

**Minutes of the Lake Arrowhead Property Owners Association
Board of Director's Meeting
October 5, 2013**

Approved by LAPOA Board on February 1, 2014

Meeting was called to order by Pres. Ron Race at 9:00.

All members were present except Scott Bicknell, Dave Liggett, Karl McKennon, and Kyle Stubli who were all excused.

Minutes of the 8-3-2013 board meeting submitted by Ron Race were approved as amended.

Minutes of the 9-14-2013 special board meeting were approved as amended.

Minutes of the 9-21-2014 special board meeting were approved.

Finance: Treasurer Judy Race distributed an "as of 10-4-2013" financial report with explanations. Most funds have been moved to Northwestern Bank.

15-20% of those who have paid the special assessment have paid for all three years.

Office supplies are more than budgeted due to new products needed with Quickbooks.

Director's insurance was a purchase that was not included in this year's budget.

Dana moved to accept report. 2nd by Anita. Passed unanimously.

Collection Committee member Judy Race submitted a report on accounts in arrears on membership dues and how the committee would like to aggressively pursue overdue funds. Special Lake Project assessment is not included in this report. Currently nearly \$120,000 is owed to the Association.

Approx. 50 members owe \$600-\$2000. Approx. 60 members owe \$350-\$600. 8 members owe \$2000-\$10,000. Depending on how much is owed, actions may include:

November 2nd. Post names of owners with outstanding balance at mailboxes.

Early Nov. Send letter to notify members to make payment plan arrangements or face small claims court lawsuit.

Place liens and foreclose on some properties.

For any amount past due: Liens will be placed on properties in foreclosure or for sale.

The Board recommended amending the report to include:

- The committee will provide information to board prior to the Feb 2014 meeting concerning the 8 properties of members most in arrears to determine whether to foreclose on property.
- Committee will seek board approval before sending accounts to a collections agency.

In discussion: The board reaffirmed position that properties will not be accepted in lieu of payment.

Dick Miller questioned whether we can get a tax write off for uncollectible accounts. Judy will check with accountant.

Mary Davignon proposed eliminating late fees on hardship cases: accounts where homeowners are making payments and can prove they fall within the Federal poverty income level. Judy pointed out that no interest is being charged on these accounts. Although the board sympathizes, there was no support for eliminating the late fees.

Dave Cunningham moved to accept amended Collection Committee Report. Mary Davignon 2nd. Motion passed unanimously

Special Lake Improvement Project assessment questions were answered by Pres. Ron Race who consulted the Association attorneys:

- The special lake assessment applies to owners of Lake Arrowhead property as of July 6, 2013 when the membership approved the special assessment.
- Whoever owned the property on that July 6, 2013 is responsible for the special assessment regardless of when the deed gets registered.
- If a property that was assessed the special assessment is sold and becomes a first or second lot for a new owner, the owner of record on July 6, 2013 is still responsible for the full amount of the assessment.
- If a special assessment property is sold and the special assessment has not been paid, the owner could negotiate the responsibility of satisfying the special assessment balance with the new owner at the time of sale. If this is the case, the special assessment should be paid as part of closing procedures.
- Special Assessment billing is mailed to the current owner who may pay it or contact the previous owner to pay. (a lien place on the property would affect the new owner)

Dave C. gave an example of where the buyer and seller can negotiate this at time of sale, but the owner of record on 7-6-2013 is ultimately responsible to make sure assessment is paid.

There was some discussion about attorney fees and the Association's history with our law firm. Dave C. gave background and his opinion that we were well served by current firm.

Chris Speen thought fees were reasonable but suggested the possibility that they could be negotiated or a "price not to exceed" for further work.

Gas wells: Judy reported on behalf of Ron Race Jr. (had to be excused early) that we have received \$15,000 in gas revenues so far this year which is more than budgeted for this time period. She didn't know if this is because they are pumping more or if the price went up. \$18,000 for the year was budgeted.

Real Estate: Dana reported that there have been no sales of LAPOA lots. She would like to have an update on the website listing of LAPOA lots for sale. She also requested to have a website link to the Otsego County map system. Dana also reported that several member lots have sold at tax sales.

Roads: Dave Cunningham reported that the roads are in good shape. Assoc. saved money by only needing to brine twice this year instead of the usual four applications. Rain helped. There are no equipment issues right now. Roadway low limbs are being cut back. There are no plans to buy more asphalt. He has a good reserve of sand. When Dave goes south this winter, Dick Miller will handle road issues.

Neighbor Mark Ryder will donate a park bench (or similar product from catalog) to the Association from his company Poly Products. Products are 100% recycled milk jugs. Greg Sherwood will deliver.

As when the 2013 budget was prepared, we had to move money from the truck replacement fund to cover basic operating expenses; Dick Miller moved that all monies saved on roads at the end of the fiscal year be moved to replenish the truck fund. Anita 2nd. Motion passed unanimously. Chris said that monies borrowed from the truck fund for lake improvement will be repaid from lake improvement special assessment funds.

Pool: Ron Race Sr. reported that they saved \$5000 this year. The pool needs sandblasting and repainting. Will try to get one more year out of it and carry this year's savings over to next year's budget to help pay for repairs. The pool and bathhouse have been winterized and leaky valves have been replaced. All valves are now labeled.

Parks: Anita thanks volunteers who helped remove trees near pool. A big pine needs trimming and a big tree still has to come down. Ron Race said that keeping leaves and pollen out of the pool will really help on maintenance issue.

Buildings: Anita reported that some beams on pavilion are showing a lot of rot. Dave C will coordinate an inspection.

Environment and Zoning: No report. Dana reports that some people are getting permits from county w/o getting permits from LAPOA. Members need to contact Association first. Dana said that there is someone new at the County and she will talk to their supervisor to be certain that County permit is not issued without first producing a LAPOA permit.

Campground: Mike reported that campers have raised approx. \$1200 from bottles collections. Campground has approx. \$11,000 between the savings and checkbook. They are considering the purchase of a playscape which can be purchased at a discount this fall. Ron Race reminded Mike that even though projects like this are under the Campground, the Bylaws require board approval. Long term plan possibilities include additional camp spaces, a pavilion, an additional bath house, or adding on to the existing bath house. Chris Speen cautioned about getting a permit for playscape, using certified playscape mulch, and providing board with a long term plan. Judy moved to allow campground to accept the \$1200 donation and to spend up to an additional \$2000 of their budget for purchase of playscape. Anita 2nd. Motion passed unanimously.

A complaint was received requesting \$3000 alleging that the campground may have improperly disposed of a camper and destroyed records showing paid storage fees. Eva says she has record and that no camper(s) were destroyed. She says she never spoke with the complainant, or told anyone that records were destroyed. Pres. Ron Race will follow up.

Lake Improvement: Spoils site prep work will start soon.

Phragmites, a very invasive wetlands plant is spreading in the channel. Member Betsy Clark also observed them near her place. Chris explained that permits are required for spraying these but are only given out Jan-April. Contractors must be specially licensed to eradicate these. Ron Race Sr. will check with Wayne at T & W landscaping to see if he is authorized to treat these. Chris and Ron will inspect the whole lake to see if there are more areas of infestation.

Newsletter is posted on website. The board commended Mary for another outstanding job.

By-laws need to be amended per recommendations of lawyers. Mary moved that the board appoint a committee to make those revisions to the by-laws. 2nd by Judy. Motion passed unanimously. The committee will consist of: Scott Bicknell, Mary Davignon, Dick Miller, and Pres. Ron Race. Ron will organize. Ron Race distributed proposed best practices language regarding email voting which has been utilized for some time now and as authorized Articles VII and XV of the by-laws:

The LAPOA Board of Directors may take advantage of twenty-first century written communication technology for the benefit of its membership regarding time sensitive topics.

Irrespective to regular and/or special meetings and at the written request of any board member, the president may forward a proposal, suggestion, or request for action to all Board members via electronic mail (email). Board members shall make their intentions known regarding the request within 72 hours of the president's email for action. Similar to the requirement of a quorum at a Board meeting, 2/3 of all Board members must vote on the emailed topic and the majority rule will apply. Should responses fail to meet the 2/3 requirement, no action is taken until a later date. The secretary shall tally the votes, maintain a hard copy of each and notify the Board members via email of the outcome.

The secretary shall produce the above stated hard copy emails at the next Board Meeting. All topics acted upon vial email, regardless of yea or nay results, will be reported at said Board Meeting by the secretary. Details of each topic shall appear in the board minutes for general membership consumption.

After discussion, Mary Davignon moved to adopt the proposed policy. 2nd by Dick Miller. Motion passed unanimously.

Website needs updating. Several items are falling off which are needed routinely. Mary was appointed at the August 6th meeting to serve as a second webmaster. She will work with Scott and will contact him.

Long term planning: Chris Speen will have comprehensive report at next meeting on issues pertaining to roads, pool buildings, parks, and campground. It will include a reserve study that tells expected life span of material assets. Board will then prioritize items that need attention. Dave gave examples of how, due to budget restraints this year, he has been managing to budget instead of need.

Fiber optic cable has been run on Hayes Tower. Pres. Ron Race has visited Charter Communications in Traverse City twice about bringing cable into Lake Arrowhead. He is now awaiting response from the tri-state director for Charter.

Forestry: A member asked about forestry projects plans. Dave explained that since prices for forest products plummeted, there are no plans to harvest timber any time soon.

Propane for those whose propane is piped in has been set at \$1.89.9 / gal for this season.

Insurance changes: Judy reviewed a new policy with several revisions to the insurance to reflect current needs. Proposed policy includes: Removal of bank interest in bath house; increase of workman's comp. for contract employees; removal of equipment not owned any longer, equipment and worker needing to be added; and a one million umbrella policy. Surety bond is being revised. Policy with Allied Insurance includes everything except Director's and Officer's insurance. After discussion, Anita moved to accept the policy with an increase of the umbrella policy to 3 million. 2nd by Mary. Motion passed unanimously. Chris pointed out that former insurer had opportunity to review policies and presented to the board. We are saving approx. \$4,000 and getting more coverage by changing companies. Policies will be reviewed every 6-12 months.

Best Practices: Ron Race distributed the LAPOA Pool Best Practices Manual. (Otherwise know as a procedure manual.) **Homework for all board members is to create a Best Practices Manual for your areas of responsibility. This is due at the February meeting.**

Other:

Pres. Ron Race distributed "Weight Restriction Violation" notices that will be sent to companies if their drivers are observed violating the Arapahoe weight restrictions. A map will be included so drivers can find their way from Spring Gay.

Pres. Ron Race purchased a safe for the office.

New bulletin boards will be used to post names of members with delinquent accounts and approved minutes.

Dave Cunningham informed us that a permanent recycling sign will be put on the dumpster. A laminated sign is already on the bulletin board.

Anita asks that membership card be placed on the next mtg. agenda.

Mary is to buy a tape recorder that works!

The meeting was adjourned at 12:35.

*Minutes submitted by Mary Davignon
LAPOA Secretary*

Approved by LAPOA Board on February 1, 2014