

**Minutes of the Lake Arrowhead Property Owners Association  
Board of Director's Meeting  
October 4, 2014**

-The meeting was called to order at 9:00a.m. by Pres. Chris Speen and the pledge of allegiance was recited.

-All LAPOA contractors and board members were present except Scott Bicknell and Kyle Stubli who were excused.

Mary notified board that she has been in error when taking minutes by not indicating when board members leave early. This will be noted from now on and the August minutes should be amended.

-The August minutes were corrected. Ron moved to approve the minutes as amended. Karl seconded and the motion passed unanimously.

**Roads and Maintenance:** We deviated from the agenda by having the Roads report come next so that Tim Wheaton could be excused to work on the roads. Chris reported that he is working with Tim and Kyle to develop the Best Practices Manual which will clarify Tim's responsibilities. It will be done in advance of the February meeting and will encompass Tim's new responsibilities. Judy commented that we have to be careful not to dump everything on Tim. We can hire others and use volunteers to do some of the work. Tim reported that he has been fighting a "weekly battle" to keep roads in shape this summer and that the truck is running fine. Mary reported that we received two complaints from members on Arrowroot Trail regarding a big rig which frequently travels down that street causing ruts in the roads. The truck driver lives on Arrowroot Trail. Dana expressed concern that the driver was turning a loaded truck on Arapahoe potentially causing road damage. Clarification was needed for where the truck and trailer could be parked. The consensus was that it should be parked by the Maintenance Garage (not by the mailboxes) and the driver should avoid driving it on Arrowroot Trail. Ron said that if the driver continually brings in loaded truck and trailer he needs to find another place (outside of Lake Arrowhead) to park. Tim knows the owner personally and will take care of the issue today. Ron received one other complaint that has been resolved. Anita Wheaton (and board) expressed thanks to Tim for doing a great job and for building the new cover over bulletin boards. A new light over them will be added. Tim was excused.

**Treasurer's Report:** Judy provided the board with "Current Assets" and detailed "Profit & Loss Budget versus Actual" reports. Highlights include: Campground had a great year. Gas wells are doing very well. Late fees this year are helping a lot. Newsletter went way over budget because of the inclusion of the new bylaws. Heating costs are high. Trash: We spent \$15,000 already of our \$20,000 budget. Judy learned that the trash cost/dump increased several times because our costs had remained stable for several years and now Waste Management needed to bring us in line with their costs. Arrow Sanitation cannot accommodate our dumpster requirements. Chris Speen reported that the WM three year contract has been re-negotiated and reduced from \$1,020 to \$835.20/pick up with a 'not to exceed' cap of 5% in years two and three. Increases are tied in to the Consumer Price Index. There is also a \$105 delivery charge/container. The six month cancellation notification in the contract will remain. Mary moved to authorize Chris Speen to sign the new contract with Waste Management. Ron Race seconded the motion and it passed unanimously. Judy informed us that trash is picked up whenever Tim calls for a pick up, about every two weeks. Illegal dumping at the dumpster continues to be a problem. Judy informed us that it would cost \$661 plus a \$105 delivery fee to get an "open top" dumpster for a few days to accommodate residents who need to dispose of oversize items such as furniture. There was some discussion about this and the issue will be on the December meeting agenda. Dana remarked that we should have members take advantage of the Hayes Township Dump Days.

About \$8,000 of overdue monies has been written off as uncollectible debt (for legal reasons).

-Judy is taking a one on one Quickbooks class. It is the same price as a group class and it will address the specific issues she is finding with QB. She may need several sessions.

We have spent \$283,240 so far on the lake project. We still owe Michigan Hydraulic Dredging \$22,265. \$10,000 has been held back until the dredge is removed and clean-up performed. \$12,265 will be held back until the spoils area is graded and replanted next year. Last year we collected \$154,281. This year so far we have collected \$50,222. The bank loan bank is \$78,736. No interest has been paid yet. Judy is paying in chunks as lake funds come in to keep interest payments down.

Ron moved to accept the Treasurer's Report and additional information as reported. Karl seconded the motion and it passed unanimously.

**-Financial Committee:** Judy reported that the committee has been "pretty aggressive" in going after overdue monies owed to the Association. They have had several account settlements. Currently there are ten small claims court cases pending. Judy goes to court on these cases. Five cases can be filed at a time. Judy will file another five in November. The committee meets monthly and they have a game plan for going after judgments, including garnishments. There are two cases that will be referred to our attorney for collection. The properties are valuable and he charges a \$500 flat fee per property. Not counting the lake assessment, there is approximately \$164,000 past due. Approximately \$25,000 of that is uncollectible and will have to be written off. A question arose about foreclosed properties. Judy informed us that once properties are foreclosed upon, liens are no longer valid, but in general banks have been paying owed monies to the Association.

**Gas Wells:** Ron Race Jr. reported that the gas wells are doing very well this year and that we have already collected 83% of what was budgeted for the fiscal year and we have five months to go.

**Real Estate:** Dana reported that none of the LAPOA owned lots have sold. Many people want to sell lots and Dana gives them guidance. None of the county owned lots sold at the last auction. There will be another tax sale on October 18<sup>th</sup>. There doesn't seem to be much market for vacant parcels.

**Pool** -Ron Race reported that the pool has been closed. Funds not spent this season will go into a pool savings fund for pool resurfacing. Choices are to scrape and paint or to marcite the pool. Bids received so far have been way off. A new scope of work will be drawn up and new bids solicited. Victoria Becroft and family have moved out of state. A new (half) pool person will be needed next year.

**Parks:** Connie reported that Tim will take out the launch dock. She will check with Dave and Fango about bringing in the swim area floats and raft, She will contact Wes and pay him to remove new dock and have Tim observe and assist so that he knows the procedure. The dock in Little Bear Lake is underwater and will require heavy equipment to pull. Connie will ask Brian Schalou to do this and have Tim observe and assist. Nels commented that this may damage the dock because it is imbedded.

**Building Control**-Karl McKennon reported that there are plans for two pole barns and one house to go up. He is disappointed that the Otsego County Building Department has not been very responsive to his requests to do something about the house that collapsed last winter. Karl and Dana have both been working on it. The county gives people a year from date of condemnation to clean up the site and we should be prepared for it to sit through the winter. A letter will be sent to the property owners letting them know they are in violation of deed restrictions and to clean it up. Dana and Judy will work on it.

**Environment and Zoning:** Dave Liggett is dealing with some complaints about trash left on lots. Once a foreclosure notice is posted, a letter can be sent to the bank informing them that ~~the~~ abandoned property needs to be cleaned up.

-Ron reported an annoying barking dog that is being left short-tied on Wasau. Animal Control will be called.

**-Campground:** Marcia sought guidance about a 5<sup>th</sup> wheel left in storage for years. It is open and in very rough shape and the owner no longer camps here. The owner owes over \$400 in storage fees and \$410 in dues. She has not been able to reach him by phone and her letters are unanswered (but not returned). Marcia has messaged the owner on Facebook with her contact information but her did not respond. Karl said to establish a record of attempts to contact, then a registered letter should be sent and the State Police contacted so that it can be tagged as abandoned. Marcia will do this.

(Ron Race Jr. left at 10:20.) -Marcia has solicited three bids for a new bathhouse roof. She would like to go with AC Construction who planned to start the roof during the 3<sup>rd</sup> week of October. (This is questionable since Andy at AC is scheduled to be doing Mary's pole barn that week.) Board wants clarification of contract to make sure that the job includes permits and the amount of ice shield is appropriate and up to code. Mary moved to approve the revised bathhouse roof contract with AC Construction. Judy seconded the motion and it carried unanimously. Mary asked who is authorized to sign contracts for LAPOA. Chris explained that the Officers can sign contracts.

-Marcia would like to make some changes to the Campground lease before next season about sheds size, mini-refrigerators etc. Another revision: campers' membership dues should be paid before a lease agreement is signed. She was advised to make changes and bring to board for approval. Ron Race has the Campground lease in Word format and will assist her. Judy asked if a guest can be a permanent camper. This will be addressed in the new lease.

-Marcia asked the board to authorize a performance bonus to be paid to Dale and Eva who "worked their butts off" at the campground all summer and go way beyond the requirements of their contract. They helped to install fire rings, fencing, and play ground equipment. Accolades go to Marcia, Eva, and Dale for doing a great job at the campground. The board appreciates the work that our contractors and volunteers do on our behalf and we will discuss an appropriate "Thank You" for them at our December meeting.

**Lake Improvement Project:** Chris Speen reported that 10% (divided) of funds owed to MI Hydraulic Dredging are being held back until clean up (next week) and repair of spoils area are made next year. An orange fence with metal T-posts will be placed around the spoils area at an extra cost of approximately \$1,500. "Danger" and "Keep Out" signs will be posted. This is necessary because the area will not freeze solid this winter. It will be like quicksand until all the water drains out. Everyone should KEEP OUT! Ron Race suggested looking at an insurance rider for this area. Others commented that our umbrella policy should suffice. Chris will look into it. It looks like the lake has risen about 7.5-8 inches. We do not know how much it will rise but based on well #2, it could be as much as a 1.5 to 3 foot rises.

Invasive phragmites have been sprayed by a Huron Pines, a licensed contractor. A grant will cover half of the cost this year. Huron Pines will be inspecting and spraying for the next ten years. Property owners can find information about Phragmites on our website.

**Communications:** Mary reported that all is going well with the website, newsletter, Facebook, and Nextdoor. We are encouraging members to use computers. Nextdoor is now up to 81 LAPOA members. Posting information on-line regularly helps our members and cuts down on misinformation. The new bulletin board location is helpful. Ron asks board members to be cautious about what they post publicly when a letter to the board will suffice. Chris noted that posts by individuals are not necessarily board sanctioned. Mary sees her role as to pass on information to members. The board appreciates work being done to communicate to members.

**Long Range Planning:** Ed just got the 92 page Reserve Study report Thursday morning which he found very informative. Ed, Ron, and Chris have discussed it and there are some revisions that need to be made before sharing report with the entire board. The report did include a summary of property and a 30 year maintenance/replacement plan. It covers our six buildings and site components. It also provides an expense stream and a projection of revenues needed over the next 30 years. Some estimates seem inaccurate so the Committee will ask for explanations and/or revisions. All this is important so that our dues are appropriately set. Ed found in Lake Arrowhead currently there are:

718 primary property owners.

304 houses

approximately 150 outbuildings

1560 lots. Of these, 82 produce no revenue (50 are county owned, 2 are owned by the State of MI, and 30 we own as parks etc.)

Revisions to the study will be made before our December meeting. Long Range planning will take up a large part of the meeting.

-Ron contacted Charter Cable. They still need to come out and look over the subdivisions. It's a work in progress.

### **Unfinished business:**

-Judy asked that everyone who owes "Best Practices" get them to her by the December meeting. She also distributed a form for us to fill in with preferred contractors. Turn in by December please. She wants to compile all this information so that our next board has easy access to needed information.

-Office gate: Ron moved to keep the gate open except during the pool season, with the understanding that the pool managers will again unlock and lock the gate when they open and shut the pool. Dana seconded the motion and it passed unanimously.

-Unauthorized dock at "washout": Ron and Chris spoke to Sandy Essian last August regarding the dock that was erected on common property. Ron later spoke to Tony Essian who was also very cooperative. Tony had several alternative suggestions for keeping the dock at the lake. The only suggestion that benefited the Association, was for Tony to donate the dock to the Association for members to use. The dock is in excellent condition and Tony would accept responsibility for moving the dock in and out. We do not have extra liability because of it. Ron moved that we allow Tony Essian to donate his dock to the Association to be placed on Lot 15 of Southern Trails for members' use, with the understanding that Tony Essian will be responsible for moving the dock in and out seasonally. Judy seconded the motion which passed with one opposed.

-Ron recommended forming a committee to look at getting a dock with slips that could be rented to members. The committee was formed with Ron, Karl, and Connie as members. They will have a recommendation by our February meeting.

### **New Business:**

-The loan for the Lake Improvement Project must be renewed and re-signed every year by the LAPOA President. Ron Race moved that President Chris Speen be authorized to sign the bank loan renewal. Karl McKennon seconded the motion and it passed unanimously.

-Judy asked members to fill out a "Preferred Vendor List" to make things easier for all.

-Judy, Ron, Ron Jr., and Marcia will not be able to attend the February meeting. February is traditionally our big budget meeting and it seems pointless to meet then when our Treasurer and so many others cannot attend. Dates were discussed with no consensus. This will be tabled until our December meeting.

-Dave Liggett reported that a big red pine tree by the road on the East side of the park does not look very healthy. It is near power lines. Connie will contact Great Lakes Energy about having it removed.

-Judy: Thanks (and applause) to Anita for great job in cleaning out the Office.

-Adjournment: At 11:50 Mary moved to adjourn. Judy seconded the motion which passed unanimously.

Minutes submitted by Mary Davignon, LAPOA Secretary

Approved as amended, December 6, 2014