

Minutes of the Lake Arrowhead Property Owners Association Board of Directors Meeting October 6, 2018

The meeting was called to order at 9:02 by Vice President Ronald Race.

Attendance: All board members were present with the exception of Buddy Pardo who was excused. Contractors were all present except for Tim Wheaton who was excused. President Cory Ames, Dana Stubli. and Kyle Stubli arrived slightly late at 9:10.

Minutes: Ron Race Sr. moved to accept the minutes of the August 4, 2018 meeting as written. Tom Rozycki seconded the motion and it passed with one abstention.

Treasurer's Report: Treasurer Judy Race distributed reports showing account balances at our banks and what is being held for each area of our budget; as well as the "Profit & Loss Budget versus Actual 2018-2019" report. Judy explained the reports and told us that this year we billed approximately \$165K in 2018 assessments and that approximately 90% of those assessments have been paid. We expect to meet our budget for past year's assessments that the Collections Committee still works to collect. We are collecting approximately 90% of what we budget for the Reserve Fund. So far this fiscal year, our equipment maintenance is costing about what was budgeted but road maintenance costs are higher than expected. This is due to the high cost of brine. Parks are also over-budget due to improvements including the purchase and installation of new picnic tables at the boat launch park.

- The Campground had another great year. Cory will check to make sure the final inspection has been done on the Campground electrical work before that bill is paid.

-Trash: Judy distributed data which includes dates and tonnage of trash pickups since October 2015. We have reduced our pickups by 5 tons since this time last year.

Cory moved to approve the Treasurer's report. Ron Race Jr. seconded the motion and it passed unanimously.

Collections: Judy displayed a chart showing past year's collections. She reported that during the 2017 fiscal year we collected \$67,813 in past year's funds and that there are less than \$10K owed in pre-2013 funds. When Judy became Treasurer, the Association was owed approximately \$170K in past due monies. Since the Collection Committee began using our current process of going after outstanding funds in small claims court, that amount has been reduced to less than \$90K.

Minerals (Gas Wells): Dave Johnson reported that Breitburn has completed bankruptcy and will soon be known as "Maverick." Gas is still being pumped from the wells on Association property. He does not expect new wells to be drilled when these are depleted.

Real Estate: Dana reported that properties are selling well in Lake Arrowhead. The Otsego County Treasurer is currently working with a couple potential buyers of county owned lots. More lots will be available in January for our members in good standing to purchase. Judy reported that many of the lots that went back to the county for unpaid taxes are in our collections groups. She also reported that although many of the lots that the county is selling are being sold as "Second Lots" and that our number of "First Lot" owners is declining, these lots are being sold to members who pay their bills and it is a net positive for the Association.

Ron Race Sr. reported that with the assistance of our attorney, a letter was prepared for the owners of a property who had not registered their properties. Without objection, the letter will be dated and sent from the LAPOA office next week. We only set up accounts when the registered deed is received from the county. In the past, that was not always the practice.

Forestry: Gordon Wearsch introduced guest Katie Brinkman from Martell Forestry. He is impressed with the work Martell supervised for other property owners including the condition of forests, clean up, and the condition of stumps (close to ground). He showed photos of properties that were taken approximately one year post logging. Katie explained that her company would act as a supervisor of the logging operation and as a broker for selling the timber products. There are two ways to sell timber: as a lump sum bid on all trees marked; or as pay as cut with a set amount for pine, maple, beech, etc. Katie told us that our forestry plan has expired

and explained that although we missed the September 1st deadline for this year, she would also like to develop a “Forestry Plan” for us. If implemented over six years, by participating in the “Qualified Forest Program we could receive 16 mills (about 40%) credit on the taxes that would be charged to us on the forestry products. It takes the state about 90 days to review and approve the plans. We are over the acreage cap for the credits. We would have up to six year to implement the plan and each of our parcels is taxed separately. We have wooded parcels of 162, 119, 367, and 37 acres. Katie asked that we contract with Martell as our foresters and to create a plan for us on our whole property. The cost of the plan is \$950 for the first 40 acres and \$4.50/ acre above 40 acres. She would like to get our 37 acre parcel marked within six weeks and prepare to have it selectively cut by January 2019. Her company does not normally do “start by” and “finish by” dates in contracts since as much of the work is weather dependant. They like to have all logging operations done before spring frost laws on roads come into effect. Loggers are given a time frame of when we want the work completed. We would probably have two landings for wood; one on each side of Arapaho. Existing trails would be utilized as much as possible. Wood may be sold to Weirhauser or to the Grayling wood yard. We would sign a separate contract with a logger at a future regular or special meeting. Gordon strongly recommends that we contract with Martell. Tom Rozycki moved to approve Martell Forestry as Lake Arrowhead’s Forester with a one year renewable contract from date of contract being signed; and that the board authorize Gordon Wearsch and Cory Ames to sign the contract. Judy seconded the motion and it passed unanimously. Katie will send us more information and a proposed contract contract with Martell for the forestry plan.

Roads and Equipment Maintenance: Ron Race Sr. reported that all the recent rain has raised the lake level by about another 6”. Tim has been working every day grading and repairing the roads. J & N will no longer be able to supply sand for us. We are looking for other sources of sand (and gravel). We have a problem with our sand piles freezing in the winter even when it is tarped. Tim has to break up the sand with the tractor before loading it into the truck. Large clumps can interfere with the sander. Tim will typically keep a load of sand in the truck where it is stored inside overnight, but there is no inside room for additional sand. Ron said they are looking at “treated” sand that is not supposed to freeze. There was a discussion about the excess the road grading and the gravel that is piled alongside several of the roads. Ron reported that he tried pulling the excess back from the sides of the road but it was so full of “junk” that it wasn’t very productive. Gordie (who trains heavy equipment operators) explained that Tim is limited by the equipment that we have. He would like to do a little experiment and bring in equipment to pull back some of the gravel, distribute it, and roll (compact) it. He recommends that we bring in a grader once or twice a year to help maintain the roads. A question arose in the past regarding the depth of the gas lines. Ron reported that the ideal depth is 18”-24” and that the two areas where the lines were found to be too shallow had been repaired. Carolyn asked that we request a letter from Amerigas stating that the gas lines all deep enough for us to safely run a road grader. Ron Sr. will follow up on this.

Pool: Dave Johnston reported that the pool is closed and winterized and the shower house roof has been replaced. The pool came in under budget this year.

Parks, Lakes, and Safety: It was reported to us that the hydrant pipe is separated. Gordie dove down to inspect it but he did not have the appropriate parts to make repairs. Ron reported that the Fire Chief is OK with it for now. Repairs will be made in the spring. A member reported to Judy that there is a hallowed out, dead or dying tree near the pavilion that needs to come down. Kyle will follow up.

Building Control: Ron Race Jr. reported that one new building permit has been issued. He also followed up on a complaint in regards to a construction project that was being done on Papaya. The owner did not have a permit but has one now.

Building Maintenance: Ron Race Sr. reported that we’ve gotten new roofs on the pavilion and pool bath house; new picnic tables at the boat launch, a new kitchen in the Office Building. The chimney on the pavilion needs repairs and Ron will follow up on it. New trash containers for the boat launch park and the pavilion will be installed next spring. Mary will post that the boat launch dock and other docks will be removed on October 15th. The crawl space under the Office building is scheduled to be cleaned up. (We had a skunk issue.) Ron reported that in 1996 members gave approval to purchase and install roll ups on the lake side of the pavilion to block the winds.. Tom suggested we look for transparent roll downs to preserve the lake view. Ron will look

into it. Ron suggested that we change the access point on Little Bear Lake to the berm so that long dock extensions will be unnecessary. Kyle was asked to get bids by our next meeting on improving the drainage by the “Merry Go Round” park. The spoils area was draining but all this rain has caused it to fill again. A downed tree damaged the fence but Ron fixed it. Judy reported that there seem to be some misunderstanding of what Ron’s Building Maintenance contract entails. Ron and future contractors should not be expected to do more than their contracts require. She distributed the Building Maintenance Contract so that board members would know the position’s requirements. Much of the work Ron has done this year has been volunteer work. On behalf of the Association, Mary thanked Ron, Judy, and Cory and all those involved in the park improvements and Office Building renovations for their generosity. The Office is a much more efficient place to work and the building is now ready for social events. Marcia thanked Ron for his volunteer work in the Campground. (Kyle and Dana left at 11:40.)

Campground: Marcia reported that the Campground had a very good year. They were full on July 4th and Labor Day weekends. Marcia expressed her thanks to the Dills for their donation and work on the Labor Day picnic. She requests a “Children Only” sign to be placed on the Campground playscape. It was damaged by adults who shouldn’t have been on it. She would like more gravel on the Campground roads. Marcia requested clarification of the policy on the Campground Lease agreement that states that the LAPOA member must sign the lease agreement for their guests. The board confirmed the policy. Guests who do not have a lease agreement signed by their host board member will not be allowed to camp. This is necessary because the member is responsible for their guests. Mary will make sure this is publicized. Judy said some contract changes need to be made for next year. Permanent campers who don’t utilize their space will be asked to let us know if they intend to come back or vacate so people on waiting list can take spot.

Environment and Zoning: No report.

Lake Improvement: Ron Sr. reported that the lake was inspected for invasive phragmites and that none were found.

Social Committee: Connie reported that the Halloween fun will be on Saturday, October 27th this year. She wanted to know who paid for the party expenses (food, prizes, paper products etc.) Judy explained that we have some prizes on hand and that usually the food is donated by members who want to contribute. Funds normally come out of the Parks budget to cover anything not donated.

There will be a charge or donation jar at Chili Cook-Off to bring money to Social Committee.

Long Range Planning: Tom Rozycki reported that we need to maximize our income. On the recent survey, the number one priority was the roads, it was also the number one area that needs improvement and our number one expense. Timber is profitable and may become “our new oil wells.” Perhaps we should plant trees. We need more First lot owners who pay into our Reserve Fund. Our well-managed Campground is an important asset but limited Campground space is a deterrent to potential buyers. Carolyn reported that many people bought here because it is a community of homes. Tom would like us to brainstorm and bring ideas to our next meeting. Judy requested that Long Range Planning be moved up on the agenda to give it the attention it deserves. There was a short discussion about the recent survey, recycling, and a beach. There is no market for recyclables now. There was a discussion about water quality. ((Connie left at 12:20. Cory left at 12:30 and Ron Race Sr. resumed presiding at the meeting.)

Carolyn brought up neighborhood sleigh rides: Connie would like to have sleigh rides by the Cook family this winter, perhaps Christmas week. It would cost \$500 to have them bring their horses and sleigh to Lake Arrowhead. Members would be charged to ride. The consensus was that it was a good idea and the Association could make up for any shortage.

Ron Race Jr. left at 1:00.

Communications: No report.

Unfinished Business:

-Security Cameras: There was a discussion about illegal dumping and a recent incident but no motions were made and no changes were made to the policy.

-Mary would like to have something with the name “Anita’s Park” to memorialize Anita Wheaton. Naming the park was already approved. Tom suggested an engraved stone and board members like that idea. Ron will follow up.

-Property Surveys: There have been a few issues regarding borders of some of our parks and Ron got prices on survey work and showed us images of the various lots. The Eagle Island easement (which LAPOA is not responsible to maintain) isn’t legally an issue, so there seems to be no reason to survey those lots. (Connie left at 1:10) Judy moved to have property surveys done on the (boat launch park) lot #214; the (channel park) lot #057; the (washout) lot #015; and if no easement exists, to survey lots 80 and 81 by Eagle Island. Mary seconded the motion and it passed unanimously. Ron will follow up with our lawyer about the Eagle Island easement.

New Business: Members requested that we place on agenda for December meeting: Report on access to Elk Island. Preservation districts, and open top dumpster for members’ big items.

Adjournment: Mary moved to adjourn at 1:20. Marcia seconded the motion and it passed unanimously.

Minutes submitted by Mary Davignon, LAPOA Secretary
Approved, December 1, 2018