



# News & Views

Published by the Lake Carlos Villas Cooperative Association

## Year End 2022 Treasurer's Report

### For the year 2022 LCV ended with a deficit of \$38,225.

Total year 2022 revenue for LCV was \$376,219 which was 98.3% of budgeted as approved at the October 2021 Membership Meeting. Paid dues (\$302,586) and paid surcharges (\$33,635) (Total \$336,221) made up 89 percent of the total income for LCV in 2022. Bonus time (\$10,270) (a possible detriment to season three ownership), lift and dock space rental (\$10,170), and "apartment" rental (\$9,525) make up most of the remaining revenue for 2022, as in the past.

Total expense for the year was \$414,444. Administrative and staff expenses (Board expenses, payroll, insurance, taxes, office supplies) were \$211,173. Operational costs (routine repairs, utilities, snow removal, cable TV, internet service, etc.) for the year were \$145,193. Reserve Fund spending (for planned required major repairs, replacement, and upgrading) was \$58,078, as approved by the Board at the January and March meetings. The Reserve fund spending was for two sets of refrigerators, stoves, and microwave ovens, upgrading of Units #8 and #20, plus the stucco repair and painting.

### CASH RESERVES AND OPERATING CAPITAL

The Villas as of December 31, 2021, had cash reserves of \$100,007; that is cash not obligated to pay for someone's vacation week in 2022 or 2023. With the 2022 deficit of \$38,225, the Reserve fund drops to \$61,782. We are maintaining our Reserve account separately from our Operating funds in a higher yielding bank CD account. Of the cash on hand, \$229,922 is Operating capital for 2023.

### Mid-Year (July) 2023 Treasurer's Report July 31, 2023

As per the Mid-range budget passed in October of 2022 for 2023, at seven months into our fiscal year, Lake Carlos Villas Cooperative is, in the short term, in reasonably good condition financially. The Mid-range budget approved at the Annual Membership Meeting provided for

an increase in Maintenance Fees (Dues) income for the year 2023 to \$408,700 including dues, surcharge, late charges, and apartment rental. Year to date revenue in these categories has fallen short by \$18,000. The major cause of this shortfall is the loss of members in Seasons 2 and 3. The above Dues and related income accounts for about 92% of the total LCV revenue stream.

Total income for the period January through July is \$406,978. Projected remaining income for the year is \$13,320, for a total projected income of \$420,300. This will be approx. \$21,000 less than budgeted. Total expenses through July are \$235,730. The projected remaining expense for the year is \$184,550, for total year expenses of \$420,300, including the reserve pay-back and **Reserve spending as listed below. This will allow LCV to be in a break-even position. Zero Deficit.**

Year to date spendings from budgeted Reserve funding were: 1. Eight queen mattresses and four king mattresses plus new support structures for each and required sheets and associated furnishing for the king beds (Reserve Furnishings Cost \$11,423), 2. Final exterior painting of all stucco clad buildings at LCV (Reserve Major Repairs cost \$8,423), 3. Replacement of the indoor pool heater (Reserve Major Repairs cost \$6,963).

Within the Mid-range budget, this Board has planned the following for the remainder of this year, if there are no additional surprise significant repairs or replacements:

Reserve Furnishings: Remaining in this expense category is \$3,580 for additional expenditures. Recommend purchase of 3 additional sets of queen mattresses and supports before the end of the year (Cost of about \$3,500). The balance of the needed queen mattresses and supports will occur in 2024.

Reserve Appliances: We have purchased no major appliances yet this year, Reserve Major Appliance spending of \$8,000 is proposed in the budget. As needed, this budget money should be spent in the last month of the year.

**LAKE CARLOS VILLAS  
BOARD OF DIRECTORS**

**Nancy Seth, President**  
[jakeandnancy@msn.com](mailto:jakeandnancy@msn.com)

**Pete Schwingle, Vice-President**  
[schwinglep@aol.com](mailto:schwinglep@aol.com)

**James Overtoom, Treasurer**

**Judi Johnson, Secretary**

**Tom Lindquist, Director**

**Jeff Nelson, Director**

**Paul Rudberg, Director**

**Kevin Smith, Director**

**Mark Wahlstrom, Director**

**News & Views**

Published by the  
Lake Carlos Villas  
Cooperative Association  
Lake Carlos Villas  
3954 County Road 42 NE  
Alexandria, MN 56308  
320-846-1784  
[office.lakecarlos@gmail.com](mailto:office.lakecarlos@gmail.com)  
[www.lakecarlosvillas.com](http://www.lakecarlosvillas.com)

**Candidates Sought for  
LCV Board of Directors**

Three members will be elected to serve three-year terms on the Board of Directors at the Annual Meeting on September 16, 2023. The terms are up for Pete Schwingle, Tom Lindquist, and Jeff Nelson.

Candidates will be asked to introduce themselves at the Annual Meeting and give a short summary of their background.

If you are interested in serving on the Board or wish to nominate another owner, please contact Nancy Seth at [jakeandnancy@msn.com](mailto:jakeandnancy@msn.com) or 612-756-1269.

Reserve Major Repairs: Spending budgeted: \$17,000. Spending to date: \$15,386. Budget remaining in this expense category is \$1,614, because of the replacement of the indoor pool heater. This may however leave a usable surplus in the Pools budget at the end of the year. With the projected planned spending for 2023, we will be able to pay back to the Reserve Savings fund the \$9,000 approved at the 2022 Annual Membership meeting.

Respectfully submitted.  
James Overtoom, Treasurer

**PREAMBLE TO 2024 BUDGET**

Reserves: 2021 Minnesota Statutes 515B.3-1141 Replacement Reserves. "(a) The association shall include in its annual budgets replacement reserves projected by the board to be adequate, together with past and future contributions to replacement reserves, to fund the replacement of those components of the common interest community which the association is obligated to replace by reason of ordinary wear and tear or obsolescence, subject to the following:." End of quote of Minn. Statute.

The treasurer completed a rough reserve study in 2018, shortly after being elected to the position, and determined that the \$91,300 reserve fund at that time was inadequate to pay for the needs predicted in that informal study. A more detailed and knowledgeable study in 2023 (still not professional grade) determines a recommended reserve fund need in excess of \$700,000 to replace the indoor pool (1981), the indoor hot tub (1997), parking lot paving (likely 1981), boat lifts, boats, sidewalks, many lesser fixtures, and furniture.

WE NEED A NEW HOT TUB (SPA), WE NEED SOME NEW BOAT LIFTS, WE NEED SOME NEW BOATS and MOTORS, and DOCKS. WE NEED TO UPGRADE OUR RESIDENTIAL UNITS, and OFFICE, WE NEED TO UPGRADE OUR CABLE TV NETWORK. WE WILL NEED TO REPAVE MOST OF OUR PARKING LOTS IN SEVERAL YEARS (Estimated cost \$80,000 to \$100,000).

Some of these pressing needs can still be postponed for a couple years, but like the hot tub at present, chewing gum and a prayer are keeping it working (replacement estimate is \$100,000 to \$120,000. Lake Carlos Villas needs to re-fund the reserve. That is critical to the future of Lake Carlos Villas.

In 2021 and 2022 reserves were reduced by \$20,943 and \$38,225 respectively. For the year 2023 we will replace \$9,000 back into reserves. What will we do in 2024 to keep our resort beautiful?

## 2024 PROPOSED BUDGET FOR LAKE CARLOS COOPERATIVE ASSOCIATION

It is not the intention of the LCV Board of Directors to continuously raise the maintenance fees to the members of Lake Carlos Villas. Rather it is the intention to allow the resort to continue and be repaired considering the potential decline in the condition of the buildings and grounds of this fine vacation resort. We have instituted increases in fees for each of the past 5 years **to sustain and rebuild the status of Reserves of LCV while completing the required maintenance and replacements necessary to be perceived as a quality vacation resort.** The Board entertains the plan of not raising dues for the year 2025, then proposes inflation increases thereafter, a plan which in this member's opinion, should have been maintained since 2007.

During the period 2007 through 2019 dues per individual unit or vacation week did not increase. But during this same period dues revenue per year decreased from \$380,750 in 2007 to \$302,851 in 2018 and \$305,050 in 2019. This amount equates, at the average dues level at that time, to a loss of about 155 members, an average of 15 members per year. The average dollar loss per year is about \$45,000. **Over that twelve-year period, the dollars of revenue not received by LCV was about \$540,000. That could well have increased the Reserve fund to its proper dollar amount.**

At the same time inflation was reducing the value of each dollar of dues revenue. We could not buy the same amount of stuff, of electricity, of propane, of towels, of stoves, of housekeeper labor in 2019 as we did for the dues dollar in 2007. We could only buy 72 per cent as much. The same has happened to all of us when buying cars, groceries, heating fuel, or gasoline to travel. Those increases were gradual, a little each year. Because of these factors, LCV continues to find itself in a challenging financial position, as we attempt to keep LCV buildings, grounds, and services current with timely repairs and replacements, while also planning and providing for the future costs of major repairs and replacements.

The LCV Boards of Directors and the LCV membership shared in deciding the policy of no dues increases for twelve years which has resulted in financial challenges

at the present. Please let the current Board of Directors and the current membership of LCV bring these challenges to a positive long-lasting conclusion.

## 2024 PROPOSED BUDGET DETAILS

The proposed 2024 budget calls for revenue of \$486,550 and expenses of \$486,550, a balanced budget which includes a scheduled repayment to the reserve savings fund of \$20,000, upgrading interior living spaces of Units 4 and 5, replacing two sets of kitchen appliances including refrigerators, stove/ranges, microwave/hoods, dishwashers, purchasing the remaining queen mattresses so all units have new queen, king or full beds, repointing the stone fireplace in unit 4 and painting all or a portion of the housekeeping building (unit 20) and the pool building.

These costs would be in addition to the routine maintenance, upkeep and housekeeping services provided for our owners. As in the past LCV's costs for utilities, fuel, office supplies, property taxes, payroll taxes, insurance, laundry, cable TV, small appliances, and small furnishings will rise.

Budgeted costs which may vary significantly due to climate and weather conditions are estimated conservatively and include snow removal, electric heating and cooling and gas heating.

As shown on the attached table (Proposed 2024 Budget), employee salaries and associated taxes and costs for 2024 are budgeted as \$154,200, by far the largest expense, followed by operations (\$141,700) which includes electric, natural gas, sewer, internet, and cable TV. Reserve spending, including Reserve Major Repairs, Reserve Furnishings, and Reserve Appliances is the third largest budgeted item for 2023 at \$55,500.

Reserve savings is budgeted to save \$20,000.

The dues structure to pay for this necessary spending again has a larger increase than the Board of Director or the membership might like, but is also necessary to maintain the Villas for today and for the

foreseeable future. To be transparent, since the Reserve Fund savings are so low, any major expense such as replacement of the hot tub will require a special assessment. We must therefore build the Reserve Fund incrementally. We, the Board, and the Membership must work together. With this budget and dues structure, it is the intent of the Board to not raise dues in 2025, and thereafter limit raises of dues to the rate of inflation.

The proposed Dues (Maintenance Fee) for 2024 combine the former surcharge into the Maintenance Fee (less confusing). The Fees are listed in the following table:



**TOTAL MAINTENANCE FEES 2022-2024**

	YEAR 2022	% INCR.	YEAR 2023	% INCR.	YEAR 2024
SUMMER 1 BR	\$331	16%	\$384	36%	\$522
SUMMER 2 BR	\$566	16%	\$658	26%	\$828
SUMMER 2 BR/L	\$704	16%	\$819	24%	\$1,017
SUMMER 3 BR	\$799	16%	\$929	27%	\$1,181
SEASON 2 1 BR	\$302	16%	\$350	17%	\$410
SEASON 2 2 BR	\$517	16%	\$598	16%	\$691
SEASON 2 2 BR/L	\$644	16%	\$745	16%	\$861
SEASON 2 3 BR	\$731	16%	\$846	17%	\$991
SEASON 3 1 BR	\$272	22%	\$333	13%	\$376
SEASON 3 2 BR	\$466	22%	\$566	13%	\$640
SEASON 3 2 BR/L	\$580	22%	\$707	13%	\$799
SEASON 3 3 BR	\$658	22%	\$807	13%	\$912
WINTER 1 BR	\$297	16%	\$344	25%	\$428
WINTER 2 BR	\$509	16%	\$588	16%	\$683
WINTER 2 BR/L	\$634	16%	\$733	16%	\$851
WINTER 3 BR	\$719	16%	\$831	18%	\$982

Note: The proposed and needed 2024 expenses requires the proposed 2024 revenue which include the 2024 dues structure described above. Dues (Maintenance Fees) total revenue of \$444,693 is necessary to balance LCV expenses, while providing for the completion of needed Major Repairs and replacements and reinvesting in the future of our resort (RESERVES).

**Financial Report**

**PROPOSED 2024 BUDGET**

	Actual 2022	Project. 2023	Proposed 2024
<u>Revenue</u>			
Dues & Season Surcharge	\$ 333,209	\$ 379,031	\$ 444,700
Past Dues & Late Fees	\$ 3,190	\$ 2,838	\$ 2,200
Income from Apartment	\$ 9,525	\$ 9,893	\$ 10,000
Bonus & Cleaning Fees	\$ 10,925	\$ 7,695	\$ 8,800
Boats, Motors, Docks & Lifts	\$ 10,170	\$ 12,324	\$ 12,500
Interest	\$ 1,185	\$ 1,852	\$ 2,200
Misc. Revenue	\$ 5,198	\$ 6,664	\$ 6,150
<b>Total Revenue</b>	<b>373402</b>	<b>420297</b>	<b>\$ 486,550</b>
<u>Expenditures</u>			
Administration	\$ 24,788	\$ 24,520	\$ 28,000
Employees Salaries	\$ 141,990	\$ 141,447	\$ 154,200
Operations	\$ 114,201	\$ 123,899	\$ 141,600
Repairs/Maintenance/Routine	\$ 17,297	\$ 17,143	\$ 22,000
Insurance	18732	\$ 24,585	\$ 25,000
Real Estate & Other Taxes	\$ 34,838	\$ 38,048	\$ 40,250
Reserve Spending	62,670	\$ 41,690	\$ 55,500
Reserve Savings	\$ -	\$ 9,000	\$ 20,000
<b>Total Expenditures</b>	<b>414,516</b>	<b>420332</b>	<b>\$ 486,550</b>

Minutes  
Lake Carlos Villas Cooperative Association  
Annual Meeting  
Anoka, Minnesota  
Saturday, October 15, 2022

Call to Order

President Nancy Seth called the meeting to order at 10:15 am. Members present plus proxy votes constituted a quorum.

Introduction of Board Members

President Seth introduced the Board members present: Jim Overtoom, Pete Schwingle, Nancy Seth, Paul Rudberg, Doug TenEyck, Tom Lindquist, and Kevin Smith.

Judi Johnson and Pam Docken were absent.

Approval of October 9, 2021 Annual Meeting Minutes

Judy Storrick moved and Donna Hogenson seconded a motion to approve the minutes of the October 9, 2021 Annual Meeting.

Motion carried.

President's Report

Nancy Seth reported on improvements that have been made in 2022 at LCV, including remodeling projects in some units, additional lifts, planting of trees, work on the stucco project and the upgrading of unit 8 and the kitchen in unit 20. The stucco project is expected to be completed during the Spring maintenance weeks in April, 2023.

Treasurer's Report

Jim Overtoom reviewed the Treasurer's Report (see attached), which indicates 2022 projections for expenditures in the amount of \$ 406,000 and revenue in the amount of \$379,750. See attached Treasurer's Report.

Approval of 2023 Budget

Jim Overtoom distributed and explained a proposed 2023 budget that would result in revenue of \$485,900 and expenditures of \$485,900. After questions and comments from members were addressed, a motion was made by Judy Storrick and seconded by Amy Boemer to vote on approval of the proposed budget. Voting was done by ballot, and the motion was defeated. The results of the voting were: 76 "Yes" votes and 94 "No" votes.

Treasurer Overtoom distributed and explained an alternative 2023 budget that would result in revenues of \$441,430 and expenditures of \$441,430. After questions and comments were addressed, a motion was made by Art Hogenson and seconded by Donna Hogenson to vote on approval of this budget. Voting was done by ballot, and the motion carried. The results of voting were: 99 "Yes" votes and 30 "No" votes.

#### Election of Board of Directors

Candidates for the three (3) Director positions on the Board included Jim Overtoom, Paul Rudberg, Mark Wahlstrom and Susan Boris. Election was conducted by ballot, resulting in Jim Overtoom, Paul Rudberg and Mark Wahlstrom being elected to 3-year terms on the LCV Board of Directors.

#### Marketing Committee Report

Jim Lekang reported on the benefits of LCV's affiliation with Interval International, and explained the Special Offer for new members and for current members interested in additional three-season weeks and the free membership with Interval, which expires on December 31, 2022. Jim will follow-up with those who are interested in this offer.

#### Drawing for Door Prizes

Several members received gifts donated by the LCV Cooperative and members, Paul and Kym Rudberg.

#### Announcements

President Seth announced that the Spring owners' maintenance weekend will be April 21-23, 2023. Additional information will be available in the next newsletter.

Members expressed their appreciation for all of the work that the Board members have done for the Association.

#### Adjournment

President Seth adjourned the meeting at 1:30 pm.

Respectfully submitted,

Rosemary Schneiderhan  
Acting Secretary

Pending Approval

**NOTES FROM THE OFFICE**

An increase in extra usage rates was approved at the Lake Carlos Villas April 30, 2023 Board Meeting. The new rates can be found on our website [www.lakecarlosvillas.com](http://www.lakecarlosvillas.com) under the units drop down menu under Extra Usage Rates for Members.

Also approved at the Lake Carlos Villas April 30, 2023 Board Meeting is the increase of rental fees for docks and lifts.

A new policy was passed at the Lake Carlos Villas July 24, 2023 Board meeting. All owners who wish to rent their unit on the LCV website must pay all of their past and current maintenance fees and any late charges before listing their unit. Please respect this new policy.

Lake Carlos Villas has several two-bedroom, Season Two Floating weeks available at a reasonable cost. Season Two weeks are late spring and early fall (weeks 20-23, and 36-43). This is really the best value for owning at Lake Carlos Villas. With the summer fixed weeks seldom becoming available, this is a great opportunity to be at the Villas. If you prefer cooler temps or fall colors this is such a wonderful time to enjoy our beautiful resort.

If you have any changes in your contact information (email, phone number, or address) please contact the office so we can keep our records updated.



LAKE CARLOS VILLAS COOPERATIVE ASSOCIATION  
 PROXY FOR COOPERATIVE MEETING: September 16, 2023

The undersigned hereby appoints \_\_\_\_\_ the proxy of the undersigned to cast all votes of undersigned on all matters that come before the members of Lake Carlos Villas Cooperative Association at the meeting of the Association and at any and all adjournments of said meeting as allowed for in the Association Bylaws with all powers the undersigned would possess if personally present, hereby revoking all proxies heretofore given with respect to said votes. Said proxy is granted due to the unavailability of the undersigned to attend the meeting. The proxy is revocable at any time at the pleasure of the undersigned.

Date: \_\_\_\_\_  
 \_\_\_\_\_  
 Owner's Signature Printed Name

Date: \_\_\_\_\_  
 \_\_\_\_\_  
 Owner's Signature Printed Name

Number of Weeks Owned: \_\_\_\_\_

**Board of Directors:**

- |                         |                                |                           |
|-------------------------|--------------------------------|---------------------------|
| Nancy Seth, President   | Pete Schwingle, Vice President | James Overtoom, Treasurer |
| Judi Johnson, Secretary | Tom Lindquist, Director        | Jeff Nelson, Director     |
| Paul Rudberg, Director  | Kevin Smith, Director          | Mark Wahlstrom, Director  |

Please give to an attending member or mail to:  
 Lake Carlos Villas  
 3954 Co. Rd. 42 NE  
 Alexandria, MN 56308

PROXY MUST BE RECEIVED BY  
 LAKE CARLOS VILLAS BY  
 FRIDAY, SEPTEMBER 8, 2023

**SPRING MAINTENANCE WEEKEND  
April 19-21, 2024**

I would like to extend an invitation to our owners to join us at our annual Spring Maintenance Weekend. Dates of Spring Maintenance Weekend are April 19, 20, and 21. Lodging is provided on a "first call, first served basis". LCV will furnish Saturday a.m. donuts, Saturday lunch, social hour one hour prior to our evening meal, and evening meal. Please contact me with your questions, or to make your reservations. You may call or text me at 612-756-1269 or email me at [jakeandnancy@msn.com](mailto:jakeandnancy@msn.com).



**2023 Annual Meeting**

The Lake Carlos Villas Cooperative Association Annual Meeting will be held at 10:00 am on Saturday, September 16, 2023 at the First Congregational Church in Anoka, MN.

The Board Meeting will immediately follow the Annual Meeting on Saturday, September 16, 2023.

Annual Meeting location:  
First Congregational Church  
1923 Third Avenue South  
Anoka, MN 55303

**Driving Directions:**

From the north, east, and west, take US Highway 10 (follow the detours) to the Ferry Street exit. Go south to Main Street, left on Main three blocks to the corner of 3rd and Main in Anoka.

From the south take Highway 169 north through Champlin to Main Street Anoka. Go right onto Main Street three blocks to the corner of 3rd and Main, church on the corner.



**Lake Carlos Villas**

3954 County Road 42 N.E.  
Alexandria, MN 56308  
320-846-1784

**Lake Carlos Villas**

**3954 County Road 42 N.E.**

**Alexandria, MN 56308**