

Lake Arrowhead Property Owners Association
Annual Membership Meeting Minutes
July 1, 2017

-The meeting was called to order by Vice President Dwayne Crocker.

-Attendance: At the beginning of the meeting there were 96 members in good standing in attendance.

All board members were present except Pres. Ron Race Jr. who was excused. Anita Wheaton and Nelson Wheaton resigned from the board at the conclusion of the May 6, 2017 board meeting.

-Minutes: Ron Race Sr. moved to accept the minutes of the July 2, 2016 Membership Meeting as presented. Connie Stubli seconded the motion which carried without objection.

-Treasurers Report: Treasurer Judy Race provided members with the 2016-2017 budget and the 2017-2018 budget. (Some packets were missing two pages. These are available in the Office to members.) Judy explained that the 2016-2017 year was extremely tight because of road washouts, truck break-downs, and extra labor to work on the roads. This put us approximately \$8,000 over budget. She had to borrow money from the Forestry account to pay bills. This has been repaid out of the 2017-2018 income. The new tractor will be a suitable to do most road repairs and act as a back-up for the truck so we should not have a repeat of last year's problems. Last year we collected 85% of what we billed. Gas well revenues are down but we budgeted less for gas revenues so that should not impact us too much. The Campground did well but it was tight for them. They built a pavilion and then had unexpected well expenses. Dumping costs are down. We attribute that to members recycling, a capacity gauge on the dumpster, and less illegal dumping. We are now averaging about 10.1 tons per pick up. Security cameras are also helping. Judy explained current assets. Money is still in the lake fund because that project is not complete.

Last year the Collection Committee collected approximately \$52,000 in prior years' assessments and late fees. So far this year the committee has collected approximately \$20,000.

The Reserve fund currently has about \$23,000. We have collected about \$107,000 since starting the fund and have spent about \$84,000. Most of that was used to purchase the new tractor & implements, and security cameras. We collect about \$40,000/year for the Reserve Fund. The road fund has been rolled into the Reserve Fund. Ron Race Sr. moved to accept the Treasurer's Report. Mary Davignon seconded the motion. It carried with one member opposed.

Roads and Lake Reports: Chris Speen reported that much of the road expense occurs in summer. The truck was a nightmare but it is fixed now and working well. The new tractor will enable us to do more ourselves to keep the roads in shape. Tim received some training on the tractor but it will take practice to become proficient. Brine is not readily available. We are using a different supplier who cannot do all the roads at once. We will see some roads brined and then others done soon thereafter. We plan to have outside contractor J&N come in to reshape and grade all the roads in August.

The lake level continues to rise. The Lake Report from AGS is posted on the website. The lake will be inspected for invasive phragmites. If found, they will be sprayed. The spoils area is slowly draining. The MDEQ understands the situation and so far, is OK with it. It is too wet to restore the area. We continue to have problems with people tearing down fences and removing "Keep Out" signs. Please avoid the area. Member Scott Bicknell is concerned about potential liability if someone does get hurt while trespassing in the area. Tim Devine asked about costs involved in speeding up the draining process. Dave Ransom suggested checking into better fencing. Chris will check to see what the costs would be of pumping out and filling the spoils area or putting up better fencing.

Members Concerns: Susan Straith expressed concern about the safety of the children and of members when children are riding ATVs unsupervised. Kyle reported that the police will be patrolling our streets more frequently. Jeanne Tripp objected to police being called about children on ATVs. She thinks members should talk to the parents rather than call police. Member Robert Weaver said police were called because ATV riders were repeatedly speeding through the Campground. Information about MI laws regarding children and ATVs are posted on the website.

-Jeff Kennedy (aka Fango) expressed thanks to some of the people who helped him do work in Lake Arrowhead including: Eric Tombro, Phil Carroll, Jim Casey, Darrell Heska, Dwayne Crocker and Jeff Crocker; Tim, Nelson, and Anita Wheaton; Kyle Stubli, Cory Ames, Stephen Besson, Greg Sherwood, and Phil James.

-Phil James and Dan Borroughs asked that the board do something about "Wake or Wave Boats" that can cause irreparable damage to shorelines. These boats are designed to produce 4-5' waves. The board will look into it.

-Dorothy James praised the job the board is doing but expressed her concern that too many members of the same family are on the board. She would like us to encourage other members to run for the board.

New Business:

Bylaw change. Ron Race Sr. explained that we are doing our best to curtail illegal dumping. The trail security cameras did enable us reduce dumping and five people were cited. Two went to court and were fined. We did not receive any of that money. The proposed bylaw change that was distributed in the June Newsletter was unanimously approved by the board at our February 2017 meeting. Because the proposed amendment involves money, the Board asked for 2/3 majority vote instead of the required simple majority to ratify the boards decision. The bylaw change would allow the board to fine members who violate our dumping rule. The dumping rule changes that the board approved in February include a warning letter for 1st offense, a \$250 fine for second offense within 3 years, and referral to police of third offense within 3 years. The fines would be an assessment assigned to the property owner. The board officers would have to address any offense and may choose to escalate matter for egregious offenses. Non-members who illegally dump would be reported to police and the fines are hefty. Unlike other rule changes that require a simple majority, it would take a 2/3 majority for the board to change the illegal dumping rule. Ron Race Sr. moved to ratify the bylaw changes of Article VIIg and Article VIIe as presented. Mary Davignon seconded the motion. Those in favor were 76. Those opposed were 7. The motion was approved with 92% in favor.

Line of Credit: Treasurer Judy Race explained that the unexpected expenses we experienced last winter had her concerned. Currently, the board is not allowed to borrow money without the members' consent. If we had to replace equipment or do major work on Arapaho, we would have to wait until the next July Membership Meeting or call a Special Membership Meeting (and hope for a quorum). Judy would like an unsecured line of credit so that money could be borrowed only for Reserve Fund projects. The board has voted in favor of the line of credit. Member Tim Devine spoke in favor of the line of credit and proposed the following:

“Intent: In order to facilitate extraordinary, short term cash flow need,s not to exceed three years, within the category of capital assets covered by the Reserve Fund.

Therefore, we move that the Board open a commercial line of credit not to exceed \$250,000; access to which shall be governed by the authority limits and all other provisions and requirements of the Bylaws.”

Ron Race Sr. seconded the motion. Those in favor were 61. Those opposed were 7. The motion carries with 90% in favor.

Elections to Board of Directors: Dave Burley and Phil James withdrew their nominations. Mary explained that since we will have two board members resigning, we will have seven vacancies on the board. Five members will have three year terms, and two members will have one year terms. Dwayne requested nominations from members. Dick Miller nominated Carolyn Wright and she accepted the nomination.

Ron Race Sr. nominated Stephen Besson and he accepted the nomination.

There were no more nominations and Ron Race Sr. moved to close the nominations. Marcia Schick seconded the motion and it passed without objection.

Nominees introduced themselves to the membership.

-Ron Race read an article from 1965 when the Association was being formed about doing what is best for the community.

Dwayne recessed the meeting until 12:45 or until the votes were counted

At 1:05 Dwayne reconvened the meeting and announced the election results:

For three year terms: Cory Ames, Tom Rozycki, Marcia Schick, Connie Stubli, and Gordon Wearsch.

For one year terms: Stephen Besson and Carolyn Wright

The meeting was adjourned at 1:07.

Minutes submitted by Mary Davignon, Secretary

Approved, July 7, 2018