



## LOST NATION-NEW LANDING RCD October 22, 2015 – 6PM

### I. Call to order – Marty called the meeting to order at 6PM.

**Board Members Present –** Marty Portner – President  
Mike Swartz – Secretary

Glenn Baldwin – Vice-President  
Tim Spelde – Member at Large

**Board Members Absent –** Jim Brown – Member at Large

### II. Pledge of Allegiance

**III. Motion to Approve the Agenda –** Tim motioned to approve the agenda and Glenn seconded the motion. The board approved the agenda unanimously by roll-call vote. [10-15-01]

**IV. Motion to Approve the Sept. 17, 2015 Minutes –** Mike motioned to approve the 9/17/2015 minutes and Glenn seconded the motion. The board approved the motion with Tim abstaining from the motion and Marty, Glenn, and Mike approving the motion. [10-15-02]

**V. Motion to Approve the Treasurer's Report –** Becky went over the expenses and income for September – they paid Olson Ecological for a CCWP meeting that they had and the 4<sup>th</sup> tax installment came last month. Becky is waiting to hear back from Rebecca on her review of the final grant reimbursement request which is around \$46,000. Glenn motioned to approve the treasurer's report and Mike seconded the motion. The board approved the motion unanimously by roll call vote. [10-15-03]

### VI. Director Reports

**A. Marty Portner – Electricity to Park Drive Park and East Beach Boat Docks.** Wes Jaros talked to Marty about putting electricity to the boat docks. Marty met with Com Ed and toured the property to look at what it would take to bring electricity in from the grid to the docks and meter it. It may be costly for Com Ed to do that and they were looking at the east side and they might even have to bore under the street to get to install lines to the site. Com Ed is going to have an engineer come up with a plan and cost estimate of what they want to do. They said that because they may have to do boring under the road, they may have to escalate it to another group in their division so it doesn't sound promising from that respect. Marty is waiting to hear back from the electric company.

**Soil Sampling of Silt Removed from Lake –** Marty said that in the past the board has questioned whether the silt that gets dredged from Lost Lake would be worth anything. Marty called around to find out if they can get a company to do a test to get the chemical or material composition of the soil for the future if they wanted to advertise for people to take the soil they would have that information. First he called Rebecca Olson, then the NRCS, who sent him to a company in Ogle County who helps people with soil drainage problems on their farms and he said he couldn't help and recommended he go back to the NRCS and one other person who Marty is going to follow up on. Glenn said that he was contacted by a farmer that wanted the soil and Glenn said that he would talk to other farmers about whether they would want it.

### B. Glenn Baldwin

**1. New Budget Proposals –** Glenn said that two months ago Marty asked him to look at the budget to see if he could find some ways to streamline the budget to redirect money toward dredging the lake. He went through the budget and came up with about \$21,000 in savings and Glenn felt that if they could cut their spending by \$21,000 and add income that they could potentially earn from the LCC that could give them \$30,000-40,000 a year to use on dredging. Marty said that he can commit to what Glenn put down on the list; however, he'd like to have the flexibility to make modifications and he doesn't think that they need to motion to change the budget since they already passed the budget earlier this year. The board discussed the budget modification and Marty recommended that Becky keep track of the spending and whether it will make them go over budget. Tim said that his company has another sheet related to their budget that is called an R & O (Risks and Opportunities). Marty said that they could vote to adjust the budget if Glenn wanted to and he asked what Glenn's recommendation was. Glenn said the board could just commit to looking at the budget before they decide to spend any money with Becky helping to monitor that as well since she

manages the finances. Becky said that she could create another column in the Budget vs. Actual report that would reflect Glenn's new budget recommendations. Tim doesn't think that they should vote on changing the budget and Marty said that they don't have to vote to adjust the budget, instead they could just try to stay within the new budget numbers.

**2. Convenience Store/Coffee Shop Presentation** – Glenn gave the board a brief description of the vending machine convenience store idea that he had years ago. He went over the details of his proposed convenience store/coffee shop plan, stating that they would have a special room divided from the end of the carpet to the back – he measured the area and found that you can fit 60 people in there for a meeting environment with chairs lined up in rows and tables set up in the front for the meeting organizers. Glenn recommended an 8' moveable wall to be put up at the end of the carpeted area. He suggested \$85 a day to rent the meeting area. A suggested convenience store idea that he had was to use the larger area of the LCC and set up 12 tables in 4 rows with 140 skus of product to sell displayed on top of the tables with extra product stored under the tables and skirts covering them to hide the excess inventory. They could put the 3 round tables off to the side for people who want to come in and have a cup of coffee or clubs that would want to meet and hopefully buy coffee or a snack. Rather than the RCD running this business, Glenn recommended that the RCD would charge a lease of 15% of their gross income. So if they had an income of \$75,000 for example, the RCD would get over \$10,000 in revenue from it. Marty asked how Glenn how he would propose to generate interest in finding owner/operators to run this and Glenn said that if the board was in agreement, he would hope to advertise using the podcast and Facebook to start it off. There are over 300 homes in the subdivision and this would be the only store within 10 miles – Glenn thinks it has lots of potential. Tim asked what the building was zoned and Mark Miller said he thought it was zoned B2. Walt Shambaugh asked about refrigerated items and Glenn said that they have to refrigerators that items can be stored. He asked about the prices and thought that they would have to charge an exorbitant amount to make a profit and Glenn said that they would have to be competitive with other stores and that once good thing is that there is hardly any overhead for the owner/operator. Ron Mangini asked if they were saying that the operator wouldn't have to pay the utilities that covered the electricity and refrigeration for 24 hrs. 7 days a week and Glenn said that they are paying the utilities now and not getting the income for it and Marty said that it would be exacted out of the 15% lease. Ron Mangini asked about building maintenance and Marty said that it is still the RCD's building so they would be responsible for the maintenance of it. Glenn elaborated more on the need for a place for people to use to meet and use the building. Jerry Sellers said that in 2005 when this was brought up the argument was made about delivery people coming at different times and the negative impact on the environment of having extra trucks coming back and forth and the need to install certain necessary lighting and ramps and he recalled that no one was in favor of the idea at the time. Joe Olliges said that it didn't sound like this was a good business plan as nothing was in writing and Marty said it's not a plan at this stage because it's just a proposal. Joe asked how they would propose to pursue the plan and Glenn said that he believes that there are people out there that would jump at the chance – someone like a retired couple might come in and want to something. Marty said that Glenn has discussed the operational plan and it sounds like Glenn has a lot of the details worked out but he hasn't discussed the market by which he means the people who live, work and travel through here. Marty was wondering about the market research that would be done to justify an investment of money by themselves and justify it to the corporation. Marty says that what he understands is that the RCD would be the renters of the space and that would be their income. Glenn said that he likes the 15% idea is that they are taking a risk with the owner/operator vs. a flat rate but it could be a good opportunity if it was run correctly. Marty asked if Glenn has done any research on the market of this area or is Glenn confident that there is a good stable market and Glenn said that one thing he was concerned with was if a convenience store was built outside the community it would put him out of business but right now if nothing is really changing and it doesn't work in a year or two they would just go back to where they were. The only investment that an owner/operator would have is the \$3,000-5,000 inventory and they'd have a business. Walt asked if they were talking about fresh foods and Glenn said that as long as they only sell packaged foods they don't need a license from Ogle County; otherwise, it would be up to the owner/operator to obtain a food license, which he recalls is about \$100 a year and involves inspections, which they should do. Discussion ensued from the audience about the success of the business and Marty said that they would have to let the market decide and that would be a risk the operator would take. Marty asked the board members what they thought and Tim said that he thinks that there's a need out here but he would just be concerned with the all the minor details such as licensing and the need for security. Marty said that if the board members are in agreement, he'd like Glenn to execute a plan to reach out to the public to find an owner/operator. Glenn said that would be addressed with the podcast. Marty said that he's learned is that in this community different people get their information in different ways – some listen to the podcast, some read the gates or the newsletter, some get their information by word of mouth and he's found that the best way to get the word out would be mass mailing. He has someone who could do the production for free and there would just be a production cost of the mailing. Ron Mangini said there was no projection on what the gross of the business would be and Marty said that if he

was an owner/operator that would be a question he'd want to find the answer to but not necessarily expect Glenn or the board to know the answer to that. Marty said that they've had such bad luck trying to earn money on this building by using it as a rental center – he doesn't feel that they will ever be able to meet the amount of revenue that the board needs to satisfy the statute – the \$15,000 that they need to substantially make a dent in, and clearly they are not going to find it from the POA because they are not interested. Glenn said that only in a government operation could they let a building sit like this, not being used, taking \$15,000 out of taxpayers money – if this was owned by someone in the free market they would have a store in this building or something to make money on it. But it's a government and this is why Illinois and the country is bankrupt – letting a building like this stand empty and costing \$15,000 that they need to spend on the lake. Marty said that he would want Glenn to do the research to ensure that all of the uses that they propose for the building are allowed and whatever permits they would need to do those things. Marty asked the board members if anyone objected to Glenn moving forward with the idea and no one did. Marty told Glenn to go ahead and move forward with trying to find an owner/operator with the understanding that the final proposal that would come down would be in such detail that it would be open to scrutiny by the public and they would vote on the final implementation – this is not a vote to do it. The details of a lease would have to be brought before the board to approve and Glenn agreed. Tim asked if there was there a covenant that says that the RCD can't operate a business and Marty said he thinks that in the POA covenants there is an exemption for properties owned by the RCD, POA, and LLUD. Joe Olliges asked about this being a government building and its exempt from property taxes – once they have an un-government use they have to go on the tax rolls – government owned buildings that rent office spaces have to pay taxes – Marty said that it's a good question and that they would find out about it. Glenn said that they would make sure that every legal issue is investigated thoroughly before moving forward.

**C. Mike Swartz** – none

**D. Tim Spelde** – recording not complete - notes not available.

**VII. New Business** – no new business

**VIII. Guest Comments** – Becky Breckenfelder said that Teddy Swartz was hosting the Halloween Party at the LCC with Pennies for Parks helping with the sponsorship and cost of it. PFP was also having their second annual haunted hayride at the campground and invited everyone to come out.

**IX. Motion to Adjourn** – Glenn motioned to adjourn the meeting at 7:58PM and Mike seconded the motion. The board approved the motion unanimously by roll-call vote. [10-15-04]

#### **Motion List**

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