

**Minutes of the Lake Arrowhead Board of Directors Meeting
February 4, 2017**

- The meeting was called to order by Vice-President Dwayne Crocker at 1:00 p.m.
- Board members Marcia Schick and Kyle Stubli were excused. Ron Race Jr. and Judy Race had notified us that they would arrive late. All other board members and contractors were present.
- Anita moved to approve the minutes of our December 3, 2016 meeting. Ron Race Sr. seconded the motion, and it passed unanimously.
- Dave Johnston reported that Linn has come out of bankruptcy and Breitburn may be done by April. Mary reported that we recently received a check from one of them.
- Real Estate: Dana reported that letters were sent to members informing them of the availability of county owned lots that are for sale at a discount to members in good standing. Several of these have sold and others are spoken for. Mary will advertise again. Ron Sr. reported that the Treasurer is very cooperative with us and contacts Judy regularly.
- Pool: The pool is closed. No Report.
- Parks: No report.
- Building Control: Nelson Wheaton reported that there is nothing new under construction.
- Environment and Zoning: Anita reported all looks good under cover of snow.
- Campground: The Campground is closed. Dwayne reported that the Campground wifi is turned off and will be shut off each year during the off-season.
- Lake Improvement: Chris reported that the lake appears to still be coming up and that Jeff will be out in June to take measurements. Silt that blocked the lake's springs is now preventing water from draining from the spoils area as quickly as we anticipated. The DEQ is aware and are OK with it for now.
- Forestry: No report.
- Social Committee: Brook reported that she is the liaison between the board and Cory. He received one response from someone regarding having a snowshoeing outing.
- Communications: Mary reported that we have over 160 members on Nextdoor. The newsletter deadline is February 15th. Connie cautioned board members about giving references or recommendations on social media sites. She recommends that when responding to recommendation requests, we supply three suggestions, even when responding as individuals. Since we are board members, it may appear that a recommendation is from the board.
- Judy Race arrived at 1:15 and began presiding over the meeting.
- Ron Race Jr. arrived at 1:17.
- Long Range Planning: Dwayne reported that he is still having the same issues with wifi and some of the cameras. Mary would like to revisit the camera issue at our May meeting. It will be on the agenda. Anita reported that Bob Marsh informed her that AVCI plans to install fiber optic cable in Lake Arrowhead this summer. Dwayne will follow up with AVCI. Judy reported that members have been contacting Charter about bringing cable in to Lake Arrowhead. We plan to have a notice in our billing and a petition at the annual meeting for members to sign if they would like to have cable as an option.
- Treasurer's Report: Judy reported and explained income and expenditures. Income is coming in near budget. Unexpected road repairs and mechanical issues with the truck have caused Roads and Maintenance to go approximately \$26,096 over budget. This leaves us with an approximate overall shortfall of \$17,000 for the 2016 budget year. Because the Collections Committee is still recouping overdue Lake Improvement funds, we have more money in that fund than we expect to use to complete the Lake project. She consulted with our attorney who told her there is no basis which would require us to refund the late monies that are coming in. Chris reminded us that the spoils area still needs to be restored. He anticipates a cost of approximately \$20K unless we have to do more to make the water level go down. Judy discovered that sitting on the lake funds could cause us to have a tax liability and recommends shifting some of those funds into our general fund. Diverting

the funds collected after the three year project collection period will leave approximately \$48 K to complete the Lake project.

Mary moved that beginning in the 2016-2017 budget year, all past due lake collections be moved into the general operating fund. Dwayne seconded the motion, and it passed unanimously.

Judy reported that this fiscal year we collected 83.5% of our regular dues and 80% of our Reserve funds. Many of our members now own second lots and that has an impact on our income.

Judy explained her proposed budget and answered questions. It was agreed that \$1000 be re-allocated from equipment and from the pool to pay for an outside contractor to come in to help pay for road repairs. Judy presented the Campground portion of the budget and Eva indicated that it should be fine. Ron Sr. moved to accept the Treasurer's proposed budget as amended. Brook seconded the motion and it passed unanimously.

-Roads and Maintenance: Chris Speen introduced Larry Hayes of 7015 Okemos Tr. Larry has provided Chris with a proposal on a F350 (gasoline) pickup with a plow, 3yr warranty and a 60,000 mile warranty on the power-train. His price is \$500 over dealer invoice. A ball park figure was supplied but it will vary on the particular truck, rebates, and financing. The price will not be recorded here to allow for proper bidding when the time comes for us to purchase a truck.

Chris then introduced Roger Hanson and Jim Zaremba. For our needs, they recommend a 105HP Mahindra diesel tractor. It has a 2 year general warranty and a 5 year warranty on the drive-train. We would also need several attachments: bucket, bush hog, snow blade, and an off-set back blade. They provided a price which Chris will negotiate. The cash price for it was significantly lower than the 0% financing price. We have a diesel tank on site. The old storage barn can be used for storage if needed.

After the guests were dismissed we had a discussion about the equipment. Our current equipment is not capable of doing the work we need done. Chris recommends that we purchase both a tractor (with accessories) and a new pickup with a plow. We can have J&N come in as needed to reshape the roads for 3-4K per time (not including stone.) With a new tractor, Tim can do most repairs, maintain roads, cut back foliage etc. Chris recommends getting a tractor before summer and wait until fall for the new truck. We would still use the big truck for grading, spreading sand etc., but we would have a vehicle that can get into the smaller spaces that the big truck couldn't handle well. The Reserve Fund currently has approximately \$70K. Judy recommends that we pay cash for a tractor, and finance a truck in the fall. Ron Sr. pointed out that we are required to attempt to get 3 bids. Chris estimates a price of \$72K but recommended allowing \$75K out the door, including taxes for the tractor/implements purchase.

Mary moved to allow Chris to negotiate the price on the Mahindra Tractor Model 105s with accessories and to spend up to \$75K out the door; and to obtain final approval for the purchase from the LAPOA Officers before making the purchase. Brook seconded the motion, and it passed unanimously. Chris requested that we put new truck on our next meeting agenda.

(Nelson and Anita left the meeting.)

Old Business:

-Judy reported that Mary has signed a contract as our Office Manager for six months. This has necessitated changing office hours, but our scheduled office hours will increase to six per week. Mary explained that her family is all downstate; that she and Larry don't typically leave for extended periods but that they travel downstate monthly. We should expect the Office to be closed on some Saturdays if no one is available to cover.

-Contracts: Judy reported that she has not gotten responses from board members about her suggestion for having a maintenance person in addition to Tim (who would still be in charge of roads and equipment maintenance). She is thinking of an average of eight hours/week at \$13/hour. Judy inquired if there was support to proceed with this approach and the consensus was yes. We would need a board member to oversee. Judy, Chris, and Tim will get together before May to work out contracts and cost. We cannot count on volunteers to take care of all the maintenance that needs to get done.

-Judy requested approval for the new Campground Manager contact with Eva and Dale. The only change is in the dates. Chris moved to accept the new contract. Brook seconded the motion and it passed unanimously.

- Dumpster update: Judy reported that a pressure gauge was installed on the compactor and it should save us money. Ron Sr. reported that when they installed the gauge, they added fluid and did some preventative maintenance. He thinks will be very cost effective. Some more work needs to be done on the compactor.
- Cameras: Ron Sr. reported that what we have now is not serving our purpose. There were three violations last month. We have money in the Reserve fund for this and our members supported getting a security system. Mary asked that we revisit this at our May meeting and she will put it on the agenda. The current system was an inexpensive experiment and it has been effective even with its shortcomings.
- Ron Sr. distributed a proposal for bylaw changes and a new rule that would allow us to place fines on dumping violators. These were written by our attorney.

Ron Race moved that the bylaws be amended as presented so that we can levy fines on illegal dumping by members. Judy seconded the motion, and the motion passed unanimously. These bylaw changes will need to be approved by members at our July meeting:

Article VII g.

(5) Rule adopting fines for illegal dumping and littering

Notwithstanding, any Rule and Regulation that establishes fines may only be amended or revoked by the vote of two-thirds (2/3) of all board members. Members shall be held responsible for their guest and invitees violations of the Bylaws and any rule or regulation adopted hereunder and shall further be personally responsible for any fine or penalty related to such violation(s).

and

Article VII

- e. Except as otherwise provided for in these Bylaws, a majority of the Board members present at the meetings shall decide all matters voted upon at meetings of the Board of Directors. All votes shall be taken by yeas and nays, and any board member may demand a roll call vote which will be entered in the minutes to show the names of those voting in the affirmative and those in the negative. Secret ballot voting will only be allowed when 2/3 of the Board members present are in favor.

The proposed rule is as follows:

Pursuant to Article VII, Section 3, Paragraph g, I move that effective March 1, 2017, the following new rule be enacted:

LAPOA Members or their guests that commit the violation of illegally dumping and/or littering on LAPOA Common Grounds and/or Trash Compactor shall be responsible for fines and penalties as identified herein. Members shall be solely responsible for any violation of the Association's Rules or Bylaws as if they committed the violation themselves.

A. Illegal Dumping and/or littering shall be investigated by the LAPOA designee(s). The LAPOA Board Officers must approve by majority concurrence one of the following actions defined below:

- a. First violation = Violation Warning Letter shall be issued to the member responsible
Note: LAPOA Officers may immediately escalate to a Fine and/or referring to Law Enforcement for egregious dumping / littering or failure to correct / cleanup as determined in the sole discretion of the LAPOA designee(s) charged with investigating such violations.
- b. Second offence within a three-year timeframe = \$250.00 violation fine shall be levied against the member responsible
- c. Third offence within a three-year timeframe = Violation shall be referred to Law Enforcement

Mary moved to approve the proposed rule regarding illegal dumping as written. Dwayne seconded the motion, and it carried unanimously.

New Business:

-Judy received a letter from a member who suggested that we change our late fee policy so that if a payment was postmarked by June 15th, no late fee would be added. This would require a bylaw change. There was no support for the suggestion.

-Judy reported that in order to obtain a Lake Arrowhead credit card, the bank was requiring her to back it up personally. She was able to acquire a debit card instead that can be used for our regular payments.

-Adjournment: At 4:10, Ron Sr. moved to adjourn. Dwayne seconded the motion and it passed unanimously.

Minutes submitted by Mary Davignon, LAPOA Secretary

Approved May 6, 2017