

LakeArrowhead Property Owners Association
Annual Membership Meeting Minutes
July 7, 2018

-The meeting was called to order by Pres. Chris Speen at 10:09 a.m.

-All board members were present.

102 members were present. We had a quorum.

-Cory Ames moved to approve the minutes of the July 1, 2017 Membership Meeting. Ron Race seconded the motion and it passed unanimously.

-Treasurer's Report: Treasurer Judy Race prepared financial packets for the membership. She went over our current budget, financial assets, collections, and explained some of our last year's expenses. Some highlights: In 2017 we only budgeted 132,000 (82%) because we know not everyone pays on time We billed \$161,000 and collected \$141,458 in regular assessments (87.5%). Brining was an unexpected expense. The cost of brining rose from \$3,500 and \$3,900 per application in 2016 to \$5,700 per application in 2017. We also had an outside company come in to grade our roads. In 2017 we used Reserve Funds to replace the pool heater, buy new security cameras, and purchase the Mahindra tractor. The Campground had a very good year. Their forty yearly camp sites were all filled and they purchased new picnic tables. At the end of the 2017 budget year we had a combined total of approximately \$73,000 on hand in our accounts.

For 2018: We budgeted for 85% of our members to pay their membership dues. 85% have already paid so we expect additional monies to come in. The Campground is having another good year. Membership dues income has increased over the years but gas well income is now \$50,000 less than it was ten years ago. We are gradually eliminating gas well income as a budgeted income source. Our dumpster costs have been reduced from approximately \$24,000 to \$18,000 annually. This is due to security cameras and a crackdown on illegal dumping and the gauge that helps us determine exactly when the dumpster is full and when it needs to be switched out. Judy also reported a comparison of our yearly income, expenses, and year's end balances since we began using Quickbooks in 2013.

Member Brian Elliott, questioned why office expenses were so high last year. Judy responded that we purchased new Office furniture, we had issues passing Health Department water tests (resolved) requiring us to repeat tests many times, and we had to have skunks removed from under the Office building. Cory Ames questioned the billing amounts in the report. This year we billed approximately \$165,000. At one time the county owned 102 lots in Lake Arrowhead. The county does not pay membership dues. We have been assisting Otsego County Treasurer in selling county-owned lots to Lake Arrowhead members who are in good standing. As a result of those efforts, the county now only owns 13 lots in Lake Arrowhead. We have had a reduction in the number of 1st lot owners and an increase in the number of 2nd lot owners. We get more income on 1st lots, but the county wasn't paying anything on their lots so this is a net gain for us. Currently our members have 689 primary lots and 864 secondary lots. It used to be about even. Ron Race moved to accept the Treasurer's report. Cory Ames seconded the motion and it passed unanimously.

-Line of Credit: Last year members authorized Judy to obtain a line of credit that would enable us to borrow money (with board approval) in case of emergency. Judy reported that our bank only approved \$50,000 which is insufficient. She is pursuing the line of credit at other institutions.

-Collections: Judy reported that last year, the Collections Committee collected \$67,813 in previous year's assessments (2016 and prior). This really helps us to make our budget.

Lake report: Chris Speen reported that the spoils area from the dredging project has been fenced . He requested that members continue to stay out of the area. Buhl Lake will continue to be inspected for phragmites each year. If invasive phragmites are found, they will be sprayed. This is a ten year program with a grant that covers 50% of the expense. The 2018 report from AGS on the condition of our lake has been posted to the "News You Can Use" page of our website.

Forestry: Gordon Wearsh reported on the health of our maple forest along both sides of Arapaho near Hayes Tower. He walked the forest with a Gary Smolinski, a logger who inspected the forest with him and declared that it is a healthy forest that is due for another selective cut. Selective cutting will thin out the forest and give trees more sunlight and nutrients, result in a healthier forest. There is no need to replant. Maples will come up naturally and we will be leaving many young trees. There is a maple disease that is impacting maple forests in Michigan. So far our forest is free of the disease. Nearby property owned by Stuckmans had to be clear-cut to eliminate the disease. Beech trees in Michigan have blight. All mature Beech trees should be cut. Poplars over 20” in diameter should also be removed because they take up nutrients in the soil that prevents other more desirable trees to grow. Large “Heritage White Pines” that were left during the logging days will be preserved for future generations. Forest products are very valuable in Northern Michigan. The new factory in Grayling has caused an increase in demand. Member Susan Straith requested a clean-up of the broken and dead Jack Pines along Arapaho. Gordon suggested they may be useful for chips and will look into it. Member Dan Arbi questioned how much income we could expect from forest products. Gordon estimates that we could get \$1200-\$1500/acre. He is looking at harvesting approximately 75 acres.

Long Term Planning: Tom Rozycki reported that the Reserve Study has been updated this year. He explained that the Reserve Study only addresses maintaining our current infrastructure and services and does not address our future growth or making any improvements. The board would like feedback from members so that we can understand your priorities. Tom asked members to fill out the survey that was distributed at the meeting and return it to the Office by August 1st. The survey is not a vote on anything. It is just to get member’s input. Additional surveys are available at the Office.

Election: There were no nominations from the floor and nominations were closed by President Chris Speen. There were four board openings and there were four nominees for those positions: Jeremy (Buddy) Pardo, Ron Race Jr., Ron Race Sr., and Carolyn Wright. The candidates with the exception of Ron Race Jr. all introduced themselves to members. Chris Speen called for a recess while ballots were cast and the votes were counted.

-Voting results:

Jeremy (“Buddy”) Pardo: 90

Ron Race Jr.: 88

Ron Race Sr.: 88

Carolyn Wright: 95

- At 11:25 a.m. Chris reconvened the Membership Meeting and announced the new board. All four nominees were elected to the board for three year terms.

At 11:27 a.m. Ron Race moved to adjourn. Cory seconded the motion and it passed without objection.

Minutes submitted by Mary Davignon,

LAPOA Secretary

Approved, July 6, 2019