

**Minutes of the Lake Arrowhead Property Owners Association
Board of Director's Meeting
December 5, 2015**

-The meeting was called to order by Pres. Ron Race Jr. at 8:05 a.m.

Attendance: All board members were present except for Dwayne Crocker and Marcia Schick who were excused and Brook Winiger who arrived later. Contractors Tim Wheaton, Eva, and Dale Davidson also attended.

Minutes: Ron Race Sr. moved to approve the October 3, 2015 board meeting minutes as amended. Dana seconded the motion and it passed unanimously.

Anita Wheaton moved to approve the amendment to the August 1, 2015 board meeting minutes. Ron Race Jr. seconded the motion and it passed unanimously.

Treasurers Report: Judy presented the report. Some key points: Approximately 78% of those billed have paid their full lake assessment and an additional 70 members prepaid during the first year. Some members in arrears have made payment plans.

Membership dues collections are coming in as expected and we are slightly ahead of where we were last year. Gas well income is down significantly. Although we anticipated and budgeted for a decrease, we did not expect such a drastic reduction. This is a significant hit to our operating budget.

The principle and interest borrowed from the bank for our lake improvement project has been repaid.

The start-up money taken from the truck and forestry funds for the lake project have been repaid.

Funds are on hand to complete the dredging project spoils area when the area dries out. Because the gas well income is so decreased, Judy expects our operating expenses to be six to eight thousand over income budgeted. There was a discussion about when it is appropriate to take money from the Reserve Fund for truck repairs and about borrowing from the forestry fund if needed. Borrowing was tabled until the next meeting when we will know more about our final year end income and expenses. Judy did correct some misinformation that was reported at the last meeting. The truck repairs did not cause roads and maintenance to come over budget. The board previously granted permission for half of the truck bed and repair funds to come from the truck savings account. We had some rather expensive road repairs done and it is the roads maintenance that is over budget. The Campground income was above expectations and they will have enough for their pavilion project.

Mary Davignon moved to accept the Treasurer's Report. Ron Race Sr. seconded the motion and it passed unanimously.

Financial Collection Committee: Judy reported that letters have gone out to another group of members in arrears notifying them that they will be taken to small claims court if arrangements are not made to pay their overdue assessments. Judy will be filing another four cases this month. Most people contact us and make payment arrangements rather than going through court. The committee has been very successful, collecting approximately \$20,000 in past due funds during the past six months. The board commends them and thanks them for their hard work.

Additional Treasurer's Information: Judy needs some paperwork from Chairpersons whenever they request payment for contracted labor. The Chairperson should provide the name, address, and phone number of the contractor, the scope of the work; and the dates and hours worked. The payment request should be signed by the Chairperson. Bills from businesses normally have bids or contracts, and are invoiced. Judy asked for clarification regarding approved rate for contracted labor. After discussion, Ron Race Sr. moved to increase our contracted labor rate to \$13/hr unless otherwise specified by contract. Ron Race Jr. seconded the motion and it passed unanimously. This is a "labor only" rate and does not include possible equipment costs. A question arose about liability and insurance coverage if a contracted worker is injured. Judy reported that we have Worker's Comp insurance and will check with insurance company for verification regarding occasional workers.

Gas Wells: Ron Race Jr. reported that gas revenues are slightly more than half of what we expected. There is a huge surplus of natural gas so the companies are not pumping it. We need to budget for less next year.

Real Estate: Dana Stubli reported that the Association has two unbuildable lots that are not common property that can be sold. Mary will post their availability on our website and social media sites. It looks like some clearing is being done in preparation of building on *Shiawassee. No permit from LAPOA has been issued. Dick will look into it. (Clearing is actually being done on East Arrowroot.)

Roads and Maintenance: Chris Speen reported that some of our road signs have been replaced, some sign posts need repainting, and that Tim is doing his best to keep up the roads. It would help a lot if people would drive slowly. Filling the pot holes is somewhat ineffective because the sand pops out when a tire hits it. Member Dave Burley wants to know what we plan to do to correct the road defects by adding gravel and by using a big grader that can undercut the pot-holes. Ron Race Jr. pointed out that most municipalities do this to their dirt roads annually. He believes our roads were done 8-9 years ago. Our equipment is not capable of doing road re-building. Ron Jr. reports that the pool will not need replacing as predicted in the Reserve Study and there may be funds available in the Reserve Fund to cover major road repair. Bids will be sought. We should have a recommendation to discuss at the February meeting. Dave Burley volunteered to help with the project. Chris Speen reported that fallen trees will be removed from roads and a plan will be developed to deal with trees that may obstruct vision. The power company can be called about trees that may potentially knock out lines. There was a length discussion about maintenance items that are slipping through the cracks unless identified by a Board member and then requested to be corrected. Chris is in contact with Tim weekly about roads and maintenance and will follow up with him.

Pool- Ron Race Sr. reported that the pool repairs came in under budget. The pool facility has been winterized. Some bath house work will be done this spring.

-Parks and Safety- Kyle Stubli reported that the lake has been stocked. Tim will remove the No Parking signs from the boat launch except for the fire lanes. Mary Davignon would like to see improvements in the maintenance and accessibility of the neighborhood parks. Member Dave Burley stated that he has a background in parks and recreation and he recommends removing outdated playground equipment from the small neighborhood parks and concentrate on replacing the equipment at the main park. Dave Burley has offered to help with a plan for the parks. We will discuss what can be done to improve the parks at our next meeting.

-Building Control: Dick Miller: Permits are required from LAPOA and from Otsego County before building may commence. Mary will post a copy of the LAPOA permit application onto the website.

-Environment and Zoning: Anita will send letters out to members who are violating the rules regarding their property condition, illegal livestock etc. One member was notified and has removed chickens. It appears that there is another property where fowl are being kept. There were several complaints about a property on Beechnut that needs a major yard clean up. Anita will contact owners of both properties on behalf of the board.

-Campground: Eva Davidson reported that the Campground is closed and the heat has been turned off. Eva said that the Campground roads need gravel. Ron Jr. reported that the bid from AC Construction for the campground pavilion was based on code for a private facility. Andy will check to make sure it doesn't have to meet commercial code. The Campground lease will be reviewed, updated, and presented to the board for approval at our next meeting. Ron Sr. will work with Marcia on this.

-Lake Improvement: Chris Speen reported that the lake is healthy. The containment area is still draining and will take some time to empty. The MDEQ and MDRE are aware of situation and are not currently requiring anything extra. Pumping the water off is not an option for us.

*We later learned that clearing is actually being done on East Arrowroot.

-Historian: Connie remembers that the Lodge was the place to be for kids when she was growing up. She learned to play euchre there with Ron Race Sr, Randy Carpenter, and her cousin Lisa, and not to “renege.” It was a wonderful place for that kids and adults used a lot. Mary requested some history articles for the newsletters.

-Forestry: No report.

Communications: The next newsletter deadline is mid-February for the March newsletter. Former LAPOA members are asked to remove themselves from Nextdoor which is reserved for our members. Mary has contacted some former members and will contact other former members as she becomes aware that they have sold their LAPOA property. She cannot close accounts herself but she can contact Customer Service who can do it.

Long Range Planning: Ed Heitsch: There was a discussion about revisions to our Reserve Study and when it should be updated. Chris said the Reserve Study is a “guideline” for major projects and that we can deviate from the timeline. Dick Miller would like us to inform members whenever we deviate from the original plan. Ed would like us to bring long range plan actions /revisions to the members annually at our Membership Mtg. The original study sometimes lacked information about the age of some of our equipment and building components. Mary requested that a master maintenance record be kept so we would know when projects are completed. (Brook arrived.) Judy said that it is not necessary because Quickbooks now allows us to easily track maintenance dates. Prior to Quickbooks, we did not have such easily accessed records.

Old Business:

-Key Policy: Judy will revise it and e-mail it board members.

-There was a discussion about revising some of the best practices.

New Business:

-Ron Race Jr. reported that several members including the Treasurer will be absent from the next (budget) meeting scheduled for February.

It was agreed to change the next meeting date to January 30, 2016 at 9:00.

(Kyle, Dana, and Connie left the meeting.)

-Anita reported that she would like order a set of six parcel boxes to replace a set of four parcel boxes that are worn out and damaged beyond repair. If she orders them now, she can lock in the price at \$1,021 including tax and shipping. They will be paid for out of next year’s funds and installed in the spring. Replacing mail boxes was part of our Reserve Study. Mary moved to approve the expenditure of \$1021 plus installation costs for the purchase of new parcel boxes, with funds to be taken from next year’s income. Judy seconded the motion and it passed unanimously.

-Anita presented the board with three bids to consider for replacing the Office Building roof and diverting water from the entrance. After discussion, Mary moved to approve the contract with AC Construction for the new Office building roof and rain diverter at a cost of \$4,203. Anita seconded the motion and it passed unanimously.

-Anita reported that three members have recently requested that the board approve forgiveness of their late fees. Contrary to the information previously given to the board, according to our bylaws, it is clear that the board does not have the authority to forgive the late fees. Ron Race Sr. moved to discontinue the practice of Board Officers reviewing requests for late fee forgiveness. Mary seconded the motion and it passed unanimously. **Note:** To date, there are no known approvals to forgive late fees.

-Adjournment: At 11:00 Ron Race Sr. moved to adjourn. Ron Race Jr. seconded the motion and it carried unanimously.

Minutes submitted by Mary Davignon, LAPOA Secretary

Approved as amended, January 30, 2016