

MINUTES OF THE 2006 ANNUAL MEETING  
LAGO VISTA PROPERTY OWNERS' ASSOCIATION  
BOARD OF DIRECTORS

NOVEMBER 4, 2006

**Recitation of Authority**

The Twenty-seventh Annual Meeting of the Board of Directors of the Lago Vista Property Owners' Association was held at the K-Oaks Clubhouse on Bar-K Ranch Road. The purpose of this meeting was to elect two members to the Board of Directors and conduct other LVPOA business. A "notice" of this annual meeting was published in the Fall 2006 Newsletter, which was mailed to all property owners during the last week in September and is intended to satisfy the requirements of Article VI, Section 4 of LVPOA Bylaws relating to "Notice of Meeting".

Directors present were President Kurt Tessnow, Vice President Hans Schuster, Secretary Jerry Burton, Director Bill Brumley and General Manager Terry Martin. Treasurer Dave Freeman was not in attendance. All of these persons are authorized directors herein constituting a quorum for transacting business. Also present were several members of the Association.

**INVOCATION**

1. Invocation: Deacon Terry Martin gave the invocation.

**CALL TO ORDER**

2. President Kurt Tessnow welcomed the membership, introduced those at the head table and called the Annual Meeting to order at 10 AM.

**2005 ANNUAL MEETING MINUTES**

3. Secretary Jerry Burton asked for changes or corrections to the minutes of the last Annual Meeting. No changes were suggested. The motion to approve was made by Vice President Hans Schuster and seconded by Director Bill Brumley. The motion passed unanimously.

**TREASURER'S REPORT**

4. The Treasurer's Report was given by General Manager Terry Martin, in Treasurer Dave Freeman's absence. Mr. Martin indicated that it has been a good year financially and referenced the simple summary page indicating revenue of \$1,669,000 with expenses well below that. Improvements are due primarily to collections efforts for current and past years' assessments. The collection agency brought in approximately 30% more than last year's efforts. In addition, there has been a concerted effort by POA staff to notify members that we are serious about

collecting fees. Of particular note was a gentleman who had never paid fees in the 25 years he has owned property. Due to staff efforts, he paid all fees owed, both past and present, in one day. Also, late fees were raised from \$10 per year to \$25 per quarter. Another area of improvement was a decision to change the existing policy of having all members pay for collection efforts, to implementing a new policy of having the collection fees paid by the delinquent member. Mailing quarterly postcard reminders has also been successful. On the expense side, the Operating Expenses for 2005 and 2006 appear to be close to the same. Mr. Martin noted that there was an unexpected \$62,000 drought expense, as well as a \$10,000 expected increase in energy expenses. Yet, even with the increases, we have basically kept pace with 2005. Another area of interest is debt reduction - for the tractor, the marina, and the K-Oaks building. In 2005, a debt reduction of \$100K was planned although it was not put into the budget. The belief was that funds would go slightly below the reserve that the Board has decided to maintain. In 2007 and 2008, the plan is to continue towards debt reduction. Capital Expenses are somewhat the same, but we took the opportunity to do some additional improvements based on increased revenues. We started the year with \$395K in our cash account; we project that we will start 2007 with \$446K.

### **GENERAL MANAGER'S REPORT**

5. General Manager Terry Martin reported on the following:
  - a. Marina Improvements/Move:** Spent about \$80K on marina relocation. The monies were used for surveying the bottom of the cove (there are 3 marinas now compared to one last year), placed permanent anchors, installed metal anchor tags showing which anchors belongs to which wench for 3 different positions (flood, normal, low) which reduces dive time significantly. We also moved the marina to it's low water location.
  - b. Basketball Court:** Refurbished and lighted court early in the year. The lights lasted about 7 days before being vandalized and they have not been replaced. The lights are very expensive and we do not have the ability to monitor the area at this time.
  - c. Retaining Wall Campground:** Part of the campground wall had deteriorated and it was replaced.
  - d. Asphalt & Speed Bumps:** Speed bumps were created and traffic flow redesigned in Marina View Park.
  - e. Card Readers:** Card readers are now available at all facilities, except the swimming pool and the office. This project was paid for by the elimination of a facility attendant, whose duties have been largely replaced by park rangers. Mr. Rick Hanley will address access to facilities for clubs/group usage.
  - f. Soccer Field Pump:** Replaced the five year old lake pump that supplies water for irrigating the soccer fields.
  - g. Courtesy Dock Relocation:** When we lost access to the ramp at Bar-K, the courtesy dock was moved to the Emerald location. There has been a lot of positive feedback from boaters so we plan to leave the dock at Emerald and replace it at Bar-K with a new one.

**h. Events:** (4<sup>th</sup>, TBR, HCD, Players, Singers) The POA continues to support community events, many held annually, and open up our facilities for the public's enjoyment.

**i. Delinquent Accounts:** Looking forward to 2007, we have found approximately \$200K in the area of delinquent accounts. It may not be as easy to collect as our last endeavor, but there are still opportunities in that area. We will continue to work to collect from these accounts.

**j. Security:** In response to requests for more security, this BOD has set aside budget for up to four park rangers during our heaviest usage periods.

**k. Low Water Ramps:** The possibility of putting in a low water ramp is under discussion. The general consensus is that the lake would need to drop about 4 more feet to make this project feasible.

**l. Original Marina Security System:** By changing the entrance at Marina View Park to a location that requires members to use the gate into Marina Park we were able to provide security to Marina View Park and reduce the number of non-members using that park.

**m. New Park Signs:** In relation to a need for new park signs, we researched the price of commercially designed wooden signs. Due to the expense, Gregg Evans and his team volunteered to handle this project in-house. So far, most of the signs have been replaced at a considerable savings.

A variety of other items were noted by Mr. Martin: 1) The Long Range Planning Committee is currently underway and their report is due in July. 2) The Association now has the capability to accept credit cards for payment. 3) The swimming pool was closed earlier this year due to improvements needed to bring it up to current requirements; those improvements are expected to cost from \$25,000-32,000 based on the bids we have received. A new pool would cost about \$85,000 in the same footprint. The BOD will soon be making a decision on the pool.

**Member question:** Please advise us of your progress made on the bid process for insurance. **Mr. Martin responded** that the POA was able to realize a savings of \$40,000 by changing companies. It was also discovered that we may have been overcharged in the past. Staff is currently in the process of pursuing the possibility of monies being owed to us, and working with the Board of Insurance.

**Member question:** Why not go ahead and build low water ramp immediately?

**Mr. Martin responded:** The ramp at Emerald is still operational, but admittedly, not easy to use. In general, we try to operate along the guidelines of the LCRA who have ramps available until the lake reaches 645 feet. The BOD has looked closely at putting in a low water ramp, and already received a cost estimate as well as identifying possible locations. Based on cost, the BOD decision was to wait until the water reaches 640 so that the ramp could be made significant enough to sustain more than just 6-8 additional feet; the contractors are ready to go as soon as we give the approval. **Mr. Hans Schuster** added that even if the ramp were installed now, it couldn't be used. You would have to go an additional 5 feet into the water and the methods to install it are cost prohibitive at this time. **Mr. Martin** also noted that extending the current ramps will not be helpful as there is a big drop-off. The

newly identified locations will be the best way to go when it is determined time to move ahead in preparation for the next drought conditions. He also agreed with member that the time to prepare for future drought conditions is now.

### **2006 NOMINATING COMMITTEE & CANDIDATES**

6. Director Bill Brumley announced that he chaired the 2006 nominating committee and introduced the other members as follows: Kathy Hunt, Doris Sadok, Ken Shoddy, Ernie Green & Doug Parnell. There were seven candidates who agreed to run for the two seats that were being vacated by Hans Schuster and Jerry Burton. Those people were: Pat Albus, Eddie Epley, Doug Brown, Don Zschoche, Gary Gates, Richard "Hoot" Gibson, and Ginger Halsted. During the course of the summer, for various reasons, the following people later declined the opportunity to serve: Pat Albus, Eddie Epley, Doug Brown, and in September, Mr. Zschoche. The three remaining candidates, of which two will be elected, are Gary Gates, Richard "Hoot" Gibson, and Ginger Halsted.
7. Director Brumley continued with the announcement that for 2007, he will again be the chairman of the nominating committee. Four people who have agreed to serve on that committee are: Pat Albus and Eddie Epley who were candidates, also Joan Scherz, and Phil Wilson. There will be two people selected in 2007 to replace President Kurt Tessnow, and Director Brumley.

### **OTHER BUSINESS**

8. President Tessnow spoke about the Long Range Planning Committee who was commissioned a few months ago and will be making recommendations to the BOD for the future of the POA for the period mid-2007 to mid-2012, with an extended look into the next 20 years until 2027. That committee consists of Chairman Dale Mitchell, Rebecca Bartkowski, Katie Evans, Brandon Jennings, Steve Outlaw, Roy Reinartz, Ken Schodde, Annette Stokes, and Virgil Wildey.

Also noted were two members of the BOD who were meeting for the last time: Secretary Jerry Burton who has served for six years in every capacity and even took over as General Manager, on short notice, for about a month. Major accomplishments during Jerry's term were: expansion of the Fitness Center, installation of new flooring in the Fitness Center and part of the Activity Center, improvements in K-Oaks parking lot and lighting, construction of the Skate Park at Bar-K, beginning the construction of the Hike and Bike Trail between K-Oaks and Bar-K, purchase of a new backhoe for the Parks Department, survey of the Arrowhead Park boundary to determine extent of encroachment by adjacent property owners, LCRA approval and construction of the new marina, and installation of sturdier entrance/exit gates at Marina Park. Jerry was recognized as a very valuable member of this BOD and his service has been appreciated. BOD member Hans Schuster has been a hard-working and dedicated member of the BOD for the past three years. He served in multiple capacities and was the LCRA's

primary contact during the final approval process and the construction of the new marina, dealing with the contractor and ensuring that the plans were properly designed and executed, he remained deeply involved during construction which took place while the lake was at flood stage which was a difficult task, he was also extremely active in determining the financial health of our organization at a time when our accounting records were in poor shape due to untrained and inexperienced personnel. Hans and Office Manager, Angie Mendez, spent many hours recovering and reclassifying data as well as ensuring that our accounts payable and accounts receivable were reconciled. He further served on the Financial Planning Committee with Dave Freeman, Terry Martin and Angie Mendez to map out the financial future of this organization for the next few years. As a result of this effort, as has been mentioned, there have been significant increases in the amount of collections and reduced operating expenses. They also developed five-year cash flow projections which will be used by the BOD in making decisions. The work that Hans has contributed to this organization has been extremely valuable. Hans was recognized for his service. At this time, Director Brumley offered a few words about the two gentlemen being very intelligent and hard-working individuals, Jerry being considered the “historian” who could see into the future and Hans for his brilliance and his capacity to work “outside the box”. They will be missed immensely.

**Member Rollin Siefken made the following comments:** Mr. Siefken noted that he is “amazed” at the improvement in Finances since June. He also commends the work on the marina and wants to see the low water ramps seriously considered. He then inquired as to the balloting process for the current election. Mr. Martin and Ms. Angie Mendez described the procedures used by office personnel when accepting ballots from members and the security of the ballots.

**Member Ronald Hutchison had two concerns:** Mr. Hutchinson reiterated other’s comments that building a low water ramp is a priority; he cited access to the lake as the primary reason for living in this community. He also posed a question for the Long Range Planning Committee regarding setting up a reserve fund for replacement of facilities. **Mr. Dale Mitchell of the LRPC responded** that they are looking at establishing a “depreciation reserve fund”, i.e. utilizing something other than the current income. Although they have not yet looked at the financial reports, this topic has come up in discussion and will be addressed.

With no other members waiting to speak, Mr. Tessnow reminded everyone that the ballot box will be open and available until noon, at which time it will be closed. Ballot counting will begin immediately thereafter. The results will be posted at the POA office and on the website.

Mr. Tessnow announced the next yearly meeting will be on November 3, 2007 at 10:00 a.m. in the K-Oaks Clubhouse.

## **ADJOURNMENT**

There being no further business to discuss, Director Bill Brumley made a motion to adjourn and it was seconded by Vice President Hans Schuster.

---

Richard Gibson, Secretary  
Lago Vista Property Owners' Association