

**Minutes of the Lake Arrowhead Property Owners Association
Board of Director's Meeting
October 8, 2016**

The meeting was called to order by Pres. Ron Race Jr. at 9:00 a.m.

-Attendance: All board members were present except for Chris Speen, Dana Stubli, and Kyle Stubli who were all excused. Contractors Dale and Eva Davidson and Tim Wheaton were excused.

- August Minutes: Anita Wheaton moved to accept the minutes of the August 5, 2016 board meeting as written. Judy seconded the motion and it passed unanimously.

-Treasurer's Report: Judy Race reported that we are still taking in Lake Improvement Project money as we collect past due monies. The gas wells are producing significantly less than what we budgeted. Companies are still paying and we did just receive checks for gas. We are doing well in collecting dues. The Campground had a very good year and is doing fine financially. Dumping costs are a little better. Two years ago we had 28 pickups. Last year we had 26. We expect 25 this year. Judy did notice that we have only had one overweight pickup this year compared to eight last year. Is the dumpster being changed out on a schedule or when full? Overage charges are much less than the cost of pickups. We also need to remind members of proper compacting procedure so that the compactor doesn't appear full when it is not.

Roads and Maintenance are a budget concern as we did not budget for the extra contractors needed to make road repairs after washouts. Our equipment was not capable of making those repairs. We also had major repairs done on the truck and tractor that are putting us over budget. We may have shortages at the end of the fiscal year.

Office roof replacement and security cameras were purchased out of Reserve Funds.

Mary moved to accept the Treasurer's report. Brook seconded the motion which passed unanimously.

Collections: Judy reported that five cases have been filed in Small Claims Court and five more will be filed on Monday. Letters with copies of filing documents will be sent out next week to another ten members who are in arrears. Upon receiving letters, most members make payment arrangements. So far, 100% of the cases taken to court have been judged in our favor.

Gas wells: Dave Johnston reported that natural gas prices have gone up slightly but the market is well stocked, keeping prices low. Breitborn has filed for bankruptcy protection. Connie will find out if we should file a Proof of Claim even though checks continue to come in.

Real Estate: Mary reported that the county auction was held in September of this year. Judy informed us that it takes about a month for all the auctioned properties to be recorded. Plans are to send letters out to all members in good standing informing them that county owned properties are available to them at a discounted price. The Otsego County Treasurer does contact Judy to verify that prospective buyers are in good standing. There was some discussion about the auction procedures. Apparently some properties were bundled into lots and were not available to be purchased individually. Judy will look into it.

Roads and Maintenance: Chris Speen could not attend this meeting. In preparation for it and to guide our discussions, he sent each board member two documents: a "Paser Manual" which explains how paved roads are evaluated and an estimate for rebuilding Arapaho from Rieth- Riley. Chris' email also summarized estimates on Arapaho crack repairs, equipment replacement and repairs costs, estimates for hiring outside contractors to grade dirt roads, as well as some recommendations. We also have a report on all our roads that was submitted to us by AGS last summer.

Ron Jr. reported that we are receiving many complaints regarding conditions of the roads. We still have large ruts and foliage does not appear to have been cut back. Member Dave Burley had several areas of concern that he brought to Ron Jr. which will be followed up upon. Ron Sr. expressed disappointment that Tim was not present at the meeting to answer questions. He also reported that foliage used to be cut back at least 10 feet. Dwayne will make a spread sheet of complaints and jobs to be prioritized and completed. Safety concerns will be highest priority. There was some discussion about property owners' "projects" that are left on the easement and could potentially be hit by a plow truck. Judy reported that it has been hard to acquire brine. There was only

enough to do 1/3 of our roads during our last application and we paid 1/3 of the usual amount. Dwayne suggested that we prioritize roads so the most widely traveled roads get brined first. Brine availability will probably continue to be a problem so we will need to prioritize roads. Brook suggested that we look at other products, but those tend to be more expensive. The truck was recently down for major repairs and the tractor was down for about one month. Mary requested that she be alerted whenever equipment is down so she can notify members. When members are kept informed they tend to be understanding and complain less. Dwayne reported: Arapaho: Bids on filling in road cracks ranged from 52K-80K, far above the amount authorized by the board. Cracks will not be filled. The number of cracks has quadrupled in the past three years. The expert opinion was not to fill cracks or to do an overlay. Cracks will re-appear if we only do an overlay. The road base has deteriorated and the road will need to be pulverized and rebuilt. (Current estimated cost is 240K) Limiting truck weight really helps to preserve the road. Arapaho rebuilding can wait. Meanwhile, any safety concerns will be addressed and the road will be patched as needed.

Dirt roads: The cost of having J&N fix and re-crown all our roads once per year would be \$4,500-\$5,000. This would be a budget item. We would still have major repairs to do each time we have a washout. We cannot reclaim the gravel with our truck. Assuming a five year break-even, it seems much more cost effective to pay for our own grader and operator training. Purchase funds for a grader would come from the Reserve Fund and Arapaho Road replacement will need to be delayed as long as possible. Ron Jr. will start looking at grading equipment, training, and associated costs. A grader will not be a "fix-all" but it will help. The old pole barn near Hayes Tower may be suitable for housing a grader.

Ron Sr. suggested that we notify the community of dates when docks will be placed and removed. Some of our members were surprised that the launch dock was already removed.

Pool: Ron Sr. reported that the pool is closed. Last summer, the shallow end was sanded because some children were getting abrasions on their feet. There have not been any more complaints since the sanding. The deep end will be sanded around the edges and the shallow end sanded again before the pool opens next spring.

Parks: Judy reported that Fango and friends removed the swimming platform and dock. The raft will be repaired before next season. Thank you guys for your generous volunteer work! Ron Jr. will see that the raft is moved away from the old maintenance building.

Judy reported that the rental contract for the pavilion and Office are outdated and incomplete. Judy offered a new contract that she, Ron, and Anita worked on together. Mary moved to approve the Pavilion-Office rental contract. Brooke seconded the motion and it passed unanimously. Mary will post it on our website. Ron Sr. asked that we get Park markers for all our parks. We have received several complaints because people assume boats are being left on common grounds (across from 19th hole) when they are actually on neighboring lots. The park markers on the Eagle Island lot are now in the water but visible.

-Building control: Nelson Wheaton reported that two pole barns are being constructed, one on Macatawa, and one on Deer Run. Permits have been issued and placed on file.

-Environment and Zoning: Anita reported that she continues to send out letters regarding complaints about refuse left on lots and is getting good responses. Copies of letters are kept on file. The trailer with junk has been removed from Dave Dean's property on Arrowroot Trail. An abandoned vehicle was left on Pewamo Trail and the owner didn't respond. Anita will follow up with the county.

-Campground: Marcia reported that approximately 50 people attended the Labor Day weekend pot luck dinner that was held in their new pavilion. She sees this becoming an annual event. She purchased a cord of wood and sells it to campers who are without. Some trees had to be cut for safety. Marcia thanked our members for supporting the pop can drive and raffle. Karl Schick reported that they are getting tremendous reviews on the campground. Ron Sr. expressed the board's appreciation for the tremendous job that Marcia, Karl Schick, Eva and Dale have done again this year. Three permanent sites were added and filled and there is now a waiting list.

-Lake Report: Ron Jr. reported that phragmites were sprayed on October 3rd and that very few invasive phragmites were found. The DEQ is still working with us because the spoils area is still draining. The soil is still soft and will not yet support heavy equipment. Our lake level continues to rise even though some neighboring lakes levels are down. Thank you to Cory Ames for repairing the dry hydrant.

-Forestry: Brook reported that she contacted the power company and their subcontractor regarding complaints of spraying foliage on private properties. She was told that spraying is done on a 7-8 year schedule and that they had acquired permission from property owners to spray on the private lots that were sprayed. The company will contact us again before the next spraying.

-Social Committee: Brooke reported that the Halloween Party is coming up. Patti Gates is looking for someone to take over this event next year. Brook is looking forward to meeting with Cory Ames to plan events for next year.

-Communications: Mary reported that we got four advertisers for our last newsletter. Each ad will appear in three Lake Arrowhead newsletters. We have over 140 members on Nextdoor and many people follow us on Facebook. People often ask about Lake Arrowhead. Mary would like permission to have business cards made up so we, as Lake Arrowhead “ambassadors” can give them out to people who are inquiring, and to landlord for tenants. Consensus of the board was that is OK to have cards made up.

-History: Connie reported that she has gone through all the boxes of Al Lancaster’s Lake Arrowhead records and placed them into eight binders. She reported that Al was here from the beginning of the Association and that he had been the 2nd, 3^r, and 4th Association president and the first Campground manager. Connie read a letter from Al that describes the purpose of the LAPOA board and it is included in Volume 1. A plaque honoring Al is hanging at the Office Building. It was the consensus of the board that the binders will be kept in the Office Building so that members may browse through them. Binders may not be borrowed or taken from the building. Thank you Connie!

-Long Range Planning: Dwayne has compiled a 5 year view of what we foresee being needed. The prices and timeline in the original study often don’t reflect our needs. Judy asked for clarification of what costs are attributed to ordinary maintenance and what costs should be covered from long range fund. Generally, normal maintenance such as oil changes, seals, painting, and repairs, come out of our operating budget. New equipment and large equipment replacements, such as a truck bed, or truck blade come from long range fund.

-Technology: Dwayne reported that he has completed some expansion of the Lake Arrowhead wifi and that the network now covers the Office area, the Campground, and the Maintenance Building area. He will eventually get them all interconnected so that if one node goes down, the others will automatically take over. We now have motion activated cameras at the pool for use after hours, and 24/7 at the dumpster. When triggered, cameras take still photos every few seconds. Photos are kept on a server for up to 30 days. Three board members have access to captured photos. The cameras seem to be impacting the amount of illegal trash left at dumpster. There was a discussion about whether or not photos of people and vehicles needing identification should be emailed to board members. Once distributed digitally, it becomes hard to contain images. We still need a written policy and to have it reviewed by our attorney. Anita will look into Campground DSL and phone seasonal shut down costs. There was some discussion about our security company. We need to look ahead to a time when Dwayne is not available to maintain the system. The system was put into place to protect assets, not to monitor members. Costs need to make sense. Letters will be sent to members, and a slightly different letter will be sent to non-members who have been identified illegally dumping. These will be kept on file. Ron reported that new signs have been ordered. The cameras are greatly impacting the amount of illegal trash left at compactor and that the State Police are happy to back us up on illegal dumping.

Unfinished Business:

-Contracts: Prior to the meeting, Judy sent copies of the proposed contracts to all board members. Mary moved to accept the new contracts for the Accounting Agent, Financial Manager, Office Manager, and Financial Committee. Ron seconded the motion. The motion passed with Anita and Judy abstaining.

-Lake Arrowhead Rules: Ron Race Sr. moved to approve the proposed Lake Arrowhead Rules as amended. Dwayne seconded the motion and it passed unanimously.

New Business:

Bids: Ron Race Sr. proposed that anytime we put anything out for bids, we publicize it on our Nextdoor and Facebook sites. No motion was made on the proposal, but the consensus was that it was a good idea.

Association Credit Card: Judy reported that she often needs to use a credit card number for Association business. She has been using her own card and Dwayne has also used his card for Association bills. Mary moved that Judy be allowed to acquire a Lake Arrowhead credit card to be kept securely, with a limit of \$1,500 for recurring Association expenses. Marcia seconded the motion and it passed unanimously.

Adjournment: At 11:00 a.m. Anita moved to adjourn. Dwayne seconded the motion and it passed unanimously.

Minutes submitted by Mary Davignon, LAPOA Secretary

Approved December 3, 2016