

CSL/CA BOARD MEETING
AUGUST 21, 2007

The meeting was opened with the INVOCATION led by President Ralph Sadler, followed by the PLEDGE OF ALLEGIANCE to the Flag.

MEMBERS PRESENT: President Ralph Sadler, Clifton Ross, Vice President, Brad Rupel, Treasurer, Johnnie Vance, Jim Bohannon, Wendell Geurkink, Sharon Cline, Andy Eder, Virginia Miller, Secretary and David Maynard, Manager.

Clifton Ross made the motion to accept the minutes of July 17th, 2007, seconded by Andy Eder with a typo correction. Brad Rupel is liaison for Finance not Recreation.

NEW COMMITTEE MEMBERS:

CLUBHOUSE: Virginia Miller, liaison, made the motion to accept Mary Scroggins and Lorraine Nicholson as new members to the Clubhouse committee, seconded by Jim Bohannon. Motion carried.

SECURITY: Johnnie Vance, liaison, made the motion to accept Ray Meador and Larry Scroggins as new members to the Security committee, seconded by Jim Bohannon. Motion carried.

JUDICIAL: Ralph Sadler, liaison, made the motion to accept Misty Baker and Ron Hempstead to the Judicial Panel, seconded by Jim Bohannon. Motion carried.

David Maynard introduced our guest speakers of the evening. Harriett Schamba with Kiwanis Club of North Vernon who then introduced Eric Kelley, President of the local club. Kiwanis Club is a World wide service organization dedicated to children activities. Eric is interested in seeing if there is an interest in membership in CSL. There is a membership fee for a new membership of \$53.00 for adults. Key Club is for the kids. Ralph suggested a Mom and Dad's Club to set up programs for the children in CSL to help deter the drugs and vandalism in the community by helping set up recreational activities involving parents and grandparents. Ralph said he is sure we will get some negative response, but if we all stand together we can over ride those negatives. With the help of the Kiwanis Club, we will get the job done.

Mr. Maynard introduced Steve Biggerstaff with Cinergy who has been with us for the last couple of Board meetings. Our attorney was not able to get the utility access agreement finished due to other commitments. The Marketing Agreement turns it into a binding agreement. Andy Eder made the motion to approve the agreement, subject to review by the attorney, with the understanding that if any questions arise, he will meet with the Board, seconded by Johnnie Vance. Motion carried. This is a micro-fiber optic service for TV, telephone service, high speed internet DSL. We receive \$10.00 per subscriber when signing up through the CSL office that will go towards the playground equipment.

Jeff Fish, JNRU General Manager, gave each of the Board members a copy of the letter that is going to the state requesting their assistance in funding the necessary needs of the utility company.

Mr. Maynard found additional streets damaged by the trash removal company using the three axle trucks instead of the single axle trucks as required in their contract. A letter is going to Ed Whitaker, President of the JNRU Board, requesting a long term lease for the property, the formal trash compactor site and the approval of the perpetual CSL property lines at the spillway and county road 300 north at JNRU's driveway and six mile creek was read for all to hear. The JNRU Board agreed and authorized their president Ed Whitaker to sign the contract. The contract for the Compactor station will be out for bid soon. It is determined to be at the previous garbage collection spot, but it will not be accessible to the county. Dave is looking for a long term, stable, and cost effective proposal that serves the residents of this community without some bug-a-boo down the road that doubles or triples the cost.

Dave replied to a resident about someone soliciting votes to open the gates. Since we have been working on the roads, the gates have been open and we have had a crime spree of burglaries in the community. We have very good reason to believe we know who is doing it, to the extent that we almost had the individual apprehended last night. At least one of the major individuals lives here. We also know that a number of the other individuals involved with criminal activities do live here. We also know, however, that there are parties outside of CSL who are coming in and we do have reason to believe they are coming through the open gates during the road work. They are very brazen about what they are doing. Many have lost air conditioners. Dave related some incidents of theft. Yes, we do have problems right now.

We are struggling to move forward as quickly as possible on the Redevelopment project. First part of the country Manor paving is done out here, the second part on Country squire Boulevard will be approximately Labor Day. Drag patching first round is done on Atcheson Circle, Wildwood, Dogwood and Bending Willow. The second round will be to move over into the section of White Oak and Squire Blvd and across the low water bridge. The third round is around Buckingham and around that immediate area. The fourth round will be in the area of Almond, Beech, Hawthorne, Hickory. It is impossible to do every street this year. He is trying to stabilize the streets as much as possible. Dave is trying to hire an experienced grader driver so he can get back in the office to take care of priority work in the office also. The grader is being repaired right now and should be in rehabilitated condition when finished.

Some have complained about extra personnel on the project. While we were doing a lot of hand work on the ground, we have had extra personnel. Dave has started weeding out the crew. Those that are doing a good job and working hard are staying. Those that are not doing such a good job are progressively leaving. In short order we will be down to our long term crew for doing this redevelopment work. It is like any other place with personnel you go through more than a few people before you find the right ones.

All of our old equipment and the used equipment we bought have problems. The hydraulic pump on the Loader still has problems, but should be resolved this Saturday. The Badger we bought had a problem we did not see. We are planning to use a CAD/CAM production facility to obtain the parts that we need. The company thinks they can do it for \$1500 - \$2000. We have had very significant damage done by Best Way since the roads were evaluated in April, so we are concerned with getting all of our equipment up and running properly so we can still get the work done.

The maintenance crew is installing new stop/streets signs on the Manor. They have restored the exterior of the building, along with the electricity and lights in the pavilion. The balance of the painting is being done. Those of you that live in that area, please help identify the vandals that are already spray painting on the new walls as fast as we paint them.

In the office, the level one and level two back-ups have been completed. When Dave arrived here there was no back-up system. There was only a partial paper trail. The Guard Station has a new computer with current data. The old computer was not compatible with the new computer system in the office. We could not update the homeowner information, but the new computer has all the information on it and allows them to do a better job for you. Maintenance finally received their new computer to maintain their records.

We have a budget of approximately one and a quarter million dollars. A quarter million dollars of that budget is simply an in/out place holder for the fact that in order to do the Redevelopment Project we had to pay off a quarter million dollars in loans from the past. We had to be debt free on the day of the annual meeting which we managed to do. The problem is when you take away the place holder, you have \$985,000.00 remaining minus the \$220,000.00 left after the adjustment to the budget for security. If you adjust it to what it was supposed to be, you have \$280,000.00 not collectible. It is the past due accounts written off by the tax sales. Nothing Dave can do about it. At the moment, we have another \$250,000.00 which paid off those debts. The place holder is already gone. The dollars that paid them is that \$250,000.00 again. Our real operating budget this year, without consideration of past dues collections coming in, was only approximately \$500,000.00. Part of Dave's job in coming back into the office is to start pressing extremely hard on collections, because we have to make up that \$250,000.00 through past dues. We have a notice that we have to send out before we can do the actual filing. It is a final collection notice that meets certain federal collection requirements that he was made aware of this morning. Once that is out, five days from receipt of certified mail, he can file the cases. He talked to the Board about this. There are two sets being prepared. One is the first set of ten cases going to court through Brad Kage to try to establish a precedents that will make it easy to follow through with the rest and cause people to pay attention that they need to pay their dues. I am extremely displeased to have to tell you that we have four major property owners, who are not in this room, who among the four of them owe over \$100,000.00 in dues.

The second set will be going through our attorney Scott Andrews, who is more expensive, but spread over the amount of lots involved is cost effective to do this. They will be going on a second filing. We want to establish a precedent, doing it in a very particular way for some very specific reasons. If the ones that own a lot of property cannot pay or will not pay, why should anybody else. The problem is, in the short term, until they start paying, as Dave reported in the August executive meeting, he will need to come to the Board in September and start an austerity plan. We are going to have to make some serious cut backs in how we are operating. If we don't meet certain goals, we have to make other certain cuts. It's not going to be fun, and it's not going to be easy and he said he won't be popular. If you haven't got what you wanted this year, you probably won't get it this year, other than the Redevelopment Program. That money is there. A large part of the other money never came in. Our cash flow from dues payments has dropped to \$10,000. to \$15,000. a month. It takes \$50,000.00 a month to operate this place. Our operating fund loan that is already negotiated with the bank, we need to not touch that until October. Even when we do, it cannot cover the full amount of each month's operations. If we do, we are stealing a lot more money from next year than what was planned to get rid of these loans. Judicial just finished their part of the filings today. We will be sending out the five day notices this week.

Dave reported a certified mail to CSL and Rick Forwalt for a violation on the fire on Atkinson Circle. He was hired by CSL and he set fires, burning the trailer and shed. Michelle Evans of EMS contacted IDEM and it became a major issue. They want several things from us. Clean up the site 100%, post the open burning law on the web site, which has been on there for over a month, cease all open burning such as leaves and a potential liability of \$4,750.00 We are already in the process of cleaning up the site and the compost site is already in process with JNRU.

We have a copy machine in the office that is well over the one million copies exceeding its life expectancy. Our service plan cost is getting out of hand and costing a lot of money. A comparable machine costs a little over \$16,000. that we cannot afford. When we were originally created, our business license was issued as "Non Profit" by the State. By law we are "Not For Profit" The only legal requirement to be eligible for a 50% discount with Panasonic is that the business license says "Non Profit", nothing else. Dave checked with other places for better prices, new vs used. The new Panasonic copier for \$8,000. is the best deal. Dave is recommending to the Board that we obtain the copier. Johnnie Vance made the motion to authorize Dave to purchase the new Panasonic copier, seconded by Clifton Ross. Motion carried.

The Dedicated Assessment payments are for the Redevelopment program to front end the loan from the bank. This allows the project to proceed immediately. Dave thanked those residents encouraging the workers, bringing out Gator Aide, Pepsi, and water in the 90 degree temperatures. It was much appreciated.

A resident asked about the manager being paid for grader work as well as office manager. Dave responded that there is absolutely no double-dipping.

Ralph Sadler, president said there is a notice on the Bulletin Board for emergency training information from the North Vernon Disciples Of Christ Church those interested. Unused pharmaceuticals can be dropped off at the Jennings County Sheriff's office. They are not to be burned, flushed down the sewer or any other disposal method.

RECREATION: Sharon Cline, liaison, reported the Horseshoe Tournament on July 28th with 23 players. \$180. was distributed in prize money. \$150.00 was raised for the playground equipment, for a total to date of \$3,717.43.

The first meeting of the Teen-Get-Away Club was held on Monday, August 6th to discuss the recruiting of teen members once school starts. A volunteer information form and what playground fund raising projects they would like to look into were discussed. Thanks goes to Brad Rupel and Ralph Sadler for their donations totaling \$200.00 in their start up checking account. An additional \$20.00 was received from a collection of cans picked up around the lakes and other donations at the horseshoe tournament.

There will be a Mary Kay fund raiser on August 22nd with 100% of profits donated to the Playground Project Fund Raiser.

Due to items being donated to the committee, we are in need of a storage building. Anyone wishing to donate a storage building, please contact the office.

FINANCE: Brad Rupel, liaison, reported the committee discussed collections with Dave. The Financial statements are current through the end of July as they can get. They are posted on the web site July dues collected \$25,832.00; July sales \$7,099.92; August dues collected. to date \$13,306.56; August sales collected to date \$ 713.20
Revenue breakdown through the end of July: 2005 dues collected \$21,954.93; 2006 dues collected \$50,492.55; 2007 dues collected \$610,321.00 which is 62.15% of total dues billed. The Dedicated assessment collected to date is \$70,960.00 which is 73.92% of total billed. We've collected \$5,761.00 in late fees, and \$2,780.00 in fines. We have had substantial cash flow. You have seen it in asphalt and road work being done and long term investments in the community. The long term loan was paid off at the beginning of the year, so we aren't paying out interest. RBSK is still doing the monthly statements. They also reconcile the checking accounts against those statements for the check and balance.

LAKES: Clifton Ross, liaison, reported the Lakes packet has been revised and completed.

STREETS & EASEMENTS: Andy Eder, liaison, reported that most of his report was covered by Dave with the progress of the street work. Dave is trying to do the culverts and then the drag patching as much as possible. After the Manor and Squire Blvd have been paved, the striping is supposed to be done.

MEMBERSHIP & ELECTION: Wendell Geurkink, liaison, reported the vote on the gates are to be tallied on September 8th and report to members at the meeting following. There was a lot of discussion regarding the counting of the gate survey ballots whether it be in public or in an M & E meeting like the Annual Election is done. Sharon Cline made the motion that every Board member be invited to the M & E meeting on September 8th at 4:00 pm when the gate ballots are opened and counted, seconded by Jim Bohannon. Motion carried.

ARCHITECTURE: Jim Bohannon, liaison, gave the Inspector's report that will be on the web site. Our inspector, Kevin Spine is writing citations to encourage the residents to comply with CSL regulations.

SECURITY: Johnnie Vance, liaison, reported that the security packet has been updated. The security report will be posted on the web site.

CLUBHOUSE: Virginia Miller, liaison, reported there has been changes made to the packet, but it is not ready for Board signatures. Guests at our meeting were Gary Foster and Ray Cline who are investigating a way to get Bingo back into the Clubhouse and finding a sponsor with a license. Once that happens, we hope to have a sinking fund for repairs to the kitchen repairs from the Bingo income.

JUDICIAL: Ralph Sadler, liaison, reported there has been changes made to the packet. He thinks that every member of the Board should have a copy of the packets to review before we can sign the packets.

Ralph reported there will be a seminar conducted by Baron Hill at the ETC Center in Seymour on August 23rd at 9am – noon with information on how to apply for grants.

Virginia made the motion to adjourn, seconded by Jim Bohannon. Adjourned.

Ralph Sadler, president

Date

Virginia Miller, secretary.