEETING

January 11th, 2025

Gentry Hall

Meeting Called to Order

Stand for Pledge of Allegiance

Called To Order 10:04

Board Members Present-Roll Call

President Doug Allen, Vice-President Aaron Zaner, Secretary Kristie Plantz, Tracey Ryan, Stephen Patterson, Sherri Durbin, and Leanna Dalton

Chief Operations Manager: Paul Adams

26 owners present

Prior Meeting Minutes Approval: Minutes approved electronically and posted.

Resort and Department Reports:

General Manager Sherri Durbin:

Welcome all of those who came out to the meeting. We hope everyone is having a good New Year so far and hopefully some of those present, at the meeting, were able to make it out to the New Year's Eve Dance. It was a great time, with a great band. There were about 100 in attendance. The new Owner's Guide books will be available in March 2025. There were not a lot of changes this year. Ownership status is as follows: 2629 in good standing, 4458 current owners and 7279 associates in good standing. There have been many questions and concerns

on how to communicate with the BOD, staff and services at Lost Valley Lake. They are also listed in the Owners Guide Book.

Please note: You DO NOT have to wait until a BOD meeting to ask a question.

Most information was included in the end of year letter which has already been mailed out. Also included in the year end letter was the development of a new sales product for 2025. This has been an ongoing discussion, in every meeting, since 2024. We are striving for growth and sustainability. The current ownership is not viable nor sustainable for the longevity of the resort. That is obvious. Ideas have been tossed around and still in the discussion stage.

Summary:

- What we do know is that we want the resort to thrive and prosper again and the only way to do that is to bring in additional revenue.
- We also know that the Ownership product that was sold in the past for 40 years is not a desirable product in today's market.
- It is also not a sustainable product for the resort any longer, to continue to sell the UDI Ownership that is currently listed in the By-laws would put LVL out of business.
- What we've learned through Market Research today's generation does not want a forever product they want short term, such as a subscription.
- We know that neither LVL the Club nor LVL Board of Directors have the ability or funds to Market a product or sell LVL memberships, they do not have the ability for financing of new sales, they do not have the ability to secure loans if necessary for improvements or future developments. This is why the Developer, Tracey, is taking an active role to carry on the business her family began. Without an active role by the developer, these things can't happen.
- We do and have always cared what the owners think, but in the end the decisions made by management and the developer must be the best decision for the business as a whole.
- No details to a membership product have been determined at this time, we're talking about what it might look like and once something is determined, all legal documents are in place to proceed the preliminary details will be announced.
- There will surely be trials and errors before a working viable solution is reached. There always is when trying something new.
- We do know that once a revenue generating membership product is developed that works for the best interest of the resort, it will be offered to current owners who wish to transition to the new product and hopefully not much longer.

Chief of Operations Report:

The COM took the time to address the questions and concerns of fellow owner Laurie Hyde...

Laurie Hyde emailed questions to COM, *Paul Adams, with his reply:*

I am so sad about the again increase in the annual Membership dues

As I am now 67 and on Social Security this 1,011.79 breaks down to 84.31 a month.

I just reserved a condo for 2 nights and it is \$150 for the 2 nights. May not be able to stay overnight hardly at all due to the cost. I reviewed the expense sheet submitted and have the following questions.

1. Why and what are bank charges ranging for the 2 years from 55 to 68 thousand for? 68,000 divided by 12 is 5666.66 a month I bank fees. What in the heck is this for?

Bank charges are mostly due to people paying by credit card. The 4% service fee on CC purchases go into the income line of which department collected the fee. charges are processed through lvl terminals but the fees go directly to the cc processing company. Owners have the option of paying by cash or check. There are also gift cards available for purchase with cash or check that can be used at LVL and avoid the 4% CC charge

2. What is included in 281,000 annual for depreciation and how is that # arrived at?

This wasn't discussed but that number is applied annually by the accountants based on a depreciation schedule of lvl's equipment and property.

3. Misc went from 960.00 to 10,067 the next year. What is included in this almost 10,000\$ difference for miscellaneous?

Misc. expenses went up as a result of the condo fire. Insurance money went into the misc. income line for 2023. Expenses resulting from the fire were paid out of the corresponding misc. expense line.

4. In Revenue it went up 140,000 in interest income from years 22 to 23. From 16,198 to 156,162\$. Where did this additional revenue come from?

The increase in interest income is attributable to several factors. The percentage yield on CD's increased in 2023 over 2022. The fire insurance money started collecting interest in 2023. Yearly operating capital invested in short-term CD's also returned a greater yield in 2023 over 2022.

5. Why is a management fee in excess of 200,000 for?

Management fees are paid for services that LVL does not have. Financial services, collection of maintenance dues by a collection agency, and I.T. services. Marketing and sales and well as securing services for LVL such as legal, accounting and insurance providers.

6. I am very concerned about the proposed short term-based memberships instead of ownership.

Short-term memberships are the current trend in the industry. Many resorts, that offer Memberships have set records for new sales in recent years. The membership concept combines a lower maintenance fee, specified times for access to the resort, and per-use fees for overnight stays. Memberships of this nature allow the member more control over how much money they spend at the resort. When a member uses the resort more, they pay more. If they use less, they pay less. The current ownership model isn't nearly as flexible. The details of Memberships are still being considered.

LVL has had several hundred inquiries from people interested in coming to LVL. The current ownership model, which is forever, has prevented those interested parties from joining us at LVL, they do not want that product. Situations can change rather frequently for a family in today's world. As an example, many of our current owners are retiring out of state. They no longer have a need for ownership and, understandably so, they feel "stuck". A short term membership, with a set expiration date, would keep them from getting "stuck". When the term was set to come due, they would have the choice to renew or let the membership expire. Over

the years, many owners kept their ownership when they weren't able to visit much due to changes with their families. Their children or grandchildren become heavily involved with school activities, for example. The availability of a short-term membership would have saved them money by giving them the ability to renew their membership, once they knew they would be able to spend more time at LVL.

*** I would like to add this part to the topic of memberships. We did not talk about it during our conversation, but I feel that it needs to be said to help calm people's fears/misconceptions. PA***
Nothing about memberships is set in stone at this juncture. It is absolutely reasonable to expect that current LVL owners and associates will have the option to become members instead of owners if that is what they feel is right for them. For a business to thrive, it needs people, repeat customers who feel that they are getting good value for the money they spend. If we do not have a palatable option for membership available to those that are interested in LVL, the resort will not have the ability to survive.

No changes = No more resort

Projects Ongoing from 2024-2025

1. Continuing with road repairs
2. Condo repairs and maintenance
3. Lake improvement-dredging which is weather dependent and will need to be done in stages.
4. New condo furniture
5. Old RV's plans to remove and discuss maybe year-round cottages

Open The Meeting for Owners Questions and Concerns:

1. What are they specifically doing going forward, a solid plan to share with the owners?
What they actually have to say vs making speculation.

Short term memberships are a priority along with the projects that have been mentioned in the past, sewer treatment, fix the lake and beach.

2. They already know what they are going to do and they do not care what we think.

***NOT TRUE**

**What we do know is that we want the resort to thrive and prosper again and the only way to do that is to bring in additional revenue.*

**We also know that the Ownership product that was sold in the past for 40 years is not a desirable product in today's market.*

**It is also not a sustainable product for the resort any longer; to continue to sell the UDI Ownership that is currently listed in the By-laws would put LVL out of business.*

**What we've learned thru Market Research today's generation does not want a forever product they want short term, such as a subscription.*

**We know that neither LVL the Club nor LVL Board of Directors have the ability or funds to Market a product or sell LVL memberships, they do not have the ability for financing of new sales, they do not have the ability to secure loans if necessary for improvements or future developments. This is why the Developer; Tracey, is taking an active role to carry on the business her family began. Without an active role by the developer these things can't happen.*

**We do and have always cared what the owners think, but in the end the decisions made by management and the developer must be the best decision for*

the business as a whole.

**No details to a membership product have been determined at this time, we're talking about what it might look like and once something is determined, all legal documents are in place to proceed the preliminary details will be announced.*

**There will surely be trials and errors before a working viable solution is reached. There always is when trying something new.*

**We do know that once a revenue generating membership product is developed, that works for the best interest of the resort, it will be offered to current owners who wish to transition to the new product.*

Bylaws seem to indicate that we collectively share the operating expenses.

**Operating expenses, taxes, insurance, etc. and maintenance of the resort are the responsibility of the owner*

3. How Short-Term membership will impact current ownership.

“Short term memberships vs current ownership. They are exploring this option of perhaps 3-5 yr terms and they can renew or let expire at the end of that term.

**Yes, this would be advantageous to the member by providing flexibility if changes occur in their life*

4. How will this affect the current owners' financial responsibilities?

**It Won't*

5. If they were to pay annual dues, would it be less than what owners pay?

**That is a major part of the conversation. the potential of lower dues combined with a nightly usage fee for all accommodations, use more, pay more, and limited access during the peak season.*

**If a new product is not developed to generate revenue so that the resort can be ran as it should be, so that new amenities can be added, accommodations changed, etc. the current owners' dues will continue to rise to cover the ever-rising costs to maintain a business of this size in today's economy.*

6. What legitimate and FAIR options owners may have?

**Owners and associates will have the option to buy membership to replace their ownership, it would be their choice*

7. No say in the resort anymore since the board of directors was put in place by management rather than the owners.

**What has actually changed since the vote took place and the new board was seated? How have they stifled owners' voices? For the sake of clarity, the short-term membership option has been on the radar for several years now.*

**The voting process was handled in the manner that was laid out from the inception of the business, as stated in the Declaration of Restrictions, By-laws, Articles of Incorporation and confirmed by legal counsel. Whether anyone likes it or not the Gentry family owns the majority of ownerships in the business, and he has the right to vote them the same as everyone else. Noteworthy, without the Gentry family being at the annual meeting or sending a proxy there would not be an election because there would not be a quorum. The election could not happen without their presence.*

**It is disheartening that so many people feel there are ill intentions by Tracey taking an active role to carry on the business her family started. Without the involvement of the*

Gentry family the resort will not exist far into the future. The passing of the baton had to happen at some point. The BOD has been asking for years for the developer to be more involved, as age and time presented itself for this transition that request was granted, and it was done properly as the process is stated. Tracey will be more involved in decision making, product development, revenue generating streams, sales, etc. all things needed for the resort to have a chance of survival in today's economy.

8. Maintenance fees, fees for membership cards, and the cost of renting a condo are not worth it.

**The cost of operating continues to rise. Minimum wage went up \$1.45 per hour this year as an example. The Board would love to be able to lower the dues but how would the resort be able to operate if we can't afford to pay minimum wage salaries?*

9. Does management contract (bid) for paper supplies, office supplies, cleaning supplies, snow removal, etc...

**All avenues are pursued to save money; snow removal is done in house.*

10. The number of fires at LVL and safety concerns

**Every fire has been investigated by the State Fire Marshall and insurance investigators. Every investigation concluded with the result that the fires were accidental, no signs or suspicion of foul play, arson, insurance fraud...none. The resort was originally constructed out of wood, mostly cedar. Replacement buildings are of different construction. Roofs are now steel for instance*

11. Explain what is planned for the money from the condo that burnt?

There has been one day since the condo fire when the remaining available condos were occupied. There isn't a current demand to replace that building. The money is collecting interest for the time being. Alternative ideas for a new and different type of overnight accommodation is of interest to the developers currently. If owners have thoughts about alternative accommodations that they think would be good for LVL, they are encouraged to share their thoughts at customerservice@lostvalleylake.com

12. Generalized lack of cleanliness of the RVs

**The RV's are old, we want to replace them. This goes along with item #11.*

13. Fire pits at the sites at each RV and tent camping unit. They're always full of cigarette butts and pieces of glass and trash and foil.

**Maintenance does clean them, we don't have as many people to clean fire rings as we once did. Before COVID there were eight people in that department, now there are three, one of those is only available two days per week. owners that leave trash on sites are charged a clean-up fee.*

14. Not able to find anyone to help you when you get out to sites.

Sites aren't staffed and never have been?

Ideas shared....

Interns in school for Hospitality Careers come back? Summers??

**We have pursued interns, they choose not to come here, usually citing the comments on the unofficial Facebook page as a reason to avoid LVL.*

I like the idea of interns and hosts in several areas and is it an idea worthy of consideration?

**Insurance advice is to only have people on payroll doing work at LVL citing workers compensation benefits.*

Rental RV management. My bet is only a small percentage of what we have is needed. They are getting old and unsightly. Perhaps a cabin village by itself like the one we already have but up the hill from the marina. Tiny Houses that can be used year round options are explored.

**See #11*

Designate dedicated smoking cabins, so those who don't smoke don't have to smell that!

**Good idea*

The trail rides have gotten so expensive, if you can even get someone to call you back to make a reservation. Adjust the prices to be more reasonable.

**Labor, fertilizer for hay fields, the cost of baling, the cost of feed, have all gone up. Unfortunately, prices have to go up as well.*

Close The Meeting and the Board of Directors went To the Closed Meeting Session in the Monroe Room @ 11:20.

Open Meeting with Suspended Associates

Meeting With an Owner and Associate: The BOD and COM met with an owner and associate. The associate was requesting usage privileges be restored on the ownership. The associate had been expelled from the resort due to multiple rule violations. After conversation, the BOD voted to reinstate the associate's privileges with a probationary period of one year and a copy of the rules.

Meeting With an Owner: The BOD and COM met with an owner. The owner was requesting usage privileges be restored. The owner had been expelled from the resort due to multiple rule violations. After conversation, the BOD voted to reinstate the owner's privileges with a lifetime probationary.

Old Business:

- Status of spillway repair for the lake, to date, is 10k in the budget for it and we are still looking for a contractor.
- So far this year, there have been no speeding fines or warnings issued.
- BOD and an attorney will need to approve changes to the by-laws in order to begin selling memberships.
- Nothing to report from the Welcome Committee.
- RV Storage Report Clean up at main lot is almost complete. 34 RVs were removed from storage in 2024 for various reasons. Working on 8 Junk titles, researching a dozen more that were left in different stages of the process. Moved 27 RV's into storage from the waitlist in 2024. Current 2025 wait list has 17 listed. 10 of those have been contacted twice with no response. We have started the process of contacting owners to update their insurance information and acquire missing titles. We have also started contacting those who are not in compliance, such as not moving their RV within a year. We currently have 371 RV's in storage between both lots, give or take 2 or 3 that are still awaiting status verification.

- The latest update on the Waste-Water Treatment Plant is, we are reviewing engineer information and cost. LVL is getting a second opinion from another engineering firm before moving forward.
- The employee update on the resort has not changed since the last update.
- Ownership and transfer numbers have been updated to the following, 41 transfers, 3 upgrades, and 3 transfers in 2025 YTD.
- Nothing to report with Ways and Means.
- They will break ground for the new Cell Tower when weather permits.
- One local proprietor has shown an interest in being a replacement for the restaurant.

New Business:

- Budget and Expenses were reviewed.
- Projects completed on the resort this winter are, RV storage area, deep cleaning rental units and public buildings, reviewing manuals and procedures, repairing plumbing issues in bathhouses.
- It was suggested that owners submit questions before the meeting to customerservice@lostvalleylake.com.
- Quite a lengthy discussion took place about possible new projects at LVL.
- It is still a work in progress with spotting the trailers on and off the sites and keeping the damage to owner's RVs to a minimum.
- There was a complaint about the conditions of the condos. The BOD was assured all buildings are sprayed on a regular basis.
- There was a discussion about a Resort sustainability/Utility Usage Fee with the new product. Simply a discussion, period.
- There was also quite a lengthy discussion about associates. Looking into options we can possibly offer them.
- It was also asked if we could possibly have an RV pulling liability waiver/fees/set-up & tear down.
- LVL spotting expense for 2024 was \$63,588.04. The Rv spotting income for 2024 was \$45,724.93 total with a deficit of -\$17,863.11. To help offset the deficit of the spot on/spot off expense the BOD voted to raise the fee \$5 per task for a total of \$20 per task.
- It was brought up to have a possible discount on the condos during the off season as has done in the past. Paul was going to look into this maybe have a special all year round.

Adjourn The Meeting @ 1:34

Minutes submitted by Kristie Plantz-Secretary