

**Cedar Blue Property Owners Association  
Annual Board Meeting Minutes  
September 6, 2015**

1. **Board Members Present:** Wendell Kluge, Delton Yoder, Maggie Thompson, Gerry Batt, Ken Brown, Dewayne Denwalt, Tom Elliott, Ronnie McGee
2. **Board Members Absent:** Clyde Kluge
3. **PA System** – The exiting Activities Committee purchased a portable PA system to be used for activities in the park including Board meetings. Maggie Thompson issued a thank you to them for this system.
4. **Property Owners Present:** The owners of 50 lots were present.
5. **Call to Order-**  
The Board Meeting was called to order at 1:09 pm by Wendell Kluge, President.
6. **Moment of Silence-**  
A moment of silence was observed.
7. **Approval of the Meeting Minutes for August 31, 2014**  
A motion to accept the minutes as written by: Ken Brown  
Seconded by: Dewayne Denwalt  
The motion passed unanimously.
8. **Election Process:**
  - A. A call for any final ballots was given and 12 property owners volunteered to count the ballots. The counting instructions were read and provided to the counters (attached below). Following the instructions the ballot counters were sent out to start the counting process.  
  
Tom Deutsch (DP-002) asked what was going to happen with regards to the instructions that were given that ballots had to be post marked by September 4<sup>th</sup> rather than arrived at the Post Office by 11:00 am on September 4<sup>th</sup>. Wendell informed him that he and Joe Bonham personally picked up the ballots at 11:00 am at the Post Office. Ken Brown stated that the ballots have to be in the ballot box by the time of the annual meeting in order to be counted. Becky Cummings (CB-048) commented that her mail goes to Texas and she had no problem getting her ballot here in time from out of state. Wendell stated that with the turnover in Board and office staff things may not have been done perfectly but nothing was done with any mal-intent and the process will be corrected for next year. Charles Cummings (CC-065) suggested that if there is a vote that is very close than we could consider any ballots that are in the post office box on Tuesday and postmarked by 9/4/15. All seemed happy with that suggestion. The ballot wording will be corrected for next year and written procedures will be drafted for creating the ballot, mailing it and vote counting.
  - B. Wendell Kluge explained the number of positions open and length of those positions.
    - a. Three 3-year open positions - 4 candidates running
    - b. One 1-year open position - 2 candidates running
9. **Committee Reports-**

**Environmental Committee**

Chairman: Ken Brown

Members: Ronnie McGee, Delton Yoder, Dewayne Denwalt

Report read by Tonya Glasgow. Attached below.

**Financial Committee**

Chairman: Clyde Kluge  
Members: Delton Yoder, Maggie Thompson, Gerry Batt  
Report read by Maggie Thompson. Attached below.

A motion to approve the July 31, 2015 financial statement balance sheet by: Maggie Thompson  
Seconded by: Ken Brown  
The motion passed unanimously.

Wendell reiterated that the annual assessments of \$550 will remain the same for the current year. However, the infrastructure assessment will be raised by \$10 for a total of \$215.

**Infrastructure Committee**

Chairman: Delton Yoder  
Members: Dewayne Denwalt  
Tom Elliott  
Wendell Kluge

**Security Committee**

Chairman: Ronnie McGee  
Members: Ken Brown  
Maggie Thompson  
Gerry Batt  
John Thompson

Report read by Delton Yoder. Attached below.

**Insurance Committee**

Chairman: Ronnie McGee  
Members: Gerry Batt, Wendell Kluge  
Report read by Tonya Glasgow. Attached below.

**Maintenance Committee**

Chairman: Ken Brown  
Members: Dewayne Denwalt, Tom Elliott, JW Mann  
Report read by Tonya Glasgow. Attached below.

An owner asked the road maintenance had been donated. She was told that some of it has been donated. She was told that some progress is being made on them but it's a slow process.

**ODEQ Committee**

Chairman: Tom Elliott  
Members: Ken Brown, Ronnie McGee, Dewayne Denwalt  
Report read by Tom Elliott. Attached below.

Tom indicated he now has drawings and dirt calculations for the new lagoons and there are two contractors preparing bids to do the lagoon work. He hopes to have estimates in a couple of weeks. The ODEQ has been notified that he has taken over the project. An extension request for Phase VI has been submitted. The ODEQ is requiring some things from the Park before they will consider these requests which we plan to do this Fall. Tom hopes to have the lagoons done by March 2016 provided the funds are available. The Park will probably have to shut down water and sewage utilities at times while the lagoon work and Phase VI work is taking place. We will try to post these in advance on the website.

### **Personnel Committee**

Chairman: Wendell Kluge, President

Members: Delton Yoder, Vice-President

Clyde Kluge, Treasurer

Maggie Thompson, Secretary

Report read by Wendell Kluge. Attached below.

### **Covenants & Bylaws Committee**

Chairman: Tom Elliott

Members: Maggie Thompson, Gerry Batt, Wendell Kluge

Report read by Tom Elliott. Attached below.

Tom stated that various folks have told us that they remember various amendments being voted on and that is what prompted us to make a thorough search of what has been recorded at the court house. We also went through all the office files to see if anything could be found. Tom told the owners that people can file anything they want in Murray County but the act of recording a document does not make it a legal, binding document. With that said, Tom said that we looked for legal, binding documents that were filed. One item about an audit was found but it was not valid because it stated that it was passed by a vote of the Board rather than a vote of the owners. Copies of the Covenants and Bylaws were re-recorded and can be obtained on the Cedar Blue website or in the Park office. Nothing was changed in the Covenants and Bylaws. They were retyped so we have them in a Word format.

The owners were encouraged to read through these documents and give some thought to what may need to be updated. This will take the support of the ownership in the park, however.

Maggie reminded the owners that it takes a vote of 2/3rds of the property owners to make a change to the Covenants and a majority vote of the attendees at a specially called meeting in order to make a change to the Bylaws.

### **Parting Activities Committee**

Chairman: Peggy Wright, President

Members: Julie Gillum, Treasurer

Sandy Kluge, Secretary

Delton Yoder gave the report on behalf of Peggy Wright. A special thanks to Peggy Wright, Julie Gillum, Sandy Kluge and all the volunteers for their hard work. This Committee is officially turning all activities over to the newly formed Entertainment Committee. Besides the Fall Festival and July 4<sup>th</sup> activities, the Activities Committee held various other activities such as horseshoes and volleyball tournaments.

This Committee has replaced the roof on the pool house, added gravel to the playground, added sand to the volleyball court, supplied all prizes, supplies, plaques, etc. for all park activities, purchased shade umbrellas for the pool, purchased lounge chairs for the pool (still to be delivered) and will be installing fence at the volleyball court next week.

They thanked all the volunteers that have helped them.

Delton said he was excited about the new Entertainment Committee. He said they have a lot of exciting activities planned and know they will also do a great job.

**New Entertainment Committee** – Becky Cummings (CB-048), a committee member, reported they started with a bake sale at today’s annual meeting. They raised \$568 from the bake sale. She touched on some of the activities planned for the upcoming Fall Festival on October 31 and told folks to come and bring their kids. A petting zoo has also been donated for the festival. Snow cones and nachos will be available among many other activities.

She reported they opened a checking account and will maintain the financial information in a 3-ring binder which will be kept in the park office for review at any time. A petting zoo has been donated for the Fall Festival with a donation from Mary McGee for this. Information about activities will be at [www.cedar-blue.com](http://www.cedar-blue.com) under Discover CB/Entertainment. Tonya noted the nice banner that this Committee has up on the outside of the Family Center for the Fall Festival.

**10. Sr. Park Manager’s Report** – Attached below

Tonya reminded the owners that it is our assessments that fund the park so it is important that they are paid on time. With regard to the five properties in foreclosure she hopes that the notifications that have to be made in the paper will be done in the next couple of weeks. The 2016 assessment statements are being sent out this week and include both the infrastructure and annual assessments on one statement. Also on the statement are the deadlines for all the payments. She reminded the owners that the late fee for not payment the infrastructure assessment on time is \$15 and for the annual assessment it is \$100. She asked that owners keep their contact information updated with the Park office.

John Thompson (GL-054) reported that members can update their contact information with the park office through the website. They can go to the front page and click on the picture of the mailbox to do this.

**11. Sonshine Community Church** – No report

**12. Old Business-** None to report

**13. New Business**

**a. Retaining Ballots**

- i. Tom Elliot made a motion to retain all the ballots for one month in the ballot box. Ken Brown seconded the motion. There was no discussion. The motion passed unanimously.

**b. Introduction of New Board Members**

- i. (3-year position) Curtis Oschel (186 votes)
- ii. (3-year position) Tom Elliott (179 votes)
- iii. (3-year position) Bruce Arnold (174 votes)
- iv. (1-year position) Arvilla Bird (143 votes)

**OF NOTE: In Executive Session following the Annual Board Meeting the following officers were elected:**

President – Tom Elliott  
Vice-President – Dewayne Denwalt  
Treasurer – Bruce Arnold  
Secretary – Maggie Thompson  
Parliamentarian – Curtis Oshel

**c. Parting Comments by Board Members that are leaving the Board**

- i. Wendell Kluge – He thanked the Board members for all their hard work and long hours. He noted that when working with 9 members they don’t always agree but felt that they worked well as a team. He also thanked the spouses/significant others for their support. Wendell also thanked Tonya for her hard work and the difficult situations she has had to deal with. This past spring due to all the rain the staff had a lot of work to do in order to get the Park back in order and he thanked Joe, Jerry, Warren, and Bobby for

all their hard work. He recognized JW Mann and John Thompson for all their volunteer work. He thanked the Activities Committee as well. He also thanked Pam Conn, who is the Editor of the newsletter, which is posted on the website and we make copies available in the mailbox along the inbound road from the front gate. The CB Activities email system is handled by Marla Shepherd and he thanked her for her work with that. He ended with it has been a challenging year and he looks forward to getting some personal time back but noted that it has been a rewarding year. He encouraged the owners to let us know their thoughts via email or in person and that we do listen to what you have to say. He encouraged them to also consider running for the Board.

- ii. Delton Yoder – He filled a 1-year position. He said it has been a good year and he learned a lot about the Park. He’s pleased that he did this. He didn’t expect it to be so difficult to agree on things. He noted that several major decisions were made by the Board this past year. He also commented that there continually seems to be a handful of owners that cause problems and how distracted it causes the Board to become with them. He noted how difficult it is for the Board to deal with important issues when there are owners that just hammer them with issues that are fairly insignificant. There is limited time for the Board to address issues as they all have lives and jobs outside the Park. All this aside, he may consider running again. He found it very enlightening. He didn’t want to sound negative and did say that there are lots of people in the park that stand behind the Board in what they are trying to accomplish and that is appreciated.
  - iii. Tonya Glasgow – She stepped down when hired as the Sr. Office Manager for the Park. She said that being on the Board was an eye-opening experience. She thanked everybody for their support.
  - iv. Clyde Kluge – He made his parting remarks at the August Board meeting.
- d. **Inability to email property owners using distribution lists** – Maggie Thompson explained that she has tried multiple different ways to setup a group email distribution system that will work. She has hit a brick wall in that the yahoo accounts she uses to do this continue to be shut down by Yahoo. A property owner, who is also an IT person, has offered to assist in trying to get this setup and working.
  - e. **Eviction of CB Fire Department** – The Board of Directors has issued an eviction notice to the Cedar Blue Volunteer Fire Department effective November 15, 2015. The report outlining the reasons for this eviction was read by Tonya Glasgow and is attached below. Wendell asked if the owners had any questions after Tonya finished reading the document and there were none.

#### **14. Property Owner Comments**

None.

#### **15. Adjournment of Annual Meeting-**

A motion to adjourn was made by: Delton Yoder

Seconded by: Maggie Thompson

Motion carried unanimously.

Board meeting adjourned at: 3:08 pm

### **BALLOT COUNTING INSTRUCTIONS TO READ**

Two people will be used to check the ballots in. One person will remove the ballots from the ballot box and a second person will check their name off the list of owners provided by the Park Manager. The names that are highlighted on the list are not eligible to vote so any ballots received from those owners are to be set aside and not counted. Ineligibility to vote means that an owner owes assessments, late fees and/or fines. Should more than one ballot come in for a lot only the first one checked in will be counted. Any others are to be set aside and not counted. Any proxy votes that come in, the proxy must be an attending property owner and the property owner that proxy is voting on behalf of must be in good standing. The return envelopes with the ballot envelopes inside are to then be passed to a second group of individuals.

Two people will be used to remove the ballot envelopes from the return envelopes. One person will remove the ballot envelope from the return envelope and a second person will black out the lot number (if any) from the ballot envelope. The ballot envelopes will then be passed to the next group.

The remaining counters will open the ballot envelopes and remove the ballots dividing them into however many counting groups there will be. With the separation of duties involved in checking the ballots in, all those involved in the process should be able to count ballots with the exception of the 2 individuals who originally checked the envelopes in. These two people will record the counts.

The counters will work in groups of 2. Each of the two people will count the same ballots they have been given and if they both come up with the same count for each candidate, that group of ballots will have been considered counted and should be recorded and set aside. If they do not come up with the same number they are to give that group of ballots to another set of counters.

### **In the Case of a Tie**

Approximately 200 ballots will be printed and available at the meeting for the case of a tie. In this case ballots will be distributed to the attendees with only one ballot per lot allowed. Ask one owner for each of the lots to hold up the number of fingers for the number of lots they own and give them that number of ballots. The attendees will be instructed on who the individuals are that the tie exists between and how many of them they are to vote for. They will then fold their ballots and go by a table where the folks who originally checked the ballots in will be. They are to give them their lot number so it can be checked off the list and checked for eligibility to vote. If they are eligible to vote they will then be instructed to drop their ballot in the ballot box. Once the voting is completed the counters will again take the ballot box out to count the votes. They will not need to check them in as that has been done so they just need to get in groups of two and count with two people recording the counts.

# Environmental Report

## Annual Meeting

### September 6, 2015

Committee Chairman: Ken Brown

Members: Dewayne Denwalt,  
Ronnie McGee, Delton Yoder

The Environmental Committee processed 29 construction permits from November 2014 to August 2015. It is wonderful to see owners improving their property and structures.

Please remember when submitting a building permit to: mark property lines, be a courteous neighbor and not infringe on others. A completed drawing of the project must be submitted with the application for the committee to review. Construction permit applications are available on the web site at [www.cedar-blue.com](http://www.cedar-blue.com) or at the park office.

I want to say "Thank You" to Ronnie McGee, Delton Yoder and Dewayne Denwalt for their participation this past year.

Ken Brown  
Environmental Committee Chairman

## **FY2016 CBPOA, Inc. Operating and Infrastructure Budget Explanation**

Finance Committee: Clyde Kluge, Treasurer, Maggie Thompson, Delton Yoder, Gerry Batt

I want to thank the Finance Committee for all of the effort and support they have provided this past year in working on the Finance Committee. This year has been a year of challenge as we have had to deal with the problems in the office related to missing funds and misuse of the POA credit card. The committee has done an outstanding job and a big thank you is deserved.

### **A. Operating Budget (Vision Bank)**

#### **1. Bottom Line Up Front:**

The FY16 CBPOA, Inc. (POA) budget is going to increase from FY15 by approximately \$26,351.99 or approximately 8.5%. This will be an increase from \$323,729 for FY15 to \$350,081 for FY16. The reasons for this increase will be provided in the following explanations. This will be a line by line review of each budget item. As we go through this budget, some values have been rounded.

## FY15 Expenses and FY16 Budget

Account	Account Title	2015 Yearly Total (Estimated)	2016 Budget	Comments
60100	Bank Charges	\$ 2,094.13	\$ 2,303.54	Used 2015 value and increased by 10%
60210	Computer and Internet Charges	\$ -	\$ 1,500.00	This has not been used in prior years but we now have sufficient services and computer equipment that this needs to be tracked as its own line item. Items included here will be our cloud service expense and repairs to our computer equipment. Expenses related to the copiers, etc. will be included in account 15250, Furniture and Office Equipment. It is not planned to acquire any additional software or computer equipment this year.
60220	Fire Department	\$ -		This item has not been paid since 2012 and will not be paid this budget year
60240	Fuel	\$ 6,390.90	\$ 8,132.86	Averaged the prior 5 years
60260	Insurance	\$ 22,967.29	\$ 18,000.00	After an extensive review this past year by the Insurance Committee, there were significant changes to our coverage and a large cost reduction was realized.
60270	Interest Expense	\$ -	\$ -	This item is now included in Account 16900, Land Payment
60280	Legal and Professional Expense	\$ 8,014.13	\$ 15,900.00	See Tab "Lgl and CPA Exp" for derivation of estimate
60300	License Expense	\$ 118.50	\$ 4,150.24	This includes our ODEQ Water Waste License, Fresh Water Testing, Lead and Copper Testing and ODEQ Annual Public Water Supply License
60320	Lien and Deed Fees	\$ -	\$ 750.00	\$15.00/pg. to file a lien. Liens are single page. Estimate filing 50 liens based on current owner account status. (\$15 X 50 = \$750.)
60340	Office Expense	\$ 4,002.68	\$ 2,391.52	Averaged the prior 5 years
60345	Postage Expense	\$ 1,496.74	\$ 1,284.66	Averaged the prior 5 years
60360	Payroll Expense	\$ 101,002.14	\$ 122,701.32	See Tab "Payroll" for derivation
60380	Property Taxes	\$ 1,795.01	\$ 2,365.82	Averaged the prior 5 years
60400	Repairs and Maintenance	\$ 48,804.33	\$ 56,534.63	Averaged the prior 3 years and increased by 15%. This will provide budget for Repairs and Maintenance of the new Gate System which will be a new subaccount under the Repairs and Maintenance Account
60420	Travel Expense	\$ -	\$ 2,000.00	This will cover the cost of travel required for training, employees requiring emergency lodging and meals due to inclement weather and other travel performed in the process of assigned tasks and an employee POV is used.
60430	Entertainment Expense	\$ 500.00	\$ 3,900.00	This was increased to include enough funds to contract out the fireworks display, if needed. This could cost \$3,000. Also, included are funds for a monthly employee appreciation luncheon (\$75/mo)
60440	Utilities	\$ 90,306.49	\$ 90,296.59	Averaged the prior 5 years
60550	Uniform Expense	\$ 2,974.61	\$ 3,000.00	Averaged the prior 5 years and rounded to \$3,000
XXXXX	Training Expense		\$ 2,000.00	New item for employee training. This would include the cost of obtaining Fresh and Waste Water Certificates.
99000	Federal Taxes	\$ -	\$ -	
16900	Land Payment	\$ 11,336.27	\$ 11,370.00	
15250	Furniture and Office Equipment	\$ -	\$ 1,500.00	This will cover the cost of acquiring new office equipment, office furnishings, and copier repair.
	<b>Total Expenses</b>	<b>\$ 301,803.12</b>	<b>\$ 350,081.19</b>	

Notes:

2015 Yearly Total (Estimated)		
Planned Annual Assessment Income (680 lots X \$550/lot)	\$ 374,000.00	
Difference between Income and Budget	\$ 23,918.81	

- a. **Bank Charges (Account 60100)** – This line item is going from \$1,200 for FY15 to \$2,303.64. This increase is due to the increasing number of owners that pay money owed to the POA using credit cards. The actual expense incurred in FY15 was \$2,094.13 which was approximately \$894 over budget. The FY15 expenses value was increased by 10% to arrive at the value of \$2,303.64 for FY16.

- b. **Computer and Internet Charges (Account 60210)** – This line item did not have any budget planned in it. The POA actually incurred expenses in other areas that should have been shown in this area. In an effort to correct this problem and to better understand where the POA is spending its money, there is budget being planned in this area for FY16. The budget being planned here is \$1,500 and will be used for Items like our cloud service expense and repairs to our computer equipment. Expenses related to the copiers, etc. will be included in Account 15250, Furniture and Office Equipment. It is not planned to acquire any computer equipment this year but we may acquire some software. Also, the POA is in need of a new printer/copier/fax/scan multifunction item. It has not been decided whether this will be a lease or a purchase. If it is a purchase, the cost will possibly come out of the Infrastructure Account as a Capital Purchase. If it is decided to lease this item, then the cost will show up in the Operating Budget (this budget) and would be included in Account 15250, Furniture and Office Equipment. The POA Internet Charges are included in Account 60440, Utilities.
- c. **Fire Department, Account 60220** – There is no budget planned for this line item and there has not been since FY13.
- d. **Fuel, Account 60240** – The budget for fuel for FY15 was \$9,500. The actual expense incurred in FY15 was approximately \$6,390. The budget for FY16 is being set at \$8,132 which is the average of the past five years. It is felt there is some uncertainty in the price of fuel and it is not sure that the current low fuel prices will continue. This is still \$1,400 below last year's budget.
- e. **Insurance, Account 60260** – Through the efforts of the Insurance Committee over the past year plus, the POA is realizing a large cost savings. The FY15 budget was \$40,500 with actual expenses of \$22,967. The budget for FY16 is being set at \$18,000 based on the most recent quote from our insurance carrier. This is a \$22,500 reduction from last year – YEAH!!!!
- f. **Interest Expense, Account 60270** – This was to cover the interest on the land payment for the land across Cedar Blue Road. This item is now included in the Land Payment, Account 16900 below so there is not a budget applied against this account.
- g. **Legal and Professional Fees, Account 60280** – This account is used to cover the POA attorney fees and the cost of our CPA. The budget in FY15 was for \$8,000 and the actual expense was \$8,014. During FY15, in order to proceed with the foreclosure of owner properties in arrears on their accounts, there was an increase in legal fees approved of about \$7,500 for the foreclosure of 5 lots (\$1,500 per lot). This expense did not occur in FY15 so it is being included in the FY16 budget. Additionally, it is estimated to cost approximately \$6,000 (\$500 per month) for the POA CPA. As it is expected there will be some unforeseen legal issues to be resolved, there is an additional \$2,400 (\$200 per month) included to cover these items. This results in a budget of \$15,900 for Legal and Professional Fees.

- h. **License Expense, Account 60300** – This account is being redefined to cover the following items: ODEQ Waste Water License for Total Retention Lagoon System (\$2,200); Annual Public Water Supply Fee (\$450); Fresh Water Testing (\$300); and Lead and Copper Testing (\$1,200). The total budget for this account is \$4,150.
- i. **Lien and Deed Fees, Account 60320** – This budget is set at \$750. This will cover the cost of an estimated 50 liens to be filed on past due accounts.
- j. **Office Expense, Account 60340** - The actual expenses for the past five years were averaged to arrive at the budget of \$2,391. This account includes like paper, toner, pens, pencils, and envelopes.
- k. **Postage Expense, Account 60345** – This budget was set by averaging the actual cost of postage expense incurred over the past 5 years. This budget is set at \$1,284.
- l. **Payroll Expense, Account 60360** – Even though this budget is being increased from FY15, it is still another good news story for the POA. The average payroll cost for the years 2011 through 2013 was \$192,200. The payroll was reduced to \$166,500 with the retirement of Walter Billy. When we installed the Electronic Gate, the POA payroll was reduced to the FY15 budget amount of \$92,930 or a reduction from the earlier three year average of almost \$100,000. The actual payroll expenses for FY15 were \$101,002 which was about \$8,072 over budget. The primary driver was the need to hire a seasonal person to help with pool maintenance, cleaning of restrooms, and mowing. This person works from about 1 April to 31 October each year. The work the seasonal employee is doing was originally performed by the night gate staff. When the gate staff was eliminated, there was a need for this seasonal employee to fill that void. The payroll budget for FY16 is set at \$122,701. This also includes raises for all of the employees. This budget could come under quick pressure if there is an increase in the minimum wage. The undersigned did several analyses in this area to see what the potential impact could be. This could be as high as \$10,000 or more depending on the amount and effective date.
- m. **Property Taxes, Account 60380** – This item was averaged over the past five years and is set at \$2,365.
- n. **Repairs and Maintenance, Account 60400** – This account was averaged over the past three years and increased by 15%. The 15% increase is to allow sufficient budget to try to recover from some of the damage from all of this year's rains. This budget is set at \$56,534. This line item exceeded the budget for FY15 by \$1,304.
- o. **Travel Expense, Account 60420** – This line item has not had a budget in it for the past five years. The POA has incurred expenses for this line item for FY15 even though they were not placed against this line item. Due to the change in Office Administrator late last year, the volunteers that filled in during the time there was not an Administrator in the office, the volunteers were paid mileage and meals to come fill in. Also, the Office Manager could not get back to her

RV during the storms one evening and she had to go into Sulphur to spend the night. This expense was covered. For FY16, the POA is expected to incur expenses in this area so a budget of \$2,000 is now being placed in this account. The expected expenses would cover travel to required training, emergency lodging and meal expenses, and other travel performed in conjunction with official assigned employee duties.

- p. **Entertainment Expense, Account 60430** – The budget in this line item is being increased from \$1,000 to \$3,900. This budget is typically used for the July 4 fireworks display and is being increased should the need arise to contract for a fireworks display. It is estimated to cost approximately \$3,000 for this type of contract. Additionally, the Board approved \$75.00 per month for a monthly employee lunch.
  - q. **Utilities, Account 60440** – The utilities were averaged over the past five years and this budget is set at \$90,296. The budget for FY15 was \$97,800 and the actual expense was \$90,306. This lower cost was primarily due to decreased use of the Park this year because of all the rain and the Lake of the Arbuckle's being closed. The POA did not pay as much for fresh water as consumption was down.
  - r. **Uniform Expense, Account 60550** – This line item is decreased to \$3,000 from \$3,500. The actual average expenditure for the past two years has been \$2,978.
  - s. **Training Expense, Account XXXXX** – This is a new account for FY16. The new Senior Office Manager will be getting the ODEQ Certificates for both fresh and waste water in the coming months. This is estimated to cost approximately \$1,500. There is an additional \$500 for included in this line item for other employee training for new equipment, tools, and certificates.
  - t. **Federal Taxes, Account 99000** – No budget is placed against this line item as there have been no expenses incurred for the past five years. This account is considered inactive.
  - u. **Land Payment, Account 16900** – The yearly land payment is approximately \$11,370. The budget is set at \$11,370. This includes principal and interest.
  - v. **Furniture and Office Equipment, Account 15250** – This line item as had sporadic use over the past five years and for FY16, this line item is being better defined as to how it should be used. There will be some moving of expenses from other account to this account to better capture those expenses for tracking purposes. The budget for FY16 is being set at \$1,500. This line item will now be used to track new office equipment that is non-computer related, furnishings and repair of the copier. Depending on the how the new printer is acquired (purchase or lease), lease cost would be included here as it is viewed as non-computer related.
2. **Summary** - The above was a summary of each line item in the Operating Budget and how that budget was determined. The majority of the increase is in the area of Payroll. This \$350,081 budget compares to the five year average of actual expenses of \$378,873.

3. **Planned Income versus Operating Budget** – The planned income for FY16 is \$374,000 (\$550 per Lot X 680 Lots). There is no planned increase in the annual assessment. The total expense budget is estimated to be \$350,081. This provides a surplus income over expenses of \$23,919.

**B. Infrastructure Account (IBC Bank)**

1. **Bottom Line Up Front** – The account was established about three years ago primarily to fund the ODEQ Remediation Project for the POA Waste Water Treatment Facility. This account is funded through the Special Infrastructure Assessment. This account is now being expanded to include Capital Improvements for the POA. This will more fully meet the intent of this account when it was established. The Special Assessment will still be used to fund the ODEQ effort until that project is completed. To provide for funding for Capital Improvements, the expected surplus at the end of CY15 (Dec 31, 2015) for the Operating Budget is being moved into the Infrastructure Account and placed in a new sub account called Capital Improvements. All the items currently identified for funding under the Capital Improvements sub account will be explained in the following paragraphs along with the currently known cost to go for the ODEQ effort.

- i. **ODEQ Effort** – The current estimate to complete the ODEQ Remediation effort is approximately \$976,300. The single largest expense to go is the Lagoon work. The POA was provided a contractor estimate to do this lagoon work of about \$550,000. This estimate is being reviewed as the single largest portion of this estimate is about \$275,000 to haul dirt to build the lagoons. The POA Engineer is reviewing his calculations of the dirt required with the objective to try to eliminate this cost by reducing/eliminating the need for the haul dirt. It is expected this estimate will come down as further definition of this work and how it will be completed is determined. The estimated costs to go for the ODEQ effort are as follows. These expenses will be incurred over about three to five years. Currently, there is approximately \$198,560 in the ODEQ Account.

Legal and Professional Expense	\$ 20,000.00	0	\$ 20,000.00
ODEQ Penalty	\$ 54,000.00	1 Lot	\$ 54,000.00
Lagoon Upgrade (Step 1, Phase II and III)	\$ 550,000.00	1 Lot	\$550,000.00
Lift Station and Wet Well Upgrades (Step 1, Phase IV and V)	\$ 222,550.00	1 Lot	\$222,550.00
Gravity Sewer Lines (Step 2, Phase VI)	\$ 66,750.00	1 Lot	\$ 66,750.00
<b>Other Costs</b>			
Engineering Design (Estimated)	\$ 5,000.00	1 Lot	\$ 5,000.00
Surveying	\$ -	1 Lot	\$ -
Geotechnical	\$ 2,500.00	1 Lot	\$ 2,500.00
Construction Management	\$ 20,000.00	1 Lot	\$ 20,000.00
Contingency	\$ 26,000.00	1 Lot	\$ 26,000.00
Acquisition of CR86	\$ 7,500.00	1 Lot	\$ 7,500.00
Easement Filing Fee	\$ 2,000.00	1 Lot	\$ 2,000.00
<b>Total</b>			<b>\$976,300.00</b>

- ii. **Capital Improvements** – The following chart shows the currently identified items for Capital Improvements. This list will be expanded as additional projects are identified. To provide budget for this work, there is an expected surplus in the Operating Account at the end of the 2015 Calendar Year of approximately \$112,000. This surplus has been moved from the Operating account to the Infrastructure Account, Capital Improvements.

Community Center Roof	\$ 18,000.00	1 Lot	\$ 18,000.00
A/C Units for Family Center	\$ 1,000.00	2	\$ 2,000.00
Washer and /Dryers	\$ 700.00	4	\$ 2,800.00
A/C Units for Maintenance Shack	\$ 500.00	1	\$ 500.00
New Mutlifunction Printer/Copier	\$ 4,000.00	1	\$ 4,000.00
Water Tower Repaint			
<b>Total</b>			<b>\$ 27,300.00</b>

- iii. **Infrastructure Assessment** - The Board voted at the August 2015 Meeting to raise the Infrastructure Assessment by \$10.00 per lot which will make the Infrastructure Assessment \$215.00 per lot.

C. **Balance Sheet as of July 31, 2015** – See attached.

Clyde Kluge, Treasurer  
Board of Directors,  
CBPOA, Inc.

**Cedar Blue Propert Owners Association  
Balance Sheet  
As of July 31, 2015**

<b>Assets</b>		
<b>Current Assets</b>		
Money Market Checking	218,332.87	
Operating Checking	46,000.09	
Infrastructure Checking	<u>198,560.01</u>	462,892.97
Accounts Receivable		33,977.89
Other Current Assets		
Prepaid Insurance (Not calculated)		<u>0.00</u> 496,870.86
 <b>Fixed Assets</b>		
Autos & Vehicles	34,995.55	
Buildings	1,154,106.85	
Equipment	67,137.64	
Furniture & Office Equipment	16,901.15	
Improvements (Waste Water)	18,771.83	
Land	<u>253,135.57</u>	<u>1,545,048.59</u>
 <b>Total Assets</b>		 <b><u><u>2,041,919.45</u></u></b>
 <b>Liabilities &amp; Equity</b>		
<b>Current Liabilites</b>		
Accounts Payable	0.00	
Payroll Liabilities	<u>2,764.08</u>	2,764.08
 <b>Long-term Liabilities</b>		
Note Payable, Gary Freeman (approx.)	<u>80,028.09</u>	82,792.17
 <b>Equity</b>		
Park Equity		<u>1,959,127.28</u>
 <b>Total Liabilities and Equity</b>		 <b><u><u>2,041,919.45</u></u></b>

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# Infrastructure and Security Committee Report

## Annual Meeting September 6, 2015

**Infrastructure Chairman:** Delton Yoder

**Members:** Dewayne Denwalt  
Tom Elliott  
Wendell Kluge

**Security Committee Chairman:** Ronnie McGee

**Members:** Maggie Thompson  
John Thompson  
Ken Brown  
Gerry Batt

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**NOTE:** The Infrastructure & Security Committees work together on projects within Cedar Blue. Therefore committee reports are combined.

The electronic gate system was installed in July 2014 and functional in October 2014. The gates system has been a big addition to Cedar Blue. Gate cards have been issued to emergency responders and include: Murray County Sheriff's Office, Park Rangers with the Chickasaw Nation, Sulphur Fire Department, Cedar Blue Volunteer Fire Department, Murray County Emergency Medical Services, the ambulance services in Sulphur and Davis and the Murray County 911 Emergency Management Director.

A process has been established for property owners to purchase one additional electronic gate access card to be renewed annually beginning January 1<sup>st</sup>, as long as the owner is in good standing with Cedar Blue and has no violations. A plan was devised for business service providers to access Cedar Blue when the property owners are not present.

A mail drop slot has been installed at the office for property owner convenience. Additional lightening has been installed at the park office, parking lot, and entry/exit to Cedar Blue. Office hours are Monday – Sunday 8:00am – 5:00pm, closing for lunch from 12:00 noon – 1:00pm. The staff has been provided with cell phones for better communication. Staff schedules have been updated for the busy times of the year and an on call contact telephone number is available for emergencies after hours. A telephone is provided at the gate behind the office and at the pool for 911 emergencies. Work order forms and incident report forms are provided at the gate behind the office for property owners to fill out and turn in at their discretion to the park office. The camera and video system has been upgraded to gives a 360 degree view around the front gate.

The cell phone tower has been assigned to Tower Co. Tower Co. has stated that AT&T will generally not exercise lease rights if the deal is no longer current, so they are researching into this matter and we are hopeful to have more information to pass on soon.

Thank you committee members for a great year!! We have gone through several changes and update with great success.

Signed

***Delton Yoder***

Infrastructure Committee Chairman

Signed

**Ronnie McGee**

Security Committee Chairman

# **Insurance Committee Report Annual Board Meeting September 6, 2015**

**Chairman: Ronnie McGee**

**Members: Gerry Batt  
Ken Brown  
Wendell Kluge**

The Insurance committee met in March 2015 to review and discuss Cedar Blue's current insurance policies. The committee decided to get quotes from another agent for comparison. After comparison review, the committee members agreed to change agents and carriers for a cost savings of approximately \$10,000.00. The paperwork was signed and Cedar Blue changed insurance agencies effective 7-20-15 to Wilcox and McGrath Insurance from Crews Insurance Agency. Coverage includes: work comp, officers & directors liability, automobile insurance and a commercial package plan that included structures for the park.

Thank you to: Gerry Batt, Ken Brown and Wendell Kluge for all of your contributions this past year. Insurance premiums will renew in July of 2016.

Signed

**Ronnie McGee**

Insurance Committee Chairman

**Maintenance Committee Report  
Annual Board Meeting  
September 6, 2015**

**Chairman: Ken Brown**

**Park Liaison: Joe Bonham  
Staff Supervisor: Tonya Glasgow**

**Members: Dewayne Denwalt  
Delton Yoder  
JW Mann**

**ACCOMPLISHMENTS:**

Ken and I would like to let our staff know we appreciate the work they do for our park. We developed a consistent schedule for project completion. Bobby Dale joined our staff a few months ago and is helping out through the end of October. His position is seasonal. We hope that he will be back again next year. There were several months the rains were enormous. This area welcomed approximately 33 - 38 inches of unusual rainfall. Jerry has kept up with maintaining the roads for the park as best as he can with additional assistance from Dewayne and Ken. After the unusual rains came an overgrowth of grass and beautiful greenery. The staff is finally catching up on mowing. Everyone has been mowing all over the park including the right of way on the roads and many areas that have not been cared for in a while. Jerry & Warren have repaired water and sewer leaks in Cedar North, Cedar Ridge, Cedar Blue, Cedar Creek and Goose Lake. The RC race track has been cleaned up and leveled to make it easy for the staff to mow and trim. The track has not been used for a couple of years. The pool inspector came by and gave us a great rating to our pool. He stated the chemical ratio is the best it has ever been thanks to the new motors that were purchased for the pool pumps. Jerry and Warren smoothed the sand in the volley ball court and the gravel at the playground that was recently purchased by the activity committee. Goose Lake looks awesome!! The area has been cleaned up; all of the weeds and debris are gone. The duck pond has been cleaned up and trimmed. Trees and shrubbery have been trimmed and hauled away to the limb yard. Curtis Oshel has installed additional lighting at the Family Center and other areas of the park. Joe & Bobby have been painting the pipe fencing in the parking area by the office and the entry and exit to the park. The Activity Committee had an outside contractor install a new metal roof to the pool house. David Ponder donated material for the roads from the Family Center to Cedar Ridge. He used his equipment to spread the materials himself. Thanks to JW for painting the office and putting my desk together. We want to extend an additional "BIG THANK YOU" to the many individuals that have assisted in all areas within Cedar Blue. We do not want to forget anyone. AND.....our staff has done an excellent job making the park look nice. Thank you for all that you do. Please let them know their hard work is being noticed.

***Ken Brown  
Committee Chair***

***Tonya Glasgow  
Staff Supervisor***

Cedar Blue Property Owners Association  
ODEQ Committee Annual Report

Chairman: Tom Elliott

Members: Ken Brown, Ronnie McGee, Dewayne Denwalt

**Accomplishments:**

1. Waste water line – sprinkler field installed
2. Spring field finished
3. Relocation of fresh water and waste water lines outside new lagoon walls
4. Fuel tanks moved
5. Dumpsters relocated
6. Secured drawings and dirt calculations for lagoons
7. Requested and received disposal plan for lagoon sludge
8. Notified ODEQ of project personnel changes
9. Requested extension of Phase VI

**Future Activities:**

1. Finalize sludge plan with ODEQ
2. Solicit bids for lagoon work
3. Begin preliminary work on Phase VI
4. Submit Phase VI plan to ODEQ
5. Secure needed extensions from ODEQ
6. Build new lagoons during off season – November 2015 through March 2016

The future activities list outlines what we will strive to accomplish between now and the beginning of next season. We would request that all owners please check the Park's website for any and all utility shut downs. We will do our best to provide as much notice as possible.

Tom Elliott  
ODEQ Committee Chairman

## **Personnel Committee Annual Report**

### **September 6, 2015**

Chairman: Wendell Kluge,  
Members: Delton Yoder, Clyde Kluge, and Maggie Thompson

### **Accomplishments:**

We implemented the new electronic gate system last fall and it has gone fairly well. This item has saved us a lot of money with the elimination of our gate personnel. A side benefit is that our Incident Reports are down compared to last year. The upgrade to the camera system by volunteers will enhance gate surveillance and allow us to recoup costs when people break our gate system.

The problems in the office last winter by a former employee resulted in loss of cash, unauthorized charges to the corporate credit cards and posting problems to accounts receivable. We continue to work with the Murray County Sheriff and District Attorney on prosecution. Our CPA continues to look at this issue also.

The hiring of Tonya Glasgow as Senior Office Manager in April 2015 was an excellent move. She and the staff have been very busy organizing things inside and outside of the office. She is providing excellent leadership and direction of the day-to-day operations. Also, we hired a part time summer helper, Mr. Bobby Gale, who is assisting with mowing, weed eating and outside maintenance.

With all the rain this spring and early summer we experienced flooding, and high water in the park. Thanks to quick action by the staff and volunteers, creeks were cleared, limbs removed. Also ruts in the roads have been filled throughout the summer. Thanks Board, staff and volunteers.

A handbook was developed and approved in July 2015 that explains important things our employees need to know about employment policies, hours of work and payroll practices, standards of conduct and employee performance, benefits, leave and time off.

### **Future Activities:**

We stand ready to assist the Murray County Sheriff and DA in the review and possible prosecution of the former employee regarding the office problems outlined above.

A big thanks to the Committee Members for all the extra time and work this year! We accomplished a lot. Also, thank you to Tonya Glasgow for her help.

Wendell Kluge  
Committee Chairman

# **Covenants & Bylaws Committee Annual Report**

## **September 6, 2015**

**Chairman: Tom Elliott**

**Members: Maggie Thompson  
Wendell Kluge  
Gerry Batt**

### **Accomplishments**

1. The Committee was not able to find any typed Covenants and Bylaws in a Word format so Maggie Thompson retyped both documents utilizing the most recent version the Committee could find. This needed to be done in order to have the ability to edit and update them, if needed.
2. The Committee reviewed the Covenants and Bylaws to confirm their accuracy. This review included multiple trips to the Murray County Courthouse looking for any recorded amendments not included in the current documents. In addition, a copy of the documents prior to 1993 was obtained from a long-time property owner.
3. The Committee uncovered only one recorded document for the Bylaws. It was an audit amendment and the Committee agreed that it was not a valid amendment as it indicated it was passed by a vote of the Board rather than a vote of the property owners and voted not to include it in the Bylaws. In addition it referenced an incorrect location in the Bylaws. The section of the Bylaws it referenced dealt with the Corporate Seal.
4. The Board voted that this was the most complete, correct and up-to-date set of Covenants and Bylaws and re-recorded them with Murray County.

### **Future Goals:**

To evaluate the needs of Cedar Blue and propose potential revisions to the Covenants and Bylaws as deemed necessary.

Tom Elliott  
Committee Chairman

# Senior Office Manager Report

## September 6, 2015

Office Hours:  
Monday - Sunday 8:00 am - 5:00 pm  
Lunch 12:00 pm - 1:00 pm  
Phone: (580)-622-6302  
Email: parkadmin@cedar-blue.com

2015 assessments were due April 30, 2015. Final notifications sent May 21, 2015. Electronic gate cards have been deactivated for property owners who have not paid effective 6-15-15. Please pay past due assessments ASAP to avoid any further legal action. Should you have any questions, please contact the Cedar Blue office. There are twenty-one (21) properties owing for a total of \$19,234.25. -See attachment-

2016 assessment letters will be mailed out shortly. The first half of the Infrastructure assessment is due in the office, Monday, November 2, 2015. Since October 31<sup>st</sup> falls on a Saturday the date due is not until the following business day. The second half of the Infrastructure assessment is due in the office on March 31, 2016. The Annual assessment is due in the office on Monday, February 1, 2016. Since January 31<sup>st</sup> falls on a Sunday, the date due is not until the following business day. The second half of the Annual assessment is due Monday, May 2, 2016. Since April the 30<sup>th</sup> falls on Saturday the date due is not until the following business day.

Please update the office with any address, phone or email changes.

Signed  
Tonya Glasgow

# **Outstanding Balances by Property Annual Meeting September 6, 2015**

Please see below balances due by property. The amount owed may consist of yearly assessments, special assessments, late charges or other fees. This listing is as of 9-6-15. Balances were due 4-30-15. Gate cards deactivated 6-15-15 due to nonpayment.

Attachment to Senior Office  
Manager Report

<b>CB-026</b>	<b>\$1,000.00</b>	<b>CB-027</b>	<b>\$ 1,000.00</b>
<b>CB-135</b>	<b>750.00</b>	<b>CB-201</b>	<b>750.00</b>
<b>CB-272</b>	<b>985.00</b>	<b>CB-325</b>	<b>750.00</b>
<b>CC-009</b>	<b>985.00</b>	<b>CC-010</b>	<b>985.00</b>
<b>CN-024</b>	<b>677.50</b>	<b>CN-064</b>	<b>933.75</b>
<b>CN-078</b>	<b>750.00</b>	<b>CN-081</b>	<b>638.00</b>
<b>CN-083</b>	<b>750.00</b>	<b>CR-012</b>	<b>1,185.00</b>
<b>CR-055</b>	<b>985.00</b>	<b>CR-059</b>	<b>985.00</b>
<b>CR-060</b>	<b>985.00</b>	<b>CR-068</b>	<b>985.00</b>
<b>CR-084</b>	<b>1,085.00</b>	<b>CR-086</b>	<b>985.00</b>
<b>CR-092</b>	<b>1,085.00</b>		

**Total:           \$ 19,234.25                   (21 properties)**

## EVICTON OF THE CEDAR BLUE VOLUNTEER FIRE DEPARTMENT

The Board of Directors has discussed and researched the Cedar Blue Volunteer Fire Department for a variety of reasons. After much discussion, the Board voted and gave notice to them to vacate the park's premises with their equipment by November 15, 2015. **This action does not disband them but tells them they need to find another place to base out of.** This decision was not reached without a great deal of research and meetings with various City, County and State entities.

We know property owners may have questions so hopefully the following information will answer most of those questions.

- From discussions with various people it seems that the CBFD was originally put together to be just a group within the park and only for the park and they were not an officially recognized volunteer fire department. Over time, it seems that the group desired to be an official volunteer fire department and moved down that road to gain the status of a recognized volunteer department. At that point they were no longer just for the park but had a district to cover. This action then removed them from sole oversight by the Park. They do not pay rent or assessments for the building they use. That building is owned by the Park, the grounds are maintained by the Park and the utilities are paid by the Park. There does not seem to be any contract with the fire department. None has been found in the office, none has been produced by the fire department and from a conversation with a gentleman that had involvement with this group many years ago, he indicated that he does not recall any contract between the fire department and the Park.
- Fire calls in the Park will now be answered by the Sulphur Fire Department.
- Insurance rates are assessed at ISO 9 rates which is the highest. Therefore, discounts are not recognized.
- We have heard that the CBFD has not been certified to fight structure fires for quite some time. Based on past reports we have received from Jay Hayes it appears that 2 of the firemen have passed their Firefighter I. At this time we are not aware of the status of the rest of the firefighters other than they have completed their CPR training.
- The Sulphur Fire Department Fire Chief has told us there is no mutual aid agreement between the two entities. They just call each other for help as needed.
- The SFD Fire Chief also has told us that both the CBFD and SFD have always been able to charge for calls within the Park and the SFD will continue to so. Should they have to respond to a call the bill is typically sent through insurance so property owners often don't realize they have been billed.
- We have been told by SODA (Southern Oklahoma Development Authority) that because of the type of volunteer department the CBFD is they are supposed to be overseen by a 3-5 member board of individuals from within their assigned district and at this time none of the city, county or state entities we met with can tell us who that board is that oversees them. This board oversight is to include their equipment, training, certification, finances, etc. It appears there is no oversight board.
  - The CBFD claims they comprise their own board and are self-policing. It is our understanding that only one of the fire fighters can be on this board.
- In speaking with the various city, county and state entities about this group it was also clear that several do not have any respect for the CBFD.
- The Board feels that the CBPOA has been generous in providing the CBFD with space and in the past even funds. At this time the Board feels that the CBFD has not been a good steward of this arrangement. They have been sent written notices to clean up their property as have some of their fire fighters who own and/or live on property in the Park. Some of these notices have not been complied with. There are fire fighters that are living in the Park which violates the Covenants and Bylaws and one of them is not even a property owner. They have not provided monthly reports on a consistent basis to the Board and they have not been qualified to fight structure fires. They have had fund raisers in the Park and have not provided regular monthly financial reports as to what those funds have been used for. Recently they were unable to put out a golf cart fire due to equipment failure and the SFD had to be called.
- At some point in the future, should the CBPOA desire to have a volunteer fire department located in the Park again AND if the current CBFD has disbanded, Mr. Cecil Mackey from SODA (Southern Oklahoma Development Association) has offered his assistance in putting a group together that is properly certified to fight structure fires, has an oversight Board that meets regularly, among other requirements.