

Minutes of the Lake Arrowhead Property Owners Association
Board of Directors Meeting
December 7, 2019

-The meeting was called to order by President Ron Race Sr. at 9:03 a.m.

-Attendance: All board members were present except Jeremy Pardo, Connie Stubli, Becky Vought, and Cory Ames, who were all excused. Contractors Tim Wheaton, Dale Davidson, and Cindy Smith were excused.

-Minutes: Trish Fowler moved to approve the amended minutes of the October 5, 2019 Board meeting. Carolyn Wright seconded the motion. The motion carried with two abstentions.

Treasurer's Report: Treasurer Judy Race distributed year to date vs. budget financial report to the board and explained them. She reported that if we have no more unexpected large expenses, she estimates that we will make our budget this year. The truck went down about two weeks ago costing the Association over \$5000. Dues payments are coming in as expected. Of concern are gas well revenues and prior assessments which are coming in lower than expected. Reserve funds are coming in but are lower than what the Long Term Reserve Study recommends. The Campground has done well with a marked increase in the number of daily campers. Legal expenses were up because of the fraudulent credit card incident and because we had to re-file our (unchanged) deed restrictions as required by the State of Michigan. Bank fees were also up because of the credit card incident. Gas and electric expenses are currently slightly over budget. Heat for the Maintenance Building is a large expense. Ron will order and install ceiling fans to push the heat down. Building Maintenance expenses are within budget. Labor costs are as budgeted. Unless we have extremely icy conditions we should be OK with our budget for sand and gravel. Ron recommends that we consider building a structure to store sand. There is no room in the Maintenance Building. Too much rain or melted snow can wash the salt out of our treated sand and lead to it freezing, and cause spreader problems. Judy was able to get the trash costs down. We have a three year contract with Waste Management with a 5% annual increase. This is still less than other trash haulers. Our big anticipated expense for next year is for brine. Ron Race Sr. has met with, and is expecting a bid from the Cook family. One application of their product is supposed to last for the whole season. Mary Davignon moved to accept the Treasurer's Report. Paul Cutting seconded the motion and it passed unanimously.

Judy announced that our next meeting is our budget meeting. She apologized because the Races will not be attending, but will be available by phone to answer any questions. Judy requests that any budget requests be submitted right away. There really won't be any variables other than brine because the budget is so tight. She will reduce our expected gas well income but leave it in the budget. There was a brief discussion on rental properties and on increasing our dues on all lots. Judy will calculate and offer some options. Credit card payments are currently only accepted by calling the LAPOA Office. Many of our members pay by credit card. Judy checked into Pay Pay, but only Pay Pal members can utilize the service and there are fees. Judy reported that she has increased security on the credit card service and described other security options available to us through First Data. After discussion, Mary Davignon moved to begin accepting credit card payments through our website with the addition of the recommended security features. Tom Rozycki seconded the motion and it passed unanimously.

Judy reported that we have found an Office Manager to replace Mary. Magdalena Sinatra and her husband Jim will be moving to Lake Arrowhead in March. Magdalena has office management experience and they will be residing here year round. Judy will present Magdalena with a two month contract. (All contracts are up for renewal in May.)

Collections: We have sent letters out to many in arrears and are currently pursuing ten court cases.

Gas Wells: Dave Johnston reported that prices are low and he doesn't expect them to rise anytime soon. Breitburn is now "Maverick" and will become KO (Kovar Operating) on January 1st. Lynne Energy became Riviera and is now "Riverside."

Real Estate: Paul Cutting reported that we have not heard back from the woman who expressed interest in the parcel available for sale. Mary will reach out to her and if she doesn't want it, we'll advertise it in the March newsletter. Mary reported that houses are selling. She and Corenne are processing a lot of deeds.

Roads, Grounds, and Equipment: Ron Race Sr. reported that the truck's shifting mechanism had to be repaired and the rear differential had to be replaced. We used a lot of sand in November because of icy conditions but we still have a decent amount on hand.

-The trash compactor building is complete. Mike Tripp is installing guard rails on one side now and ballards will be installed later to protect our equipment. Our preliminary electrical work is done. The compactor is downstate and will be installed after Great Lakes Energy installs the three phase electrical line next week. Five security cameras with a monitor will be installed to help deter illegal dumping. The cameras record constantly and identify motion. When the new compactor is installed, the old one will be hauled away. Mike Tripp will dismantle the old structure and Ron has given him the materials to re-purpose. Judy reported that we will go a couple thousand over the board approved \$20,000 to cover the structure, cameras, labor etc. That figure was based upon the expectation of lots of volunteer labor. Mike Tripp graciously agreed to oversee the project and construct the building for what the Association could pay. It was a combination of pay plus volunteer labor on his part. He did not ask for more money but he was only paid \$1000 for all his work, and Judy recommends giving him more. (After the fact, another member/contractor said he would have done the job for \$3,500.) Carolyn objected, stating that "volunteering is volunteering." She also said that we should have gotten three bids for the work as is our policy. During discussion, we learned that Mike delayed a paying construction job until next year so that he could do this work for the Association. It was explained that we did not pursue other bids because of the urgency of the project, the changing weather, and because of Mike's willingness to oversee the project. Paul Cutting moved that we pay Mike Tripp another \$750 for the work, and for the board to revisit our bid policy. Mike would be required to submit an additional \$750 invoice. Mary Davignon seconded the motion and it passed with one opposed.

-Ron reported that cameras on the Maintenance Building cover the bus stop area. Gravel has been added to the pick-up/drop-off area. The warming room is being utilized and Ron brought in a park bench for added seating. The new bus stop location is much safer for the children.

Long Range Planning: Tom Rozycki reported that the Reserve Fund is underfunded and suggested that when we have an increase to our dues, we consider structuring it so that part of each budget will go into the fund. There was a discussion about ways to increase the fund. Tom composed a questionnaire for the trash compactor project and he would like to do one for the Reserve Fund. People need to understand that the fund covers replacements, not improvements. Without the Reserve Fund, we would have had to have a special assessment for the compactor project.

Security Camera Policy: Ron Sr. consulted our lawyer about posting images captured by our security cameras on our social media sites so that members can help identify persons in the photos. Legally, we cannot post images with a "reckless disregard for the truth". The lawyer recommended just posting the picture with a request for aid in identification and no other information given. Ron read the proposed changes to the policy and after discussion, the consensus was to include, "Please help us to identify the person in this photo." as the approved language to use when posting images to social media sites. The posting would be removed once the person is identified. Trish Fowler moved to accept the proposed changes in our security camera policy. Dave Johnston seconded the motion and it passed unanimously.

Re-filing of Declaration of Deeds: Ron Sr. reported that our lawyer completed the work on them and requested permission to sign them so that they can be filed with the county. Carolyn Wright moved to authorize Ron Race to sign the re-filed Declaration of Deeds without changes to them. Paul Cutting seconded the motion and it passed unanimously.

Welcome Letter: Prior to the meeting, Mary Davignon sent board members a new "Welcome Letter" to send to new members. Judy Race moved to approve the Welcome letter as amended. Trish Fowler seconded the motion and it passed unanimously.

No Wake Sign: Carolyn Wright suggested that "No Wake" signs be installed on the east side of the lake between "Goose Poop Island" and shoreline to mark the submerged island and to reduce shoreline damage from waves. The consensus is that this is a good idea and Ron will see to it this spring.

General Rules: The General Rules were distributed in advance of the meeting for review. Paul Cutting moved to approve the General Rules as presented. Ron Race Jr. seconded the motion and it passed unanimously.

(Tom Rozycki left meeting.)

Pool: No report. Ron Race looked over the Pool Rules and they remain unchanged.

Building Control: Ron Race Jr. reported that Mr. Moore will begin building a house on his lot at Okemos and Crow this spring.

Building Maintenance: Ron Race reported that in addition to the extra seating in the bus stop waiting room, he was able to correct the furnace output to keep the room warm for the kids. Ron and Judy picked up the Anita's Park bench and park sign and installed them. Judy reported that Anita's family covered cost of the bench. Thank you Ron and Judy for all your work on this project! Ron cable locked docks, removed cable from across access to Little Bear so snowmobilers don't hit it. He put covers on the Mailbox Building bollards that were rusted. He added additional parking signage for parking at Maintenance Building. He cleaned off roof of old barn

Campground: Judy reported that she and Becky will work together to combine the Campground contracts. The Campground is closed.

Forestry: Carolyn Wright reported that there is no more to be done this year. There is a timeline change/delay on the government program. She estimates that we will receive a government grant of \$4015.44 to be used towards our Forestry Management Plan. Judy requested that Carolyn start documenting her procedures so that we develop a Forestry Best Practices. Carolyn agreed and suggested we add dates and deadlines to our computer's calendar so that we don't miss required deadlines and lose out on tax money.

(Trish Fowler left at 11:45.)

Communications: Mary reported that the next newsletter comes out in March. She needs color photos and articles.

Social Committee: Mary read Connie Stubli's report thanking volunteers for their work on the Halloween activities. Special thanks were given to the Campground crew for their decorations, hospitality and contributions. She estimates that we had 120 children.

The next event is the Chili Cook-Off which will be on President's Day weekend, Saturday, February 15, 2020. Mary will publicize the event.

Adjournment: At 12:00 Paul Cutting moved to adjourn. Ron Race Jr. seconded the motion and it passed unanimously.

Minutes submitted by Mary Davignon, LAPOA Secretary
Approved, January 25, 2020