



LOST NATION-NEW LANDING RCD

December 17, 2015 6:00PM

- I. **Call to order** - Glenn Baldwin called the meeting to order at 6:00PM.
- Board Members Present –** Glenn Baldwin – Vice President Mike Swartz – Secretary
Jim Brown – Member at Large Tim Spelde – Member at Large
- Board Members Absent -** Marty Portner - President
- II. **Pledge of Allegiance**
- III. **Motion to Approve the Agenda** – Tim motioned to approve the agenda and Jim seconded the agenda. The board approved the agenda unanimously by roll-call vote. [12-15-01]
- IV. **Motion to Approve the 11/19/15 Minutes** – Tim motioned to approve the agenda and Jim seconded the agenda. The board approved the agenda unanimously by roll-call vote. [12-15-02]
- V. **Motion to Approve the Treasurer's Report** – Jim asked about the CCWP budget under Glenn's adjusted budget report and Becky told him that that number hadn't changed. Tim asked about the payout of taxes and Becky said that the last two that they received in November are the last payments that they should receive other than late taxes that might come in. Tim motioned to approve the treasurer's report and Mike seconded the motion. The board approved the motion unanimously by roll-call vote. [12-15-03]
- VI. **Director Reports**
- A. Glenn Baldwin – no report**
- B. Mike Swartz – no report**
- C. Jim Brown**
- 1. Discussion to Revise & Expand the 2015 Application for Rental of the LCC, Category 4** – Jim read attachment 1 to the board and asked for board member comment. Glenn asked how much revenue Jim estimates that his proposal would generate and Jim said that he didn't know but more than zero. Glenn asked how much space the POA would need for their rental and Jim said that he assumed that they would need the cemented area as a minimum amount of space. Tim said that the waters have been so muddy and he didn't see a problem with their category 4 now and wondered if they'd had any organizations come to them to ask to rent the building. Jim said that the POA called the office to ask to set up an appointment to rent the building and were told that they would have to bring it to the board, which they did and then the RCD shot it down twice. Tim said that he wasn't trying to be combative but he asked Jim to refresh his memory as to why it was rejected and Jim said that the first time it was deemed an illegal order, although Jim said that he received a legal opinion that it was legal. Tim asked if it got back on the next month's agenda and Jim said that they brought it up for a vote again when Glenn pulled up the requirement for the copy of a motion that it was approved by the submitting organization (POA). Jim said that right now the POA and the RCD both think that the issue is in the other board's court. Jim said that he doesn't think that they are going to rent it to the POA if the only option would be for them to sit down with the POA and negotiate an annual contribution; rather, he thinks that they should also have the option to pay an hourly rent as well. Glenn asked if the person that contacted the RCD board to rent the facility was authorized by the POA to do that. Jim said that he has second party knowledge that the person had Mike's authorization to negotiate that hourly rate. Glenn said that their plans right now are to divide the area up and have the cemented area available for people to rent for meetings and he wondered if the POA would be willing to rent the divided area for \$100 a meeting. Glenn said that any money that they can get to offset the building expenses will go toward the dredging program which is hundreds of thousands of dollars short. They want to maximize the revenue on this building. Three of board members that are currently on the board today voted on the rental procedure that has been in effect since January 1st. Jim said that that procedure hasn't worked for the POA to be able to rent the LCC for their meetings. Tim said that he doesn't know why it didn't get on the agenda correctly before and Jim said that it didn't have enough detail. Jim said that if this is what is required and it was shot down for reasons that are not stated in the procedure then it needs to be stated here if they are going to leave the agreement as it is. Tim said that he is a proponent of whoever wants to rent the building, then

let them rent the building. If someone is interested in renting the building, let's get it back on the agenda. Jim said that they have to change the rules first because if it's not followed by what's not stated, then they can't rent it. Glenn said that he is totally against the hourly rental rate for the space – he'd rather have a per-usage rate instead. Jim asked what is going to happen if they do the coffee shop and there is a wall there and an organization needs a bigger space to rent – will they be able to rent it from the owner/operator? Glenn said that that would have to be a part of the contract and the agreement between the operator and yourself but the wall will be moveable so they can be as flexible as they can but it will depend on how the operator uses the space – if they use all of the other space then the cemented area would be it; however, the owner/operator will be an entrepreneur and they will do everything they can to try to maximize the revenue in the building, which, of course, the RCD would get a share of. Jim said that if the operator does rent the other space, the RCD wouldn't see the revenue from that directly and Glenn agreed, stating that the RCD would only see the direct revenue from the cemented area and the lease amount from the owner/operator. Glenn recommended that they leave the rental agreement the way it is but now they are not looking at the POA to come up with \$10,000 a year for their meetings and for the community to use the building; instead, with the owner/operator running the building, they would welcome different organizations that want to come in and play cards or paint to use the building. Jim asked if the people that wanted to play cards would have to pay \$100 and Glenn said no – the owner operator would have an area set up for them to do those activities and hopefully they would buy something from the store while they are using the facility. Glenn used the example of a restaurant that he owns in Rochelle where clubs come in and use it for their meetings and have lunch. Much of that will be set up by the owner/operator. Glenn's recommendation to the board would be to rent the cemented area to anyone who wants it for \$100. Mary Sullivan asked what the occupancy of the cemented area would be and Glenn said 60 people. Mary asked if they checked with the county on that. Charlie asked about the fire code and stated that there were no restrooms for the space. Glenn said that it will be okay and asked Charlie to please not nitpick because whatever has to be done they will do it. Charlie said that they would have to walk through the purveyor's store to use the restroom. Glenn said that he did talk to the county on the zoning for it and they asked if there were restrooms and they have 4 restrooms. Glenn asked Jim if he had anything else to say and Jim said he'd like to know if anyone would make a motion to do this and Tim said that he doesn't understand the difference with what they have and what he wants and Jim said that right now if someone wants to rent the facility under Category 4, they have to sit down with Marty and negotiate an annual contribution and Jim wants to give them the option to present an hourly amount or a fixed rental amount as Glenn suggested in addition to the annual contribution. Right now there is no option to rent it for an hourly or daily fee. Jim added that however we phrase it, let's mention every detail rather than pulling it out of a hat like they did at the second meeting. Glenn said that the rental agreement was still a rule in the books and that would have to be eliminated before they could talk to about a new procedure. If there were going to be any changes, for example, if they accept something new tonight, they would have to cancel the one that is in effect that was approved unanimously at the December meeting. Jim said that he just wants to amend category 4 or at least include everything that's required for category 4. Glenn said that it seems to be pretty simple and he recommends that they leave it the way it is except to charge a \$100 flat rate for 4 hour or less usage. Tim said that they could use have people refer to Jim's recommendations to bring a proposal to the board on letter head but that he didn't think they needed a motion to do that. Mike said that he likes that Jim is trying to delineate out the procedure and that it still gives the board the ability to vote on it. Mike says that it doesn't need to be voted on; rather, he thinks that the directions (that Jim is adding for category 4) need to be included in the rental agreement. In his opinion, the biggest thing is that they want to do is offset the cost of the building – if the POA were to come to us and only want to pay \$25 a hour for a meeting, they still have the opportunity to say yay or nay at the time of the proposal and he doesn't think that that is a bad thing. Becky asked if the board wants her to update Category 4 of the rental agreement to add a reference to an attachment outlining Jim's suggestions on how an organization can present either an annual contribution, an hourly rental, or a per rental proposal under Category 4 with Glenn's \$100 per rental proposal added and the board agreed.

2. Discussion to Waive RCD Meeting Rule 2 When Involving Category 4 Rental Request. – Jim read a letter to the board that he wrote to the board (see attachment 2). Glenn asked if anyone wants to motion to strike rule 3 in the meeting rules. He added that he would like to see it stay in there based on what he's heard has happened in the past. Jim said that if they are not going to change the rule then they need to add that requirement to the rental agreement. Tim said that he doesn't want the rule taken out either and said that they should add it to the agreement like Jim suggested.

D. Tim Spelde

1. Update on Dredging & Removal of Silt – Tim said that they are working with Mr. Kennay to decide the most optimal time to remove the silt. It's wet right now and they want to wait until the freeze/thaw period and next week it may warm up again. They are looking at the best time to do it while keeping the POA roads as clean as possible. Tim met with Charlie Moore last night and Tim said that Charlie had some good suggestions on how to do that. They are going to look at getting a rock base to increase the durability of the access road for trucks to back up on Schings Park (about 25-35 ft.). The long-term plan is to remove all of the silt that has dewatered and reseed the disturbed area in the spring time. Tim recommended that they go out to bid for the creation of the finger at Schings Park that they want to build to allow the mechanical dredging equipment to go out further into the water. Tim looked back at the dredging outline that he had created and saw that they are right around the ballpark of the funding that they budgeted to dredge Schings Park. They still have removal of the silt, grading, and seeding the area to finish. They will figure that final cost into a per cubic yard cost analysis so that they have an idea of what it'll cost to mechanically dredge in the future. A group of people, led by Tim, met up to talk about dredging and enlisted Tom Clarey to help with the dredging planning. Dredging is a huge project to undertake and Tim's original plan was to mechanically dredge for 3 years and then start saving next year to fund the hiring of a professional dredging company to come out and hydraulically dredge basins 2 and 3 of the lake. Tim said that they are working to keep the dredging as low cost as possible while keeping the neighborhood aesthetically pleasing by removing the silt as quickly as possible and to restore their property back to green space. Tim motioned to complete the rock finger project at Schings Park, making sure that it is a properly stabilized permanent island in the lake. Mike seconded the motion. The board approved the motion Rick Kennay said that he has 3 trucks on standby ready to remove the silt. Tim also had another farmer offer to take some of the silt for free as well but he wanted to talk to Rick first. Tim asked Becky to talk to the insurance company about getting a bond coverage on the roads from Schings Park to the entrance. Charlie said that it could cost about \$100,000 to totally replace the road from the bridge to the gate. Tim told Charlie that if the RCD were to mess up the POA roads in the process of dredging the lake or removing the dredged silt, as a property owner, they are his roads too and the RCD would fix them; however, he doesn't want to obtain a \$1,000,000 worth of coverage for a tar and chip job that would be considerably less. Charlie said that it would be a specific job and the bond is pretty simple to obtain. So far, Tim has estimated that it has cost the RCD \$10-12 a cubic yard to remove the silt from the lake at Schings Park. Glenn said that Tim estimated in the silt survey that he did earlier this year that there is about 117,000 cubic yards in that area of the lake. Dave Stewart said that they should make the agreement last for more than one year since they are going to plan on doing it several more times – Tim said that that was a good suggestion and added that he is not a dredging expert and appreciates the input that everyone has given on the project and he'll try to do it right. Glenn said that they learned a lot. Tim said that when the ice firms up they are going to take more depth readings at the dredge location that they had so that they can monitor that for the future they can go out every year or so and check to see how much silt is coming in and design a plan to go out every 3 years and dredge the silt. Glenn said that they put over 1,000,000 toward stabilizing the Babbling Brook feeder stream and the shores of Lost Lake itself which should help keep the silt that is coming in down to a minimum.

VII. New Business – no new business

VIII. Guest Comments –

Glenn Baldwin – Glenn said that at the last two meetings, when presenting his concept for a coffee shop, if asked how he would run it, he explained what he would do; however, he said that most of the decisions would be made by the owner/operator. Glenn asked Lisa Koltunchik, who answered the postcard, to come and give them some of her ideas on what they should be able to do with her help. Lisa said that she is a chef and baker and she is working in Amboy right now but would like to open her own place closer to her parents in Lost Lake – she was in the process of negotiating for the former site of the Folsom Bakery on Galena when she saw the ad and thought that that might also be a good opportunity. It would be a gamble as to whether people would want a place in the community that would sell baked goods and soups and sandwiches just as it would be a gamble as to whether she could compete with the other businesses on Galena. She cooks from scratch and has been cooking and baking her whole life but whether people would want it she doesn't know. It's a great place and she could see in the summer the weekend people coming out and she could have a grill going and it would get more popular. Her rent would be a contribution toward the maintenance of the building here. Glenn asked about the equipment that she would use and she said that she has her own shelving to use for a convenience store – she doesn't know that she could rely as much on the income generated by a convenience store; rather, she thinks that the coffee shop part of it with offering soup and sandwiches

(would be her main focus). Glenn added that she's certified and she agreed that she was certified and had her license - she's worked in restaurants (La Vigna in Oregon, Artisan Market in Amboy) for forever. Jim asked if she saw a problem with using residential quality appliances to cook with and Lisa said that she has a convection baking oven and another electric oven with an electric top that she can bring. Tim asked if she would be open to the small groups coming in and using the facility and Lisa said she would have no problem that and hopefully they would buy lunch from her, not that they would have to. Glenn said that right now Becky rents out the facility to people who want to use it but if Lisa is the owner/operator, they would have to go through her and she could even cater the party if they wanted. Glenn stated that the tax revenue for the RCD has dropped from \$175,000 to \$125,000. Right now it take \$116,000 a year to run the RCD which doesn't give them much to save toward dredging. Earlier in the year, Glenn went through the budget and managed to tighten it by \$18,000 and if they can rent the LCC out and with everything that they make on renting the space for the restaurant would go toward the dredging. Glenn read a letter from Cheryl Walsh as follows:

"As new owners at Lost Lake they are thrilled that there is interest in adding value to the community by adding a Coffee Shop/Marina. They feel that having a bake/coffee shop in the community would enhance their property value and be more convenient than traveling into Dixon. In addition to what is being proposed, I would be very interested in pursuing the idea of opening a hair salon in the future within the community as well. As I am a hair stylist and business owner with many creative ideas I have thought about how wonderful it would be to provide on-site hair salon possibly at the Community Building. As I am an independent stylist and currently rent a salon suite near my primary residence in Woodridge I am aware of all of the nuances of a start-up business. I have been in the hair industry for over 28 years and I am very interested in the possibility of bringing my skills to the community. My husband and I are of the opinion that the Lost Lake community is a hidden jewel or diamond in the rough - in the short time that we have owned our home we are enjoying the quiet seclusion as well as getting to know some really nice people. We feel that the addition of an on-site business such as that proposed by the RCD would be a tremendous asset to the community. I regret not being able to attend the meeting to gain more information but hopefully in the near future I would be able to learn more specific details."

Lisa stated an example of a community called Mill Creek near her that has a little area in the middle of the place that has a convenience store, a hair salon and a café.

Ken Reukauf – Ken asked if a coffee shop or any other business established in the building will non-residents be able to come in here? Lisa said that they are trying to address. Glenn said that he thinks it would be great because the more business they put there the more they will make as RCD to put toward dredging. Charlie Moore said that it's a closed community - that is why they like it that way. Glenn said to help the RCD with dredging, if people from outside the community would want to use the facility to rent it out or have food, for example, they are going to have contractors that come in here all the time and they will probably be eating here or having a cup of coffee – they want to encourage that – whatever it takes. When he got on this board, he got on to help protect the lake – this lake is in trouble – when they take the boards out they can see birds standing on the ground instead of swimming – they will take care of this lake and to do that they are going to have to come up with a lot of money. They can't bring in any more money from a tax stand point; the only facility that they have is this building and the only reason it is standing empty is because it is owned by a government entity. If you owned this facility you wouldn't let it stand empty. By doing this, they are helping the taxpayers out by providing a facility that will make money that will make money at which they can eat and meet people and many other things.

Dan Nicolini – Dan said that if Lisa is wondering whether the business opportunity would work at Lost Lake, Lisa should send out a flyer to invite property owners to ask questions of her and give feedback as to whether there would be enough business to be successful. Glenn said that as an incentive, the RCD would offer the first 3 months free rent to the owner/operator to get them started.

IX. Motion to Adjourn – Tim motioned to adjourn the meeting at 7:05 and Mike seconded the motion. The board approved the motion unanimously. [12-15-04]

12/17/15 Motion List

1. Tim motioned to approve the agenda and Jim seconded the agenda. The board approved the agenda unanimously by roll-call vote. [12-15-01]

2. Tim motioned to approve the agenda and Jim seconded the agenda. The board approved the agenda unanimously by roll-call vote. [12-15-02]
3. Tim motioned to approve the treasurer's report and Mike seconded the motion. The board approved the motion unanimously by roll-call vote. [12-15-03]
4. Tim motioned to adjourn the meeting at 7:05 and Mike seconded the motion. The board approved the motion unanimously. [12-15-04]

Attachment 1**December 16, 2015****LCC RENTAL REQUIREMENTS**

It has now been a full year since instituting the rental requirements for use of the Lake Court Center. It has also been that same full year without any rental income on a continuing basis. Not that the POA has not tried. Category 4 of the approved rental application requires a negotiation in advance, but states only to contact the RCD office to set up an appointment. No other details are specified in the application. It is time to fix what I believe to be a broke process.

I would like to see us offer a choice of two options:

1. Hourly rental rate offer to be presented on organization letterhead and signed by an officer, delivered to the RCD office at least five days prior to the next scheduled RCD meeting. The board will review said offer in open or closed session and vote in open meeting to accept, refuse or counter the offer.
2. Negotiable annual contribution offer to be presented, reviewed and voted up on as stated in option 1.
3. Term of both agreement options to be one year.

CATEGORY 4: Private organization and business – recurring event. Must be negotiated in advance. Contact the RCD office to set up an appointment.

Jim Brown

RCD Board Member at Large

Attachment 2

December 16, 2015

RCD MEETING RULE 3

The last sentence is unnecessary since after RCD approval the agreement would require ratification by the offering board, and if is required it should have been stated on the originally approved rental application. In retrospect, we missed an opportunity to rent to the POA when their second offer was made by simply voting to waive the rule when it was introduced to kill the offer. It is time to amend Rule 3.

RCD Meeting Rules

1. All meetings will adhere to the agenda. Deviations allowed by a consensus of the board members.
2. All taxpayers wishing to add an item to the agenda or bring an issue for the RCD to address must submit the topic and written information to the RCD five (5) days prior to the scheduled meeting. This will give the board time to review the information therefore freeing up more time at the monthly meeting.
3. Any local board wishing to add an item to the agenda or bring an issue for the RCD to address must submit the topic and written information to the RCD five (5) days prior to the scheduled meeting. The written information should include a copy of a passed motion from the local board showing that it is a concern of the majority.
4. Tax payers/local boards will have five (5) minutes to present their issue.

Jim Brown

RCD Board Member at Large