

**Lake Thunderbird Association
Board Meeting Minutes
August 17, 2024**

Minutes of the Board of Directors Meeting of the Lake Thunderbird Association, Putnam, IL, held at the Clubhouse at 2 Lake Thunderbird Drive, Putnam, IL at 9:00 a.m. on the 17th day of August, 2024.

Pledge of Allegiance/Call to Order:

The meeting was called to order at 9:00 a.m.

Roll Call/Establishment of Quorum:

Board Members present - Bob Bittner, President; Diana Hale, Secretary (via teleconference); Mary Crook, Director; Donna Naborowski, Director; Eva Falzone, Director; Chris Pope, Treasurer; and, Paul Byrd, Vice President. A quorum was established.

Approval of Agenda:

Paul Byrd moved to approve the agenda, seconded by Chris Pope. A voice vote was taken. All ayes, motion carried.

Comments by Members regarding Agenda Items:

1. Karen LaConte (Timberlane Dr) – Addressing rumors of being paid for decorating clubhouse board, discussion of daycare business ran out of home and threat by Member of being turned in to the State.
2. Drew Schlumpf (Wheeler Ct) – Requested more dialogue around potential short-term rentals prior to voting on rule change.
3. Catey Schlumpf (Wheeler Ct) – Read letters from two other Members on Wheeler Court regarding short-term rentals.

Approval of Meeting Minutes as Outlined Below:

Regular Meeting July 20, 2024.

Closed Session Meeting July 20, 2024.

Paul Byrd moved to approve the Regular Meeting minutes of July 20, 2024 and Closed Session Meeting minutes of July 20, 2024, seconded by Eva Falzone. A voice vote was taken. All ayes, motion carried.

Correspondence by Secretary - Diana Hale: Emails received from Ralph Gicla and Sue Spear.

Financial Report as of July 31, 2024:

Profit & Loss Statement

LTA continues to collect assessments as well as past due amounts from previous years for total revenues of \$76,073. Expenses were \$105,759 for an operating loss of \$29,686, as expected. Year to date (“YTD”) revenue is \$1,239,551 or 89.2% of budget. YTD expenses are \$604,284 or 53.2% of budget. YTD capital expenditures total \$248,915. Overages were voted and approved by the Board in previous meetings for the clubhouse improvement project, which will be repaid in future years. YTD net profit totals \$386,351, which will be closer to zero by end of year.

Cash & Investments

Operating funds total \$773,809. Investments approved in July were executed in early August; therefore, July balances do not reflect investment of those funds in various CDs and money market accounts.

Reserve funds total \$433,196 and do not reflect \$150,000 transferred in early August. Hometown National Bank MM noted is 1.75%. Committee funds total \$21,681. All accounts total \$1,228,687.

Paul Byrd moved to approve the financial report for July 31, 2024, seconded by Mary Crook. A roll call vote was taken. All ayes, motion carried.

Monthly Bills

Bank debits total \$14,550.97, the largest amount is Ameren for \$7,503.11, as expected for this time of year. Items to be paid total \$30,387.52, largest items are attorney fees and various reimbursements to Lake Manager Russ Hawkins. General Administrative Account expenses total \$2,766.05. Payments not previously approved are various Corn Boil expenses totaling \$5,285.61. Total Bills are \$52,990.15.

Eva Falzone moved to approve the monthly bills in the amount of \$52,990.15, seconded by Paul Byrd. A roll call vote was taken. All ayes, motion carried.

Other Financial Updates

The audit is underway, all documents have been delivered to the auditors and a teleconference held last Monday regarding the scope. It may take 1-2 months to complete the work for the regular audit due to staffing shortages. The LTA Accountant continues to improve financial controls, including daily cash deposits, and has provided insights to the auditors as part of the fraud audit. The full fraud audit fee was quoted as \$30,000. To reduce the cost, the auditors recommended that the LTA Accountant continue digging and reporting her findings.

President's Report:

An ad hoc commission will be formed to review Membership concerns regarding short-term rentals or SROs (Service-Related Occupancy) and establish a list of pros/cons for Board consideration. A sign-up sheet has been created, located on the bar and will be available in the office. A chairman will be selected from that list who will choose three members in favor of and three members opposed to SROs.

Lake Manager's Report:

Paul Byrd read the report from Lake Manager Russ Hawkins (absent). Russ addressed the recent IDPH beach watch report regarding bacteria levels in the lake, provided a timeline of events including following recommendations from IDPH and apologized for not issuing an advisory on the beach status as well as not reporting the issue to the board. Two consecutive successful lake water tests have since been received. New procedures have been implemented for future transparency, reporting and testing.

Russ recently attended the quarterly Illinois Association of Lake Communities meeting. Illinois Legislature is working on an addendum to CICA requiring a Reserve Study either every five or seven years. LTA has the lowest assessments of many lake communities, by far when factoring in water as a separate charge in other lake communities. Many lake communities are having assessment increases averaging 15%.

The following Q&A was provided, as raised by a Member: 1) How many FT/PT employees in maintenance? 4; 2) How many will we keep in winter? *Until the budget is approved, there is no definitive staffing numbers available. The first people notified will be the employees;* 3) Are any benefits given to part-time employees? *We are still working on benefits and much improvement is under evaluation. What are you viewing as benefits?;* 4) Who is on the financial commission? *The financial commission is new to the LTA and has had only a few meetings, with recently naming a chairperson. I will leave it to her if she chooses to announce members;* 5) Is any notice given to general membership of meetings? *Agendas are*

posted 48 hours in advance on the clubhouse doors; 6) Besides IRS payments, did any other obligations go unpaid? *The information is still being investigated and not complete;* 7) Please give me years of occurrence? *This has been communicated in previous BOD meetings and minutes;* and, 8) What was the total not paid over the years in IRS payments? Total of fines paid? *Taxes have been paid as well as interest and fees of \$8587.07.*

Facilities' Report: None

Advisory Commission Reports:

A. Amenities and Events (Chris Pope): Venetian Night is August 31, at 6:30pm decorated boats will leave from dam area. Wine & Cheese Tasting is October 5, tickets available in the office. Trunk or Treat is October 19. Craft Fair is November 2.

B. Architectural Control (Paul Byrd/Bob Bittner liaison): Two meetings held, re-roofs and routine situations only.

C. Campground (Steve Glynn/Eva Falzone, Liaison): Thank you all who supported the Corn Boil and raffles. Thank you to the Corn Boil volunteers. Sunday (September 1) of Labor Day weekend is campground party with hamburgers, hot dogs, ice cream social, bags tournament, kids' games and raffles. Decorate trunks in clubhouse circle for Trunk or Treat, Halloween party afterward with free hot dogs.

D. Capital Improvement (Paul Byrd/Chris Pope, Liaison): Recommendation to budget between \$105,000 - \$140,000 to finish upgrades to clubhouse (bathrooms and primarily the electrical), timing on completion of this work will be decided by the Board.

E. Conservation (Steve Glynn/Bob Bittner, Liaison): Thanks to everyone at the Corn Boil. Broke even with beer sales, 50/50 brought in \$395 and donations given of \$228. Discussed recommendations for fall/spring fish stocking, 2025 fish survey and shad shocking for 2025.

F. Deer Management Program (Rick Steele): Related item to be discussed under Unfinished Business.

G. Earth Day (Ann Annen/Diana Hale, Liaison): Water Safety provided a generous donation. Thanks to Linda and Andrew Martin for helping to water through August.

H. Finance (Linda Brauer, Chris Pope liaison): Members include Denise Sattler and Chris Pope. Recommend 12.92% fee increase for 2025. Without results of the audit, difficult to make spending decisions, recommend freezing unbudgeted capital spending pending audit results. Focus on water usage (e.g. look at cost-benefit analysis of metering), policies and procedures of office staff money handling, investments, disbursements and bill payments. Create policy for use and management of reserve funds, recommend only using for emergencies until the audit is complete. Next meeting is September 9 at 5pm.

I. Human Resources (Donna Naborowski): None

J. Newsletter (Russ Hawkins): None

K. Rules (Mary Crook): Had three meetings, talked about rentals, edits recommended to recently approved rules around beekeeping, curb appeal and vandalism to common property and DMP rules related to Good Standing.

L. Security (Tom Pope/TBD, Liaison): None

M. Technology (Paul Byrd): None

N. Tree Huggers (Rob Hickox/Diana Hale, Liaison): Mary Dappen stated that cicadas have damaged at least 50% of young tree branches.

O. Water Safety (Bob Bittner): None

Unfinished Business:

- A. Discuss revising the DMP Rules to eliminate the phrase “Good Standing” under the LTA Deer “Archery” Hunting Rules section Eligibility and Qualifications items 1, 3, and 4. For years, DMP has been sending a list of potential hunters to the office to confirm Good Standing (i.e. all fees paid). That status is privileged information and should be available only to office staff and the Board. This has been reviewed by the Rules Commission and discussed with the DMP Commission Chairman. *Mary Crook moved to approve removing the words “Good Standing” from the DMP Rules, seconded by Paul Byrd. A voice vote was taken. All ayes, motion carried.*
- B. Discuss the second draft of the 2025 Budget. Budget must be approved in September to allow for mailing to Membership prior to the Annual Meeting in November. Treasurer Chris Pope discussed the draft 2025 budget. Aggregate maintenance, water and membership fees will increase by 12.4%. Other fees that did not increase in 2024 (e.g. boat slips, campsites) will increase up to 20%. Total revenue is budgeted to increase 12.9% over 2024. Budgeted salaries and wages have increased only 4.5% since 2023. As this is the largest expense item, the Lake Manager has taken into consideration full time positions as well as seasonal positions that were not included for 2024 with the proposal further reviewed by the Wage and Salary Commission. Contract Services now includes wages for the accountant (a new position) and cleaning services (previously completed by an LTA employee). General Expenses include Commission fees, ChairTree printing, postage, events, payroll service, etc. Total expenses are budgeted to increase 13.3% over 2024. Capital Expenditures are still being reviewed, including reconciliations of what was paid in 2023 and 2024 to determine the funds that have already been committed from the 2025 Capital budget.
- C. Discuss replacing the current section of the Rules and Regulations for Renting and Leasing Property with new verbiage related to Service-Related Occupancy. The proposed rule would not allow the business of SROs. The Rules Commission had suggestions for minor changes. For other businesses in the Association, a list of known businesses was sent to the attorney and only one would not be allowed. As mentioned in the President’s Report, a commission will be established regarding short-term rentals and SROs.

Resolutions by Board members: None

New Business:

- A. Discuss reinvesting two CDs invested at Community State Bank maturing for \$54,864 & \$60,112. The two CDs are coming due September 1, 2024. Community State Bank is offering 4.91% for a one-year term. Recommend rolling both over at the same bank. *Chris Pope moved to approve reinvesting the two CDs at Community State Bank that are maturing on September 1, 2024 in one-year term CDs at 4.91%, seconded by Mary Crook. A roll call vote was taken. All ayes, motion carried.*
- B. Discuss reinvesting one CD at MidAmerica Bank maturing in the amount of \$29,038. Recommend reinvesting the CD at the same bank for five months at 4.67%. The shorter term will allow for available cash when assessments/cash balances are at the lowest. *Chris Pope moved to approve reinvesting the CD for \$29,038 at MidAmerica Bank at 4.67% for a five-month term, seconded by Paul Byrd. A roll call vote was taken. All ayes, motion carried.*
- C. Discuss life insurance plan options for employees. As Lake Manager Russ Hawkins was absent, discussion of the life insurance was tabled until the next Board Meeting on September 21, 2024.
- D. Discuss purchasing a server for the office computers to upgrade security at an installed price of \$4,579.36 from BC Tech Group. To provide security for the Quickbooks accounting system and secure office operations, a server needs to be purchased. This will allow a Virtual Private Network to be set up, which is a requirement for the next upgrade of Quickbooks. BC Tech has provided a bid

for a Hewlett Packard server with two hard drives each with two terabytes of storage for an installed price of \$4,579.36.

Paul Byrd moved to approve purchasing a Hewlett Packard server from BC Tech Group for \$4,579.36, seconded by Eva Falzone. A roll call vote was taken. All ayes, motion carried.

- E. Discuss approving the construction of catchment areas below the dam's spillway in order to assist in retrieving fish. Last month 18 large walleyes were discovered dead in the pool below the dam's spillway. Walleye, musky, and hybrid stripers like the current in the spillway and rain events as low as 1.5" cause the loss of many fish. Conservation Commission is requesting permission to build catchment areas where they could seine and return the fish to the lake. This proposal was previously presented to Conservation in 2016 and is subject to review by the ILDNR. The Facilities Team could make the catchment areas. Forty tons of flat rock riprap would cost \$1,000 and six 24" culverts would cost \$3,000.

Paul Byrd moved to approve constructing a catchment area below the dam's spillway, seconded by Eva Falzone. A voice vote was taken. All ayes, motion carried.

- F. Discuss purchasing walleye, hybrid striper, and musky for the fish stocking. The Board budgeted \$12,500 for fish stocking in 2024. About \$2,000 has already been spent for redear sunfish. Conservation is asking to spend the balance on 700 hybrid stripers (\$4,000), 100 muskies (\$2,500) and 700 walleye (\$2,870) totaling \$9,370 plus tax and a \$75 delivery fee.

Paul Byrd moved to approve the fish stocking purchases in an amount not to exceed \$10,000, seconded by Eva Falzone. A roll call vote was taken. All ayes, motion carried.

- G. Discuss adding an ACC rule that does not allow cargo shipping containers to be used to construct a home, garage, or to be used for temporary storage. A home constructed of four cargo shipping containers was sent to ACC for review last year; however, the construction has not started. ACC also had a request earlier this year for the use of a cargo shipping container to store materials during construction. The Board needs to consider a rule that would not allow the use of cargo shipping containers in the future. Proposed verbiage:

ARCHITECTURAL CONTROL and CONSTRUCTION RULES and REGULATIONS, 2. GENERAL RESTRICTIONS AND/OR APPROVAL REQUIREMENTS, g. Cargo Shipping Containers may not be used to construct a home, a garage, or a temporary storage unit. Cargo Shipping Containers are deemed separate and distinct from "modular" homes and "manufactured homes." This prohibition is based upon an express finding by the Board that their external design and materials are not in keeping with the standards set forth in the Covenants.

Paul Byrd moved to approve the addition of an ACC rule prohibiting the use of Cargo Shipping Containers for construction of a home, garage or to be used as a temporary storage unit, seconded by Donna Naborowski. A roll call vote was taken. All ayes, motion carried.

- H. Discuss transferring \$4,000 to the General Administrative Account from the Operating Account. This transfer covers expenses including office security upgrades, corn boil, and pool treatments.

Paul Byrd moved to approve transferring \$4,000 from the Operating Account to the General Administrative Account, seconded by Eva Falzone. A roll call vote was taken. All ayes, motion carried.

Announcements:

- A. The next regular LTA meeting will be Saturday September 21, 2024 at 9:00 a.m. At that meeting, the Board will discuss rentals and the 2025 budget. Sign up if you would like to be on the new commission for short-term rentals. Information will also be posted on social media.
- B. Announcements from Board members: None
- C. Announcements from the membership: None

Comments by Members:

1. Bill Monday (Timberlane Dr) – For the new rentals commission, include people that are neutral.
2. Drew Schlumpf (Wheeler Ct) – Thank you to Board and Russ as lake looks great, appreciate Corn Boil, ChairTree, etc. that are paid for via fees, neutral chairman needed for rental commission.
3. Colette Corriveau (Lake Shore Dr) – Member comments under Agenda Items, LTA as private lake community, history of why rentals allowed and rule additions, policing the rules.
4. Joan Jacobs (Barbados Dr) – Chair lift addition to pool for handicap accessibility.
5. Carol Bernardi (Barbados Dr) – Lake quality and monitoring, facilities staff and cleaning beach, controlling goose population, curb appeal, events open to public, improvements/fees.
6. Jeffrey Purtell (Lake Thunderbird Dr) – Corps of Engineers contacted for spillway work and dredging.

Adjournment: The open meeting concluded at 11:23 a.m. and an announcement was made that there would be a closed session. *Paul Byrd moved to adjourn the open meeting, seconded by Mary Crook. A voice vote was taken. All ayes, motion carried.*

Closed Session: A closed session meeting was convened at 12:37 p.m. A quorum was established. *Paul Byrd moved to adjourn the closed session meeting at 1:50 p.m., seconded by Eva Falzone. A voice vote was taken. All ayes, motion carried.*

Reconvene Regular Board Meeting and Adjournment: *Mary Crook moved to reconvene the regular board meeting, seconded by Eva Falzone. A voice vote was taken. All ayes, motion carried. Donna Naborowski moved to approve subject matters A through I from the closed session. A voice vote was taken. All ayes, motion carried. Eva Falzone moved to adjourn the regular board meeting at 1:52 p.m., seconded by Donna Naborowski. A voice vote was taken. All ayes, motion carried.*

Respectfully submitted,
Angela Nicoli
Interim Recording Secretary