

CSL/CA BOARD MEETING
DECEMBER 19TH, 2006

Board president Wm Jones opened the meeting with the members present reciting the INVOCATION “ THE LORDS PRAYER “

PLEDGE OF ALLEGIENCE TO THE FLAG

Wm Jones commended R. D. Blanton for his article in the paper. Each board member was given a copy of a letter from an unknown person with various questions. We need to work together for the good of the community.

MEMBERS PRESENT: Wm Jones, president, Clifton Ross, vice president, Brad Rupel, treasurer, Bob Phillips, Don Worthington, Ralph Sadler, Johnnie Vance and Virginia Miller, secretary. Manager, David Maynard present. Don Riddle, excused absence.

Bob Phillips made the motion to accept the minutes of the November 2006 meeting, seconded by Clifton Ross. Motion carried.

MANAGER’S REPORT:

When Mr. Maynard came to CSL he promised the Board he would do the very best he could to help us survive as an association through the end of the year. He would do what we could to straighten out the mess that we all knew was in the office as well as the road work. He said he had no regrets about taking the job, but honestly didn’t believe it was possible. It has been a most tremendous job both in terms of work and challenge that he has had in his life. He knows the next six months will be as challenging as the first six months.

He and his family have rented a home in CSL and will be moving in right after the first of the year, so they will be here with us going through a lot of the things together. It is one thing to be here during the day working for you, it is another thing to be part of the community experiencing it with you. He and his family feel very strongly that if we are going to be a part of you, we need to be a part of you all the way.

We have had a lot of work to do especially during the last 30 days. The budget is usually prepared in the fall. We had one committee chairperson that refused to even approach their budget the first two budget meetings, consequently we ended up with a special budget meeting at a later point and finally completed the budget yesterday afternoon.

There were a few blanks that had not been filled in, but they have been filled in since.

Dave stated he wants to thank very sincerely all the committee chairpersons in particular and the committee members as well and especially Jeanne Phillips and her Finance committee. This was a very unusual budget process in that usually you have the basics of the budget process to work with from the past. A lot of what was in the past wasn’t here. Most of what we were able to do relied upon the memory, the knowledge and the experience of the chair people and the committee members.

That is a tremendous asset and one that is very much appreciated. The Budget proposal will be passed out this evening by Brad Rupel as a part of the finance committee report. The process as it has evolved through the budget started with each committee being asked to work with whoever served their committees needs. All worked hard to get their budget done. We then moved into the second phase of the budget which was taking apart the budget as it existed in the past. Some seven years ago all the budget items were intermixed so that you could not follow the expenses were in any department. You could see the individual line items in many cases, but you couldn't tell the total cost for any one committee, because they were all mingled together. As a new manager coming in he said he couldn't pick it apart and he wondered how many of us could because we were the ones that deserved to have the answers to the questions. In the second phase we took apart all of the wages and payroll taxes and applied them to the departmental budget to where they belonged. The maintenance crew is part of the streets and easements budget. Kevin Spine, our inspector is a part of the Architecture budget and the office is a part of Administration. We have a janitor now separate from the maintenance people. She remains a part of Admin because she works directly for Dave and is therefore his responsibility and he accounts for her. The next phase was to go to finance committee. Once finance did its review, what we looked at in the first round was what does it take to run this community correctly, not the way it has been run in the last few years. What does it take for a budget to actually run this community and get the job done the way most of you asked for it to be done, not the way we've been doing it. \$102,000.00 is the operating fund loan that has to be paid by April 15th or earlier which is anticipated to come from the existing overdue accounts. It is not anticipated to come out of next years budget, but because it is paid after March 1st it has to be reflected in next years budget to meet accounting standards. So remember, there is an extra \$102,000.00 in this number. When you look at everything that's necessary to run the community right and start putting it back together, \$1,239,000.00 and this is not including the road re-stabilization project, not including the drainage culvert in front of Wildwood Dam. He explained the condition of the Dam and it has been reviewed by an engineer and will need to be addressed soon, probably next year. That's not in the budget and estimated to be \$100,000.00 project. The road re-stabilization over and above what is in the budget proposal is estimated by O'Mara's preliminary estimate is \$832,000.00. It is worse than what Dave thought it might be (over \$500,000.00). Over the next few weeks he will be out on the streets marking with a spray can the work that is proposed to be done on each street so everyone can see what needs to be done. If there are areas where it is not enough, or if they are proposing more than is necessary, he will go back and say to tighten it up. His expectations and hope that it can be below \$700,000.00 This is important to you because the roads and the Dams are the first two or three pieces of the re-development plan that is going to be proposed to you at the annual meeting. The third piece is the swimming pool. He has a wide range of preliminary costs on that, but without people on site looking at the pool. The cost is so high, he honestly does not believe that he can come before us at the annual meeting and suggest that we can do the swimming pool in the same year.

He is going to suggest to the Board when the time comes, that we put all three pieces on the table before you and let you as residents and property owners make that decision for yourselves. What is most important, what we can do now and what simply has to wait.

One thing you need to know in advance, and he just could not stress enough, is that the roads cannot wait. If we finish them over four years, thinking that we are going to get them done that way, the additional damage to the roads by waiting will far exceed any savings that we ever hope to gain. The estimator's comment from O'Mara was that within two years that number will double, instead of \$800,000.00 we would be looking at 1.5 to 1.6 million dollars. Please bear that in mind as you think about what's coming. He has spoken to the banker and working with them as to how we can put this together so it would work. He told them we could not afford more than a \$50.00 dedicated assessment increase under any circumstances. They discussed the alternatives and it seemed feasible with the numbers he cranked together. It would be a loan over a number of years. Once Dave has it put together better he hopes to report back at the January Board meeting in detail so there will be time to think about it before the annual meeting. Initially to include the pool would be an increase of \$75.00 dues. In looking back over hardship payments, he doesn't believe we can afford that, so he is trying to balance the limits of what people can afford. He is trying to give us to the best of his ability a solid re-development plan that will restore the value to the property and the livability of this community

In the meantime, the asphalt plant closed on Friday night. We have a very large percentage of the pot holes patched over the last three weeks since we got the operating loan from the bank. The board is yet to tell him that he is wrong, but he risked the first payroll in January on the belief that enough of you would appreciate having the roads patched that you would come in and pay your dues quickly so we could make payroll. The loan money runs out right after the first of the year. We used a lot (almost \$10,000.00) of that money between asphalt patching and hauling in the necessary #2 stone and gravel to fix as fast as they can go to fix the broken up areas of roads that made them almost impassible. Steve, John and his crew are responsible for what has been done and Dave applauds them for their hard work. We will continue to use cold patch (heated) to repair more roads. Those holes didn't appear over night and it will take a while to make repairs.

Another promise Dave made to the Board was that every time he saw a way to solve a potential problem in a way that would save substantial money and get the job done faster he would bring it to the board. Didn't guarantee it wouldn't cost money.

One of the big problems we have right now is the Dams. The base estimate from the engineer to repair the Dams was \$135,000.00 to fix Crestwood Dam, to pour a headwall at the outlet in of the big Dam (nothing else on that dam), and to do the pipe going down Wildwood that he described earlier. We also have additional things that have not been done over the years. It has been approximately 12 years since the drainage area at the bottom of Crestwood Dam has been cleaned out and the channel cleaned out so that the water flows properly. He brought to the Board last week a proposal for \$4,000.00 for cleaning out all that mess at the bottom of Crestwood. It has already been done. He told the board if there was anything left over he would do his best to use it effectively. They were six hours short of the estimate, so he had them go down below the big dam where the channel has not been cleaned out for eight years.

They have not finished the job, but they took out the two big blockages that were starting to create the same problem with the big dam that affected Crestwood. There is additional work to be done. Brooks & Earl is the company that has done a lot of work on the dams over the years, especially the smaller dams, but they've also cleaned out below the big dam. They are also the ones that cleaned out the Marina many years ago. The lake is way down now as you all know, and the Marina area needs cleaning out again. There are pipes sticking out, concrete slab, rock and debris along one edge that could rip the bottom out of a boat if hit. All that mess needs to come out of there. At the bottom of the dam where they have been working on cleaning the mess out of the creek, it needs to be finished. Only about a quarter is done, but it was an important quarter. Crestwood Dam needs to be repaired. When they cleaned the channel, most of what was in the pipe blew out of the pipe. We need one good rain to raise the lake level enough to put down pressure on it to finish blowing out the pipe. Right now it looks like it is going to be able to do that without serious problems. We should be able to use the hole saw that we have and cut out the few things left in the elbow. If that is successful, we are ready to repair Crestwood Dam. Instead of \$15,000.00 just to fix that problem, Dave had an estimate from Brooks & Earl for Crestwood Dam to do the repair, not including seeding and straw, everything else included for \$7,380.00. Approximately half of what we expected. Estimate for cleaning up the Marina, getting everything out of there and hauled away so it doesn't wash back in, for \$7,500.00. We were previously told it would be between \$10,000.00 and \$12,000.00. Quite a bit of savings. To clean out below the big Dam at the out flow area to meet the requirements for the Dam that are on file with the State, clean that out for \$6,000.00. This is a total of \$20,000.00. There is one other job that needs to be done while the equipment is here. The large rock near Atkinson Circle that has destroyed boats over the years can be ripped out while they have the equipment here for \$800.00 and moved out into the deep water so it will not be a hazard for the boats any longer and serve as fish habitat. If this is approved, there is one contingent. All the material can go in the hole in the JNRU area if the JNRU approves. Jeff Fish will approach his board for the approval of the proposal. At the end of the job top soil will be placed over the top of the fill. It must be available to happen immediately after the first of the year, between the 1st and the 15th while the equipment is here. Dave told Brooks & Earl we cannot afford to do the work at this time. They are willing to wait until after April 15th to be paid. Dave is hoping to collect enough of the past dues to pay for this work as well as the operating loan. This would leave only Wildwood Dam in need of substantial work. The other items on the main lake are in the budget for next year. One is pouring the headwall and the other is the launch area. He is suggesting putting in a coffer dam which is simply putting a pile of dirt on each side of the repair area and pour a new headwall directly behind the old one. They are busy trying to get through the questions of 'can that be done'.

The next item is the Incorporation Study Group. The reason you haven't heard anything about it yet is because it hasn't happened yet. We needed the balance of the membership appointed at the open board meeting.

Don Riddle, Wilma Thomas, Jeff Fish and Richard Schneider were already appointed at an open meeting. The ones that need to be appointed tonight if this is going to start in January are Cadie Mathis, Andy Eder, Wendell Guerink, Mary Scroggins and Steven Hoppock, subject to his acceptance. Dave has not been able to reach him personally to talk to him and until he does he will not simply appoint him, but we can appoint him subject to his acceptance so it can start after the first of the year. There is not a lot of time before the annual meeting and the whole purpose of this is to report back to the membership at the annual meeting. Straight and simple to report back the facts involving the incorporation and the association, so the membership can study it for a time and decide what can be done based on the facts. The intent is not to say we should or should not incorporate. This is strictly a fact finding study and the purpose of it is that everybody hears the same thing at the same time and there is documentation behind everything. You will have basically two options. If you choose to stay with the association you must decide what you are going to do to redevelop your community. The other option is to incorporate. You still have to stabilize your roads and your dams and decide what to do with the swimming pool, but then several years down the road there is some additional income to help. The question is accurately 'how much'. Dave knows some things the incorporation group does not know. He knows you were not given correct numbers. He knows the county does not lose as much money as it reported publicly that they would lose. There are a lot of facts that need to be gathered in the interest of everybody so you know for yourselves. Dave said again it isn't his business as somebody from outside the community to try to tell you what you should do, only to present the facts and let you make your own decision.

There have been people asking the last few days "what's being done around here?"

ACCOUNTS RECEIVABLE: When Dave arrived a month into it he believed reasonably accurately 70% of the bills sent out last year were wrong. At this point, he would say it is between 65%-70% in reality. When the bills go out after Christmas, assuming the board sets a rate tonight, he believes they will be 90% correct. (Applause) His goal was 98% correct. He said he didn't deserve your applause. We didn't make our goal, we are still working on it and probably will not make it by the time the bills go out, but we haven't quit trying. As of today we have 237 court cases with preliminary preparation done. He hasn't filed them yet. He had to make a hard choice and he made it. He didn't want it to be a political issue and he didn't want to put the board in an extremely difficult position because some members will run for re-election and some have already taken a stand on some things. He chose to patch the pot holes before filing the court cases. The first 10 court cases to file will cost \$1,350 and the second 20 cases will cost almost \$2,700.00. That is \$4,000.00 for 30 cases. We don't see that money back for approximately 30 to 45 days. If he filed those court cases at this point, he couldn't patch any pot holes at all. That was the choice that had to be made. The court cases will be filed as soon as the new dues start coming in. He had to go back on something he said this summer filing on the highest bills and work down, but he can't do that because most of the highest bills are literally uncollectible. We can't find the people to serve the court cases on.

What he is going to do, as his decision because he has to spend the money as wisely as possible, is to file on the people with the biggest mouths about not paying and influencing others not to pay. If those people go first and they loose in court, there will be a line at the window wanting to pay their bills or at least make arrangements to pay. Adding \$135.00 in court fees to someone's bill that doesn't want to pay in the first place isn't going to get it paid any quicker in most cases. It is just going to make people more unset and more mad and more determined not to pay. He will be forced about six weeks later to garnishee pay checks or seize vehicles. He doesn't intend to do that more than about a dozen times, but that's what it takes to get peoples attention and make them pay. He said honestly he didn't have the stomach to do that to people at Christmas and he doesn't care who doesn't like it.

The fire system in the little kitchen has finally been completed and charged. Those that may use the little kitchen now have the ability to put out a fire in case that happens. There was a connection that he never been put in and the tank was empty. It had not been charged. The grease traps in the restaurant have been cleaned (long over due) the fire system should have been finished yesterday.

Approximately 40 tons of asphalt has been used to patch holes. That's enough to do one entire road of paying. We also did five bid cut outs on the roads with at least 10 left. It is a long process but it is coming. Steve said they were on Coventry Garden today putting #2 stone and #53 limestone on the surface to smooth out and compact. If the redevelopment plan is approved for the roads, those areas will be finished up and all the chip seal roads will be refinished. Those that have to have additional work will be done with chip seal. With the approval of the Street committee, a liquid will be given to clean the autos from chip seal materials and hopefully there will be those to help the elderly clean their cars.

CLUBHOUSE: Dave hired Cathi Schaible in maintenance for the clubhouse to keep it clean. He has heard complaints about hiring another person. Our maintenance crew was cleaning for about 1-2 hours a day costing us about \$45.00 per day. Cathi works at a nominal wage costing us about \$22. per day and working towards the annual cleaning. He complimented the Clubhouse Committee for helping keep the clubhouse clean. The volunteers are much appreciated for their work.

THE BUDGET: The finance committee agreed with Dave to give back to the community some of what was taken away from the committees over the years and was the glue that held the community together. Recreation committee was given a substantial amount of money to be able to restore some of the parties, horseshoe tournament, luau, etc. simply dropped out of necessity because they were considered unimportant. It isn't what Dave does, it's what you do, it is his job to enable it.

Dave addressed Andy Eder and the Incorporation Group: Last summer when Dave talked with Andy Eder and the incorporation group briefly Andy told Dave he honestly didn't think he could much but he would wait and see. He said if he thought he was accomplishing something he would give Dave a chance and get behind him if it was time to work. Dave said he appreciated Andy's remarks in the paper. He also appreciates the fact that more than a few of his people are showing up to help with things. Dave honestly said at the time that the incorporation group is simply one view of the future and the association side is simply one view of the future.

It is still one community, we're still striving for the same goals, we still all want a community that is a viable place to live, all still want a community that is better, your property values restored and a way to make this place work for everybody. Dave applauded the fact that the group has come forward in the way they have to start working in that direction. Dave fully agrees if we can't do it as the association, there are alternatives that need to be looked at. He also agrees that there are alternatives that need to be looked at in any event, because your views are not opposite. Most people in this community have not thought this through. Incorporation is not due west and the association due east. Most of what you talked about in the two groups, and he has tried to listen to both, is almost parallel. It is a different financing scheme as to how to do it and a different way to govern. Dave has been on both sides of this and he says that when it is changed the same faces are sitting at the front table, the same people are in the room at the board meetings, the committees have different names, but most of the same people are fulfilling the same functions. He strongly suspects that when the incorporation study finishes it's work you won't have oranges and apples, but golden delicious and red delicious apples. The question is "what is the difference". The point is if there is a value to doing it you all need to think about it. Dave is not the person making the decision, but you all are. Having had the privilege of doing this just under the hour, the shortest time yet, he thanked everyone and wished everyone a Merry Christmas and a very Pleasant New Year. The office, courtesy of the Board, we have a very meager, but appreciated Christmas party planned for the office staff. The board has allowed us to close at noon on Friday and return on Wednesday of next week. It will be a short Christmas vacation for us to get well because some of the office staff are sick and tired also, not of the job, but of what we have been through.

Wm Jones challenged the figures that Dave reported for taking the cases to court. Dave had to explain it all again. If there are four names on a deed, on the 1st of January he will have to name every single person at \$10. per name and let Judge Funke sort out the responsible person. Dave will give everyone a fair chance to pay. The board agreed with him that the pro rated fee for the lawyer that had to prepare the initial documents or special cost of service is included. Dave also explained again that the loan is an operating loan for \$150,000.00 of which \$100,000.00 is available as needed. The \$50,000.00 can only be used if there is a dire emergency and it would come before the board.

ARCHITECTURE:

Johnnie Vance, liaison, gave the inspector's report.

CLUBHOUSE:

Virginia Miller, liaison, reported for the clubhouse committee. The fire extinguishers have been filled and the grease pit has been cleaned again. Clubhouse rental is done through the office.

FINANCE:

Brad Rupel, liaison, reported the finance committee met twice this month. They are working on the budget and have given the board members a copy of the draft. The Board will make the ultimate decision on what will be cut.

The draft budget cannot be supported by the \$275. with the debt that we had last year, the cost of operations and the road repairs. The decision will be made by the community as to whether we want to move forward and make repairs or watch the community and the property values continue to deteriorate. At \$275. a year it will continue to deteriorate because that is our only source of income. We can't maintain the community nor improve or repair at that number. All finance can do is put numbers and the budget together. We will not approve this budget tonight, but we will have a meeting with all committees and finance on Saturday the 8th. The proposed budget is \$1,239,000.00 including the repayment of the temporary loan, plus the \$62,000.00 loan payment that was taken out by the previous board. Brad made the motion that the office bill the \$275.00 dues and assessments for this year and at the annual meeting we will discuss more at the annual meeting regarding the dedicated assessment, seconded by Bob Phillips. Motion carried. The regular monthly report, as of today we have \$16,685.00, not including the \$100,000.00 amount pledged on the loan. November dues collected was \$13,122.80, November sales \$3,779.09; December dues collected to date, \$7,501.32; and December sales \$1,711.56. On the Balance sheet for November we had approximately \$127,614.38 in cash (including the \$100,000.00 CD) Accounts receivable at the end of November was \$814,533.00. We all know there is a substantial amount we will lose from tax sales and the commissioner sales.

JUDICIAL: Ralph Sadler, liaison, reported the panel did not meet this month, due to the fact that the chairman had to be away. Only two citations were brought to the panel last month and one was a lady that moved out and went back to Missouri, so there wasn't much of a meeting. Dorothy Vaughn and Ralph Sadler signed for 46 cases to be taken to court, but they were deferred because of the road conditions.

LAKES: Clifton Ross, liaison, reported the committee agreed to let Brooks & Earl do the work on the dams. Clifton made the motion to allow Brooks & Earl to proceed with the work on the Big dam, Marina, Crestwood dam with the payment to be made after April 15th 2007 for the amount of \$21,680.00, seconded by Bob Phillips. Motion carried. Dave stated they had a job cancellation and agreed to do the work while their equipment is here.

MEMBERSHIP & ELECTION: Wm Jones, liaison, reported the committee is working on the Calendar for 2007. He reminded the committee from the floor that the membership has to be notified of the annual meeting. Dave stated a letter will be sent in with the statements regarding what will need to be voted on at the annual meeting..

RECREATION: Norma Teeple reported meeting for Ed Wright. There were approximately 100 kids at the Christmas party with \$50.00 left to put back into the general fund. Prizes were (1) Boy and Girl bicycles, (2) Boy and Girl bicycle, a teddy bear donated by Sandy Maynard, a Wagon with blocks from IRA and a rocking Chair by the Spicers. Johnnie Vance, Clifton Ross and Don Riddle assisted with serving refreshments.

SECURITY: Don Worthington, liaison, reported the committee voted to put the new car on the road. Estimates will be taken for the installation of the light bar. This will go back to the committee. Betty Hutt reminded all of the Chain of command. The committees are under the Board and the Board has the final decision. There was more confusing discussion that could not be understood. At this spot the recording tape was not audible. Sorry.

STREETS: Bob Phillips, liaison, reported the committee talked about road stabilizing and the need for a Gradeall for the roads next year. John Phelps is a new employee on maintenance.

Dave asked Jeff Fish to talk regarding the sewer system with JNRU. Their next meeting will be January 15th 6:00 P.M. Their web site is www.JNRU.org.

Johnnie Vance made the motion to adjourn, seconded by Ralph Sadler. Meeting adjourned

Wm Jones, president

Date

Virginia Miller, secretary