



The Lake of the Oaks

Property Owners Association

#1 Apache Trail

Canton MO 63435

www.lakeoftheoaks.net

November, 2014 Newsletter

Fall has arrived at the Lake full-force! Most of the trees have shed their leaves, sounds of leaf blowers and mulching mowers echo across the water, sweatshirts are normal daytime wear...and the smell and laughter from bonfires and wiener roasts fill the weekend nights. Autumn – one of the best seasons of the year at the Lake!

For those of you who attended the April, 2014 Annual Meeting of the Association, you will recall the extended discussion about the financial condition of the Association. Projected expenses for 2014 were expected to exceed revenues for the year. Options consisted of cutting expenditures, increasing revenue or making up the difference from our Spillway/Bridge Replacement savings account.

Expenses have significantly exceeded our income. The Board has studied possible cuts and enacted measures to do what they can to hold down expenses; we feel that we have operated on a “bare-bones” budget that provided for only essential services. Nevertheless, our operating expenses will surpass our 2014 dues income by approximately \$7000.

After struggling with this for several months, a Dues Committee was established by President Mark Bigelow to come up with a revision to the Covenants and By-laws so as to allow an increase in the annual assessment levy. The attached sheets explain and explore what is being proposed to generate greater revenue starting in 2016 (the earliest we could assess using revised levy amounts if they are approved).

A nice crowd enjoyed great chili, soup, sandwiches and fellowship at last week's **Chili Fest**. Thanks to Dave & Jae Powell and their crew of volunteers who planned, purchased food, made the chili & soups, set up and cleaned up afterwards. Our Lake social events just don't “happen”. Malinda Poulter and many helping hands make it possible for us to enjoy food and friends together on the 4th of July, Labor Day and the Chili Fest. **Thank you volunteers!**

Upcoming social event: For those who would like to “ring out” 2014 and possibly stay up to “ring in” 2015....feel free to stop by the clubhouse on **New Year's Eve** (7 PM till ???) to spend time with friends & fellow property owners playing cards, board games & socializing. No meal....just bring a snack to share and your own beverages.

Speaking of our Lake Social Events: **Please save your aluminum cans and Iowa returnable glass beverage containers.** The Poulters have a collection bin in front of their home (203 Lake Shore) and will turn your cans and Iowa returnables into cash that helps fund our social events at the Lake. Don't toss your aluminum cans into our dumpsters; drop them off in the collection bin – you'll be helping the environment as well as our Social Fund!

Building permits are required for construction or relocation of any structure (cabins, outbuilding/storage buildings, garages) as well as docks. **Additionally, whenever an existing structure or dock is being modified in size or expanded (including the addition of decks or porches), a permit is required.** Plan ahead ... autumn & winter are great times to start the planning process for next spring!

The Association's Building Committee consists of:

Bill Weckbach (217-885-3335), **Carson Noble** (660-341-2677) & **Bill Davis** (573-288-0324)

Contact any of these volunteers to discuss preliminary plans...or to submit drawings and permit information.

Remember to visit our website regularly for news documents & information about the Lake of the Oaks. Encourage your friends, family and prospective property owners to "drop in" for a visit, too, at www.lakeoftheoaks.net!

Property Owner News...since our last newsletter

In late August, a longtime resident of the Lake community, **Barb Taylor**, died after a lengthy illness. Barb and husband **Ron** have resided on the west side of the lake at 339 West Arapaho since the late 1990s. Barb's quiet smile and gentle disposition will be remembered and missed! Our sympathy is extended to Ron on his loss.

Farewell to **Elizabeth & Bob Schieffer**, longtime owners of the cabin at 311 Cache Ave. The Schieffers recently sold their property to **Greg & Evelena Sutterfield**, who have owned lots west of the baseball backstop area for several yrs.

Welcome to **Steve and Debbie Kennedy** who recently became the owners of the cabin at 360 Tomahawk Drive after purchasing it from the Bill Watters estate. Be sure to welcome the Kennedys when you see them at the Lake!

The long-running **Wednesday Bible Study** group continues to meet weekly at 1:00 PM at the clubhouse. Join them! Pete Henson would be glad to answer any questions you have about this activity! (573-288-5837)

Karen Semrow is interested in starting a **Women's Bible Study** group at the Lake. If you would be interested in being part of such a group or have questions, please contact Karen at 573-629-9009.

Friday afternoon card games at the clubhouse start at 1:00 PM and run until about 3:00 PM. All are cordially invited to stop in and see what game is being played and to try your luck...or just stop by to chat for awhile!

Runaway boats....Again!

The seven inch rainfall at the Lake several weeks ago produced yet another pair of run-away boats! Please be sure that your pedal boats, fishing boats, canoes and kayaks are all **TIED** up...just dragging them up onto the bank is not good enough; they need to be **firmly secured** so that they don't get blown or washed into the lake! Run-away boats are a great deal of work for volunteers who have to deal with themand a great danger to the dam and spillway.

Rescued after being swamped at the back of the east-side cove: An older, dark green & blue pedal boat (at one time this boat was rigged up to attach a trolling motor to it). This boat has been hauled to the area behind the dumpsters.

Pulled from the dam/spillway: A Khyan Craft green painted aluminum john boat with two fold-down padded seats. This boat has been pulled up onto the dam by the boat docks.

Still unclaimed: A PlayMate light blue pedal boat with a trolling motor. This boat was rescued from the spillway after one of our many heavy July downpours and taken to the shed behind the dumpsters. It remains there unclaimed!

Please retrieve your boats and secure them on your property with adequate roping! If any of these three boats are not claimed and removed by the first of December, they will be disposed of!

Thank you to the many property owners who contentiously help us out by not putting large burnable cardboard boxes, bulky carpet pieces & fabric items, and burnable wooden items into our dumpsters but on the burn pile, instead. Your efforts help us keep our dumpsters available for garbage, food wastes and smaller items.

Please continue to help us out by being sure that you **don't put small, easily blown away-paper items on the burn pile**. With the leaves on the ground in abundance right now in particular, small paper items tend to blow easily once we set the pile on fire...and blowing burning paper can lead to a real safety problem! Thanks for your help!

The Lake of the Oaks: Building....Growing...Going Strong!

This section of the Newsletter is being devoted to the proposed amendment to the current Covenants and By-Laws.

Our Covenants (officially called the Covenants, Conditions, Easements and Restrictions) were adopted in February, 2010. They are legally attached to all land within the Lake of the Oaks and, as the title implies, detail the conditions, easements and restrictions that are placed upon land (i.e. platted lots) contained within the subdivision/ development.

The By-Laws, also adopted in 2010, are the rules that regulate the Lake of the Oaks Property Owners Association Corporation. The Association has been a Missouri not-for-profit corporation since 1985. Having By-laws and adhering to them is a requirement of the State of Missouri for all such corporations to continue to exist as legal entities.

As that both documents address the topic of annual assessments on property owners to generate funds for accomplishing the purposes of the Association, both documents must be amended at the same time in order to bring about any changes.

The Board of Directors recognizes and hopes that all property owners understand that a great deal of volunteer work goes in to helping keep the Lake of the Oaks an attractive, functional place. However, beyond our volunteer help we need to cover expenses that must be paid to provide essential services to our property owners and to the development, as a whole. Per our Covenants and By-Laws those funds come from a uniformly applied annual assessment on property owners.

Our Covenants and By-Laws also stipulate:

1. Assessments/dues amounts must be announced to the membership at the Annual Meeting of the Association the year prior to them being applied...
2. Dues assessment amounts may not be raised beyond what is allowed in the documents.
3. Both documents may be amended in part or in whole by a 2/3 approval of the ballots cast by property owners whose voting rights have not been suspended.

The Board of Directors is seeking the approval of a proposed amendment to the Covenants and to the By-Laws by the property owners. Please read and study the following pages carefully. It is our intention to clearly lay out the financial situation of the Association and to be sure that each property owner fully understands the reasoning behind the proposed amendments. To that end, if any property owner has any questions about this issue, please **feel free to contact any of the following Board members or Dues Committee members** and they will do their best to provide you with answers to your questions. Additionally, there will be an **informational meeting on SUNDAY, DECEMBER 9th at 1:00 PM** at the clubhouse for anyone who would like to personally sit down with representatives of the Board and Dues Committee to ask questions that you might have about this proposal.

Mark Bigelow, President & Dues Committee Member (217-242-9031)

Beth Davis, Vice-President (573-288-0324)

Kent Stevenson, Secretary & Dues Committee Member (217-242-8652)

Bob Bergman, Treasurer & Dues Committee Member (217-257-9982)

Bill Weckbach, Board Member (217-885-3335)

Gary Hetzel, Board Member (573-288-3051)

Our seventh Board Member, Doug Ammer, continues to be hospitalized with a serious illness; we wish him a continued and successful recovery and look forward to his return to the Lake of the Oaks!

Donn and Betty Jones, Dues Committee Members (515-777-6282)

Tom Hornstein, Dues Committee Member (309-642-9297)

Official ballots will be mailed to all eligible voting members on or about DECEMBER 7th, 2014 and must be returned (postmarked) no later than DECEMBER 19th, 2014

Current

Covenants, Conditions, Easements & Restrictions:

Section 11.D.a - "Power of Association to Levy and Collect Fees and Charges, and Impose Liens" (page 14):

"The Association shall have the power to levy a uniform annual fee upon each property owner or owners thereof in the amount of **not less than One Hundred Fifty Dollars (\$150.00) nor more than Two Hundred Dollars (\$200.00)**. In addition each property owner or owners shall be assessed a fee of **Twenty Dollars (\$20.00) for each lot owned**. Those owned contiguous lots used as sites for a single dwelling will be considered as separate lots for fees calculations. Such Assessment shall be announced by the Board during the Annual Meeting prior to the assessment year. Such assessments will be made by the Board of Directors of the Association acting in accordance with the By-laws of the Association, as determined necessary to accomplish the purposes of the Association. The Association has no authority to increase the dues greater than the limits set forth above or to levy a special assessment except by two-thirds (2/3) majority vote of the total ballots cast by owners whose membership privileges have not been suspended. No such charge shall ever be levied upon platted lots owned or controlled, legally or equitably, by the Association itself, or any corporation that may be created to acquire title to and operate utilities serving the Development."

Current

By-Laws of The Lake of the Oaks Property Owners Association Corporation:

Article V "Annual Fee"- Section 1 (page 6-7):

"The Board of Directors shall annually levy a uniform fee upon each property owner or owners thereof in the amount of **not less than One Hundred Fifty Dollars (\$150.00) nor more than Two Hundred Dollars (\$200.00)**. Such assessment shall be determined during the Annual Meeting prior to the assessment year. In Addition, each property owner or owners shall be assessed a fee of **Twenty Dollars (\$20.00) for each lot owned**. Contiguous lots used as sites for a single dwelling will be considered as separate lots for fees calculations. Such Assessment shall be determined on or before April 1 of each calendar year beginning with the year 2010; shall be based on the amount determined by the Board of Directors to be necessary to accomplish the purposes of the Association; and shall be subject to the limitations contained in the Declaration of Covenants, Conditions, Easements and Restrictions recorded by the Lake of the Oaks Property Owners Association, Inc. The Association may increase the dues or levy special assessments by a 2/3 majority vote of the total ballots cast by owners whose voting privileges have not been suspended."

PROPOSED AMENDMENT

to the **Covenants, Conditions, Easements & Restrictions:** Section 11.D.a
and to the **By-Laws of the Lake of the Oaks Property Owners Association Corporation:** Article V, Section 1:

(The same wording, the same proposed amendment for **both** documents)

The Association through its Board of Directors shall have the power to levy a uniform annual fee upon each property owner or owners thereof in the amount of **Two Hundred-seventy-five dollars (\$275)**. In addition each property owner or owners shall be assessed a fee of **Thirty Dollars (\$30) for each lot owned**. Contiguous lots used as sites for a single dwelling will be considered as separate lots for fee calculations. These levy amounts may be applied beginning with the 2016 assessments; **thereafter, the levy may be increased** by the Board of Directors, based on their determination of the amount needed to accomplish the purposes of the Association, **but never in an amount greater than 10 percent (10%) of the previous year's levy**. Such assessments shall be announced by the Board during the Annual Meeting of the membership prior to the assessment year and shall be subject to the any and all limitations and conditions as contained in the **Covenants, Conditions, Easements & Restrictions** and the **By-Laws of the Lake of the Oaks Property Owners Association Corporation**. The Association has no authority to increase the dues greater than the limits set forth above or to levy a special assessment except by a two-thirds (2/3) majority vote of the total ballots cast by owners whose membership privileges have not been suspended. No such charge shall ever be levied upon platted lots owned or controlled, legally or equitably, by the Association itself."

Questions & Concerns That Might Be Asked About This Amendment Proposal

Why is this proposed amendment being raised now?

The Board has been concerned about the shortfall between dues income and expenditures for the last several years or so. At the 2014 Annual Meeting we shared with members our concern about the growing discrepancy. Page six of this newsletter shows financial information from the past four years....and how our expenses have grown.

What have/can the membership do to help the financial situation?

Our property owners have been fantastic along these lines. 90% + of our members pay their assessments promptly by the April 1 due date. The few owners who owe us dues are reminded, reminded and reminded. In several cases we have attempted legal resolution but that is a very expensive and time consuming. The Board has made great progress in addressing late or non-payers and we will continue to be as aggressive as we fiscally can be.

Many of our property owners made a substantial "step up to the plate" this past year by financially supporting the "Beach Renovation" project. This was a totally voluntary effort to help revitalize and refresh our beach area ...when we knew that the Association budget wouldn't/couldn't allow for it. What a successful voluntary effort!!!

Why is the Board seeking increased assessments if the Association has a savings account?

Our Association does have a Spillway/Bridge Replacement Savings Account. We have been trying for the past 3-4 years (after the initial expenses of building the clubhouse and the tractor building) to reserve any revenues from the sale of lots specifically in this savings account. A 2006 engineer's study of our spillway and bridge made it very obvious that sometime in the near future, major replacement work was going to have to be undertaken on the aging facility. At the time of the report nothing specific was recommended but the estimates for the 4 or 5 options listed ranged from \$30,000 for a partial fix to \$150,000+ for a major replacement.

As that our Association/Board cannot, per **Covenants** and **By-Laws**, borrow money, we have to be planning and looking ahead to when we will have to address the problem head-on. We would strongly encourage all property owners to stop and take a careful look at the spillway area. You don't need to be a certified engineer to see the effects of fifty years of wear and tear! Several years ago the Board expended several thousand dollars for a "temporary fix" by having a company force concrete into the many hollow recesses that had formed under the spillway. We hope that such a move will gain us a number of additional years before we reach the point that we have to replace the spillway in its entirety (as well as the bridge – which the engineering study recommended that we post with a three-ton load limit). We need to continue to grow a reserve/savings account because we know that this major replacement project is coming in the not-so-distant future.

Why is there no "maximum cap" on the amount of assessments in the proposal?

The simple answer is that as you look back at the history of the Association, dues have had to be raised every three-four years to match operating needs. Since incorporated in 1985 (29 years ago) dues have been raised some 10 times. Having to go through the process of amending the **Covenants** and **By-Laws** each time we need to generate more funds is a very time-consuming effort (as well as entailing expense for photocopying, postage, courthouse filing fees, etc.). We have specifically written in a 10 percent "cap" for each year....and hope and trust that all Boards of Directors in the future will continue to use good judgment when setting assessment fees for the next year. Having good people step up and agree to run for the Board is the best assurance of good stewardship and good judgment in Association business.

If approved by the membership when will the increased assessments take effect?

Per the **Covenants** and the **By-Laws**, the earliest the amendments could be applied is for assessments due for the 2016 fiscal year. Assessments amounts must be announced at the Annual Meeting of the Association's members the year before they are assessed.

Lake of the Oaks Property Owners Association

Expenditure History (rounded figures)

	2010 Spent	2011 Spent	2012 Spent	2013 Spent	2014 Projected	2015 Projected
Business Expenses						
Insurance	\$5863	\$5740	\$5741	\$5927	\$5240	
Real estate property taxes	\$2713	\$3137	\$3028	\$2829	\$3000	
Office/business expenses	\$1616	\$804	\$375	\$1161	\$700	
Tax preparation	\$265	\$300	\$300	\$300	\$300	
Fire district dues	\$40	\$40	\$40	\$40	\$40	
Member Services						
Air Evac insurance	\$1210	\$1210	\$1725	\$1625	\$1625	
Port-a-potties	\$765	\$425	\$340	\$340	\$340	
Social activities	\$818	\$785	\$250	-----	-----	
Trash/dumpsters	\$5736	\$4555	\$5005	\$6636	\$7500	
Clubhouse Operations						
Clubhouse electric	\$661	\$676	\$710	\$823	\$875	
Clubhouse water	\$195	\$221	\$205	\$192	\$200	
Road & Property Upkeep						
Road upkeep	\$4509	\$2004	\$3345	\$4222	\$5757	
Tractor supplies/upkeep	-----	\$4102	\$950	\$1747	\$3600	
Mowing	\$3500	\$4100	\$4100	\$4100	\$4300	
Snow removal	\$1870	\$2124	\$0	\$533	\$775	
Security lights (4)	\$384	\$397	\$420	\$427	\$450	
Lake expenses	\$40	\$90	\$810	\$ 45	\$270	
Other/miscellaneous	\$00	\$20	\$21	\$199	\$200	
<u>Ordinary Operating Total</u>	\$30,185	\$30,730	\$27,365	\$32,271	\$36,294	\$36,500
Total dues <u>assessed</u>	\$26,350	\$26,030	\$32,920	\$31,580	\$31,140	\$31,080
Dues <u>collected</u> (current yr.)	\$25,030	\$25,190	\$31,080	\$29,925	\$29,460	
Percentage collected	94.9 %	96.7%	94.4%	94.7%	94.6%	
Past-years dues collected during this year	\$ 900	\$ 700	\$ 2,590	\$ 720	\$ 515	
# of Property Owners:	133	131	130	123	121	120
# of lots privately owned:	320	324	333	335	347	354