

**Minutes of the Lake Arrowhead Property Owners Association
Board of Directors Meeting
January 25, 2020**

-The meeting was called to order at 9:00 a.m. by Vice President Jeremy (Buddy) Pardo. Board members Cory Ames and Trish Fowler were absent. Board members Judy Race, Ron Race, and Ron Race Jr. were all excused but they joined the meeting via phone. They did not take part in any of the board's votes. All other board members were present. Contractor Tim Wheaton was excused.

-Minutes: Paul Cutting moved to accept the minutes of the December 7, 2019 Board meeting as amended. Dave Johnston seconded the motion and it passed unanimously

-Treasurer's Report: Treasurer Judy Race distributed current financial statements and a proposed budget to board members via email in advance of the meeting. (Profit and Loss vs. Budget and Actual/ March 1, 2019 to December 31, 2019) Hard copies were provided at the meeting. Judy explained the finances and stated that the proposed budget of \$181,764 "has no fat in it." The Roads, Grounds, and Equipment costs are the great variables and those costs have risen dramatically in recent years. The proposed budget is based on collecting 88% of dues that will be billed, a small amount of revenue from gas wells, and past due monies that we work to collect. The proposed budget reflects estimated costs based on current and previous fiscal year's prices and usage. Judy explained the details of the proposed budget. The cost of transporting treated sand during the winter is very expensive as is the cost of brine for dust control in the summer. She anticipates only one dust control application this summer. There is no increase in contract labor costs. There was some discussion of eliminating gas well income and past due monies from future budgets because those revenues are decreasing and because we can't count on them. Currently, we need those funds for operating funds. Judy turned the Campground portion of the proposed budget (\$33,350) to Campground Manager Becky Vought who proposed her Campground budget. Becky explained that some of her plans would require revisions to the Campground portion of the budget that Judy proposed:

- Elimination of monthly reservations (after 30 days on a site, DEQ considers campers to be seasonal)
- Encourage camping and non-camping LAPOA members to use Campground storage facilities for storage of boats, ATVs, campers. May need to have a winter storage contract.
- Add security cameras to the exterior of the bath house and to the entrance area.
- Replace 10 picnic tables/year until all are of the maintenance free type of table.
- Install stand grills near the Campground Pavilion
- Get rollup vinyl sides for the Campground Pavilion
- Increase contract labor to \$9,000 because more reservations would require more contractor time.

Mary Davignon moved to approve the budget as proposed by Judy Race and Becky Vought. Carolyn Wright seconded the motion and it passed unanimously.

-Judy reported on our cash on hand and expected expenses for the rest of the 2019 fiscal year. She said it will be close, but she expects us to make our budget.

Becky Vought moved to approve the Financial Report. Carolyn Wright seconded the motion and it passed unanimously.

-Collection Committee: Judy reported that she went to court on one case but the person had already mailed in a check to the court for us. We continue to effectively pursue past funds through small claims court. Mary mentioned that we need another person for the Collections Committee. Deb Crittenden completed some work for the committee but thought it would be better suited for a resident of Lake Arrowhead.

-Contracts: Judy reminded us that our May meeting will be when we approve contracts. She will send out proposed contracts in advance of the meeting. Food for thought: Should we eliminate requirement for contractors to attend board meetings? The consensus was that their attendance isn't usually necessary. Should we provide raises to contractors? Most contractor salaries are based on an hourly rate of \$13.39 and no raises have been given in several years. Contractors pay all of their social security costs. Equipment costs: In comparing budgets over the past 6.5 years, we have spent \$85K on equipment repairs, almost all on the

International truck. Ron Race Jr. should have some estimates for truck replacement (new, lease, returned lease) by our next meeting. She will ask him to find out value of the International. We need more income. If we raised dues on primary lots by \$20 and secondary lots by \$10, we would generate approximately \$20K of additional income.

-Gas Wells: Dave Johnston reported that he has not seen gas prices so low since the 1970s. We have warm temperatures; storage facilities are full and companies are not pumping gas. They are cutting costs and are not even plowing the roads to the wells.

-Real Estate: Mary Davignon reported that she has not received news from the county, but was told by a potential buyer that all 12 of the county-owned lots that were offered to members in good standing have been sold. We have not received anything from the county on them. Judy will contact the county treasurer about it. Paul Cutting: There is one Lake Arrowhead lot (that is not common grounds) for sale. An interested party did not follow through so it will be advertised to members in the March newsletter.

Roads, Grounds, and Equipment: Ron Race reported that the mild weather has caused us to use lots of sand. He has been looking at vendors for dust control. Ron looked into vendors: Michigan Chloride, Beckman's, Northern Tank, and Cook. We can't get brine from Michigan Chloride who sells to distributors. The price for Cook's product was \$13K/application and we won't be using that. We may have to look at reducing applications to one/year and spot applications thereafter, or only doing the 12' centers of the roads. We have several options to consider. Northern Tank has lowered price by \$3000 since last summer.

Long Range Planning: No report.

Parks, Lakes, and Safety: No report.

Building Maintenance: Ron Race reported that he is fine-tuning the security cameras at the new trash compactor building. Signage was installed. A broom, dustpan, and sand are kept on site. We have gotten nothing but positive comments and thanks by members. Ron reported that he, Judy, and Mary are trying to resolve mail distribution problems. Issues are ongoing.

Building Control: A member expressed interest in using a shipping container as a garage. Ron Sr. is working with our attorney on this.

Environment & Zoning: We have complaints about vehicles stored on lots on 5640 Pueblo Trail and the house on Arapaho in violation of county ordinances. Buddy will verify them so Mary can send letters to owners.

Campground: Becky would like to make some small changes to the Campground seasonal contract but it is not quite finished. Tom Rozycki moved to authorize the Board Officers to approve the revised Campground seasonal contract. Paul Cutting seconded the motion and it passed unanimously. Becky Vought moved to raise the Campground daily rate from \$18/day to \$20/day; to have a \$120 weekly (7 consecutive days) rate with a four week limit on that site; and to eliminate the monthly rate. Mary Davignon seconded the motion and it passed unanimously.

Forestry: Carolyn Wright reported that there is no updated news on forestry. She hopes we will find out by May whether or not we have been approved for the Forestry Plan grant.

Pool: No report

Security Cameras: Ron Race reported that the cameras are all working well. He needs to work with Dave on some of the recording features.

Newsletter/Website: Mary recently updated website. The newsletter will be posted by March 1, 2020

Social Committee: Connie Stubli reported that the Chili-Cook-Off is scheduled for February 15, 2020 at 5:00 and she would like to see many board members at the event.

New Business: Revisions to the Board's bidding policy is tabled to another meeting.

Adjournment: At 11:10 a.m. Mary moved to adjourn. Connie seconded the motion and it passed unanimously.

Minutes submitted by Mary Davignon, LAPOA Secretary

Approved, May 2, 2020