

Minutes of the Lake Arrowhead Board of Directors Meeting

December 3, 2016

-The meeting was called to order by Pres. Ron Race Jr. at 9:05.

Attendance: All board members were present except Marcia Schick and Anita Wheaton who were excused. All contractors were present except Eva Davidson who was excused. Dale Davidson was present.

-President Ron Race asked that questions be reserved until after chairpersons give their reports.

Minutes: Chris asked that it be noted under Roads, that reports were distributed in advance of the meeting. Connie reported that Al Lancaster was not actually the first Association president as stated in the draft minutes and on our building plaque. He was the second, third, and fourth President.

Ron Sr. moved to accept the minutes as amended. Judy seconded the motion and it passed unanimously.

Financials: Judy distributed and explained the current financial report. She has concerns about making our budget. She currently foresees a budget shortfall of approximately \$11K. The expected shortfall is due to decreased gas revenues, and unexpected Road and Maintenance expenditures which included truck repairs and road repairs after last summer's big washouts. We need a better plan for road repairs. Collections are as expected. Mary moved to accept the Treasurer's report. Brook seconded the motion and it passed unanimously.

Collection Committee: Since July, the committee has brought in approximately \$36K from past due accounts. The committee is again working with the Otsego County Treasurer to help the county sell the county-owned lots in Lake Arrowhead. The county currently owns 31 lots in Lake Arrowhead and members in good standing will be able to purchase them at a discount. Notices will be sent out to our members in January. Meanwhile, Mary will put a posting on social media. With our help, the county Treasurer sold 34 LA lots last year.

Gas wells: Dave reported that gas prices are up slightly.

Real estate: Dana reported that quite a few properties have sold this year including the Eagle Island property.

Roads: Brook asked a question regarding road easements and what can be placed on them. The easement is generally 30' from the center of the road. Anything on the easement is liable to be damaged by the plow and the Association will not be responsible for the damage. Apparently a renter has erected a snow fence and a sculpture on an easement that is interfering with Brook's ability to back out of her driveway. Ron Jr has stopped twice at the house and no one comes to the door. Chris will talk to the residents and a letter to property owners will be sent if the fence is not removed. Fences are not permitted on the front of any property in Lake Arrowhead.

In response to tar and chip suggestion, Chris reported that a tar and chip application is only appropriate for roads with a good base and without cracks. Arapaho will need to be completely rebuilt per the AGS and Reef Riley reports. Both reports are posted on our website. Meanwhile, cold patching will be done as needed. There was some dissatisfaction expressed with the road maintenance and with snow and ice removal at the mailbox, dumpster, and school bus stop areas. These areas must be kept clear for members. Chris will look into revising the scope of work on the roads-maintenance contract and the best practices. He reported that salt is currently only used by the mailboxes and Office areas. Tim reported that sand freezes in the truck and he sometimes can't sand until it thaws out overnight. Keeping us all informed of equipment issues helps us to deter and respond to complaints. Chris will acquire a weed-whipper with a metal blade that will enable Tim to cut the foliage back further. Tim reported that our tractor is not capable of handling the work that he was able to do with the big, old, Ford tractor. Chris led the discussion about whether we need to purchase a road grader when we could hire a company to grade and re-crown roads every few years for 5-6K each time. We would probably still need to hire a company for some emergency repairs but a better tractor would enable Tim to do many road repairs that he can't currently perform. Chris cautioned us that we would still have sizable expenses for the purchase of stone after washouts and we may sometimes need to hire a company with a big grader to make big repairs. The long range plan has \$100K budgeted for equipment replacement in 2017. After doing some research, Ron Jr. no longer recommends purchasing a grader. Chris, Ron Jr., and Tim will research equipment (tractor) and provide the board a report before our February meeting.

Pool: Ron Sr. reported that the pool is closed and winterized. Ron and Judy donated their time to remove the leaves from the bathhouse, pool and the pavilion areas. Thank you Ron and Judy!

Parks: Kyle reported that he will find markers in the spring so that unmarked park boundaries can be marked and fences constructed. Eagle Island fences that are in the water are not a hazard.

Zoning: Ron Jr. reported that the DEQ was contacted by a Board member about fuel oil that was being burned on a lot being cleared on Newago. Judy will send a violation letter to the member. Kyle requested that contractor signs be removed in a timely manner when construction jobs are completed. Mary will post a notice on our social media sites.

Lake Improvement: The lake level is still rising. Chris reported that the spoils area is still draining but it is slow because the silt is impeding the water flow. MDEQ has been kept apprised and Jeff from AGS will be out in June to re-assess the lake. "Keep Out" signs are posted and Mary will post on social media for people to stay out of the area.

Forestry: Brook requested that Tim be contacted whenever trees fall across roads

Social Committee: Brook and Cory Ames have sent the board some of their ideas for social events. Their plans will depend on feedback from members. Social media can be utilized to engage members.

Campground: Dalereported that the bathhouse is closed, heat is off, and everything was winterized on December 2nd.

Communications: Mary reported that all is going well. Members, especially those who are out of the area really appreciate the updates. Chris passed along an advertising lead for our newsletters. The next newsletter will be posted in March.

Long Range Planning: Dwayne reported that a tractor purchase would drain our reserve fund and or we could take out a loan for equipment purchase. Rebuilding Arapaho is a huge upcoming expense and we don't know exactly when it will need to be done. Judy recommends taking a small loan for equipment purchase so that our credit will be well established when we need a bigger loan for road rebuilding. Chris reminded us that our budget is just a plan and that we won't always be able to follow it exactly. Dwayne stated that the time line in the Reserve study is not always accurate.

Technology: Dwayne reported that the wifi signal is up and it is strong. Wifi in Campground is still up. Some of the cameras have been working intermittently. He will try to tweak the system this weekend. He reminded us that the dumpsters cameras' purpose is to deter illegal dumping, prevent injury, and to reduce our costs; so any improvements need to be cost-effective. So far our camera costs have only been a few hundred dollars.

Ron Race suggested that we look at acquiring a new company for our camera security since we have had some problems with the reliability of our cameras and he is currently using a trail camera. The system he suggests would have a 2000 Gb hard-drive, would be hard-wired, and images would be stored off-site for a minimum of six weeks. It has a one year warranty. It would include new cameras at the dumpster, inside the maintenance building, and in the front and the rear of the maintenance building. A pool camera could also be added. Ron is currently spending 5-10 hours/week on security issues and the equipment malfunctions are negatively impacting his results. There are some gaps in coverage and in some cases, the police have requested additional security footage that we were unable to supply. New signage has been posted and the security cameras seem to have helped to deter some of the illegal dumping. Tim verified that there is less stuff being left outside the dumpster for him to clean up. Ron reported that 36-90 people per day use the dumpster and that many of them are "unrecognizable." When considering the number of households in Lake Arrowhead, it is apparent to him that outsiders are still using our dumpster. So far, six cases have been referred to Michigan State Police. Two cases were resolved by us because they were members. One member was not in good standing and Anita got the member to pay overdue assessments. The four other pending cases include a person from town, a visitor, and two others from the 10-acre parcels. A new system would not rely so heavily on Ron or on Dwayne. The membership approved a budget of \$4,100 in the Reserve Fund to be spent on new security cameras. Ron Race Sr. moved that Ron Sr. and Dwayne be allowed to spend up to \$4,100 from the Reserve Fund for a new camera security system. Mary seconded the motion. Four voted in favor, five opposed. The motion failed.

Ron recommends having a committee to police the dumpster footage and that we acquire a bylaw change that would allow us to fine members who illegally dump or litter. After discussion, the consensus was to consult our attorney for a recommended bylaw change that would allow the board to apply fines on illegal dumpers. The recommendation is for a warning to members for a first offence; a \$250 fine for members for a second offense; a referral to law enforcement for a third offense; plus court costs when applicable. Board Officers would be able to decide whether to escalate (refer to law enforcement) for egregious dumping by members. Non-member cases would go to police since we have no authority to fine them. Ron will follow up with our attorney.

New Business:

-Trash: Judy reported that we have a ten ton dumpster that can hold slightly more. It is cheaper to pay for weight overages than to pay for extra dumpster pickups. She noticed that we have not have weight overages lately and is concerned that the dumpster may be picked up more often than is absolutely necessary. Right now, the method for determining if the dumpster is full is to listen to the compactor as it compacts. She suggested getting a pressure gauge that would let Tim know when the dumpster is getting full. Dwayne moved to approve up to \$1000 to cover the costs of purchasing and installing a remotely monitor-able pressure gauge. Dana seconded the motion and it passed unanimously.

-Island house access: A member questioned whether the Association has to maintain the driveway to the Eagle Island house. That driveway is just an easement (on the plat) that the Association is not required to maintain and Tim does not plow it.

-Contracts: Anita has resigned as of January 1st. Judy and Mary are currently covering the Office. Judy distributed a slightly revised the Office Manager contract that she and Dana have reviewed. Judy requests permission to present it to the new Office Manager contractor. Dana would be the sole Financial Committee contractor until conclusion of her contract. Her title will change on the next contract to Accounts Receivable Manager or something similar. Mary moved to approve the new Office Manager contract and to allow Judy, Dana, and Mary to approve the new Office Manger contractor. Connie seconded the motion and it passed unanimously.

-Tim's contract comes up for renewal in 2017. Judy suggested that since we have been hiring out much of the maintenance work, we consider splitting Roads and Maintenance into two separate contracts. If the maintenance is too much for Tim we should consider hiring another contractor for that position. She distributed sample contracts and invites feedback. The majority of this work would be summer work. Chris recommends reviewing the scopes of work that needs to be done.

-Judy also suggested that we cancel the barn telephone and acquire a cell phone with texting for Tim.

-Member Tom Roycki (facility manager, architect, and builder) suggested that we define tasks and document jobs completed, and keep a list of qualified members who would be willing to volunteer for some tasks.

(Nelson left at 12:10)

-Judy read a letter from Mr. Sanom in which he asks forgiveness of late fees on his lots. Although we sympathize with Mr. Sanom, our bylaws do not allow us to selectively choose which members pay the late fees and which do not. There was no support to remove the late fee.

Judy reported that late fees are only charged on overdue assessments. They are not charged for small errors such as forgetting to pay the credit card service fee when submitting a payment.

-Judy reported that she will be unable to attend the February (budget) meeting at 9:00 as scheduled. After discussion, Mary moved to change the time of the February meeting to 1:00. Ron Sr. seconded the motion. At approximately 12:18, as the vote was being counted, Kyle stated, "This is ridiculous." and left the meeting. The motion carried with one presumably opposed.

At 12:20 Ron Sr. moved to adjourn. Dana seconded the motion and it passed unanimously.

Minutes submitted by Mary Davignon, LAPOA Secretary
Approved February 4, 2017