

PINE ISLAND NEWS

Oct-Dec 2011

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Message from the President

I'm Back! I was honored to be re-elected President by the new board members after the Annual Meeting. I plan to continue with our 2010-2011 goals of Improving Communications and Membership Sales, Decreasing Expenses and Increasing Revenue. New goals added for 2011-2012 are: Improving the Condition of our Physical Assets and Engaging Volunteer Service by letting members know where help is needed.

I am glad to report that our efforts to strengthen finances are beginning to pay off. We have decreased expenses resulting in savings over \$100,000 the past 2 years but we still need improvement in adding members and increasing revenue. We have just finished a 6 month trial period of extending leases to areas 1 and 2. The Board of Directors feel we need to change our Restrictive Covenant's to allow leases in these additional areas as a year round revenue source for Pine Island and are asking for your vote in support of this change. A complete analysis of the trial and an explanation of what the board feels are the benefits is on page 2. Please take time to read that and consider it carefully when you cast your ballot. Thank You.
Bud Hoort, President

Managers' Report

Winter gave us 50 inches of snow, spring gave us a tornado, and summer brought Blue Green Algae (BGA) to Grand Lake and 29 days of temperatures over 100 degrees in July and August. The BGA prompted the Oklahoma Department of Environmental Quality to issue a warning to limit water contact in the lake over the 4th of July Holiday. We ended up with a very busy weekend but with reduced lake water activities. Thankfully, the warning was soon lifted. The heat has kept campers home but Fall will be here soon. There were some contract changes needed on the Indoor Pool building but construction is firmly scheduled to start September 12th. Once the structure is complete, the work on the pool surfaces can be done. We will celebrate with a "Grand Re-Opening" event when everything is complete.

This past year, the Board of Directors asked us to evaluate the condition of our rental trailers and to propose replacement options. Many of the trailers had already been taken out of service due to their deteriorated condition and several more needed to be taken out of service. We have been able to sell some these unusable units and added to our capital fund. In the past we had looked at FEMA trailers as replacements but we have also been looking at permanent Cabins as replacements. At the Aug 2011 member meeting, we asked those present if they wanted FEMA trailers or Cabins and the vote was 100% in favor of Cabins. They will cost about \$10,000 each, totally furnished. With the funds from the sale of the trailers, a loan from a member and using our own forces to finish the interior, we will be able to purchase 2 Cabins and want to have them available for members to rent by Spring. This is the first big step in our 2011-2012 goal to Improve the Condition of Our Physical Assets. This is an exciting challenge for us to start revitalizing the curb appeal of the park so we are giving members an opportunity to help us purchase a 3rd Cabin by making a donation to the park. On your statement is a line for you to enter a donation amount. We hope that each member would round up their dues to \$100 by making a \$4.00 donation. If each of our 682 members did that each quarter, we would have \$10,912 for the 3rd Cabin. \$4.00 or any other donation amount will go toward our Camper Cabin Replacement Fund. Thanks in Advance.
George Weston and Joe Barnes, Park Managers

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Headlines

Board asks for vote on leases for Areas 1 & 2.

Donation opportunity for Rental Cabins is available on Dues statement

Thank You! Thank You! Thank You! Thank You!

Dawn Baehler - Creating and leading a new PI ladies Auxillary
Tony & Devon Gourley - Grounds maintenance
Robert and Linda Douglas - Grounds maintenance
Dawn and Gerald Baehler - Luau and Ice Cream Social
Etter Nottingham - Kids Activities
Ron Mondell - Donations for Cookouts
David & Sherri Clark - Birthday/guest weekend hot dog Cookout and painting and decoration the Kitchen.
Local Members - Bingo
Our apologies for anyone we missed.

Upcoming Activities

Sep 3, 2:00 pm at the Teen Center - Candy Bar Bingo
Sep 10th, 5:30 pm at the Kitchen - Spaghetti Dinner \$3.00.
Bring Salad or Dessert, Drink and Plates, etc.
Sep 24th, 5:30 pm at the Kitchen - Hot Dog Dinner. Free. ALL Welcome. Meet prospective members and celebrate Sep Birthdays.
Oct 8th - 5:30 in Kitchen - Chili Cookoff. Bring your dish for Prizes
Nov 12th - 5:30 in Kitchen - Thanksgiving Dinner. Meat Provided.

PARK UPDATES * PARK UPDATES * PARK UPDATES

- Your 2011-2012 Board of Director Officers are:**
Bud Hoort - President
Floyd Baker - Vice President
Jerry Agee - Treasurer
Richard Eckler - Secretary
- Debbie Stout and Charles Slaughter both had to resign from the Board of Directors for personal reasons. Alvin Baker and Ronny Smith were appointed by the Board to fill the remainder of their terms.
- Winterize your RV**
We are offering RV winterization service again this year by our maintenance staff for \$40.00. Call the office for this service.
- A Donation opportunity to the Camper Cabin Replacement Fund is available on your dues statement.**

Condolences on the passing of long time member "Cowboy" Bill Redford

Information to Evaluate Lease Site Restrictive Covenant Changes for Areas 1 & 2

Background

Pine Island has gained 18 members this year but we have lost 97, resulting in a loss of \$30,336.00 in revenue from dues. Both the economy and our aging membership are factors. Despite this, we ended the 2010-2011 Fiscal Year with \$15,252.64 net income. This was accomplished primarily by reducing expenses. There are few opportunities for further reductions in expenses so we need to look at ways to increase revenue. The Board of Directors would like to do this without increasing dues or fees to members. On a trial basis (March 2011 – August 2011), we extended our lease sites to Area 1 and 2 to evaluate the income opportunity of increasing the number of lease sites. Month to month leasing is already allowed in the Restrictive Covenants for Area 3 but due to utility restrictions, the entire back section of Area 3 is shut down each winter. This prompted us to extend the leasing trial into Areas 1 and 2.

The trial included 25% of sites in areas 1, 2, & 3 = Total of 18 lease sites. There were 13 sites leased during the trial period. With a Restrictive Covenant change to allow more lease sites, we feel we could advertise and promote this to a larger audience and attract new members. We would like a Restrictive Covenant change that would add up to 50% of sites in areas 1 & 2 to be available for lease. This would be approximately 33 sites. No sites in Area 4 (Lake Side/Eagles Nest Area) would be available for lease. We have a total of 222 sites, so designating the additional sites in areas 1 & 2 as lease sites would mean that 25% of our total sites could be leased.

We calculate the additional income from the 13 lease sites in the trial. We used what the members paid in use fees last year and then subtracted what they would pay in lease fees for this year to get to the additional income amount. Because the trial was only 6 months, and some sites were not leased for the entire period, we annualized the figures for each unit to show proposed additional income.

The 13 lease sites would generate an additional income of \$13,400.00 for an entire year. Obviously, this would increase if more sites could be leased.

In addition, the lease sites pay their own electric which is not included in this figure.

Advantages of Extending Lease Sites into Areas 1 & 2

- The sites generate income even if the member is not there.
- This would be a year round income source for the Park.
- Allows older members to keep their RV set up, minimizing the physical effort to set-up and take down each visit. This will allow them to use their RV more often.
- Allows working members to use their RV's more weekends without the time and effort it takes to set-up and take down each visit.
- Lease site users pay their own electricity.
- Gives the park a positive visual appeal by having several RV's set up in the park during lower use times (weekdays, off season, etc.).
- Allows the park to attract new members that are looking for lease sites. We have already gained 3 members who joined specifically to lease.
- Lease sites will have the same rules as regular sites.
- Additional rules will also be in place to assure that the sites are always kept neat and orderly.

**Your Ballot to Vote on this Restrictive Covenant Change is Enclosed
Ballot must be received at Pine Island by October 7th, 2011**