

CSL/CA BOARD MEETING
MAY 15, 2007

The meeting was opened with THE LORDS PRAYER

PLEDGE OF ALLEGIENCE TO THE FLAG led by Ralph Sadler, president.

MEMBERS PRESENT:

Ralph Sadler, president, Clifton Ross, vice president, Brad Rupel, treasurer, Jim Bohannon, Sharon Cline, Andy Eder, Wendell Guerink, Virginia Miller, secretary and Manager, Dave Maynard.

Minutes of the April 17th meeting were available. Due to the copier not operating properly, the members of the Board did not have a copy. Copies should be available next month.

Lillian Winslow thanked everyone for their donations and contributions to the funeral expenses for her brother. It was much appreciated.

Ralph asked for the liaisons to report any new members to their committee.

Sharon Cline reported Susie Kincaid and Dale Barnett applied for membership to Recreation committee. Motion was made by Andy Eder to accept those persons to the committee, seconded by Johnnie Vance. Motion carried.

Andy Eder reported Lorraine Nicholson applied for membership to the Streets and Easement committee. Motion was made by Jim Bohannon to accept those persons to the committee, seconded by Johnnie Vance. Motion carried.

Clifton Ross reported Lorraine Nicholson, Robert Luttrell and Jeff Gilliam applied for membership to the Lakes committee. Johnnie Vance made the motion to accept those persons to the Lakes committee, seconded by Andy Eder.

Dave introduced Michelle Evans, EMS Director. She has been asked to attend our Board Meetings when possible. She reported there have been three inspections of the Dams. Water testing will be done by the Corp of Engineers and DNR for inspection. By the first part of August, she hopes she will have something in writing for us. We should have at least three warning sirens by the end of July and some shelter shearing up, so that this building is hardened. No cost to CSL. It will be towards the Grant. Michelle asked how many handicap residents are there in CSL. She is asking for help to assist those people in case of evacuation. She asked how many people in here have a family plan. She will be handing out survival plans at a later time. There are plans to hang the TV on the wall and a cabinet is needed for the emergency supplies. Maintenance cost of the sirens will be minimum on the batteries that should last about five years. The cost of replacing the batteries is approximately \$600 each. The amber light for the emergency shelter at the clubhouse has been installed on the radio antenna. There are ten radios signed out to various personnel. Dave told her to let him know if there is anything else needed to help her. The gates will only be open in the case of a tornado.

MANAGER'S REPORT:

Dave thanked Michelle for coming to update us. Committee week end for June was not set on the calendar, because June 2nd is graduation week for several of the schools in the area. June 9th has been requested for committee week end because it will be on scheduled before the executive and board meetings.

As of March 31st, we are breaking down the dues by hand on a spread sheet starting with January 1st forward. When our accounting system was originally set up, it was not set up by the year for the dues. It was simply a lump sum line item. Everything is lumped together in a way so you can't separate it through the accounting system on the computer. That doesn't cut it in terms of trying to figure out where we stand, what's going on, is the money coming in or not, and he could never give a sufficient answer to the board or to himself. As we approach the point where we take this redevelopment loan to the bank, he can't give straight answers to the bank, so we've needed to break this down by hand.

As of March 31st, delinquent dues for 2005 collected the first quarter of this year were \$11,000.00 These were dues that were deemed "uncollectible" by our accountants. Dave kept them on the books and we are continuing to collect. For 2006 for the 1st quarter we have collected \$27,100.00 These would normally have gone to a substantial non-collectible status. This years dues, 2007, as of March 31st, \$505,200.00 were collected. That is considerably above normal. \$ 528,000.00 total combined collections for all years dues, is the highest ever reported here. That included a considerable amount of prior year dues in that. Dave thanked all of the members and the contract buyers, many of whom paid these dues, even though the seller is legally responsible for it. It shows that the people are seriously concerned, they want to see this place redeveloped, they want to see things move forward and he takes it to some degree as a vote of confidence because if you didn't believe he could do his job, you wouldn't be paying based on what you have done in the past.

We have prior to this point for the first quarter not been able to give you a straight answer as to what has been collected in fines. For the first quarter, \$1,130.00 was actually collected. That is about three times what anyone believed to be collected. We are not ignoring the fines. I know there are some that are bound and determined that we are writing them off, no, we are serious about collecting them.

Why bring this up? Dave and his wife, Sandy, the bookkeeper, took over the accounting on the first of March, in theory. It was turned over to us in reality by the Accountants on the 11th of March after they had posted ten days of the month. We have brought it to the attention of the Finance committee and the Board that we are not comfortable with the accounting as we received it. We have asked the Finance committee and the Board for permission to reload the accounting books for this year so that from the date we are legally responsible for them from March 1st forward and there is a clean break between what was done in the past. We have attempted to print out statements, and a variety of reports that are supposed to be able to be printed out from the system, as they portal them to us. They downloaded the system to us. We cannot print any of what we expected to be able to print. We can't give answers to ourselves, let alone the Board, the finance committee, or anybody else.

What we have asked for is permission to restart posting of accounts receivable from the first of January, so we have clean accounting of everything received this year for this years dues, as well as whatever in delinquents were collected during this calendar year and on into the future. All the rest of it would start with the 1st of March. If we do this, it allows us to have what is called a clean Chart of Accounts. We don't like the Chart of Accounts that we inherited. In accounts receivable, it is one lump sum account line item accounting for all dues, regardless of whether they are this year, last year or five years ago. That doesn't tell us anything, the finance committee or the Board, and it sure doesn't tell any of you who you look at the statements what you need to know. If the Manager is to go after the rest of the delinquent accounts, he needs to know what they are, where they are, if they are coming in and how they coming in. We have a lot of payment agreements coming in right now and we are about to update the tracking on those. Once that update is done, he wants to see on a monthly sheet reports of what is there. So that you know, this is a tremendous amount of extra work to do this. We are prepared to do it because we are uncomfortable as far as we don't know where we stand, you don't know where we stand and the Board doesn't know where we stand. It is up to the Board to make the decision.

The Finance committee has reviewed it and has recommended it back to the Board. That is the reason for it. Dave and Sandy are very uncomfortable with what was received. He doesn't mean that there is something wrong with the numbers, but the accounting is done in a way that we cannot get the information out. We can put in perfectly good data in, but if you don't have it set up so the report functions can do the reports, what you get out is garbage. We paid almost \$1,000 for a special report format to be created that would give the basic answers that we needed and the Board needs, and it was a total waste. It combined that reporting information with the information needed for the elections. For the one on February 13th, we had to check membership cards. Half of the information needed for that election wasn't even on there. When we got to the Annual meeting, the information for the election works, but the rest of the information makes no sense. How do we drop from \$800,000.00 in delinquent accounts in a month's time to \$158,000.00. It has to make sense and it must be right. He owes it to everyone and he can't run the place without straight answers from the data.

Redevelopment Project: A lot of members have been asking a lot of questions over the last few weeks. The first phase is the ditching along the roads. Last week it started over on White Oak. He said he owes an apology to those on the first road. Without all of the equipment, and training a crew, the first street isn't pretty. We can't sweep the street clean yet. Until the equipment is running correctly, he cannot put it out on the streets. They worked on Ashley, Drover, and Dorchester today. As they are in the immediate neighborhoods, they will take care of the really bad break up areas, if there is time. He is going to try to get to the really bad roads that are not scheduled for ditching until next summer. If you have a road with a severe problem, let us know the road and the address nearest to it. Please consider the heavy machinery and pay attention to the road signs when the men are working. Your help is appreciated!

Most of the time, in the manager's report, our manager says he talks and talks and talks. Tonight he is asking if anyone has questions. We are not allowed to take out the mailboxes unless the homeowner is home and gives us permission. If we knock one down, we fix it or replace it.

If you have a culvert, and the end is busted down, there is a form in the office or on the internet that says 'yes' you have a problem with your culvert. There is a man that has a port-a-pump that will straighten it for \$30.00, if it can be straightened. Once the loan is approved, we will be asking to purchase a load of plastic culvert pipes to replace those that are crushed in. If they are corrugated aluminum or corrugated steel, they must have 50% of the pipe's diameter covering the pipe with gravel. If it is a plastic 12" pipe, you need 12" of gravel. Corrugated aluminum pipe or galvanized steel needs 6"- 9" of gravel over the pipe.

The two old trucks, the five ton dump and the pick up truck need to be approved by Streets to obtain bids to sell, as is. The pickup truck has been cleaned and made ready..

June 2nd is the Community Clean up day. As for targeted clean-up sites, Kevin has at least 28 properties on his list. Area Plan and Board of Health are aware of these and have cases for them that are back logged waiting for the court date. Judge Funke will do only so many in a month's time. Dave says he knows the Judge has a horrendous case load before him right now and it is very hard to get any to him right now. He does issue the orders once they get to him. The court orders are issued for over 90% of the cases.

Delinquent accounts collection cases work somewhat different. For an example: We have 10 collection cases ready to go be filed. We have to wait 30 days, but at the end of the 30 days we go back and ask for a specific enforcement. The court gives him a choice of what he feels is a sufficient value to satisfy that order. The court will give him the order to seize property.

On collections, Dave has to look at the most productive means of doing collections. If he gets payment agreements, 95% of those people actually pay 100% of the account. He gets 100 cents on a dollar. The best ever done here going through the courts is approximately 50 cents on the dollar. He has tried very hard to work with everyone that would give any attempt whatsoever to do a payment agreement. He has 5% of them that will probably be going to court very soon, because they defaulted on their payment agreement and in many cases have made little or no effort at all. They just did it to get by the first time. We had an interesting situation on a lien. He did not file the lien and because he didn't, the title company determined the new owners owed us the full amount. The judge threw out all liens filed, but because there was no lien on paper, our delinquent accounts for the properties were not thrown out. Dave says he treats CSL as his home, his business, and he treats the money of the association as if it was his money. For any of you that don't know, he says he is rather stingy. He says he hates giving away money and he hates somebody walking away with his money and as far as he is concerned somebody who doesn't pay their dues is trying to walk away with his money. If he didn't have that attitude, he shouldn't be here as your manager. In the past, that is where the money has been going to. It has simply slipped away. I don't think many of you understand, every year the accountants write off an amount of dues as uncollectible. It is just done arbitrarily, these accounts are too old, there is no indication they are going to be paid and they write them off. Dave gets a form every month that he has to sign before the accountants will release our statements, and until he does they hold the statements hostage. If he signs the form, it says he takes responsibility for what they did whether he was involved or not.

A question was asked whether the office personal is bonded. Dave said all the employees are bonded.

Regarding Architecture: Dave reminded everyone that is considering construction or digging of any kind the use of a silt fence is a must. Pipes must be in the right place for proper drainage. There are many culverts that are too small and a few that are too big. Each problem will be tackled one at a time. Please contact the office.

Ron Pershing read a message of encouragement to the present board. "Lets do it, get together, stop making excuses, stop the double talk and let's do something"!

Dave said with his parting comment, he hopes no one on the Board will take offense to what he is going to say. You the members need to know, we have a Board as has been widely touted by more than a few people in this room, as well as in the community, that represents the two strong opinions in terms as to how this community should be run. This board is struggling to create a single board attempting to get to the point where they can work together comfortably to get things done on behalf of the community. It is not easy for the board, individual members or a group, it is not easy for Dave as the manager, it is not easy for a lot the staff members, but he said it is an effort that is not only worth doing, it is an effort that has to be done and has to be successful. If it does not happen, God help this community. For lack of better terms, both factions have to find a middle ground where they can work together. - And yes, he said he is a guilty as any, he has the same problem dealing with change as anybody else does. He reacts to things, too. All of the members of the board are in the same position, they are reacting to things, they are reacting to each other, reacting to circumstances in the community, but he believes all nine of them are making a serious effort to find that middle ground. Please, work with them and help them and me. It is a struggle, but it is one worth making.

Dave was asked by Jean Meador about the statement he made about CSL being his home, but you moved out last month. Yes, he moved out. She said, so it is no longer your home. Dave responded that just because he does not live in here does not mean that he does not treat it as his home. He moved out, not because of what is going on with one so called faction or the other, but because a number of people threatened to send every complaint in this place about the road ditching project to my home nights and weekends. He will not tolerate that, his family deserves better than that. Dave said he needed to purchase a property and found one that was acceptable, but somebody here helped him out big time. The price went up \$20,000.00 higher than anybody else was asked for it, and he wanted a \$20,000.00 down payment in advance before he was able to sell his farm and float the loan. If Dave doesn't have the privilege to choose where he lives, there is something wrong. As far as in here, he gave her the straight answer to her question and that's better than most people would do. He has been quietly looking for a piece of property to have a home built on in CSL and that may yet happen. But we will see what happens, right now, if it is built it will be a second home, but it is with the full knowledge that the property we just bought, probably five years down the road he will not be able to take care of the property. Jean also challenged the fact that the accounting is being brought in house. Dave said when you look at the history of CSL, under normal conditions I would agree with them.

The reason we asked to bring it in house we had serious issues with the way the accounting was set up and he is aware there are those who don't agree. Because he has to sign those monthly sheets, he had to think long and hard before he made the commitment to stay on here. The way the accounting was set up he knew he was going to have to answer questions from the new board members and would have to answer questions on the accounting that he doesn't have the ability to answer for himself and he wasn't about to put himself or his wife in that position.

Yes, we are bonded. He said the one thing that is going for us is the fact that he was retired when he came here and they could be retired tomorrow. There isn't enough money in this place to cause them the least bit of temptation because we are better off retired, that's not to say better off than managing this place. The point is, once you have your retirement, what do you want more for. Jean went on to say everything out here is going up.

Ron Pershing said he thought Dave was going to be here a short time. He asked about the person doing collections. Lee Coryel is the person in the office handling all of the collections accounting, the telephone calls, and the attempting to collect the back accounts. Once the people are contacted, they cannot claim they haven't been contacted. There has to be certain things lined up before we take them to court. As far as Dave's commitment to CSL, at the end of 30 days, he would look the job over and either leave or would stay as long as necessary to see the redevelopment plan put together and to carry it out and make sure this community was put back together properly. Ron says he truly believes the Board is coming together.

Kathy Schieble asked about the comfort station being open. Dave said because of the damage that has been done, it will be closed for at least a week for repairs unless the board tells him something different. Once it is repaired, it will be reopened. The problem with it is that the same people that are using it are destroying it. There are campers that need access to it. There was more discussion and it was apparent that the comfort station should not be closed any longer longer than absolutely necessary.

Betty Hutt stated this is an open meeting, but it is for the board to do its business and if you follow the agenda the membership can speak or ask questions, but it should be done in an orderly manor, one person at a time. All this talking in between, she doesn't see how we do any business. Back to the point of maybe two divisions, town vs no town, listen to both sides and choose the better idea and decide among you what is going to benefit this community.

FINANCE: Brad Rupel, liaison, recommended approval of the loan to the board, but we are waiting for more info from the attorney. We also voted to recommend to the board that the manager and the accountant be instructed to reboot the accounting system and repost accounts receivable from January 1st to date and repost accountants payable from March 1st. which will be the year end from RBSK as of February 28th, repost that from March 1st forward. The hope is that will be able to give all the board members and everyone the detail that we want and we can be comfortable with the in-house accounting from that March 1st date forward. We will rely on the RBSK year end report. Brad made that in the form of a motion, seconded by Andy Eder. Motion carried.

As of today, we have \$6,465.00 cash in bank. Yes, we are getting tight. That is one reason we are recommending to the board to move ahead with the redevelopment loan. We have advanced some of the operating fund to purchase the dump truck, the excavator, the Badger and the road grader. Once that loan is closed, that money will be moved back into the operating fund. Our April dues collected was \$62,835.05 : April sales \$2,837.30; May dues collected to date, \$11,732.86; May sales, \$ 228.98;

We've been promised a payment, from a large property owner who has not paid, of \$15,000.00 within the next few days, along with an insurance settlement check We have always had a fidelity bond. Because of missing or lost funds by our previous manager, we will be receiving \$25,000.00 soon. From the redevelopment funds, if we agree on the loan and get that closed, we should be receiving approximately \$50,000.00 on expenditures that will come back in the general funds. Collections are very important. You've heard me for the past year harp on collections. Everybody needs to pay, we don't need to raise dues to get more money; we need to collect more of what is owed. We are hopeful with the new accounting program, and the reposting of the receivables, that can get a good receivable balance. It is important that we have good data when we go to court, so the judge will believe the balance and doesn't believe these people that say they don't owe, and will give us the judgment and allow us to move forward.

LAKES: Clifton Ross, liaison, reported three new members. The lakes have been sprayed. The kids fishing tournament will be this following Saturday from 8 – 12. A bass tourney is being formed.

RECREATION: Sharon Cline, liaison, reported the Community Yard Sale has been changed to August 11th and 12th .because the May date conflicts with the yard sales in town. July 4th is the date of the Luau on the east beach. John Scheible is chairperson and Carolyn Phipps secretary of the committee.

MEMBERSHIP & ELECTION: Wendell Guerkink, liaison, reported the committee want a sentence added to the packet in Sec. 10, #2 (All candidates must have all dues paid by the last day of February) seconded by Sharon Cline. Cadie Mathis stated that the committee picked January 31st, because that is when the resumes' are due and the committee felt that is when the dues should be paid. Brad stated that the dues should be paid by the due date March 1st. Brad said he would amend the motion to March 1st, seconded by Jim Bohannon. Motion carried. Dave Brinkman said that should have been taken back to the committee.

STREETS & EASEMENTS: Andy Eder, liaison said that previous motion is a legal matter. Dave covered most of Streets and Easements business. We are hoping to see some paving being done soon. He said he will work with Dave on any site problem.

ARCHITECTURE: Jim Bohannon, liaison reported a permit for a privacy fence on 1167 Dogwood Lane., Larry & Sandra Spencer, was approved by the committee and motion made by Jim, seconded by Andy Eder. Jim gave the inspector's report. June 2nd will be the community clean up date.

SECURITY; Johnnie Vance, liaison, discussed the dog problems. We cannot dart dogs per the Animal Control at their meeting on the 17th. The Security Committee is still working on finding a viable solution to dealing with the dog problems.

CLUBHOUSE: Virginia Miller, liaison, reiterated the community yard sale again as August 11th & 12th. Ari is planning music on several Saturday evenings and Sunday afternoons in the near future. The committee is asking for signs against skate boarding. Virginia made the motion to direct the manager to have a sign “NO SKATE BOARDING ON PREMISES”, seconded by Brad Rupel. Motion carried. The board has been approached about a shelf for the TV in the meeting room and a smaller cabinet for the emergency supplies in a closet area. Betty Hutt asked if there will be music every week end in the clubhouse that would eliminate the card players or if this is a rumor. Dave said as far as he knows it is only a rumor at this time.

JUDICIAL: Ralph Sadler, liaison, reported 35 citations, 20 guilty, 3 judgments, 2 dismissed, no warnings, total fines issued \$1,830.00; total fines collected \$235.00 Andy Eder asked if the warnings have been done away with. Dave said the verbal warnings were done away with. Andy said he is for verbal warnings making it easier for security to pull people over and warn them to help make the community safer. Judicial and Security will be meeting on Thursday morning to clear the matter.

Dave announced that on Thursday morning Squire Boulevard will be closed while the ditching is being done. Alternate routes are available.

Virginia made the motion to adjourn, seconded by Brad Rupel. Meeting adjourned.

Ralph Sadler, president

Date

Virginia Miller, secretary