

Minutes of the Lake Arrowhead Property Owners Association
Board of Director's Meeting
May 3, 2014 *Approved July 5, 2014*

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

Attendance: All members were present with the exception of Dave Cunningham, Chris Speen, and Anita Wheaton who were excused. Karl McKennon was absent

Minutes: Dick Miller moved that minutes of the February 2, 2014 board meeting be approved as written. Scott seconded the motion, and it passed unanimously.

Proposed bylaws: Dana moved that Park Parcel numbers be included in the "Common grounds" of Section 2, Paragraph g of Common Grounds as appropriate. Motion to amend was seconded by Judy. Amendment to proposed bylaws passed unanimously. Dana will look up parcel #s.

Scott requested that a summary of changes in the proposed amendments to the bylaws be distributed to members. After brief discussion, it was agreed that this would be beneficial. Ron will write it.

There were some questions regarding page 15, the "history" page which contains amendments to our current bylaws. Once revised bylaws are approved, page 14 will be signed and dated. A notation will be added to page 15 stating that revisions to bylaws have been approved and the date. Scott stated that the existing bylaws should have a notation placed on them that they have been amended, with date of approval, and filed. Mary moved to approve the proposed amended and restated bylaws as amended and submit for membership approval at the July 5th general membership meeting for ratification.

Motion was seconded by Judy. Motion to approve was unanimous.

(It was repeatedly stated at the meeting that a 2/3 majority was needed by membership to approve bylaw changes. This was an error. In this case a simple majority is needed. See Article XIII Section 1 of bylaws.)

Contracts: Mary proposed that a clause be placed in all contractor contracts that would require contractors who serve on the LAPOA Board of Directors to abstain from any vote that directly impacts their jobs. Motion was seconded by Dick Miller and passed unanimously. It should be

noted that it is customary already for contractors to abstain when a conflict of interest may be present.

Campground contract: Scott moved to accept the proposed new campground contract as amended. Ron Race Jr. seconded the motion which passed unanimously.

Pool Contract: Scott moved to accept the proposed new pool contract as amended. Dick seconded the motion. Motion carried unanimously except for Judy Race who abstained.

Other contracts should be ready for the July meeting.

Office Hours: There have been requests by members to have office hours posted so that all will know when someone can be expected to be at the office. After much discussion, Mary moved that office hours be posted on the office door and at the mailboxes, and posted office hours will include at least a one hour period of daytime availability, two days each week, and one on Friday evenings, and Saturday hours by appointment. Judy seconded the motion which passed unanimously with the exception of Dana who abstained. Note: The Office Contractors' contract breaks down to approximately seven hours per week between the two contractors. They have flexibility in those hours but members should be able to count on someone available at the office for the minimum of the posted hours.

Selling Association property: There was a brief discussion about selling association property, eg. unused parks that are maintained. Deed restrictions inhibit selling of unused Assoc. property.

Membership cards and passes were discussed and it was the consensus that the guest passes for renters were not being utilized and should be discontinued. It seems that many of the issues we are having are because people, especially renters are unaware of the LAPOA rules. Board agreed that a letter be sent to landlords asking them to provide updated LAPOA rules at their properties for renters.

Best Practices AKA Procedures: Judy reported that although we have had many Best Practices cleaned up and turned in, Best practices still need to be completed for: maintenance, building control, pool chairperson, parliamentarian, campground chairperson, forestry chairperson, treasurer, financial committee, roads, mail boxes, and web manager.

Treasurers Report: Judy distributed a copy of our current financials. Member Chuck O'Connell (in audience) pointed out that we have physical assets that are not included in the report and that our "accounts receivable" is not what we really expect to collect. Judy agreed this is some of the conversion to Quickbooks terminology. Her biggest area of concern in budgeting is the high heating cost of the equipment garage. Garage must be heated or the sand freezes. Contractor Tim Wheaton explained that the building is insulated but the doors are opened to bring in cold truck and heaters work constantly to bring temp back up. Heat source is up high and is not very effective. Building co-chairs and Tim Wheaton will look for ways to cut costs. Despite recycling, trash disposal costs have gone up because fees have increased. Tim reported that trash is picked up when dumpster is getting full, not on a schedule.

Scott moved to approve the Treasurer's report. Dana seconded, and motion passed unanimously.

Collections Committee. Judy reported that notices are being prepared to send to some members who are in arrears notifying them that they will be sued in small claims court unless payments are made on their accounts. Committee will also select some accounts to send to attorney for collections. This will be done under the revised bylaws which will give us more leverage.

The Board thanks Chuck O'Connell for his assistance in putting together comprehensive assets document, background help and help with the LAPOA taxes. His historical knowledge and assistance have been invaluable.

Gas Wells: Ron Race Jr. reported that because natural gas prices have risen and because more gas is being pumped, we are receiving more than expected in natural gas revenues. Currently we are on track to be approximately \$6000 over budget expectations.

Real estate: Dana has had inquiries into LAPOA owned lots but no takers. There have been a few foreclosures and a few going back to the treasurer's office. Those owners are prime to go after in small claims court.

Roads: Dick Miller reported that the truck bed is shot and needs to be replaced. A liner is not sufficient. Truck is running well. There was discussion about getting a big grader in to repair roads. Tim Wheaton explained that such a grader could fix the sides of the roads and do a much better job than the tractor or truck. He recommends fall as the best time to do large scale repairs. The Roads and Maintenance Chairpersons will bring a proposal to the next meeting. First brining of roads is normally done before Memorial weekend. Tim was commended for an outstanding job on the roads this winter.

Pool Rules: Ron reported proposed pool rules include addition of "No Diving." It was suggested that number 11 be added: "Infants must wear swim diapers in pool." Mary moved to approve pool rules as amended. Scott seconded the motion and it passed unanimously. Scott informed board that adults only times are only legal in HUD approved 55 and older communities. Scott moved to approve Ron's recommendation that the pool manager contract be split 50/50 between Victoria Becroft and Judy Race for the 2014 season. Dana seconded and motion passed with Judy abstaining.

Parks: Judy reported for Anita that the new dock for the park will be installed after dredging is complete. Ron reported that all three septic tanks are scheduled to be emptied. Beautification committee requests a loan of \$500 "up front" money for purchase of their T-shirt fundraiser. Loan will be repaid out of proceeds. In the past the committee members have used their own money to fund their sale. Mary moved that we lend the committee \$500 for their T-shirt purchases. Scott seconded the motion which passed unanimously. Old dock and cinder blocks need to be pulled from lake.

Building Control: Kyle: No new buildings going up. Some new roofs and clean ups after building collapses. People need to clear snow off roofs.

Dave Liggett reported he is addressing some issues with some homeowners whose trash being left on properties.

Campground: Mike Gascoyne moved to approve Campground manager and the contracting of Eva Davidson as campground contracting agent for this summer. Dick seconded the motion which passed unanimously. Eva reported that the power to the campground is on but it is not on at the campsites. Judy will send collection letters to campers who are in arrears and look into removal of abandoned/unpaid campers that are occupying sites. Discussion about how to deal with abandoned campers.

Lake Improvement: Ron reported that a survey shows that our spoils area will accept approximately 63,000 cubic yards of spoils. Estimates are that our dredging project will require approximately 55,000 cubic yards. Jeff, the project overseer will be coming up in a couple weeks to recheck the groundwater wells. Dick requested that we get started on project immediately.

Chuck O'Connell requested permission to obtain his own permits and at his own expense use our dredging contractor to remove between 120 and 400 cubic yards of silt from in front of his property. He would like spoils from the lake in front of his place to be pumped to the LAPOA spoils area (on already placed pipes) and would go ahead with his dredging only after the Association's dredging is completed and only if the spoils area can accept his volume of spoils. A long discussion ensued because although Chuck's dredging project would be benefit the lake, it had been decided by the board at the August 2013 meeting that we would not allow property owners to attach (Tag on) their own dredging projects onto our permits. There was concern that other members may have wanted to dredge in front of their places. Thoughts were that this is not a tag on because Chuck would have his own permit. Generally board members thought that other homeowners should be given the same opportunity as Chuck under the same conditions: homeowner must request permission from board in writing, have own permits, cover expenses, and be in geologist's approved dredging area. Requests would be entertained on a first come basis and would be contingent upon whether or not there is room in spoils area.

A call was made to Chris Speen who chairs the Lake Improvement project. He explained that he will do what he can to push up the project but that our contract stipulates that the project be started this Spring which can mean by June 23rd. We agreed to those contract conditions because our contractor has another project to finish before beginning ours. Project should last 4-6 weeks. Chris had no objections to Chuck's spoils going into the Association spoils area so long as the Association's dredging is completed first, there is room for those spoils, and our permits satisfied. Phragmite eradication also needs to be addressed quickly: Chris will look into the phragmites problem. We can hire a licensed professional or it may be permissible to eradicate the phragmites ourselves with a permit. He will check with DEQ.

Mary moved to approve Chuck O'Connell's request for permission to dredge in front of his property and use the LAPOA spoils area if space permits. He will obtain permits and cover costs of his project which will begin after completion of the Association dredging. Scott seconded motion. Nine voted in favor. One opposed. Motion carried. Ron will compose a letter for Chuck to give to the DEQ stating that permission is granted by the board to use our spoils area, if space permits after our dredging is complete. A copy will be sent to board members.

Communications: Mary reported that the newsletter will be very big this time since it will contain proposed amended bylaws, new rules, ballot etc. All articles must be submitted by 5-10-2014 since this one gets printed and mailed. Nextdoor, the Lake Arrowhead only social media site now has 56 members, all property owners in Lake Arrowhead. Members also look to Lake Arrowhead pages on Facebook for current information. Scott and Mary worked to rebuild the Association website. It is easy to edit and update and contains valuable information. Scott reported that website is still hosted by

Waters Inn as it has been for years. Old website is still out there. Scott will look into hiring an expert to remove everything off the old site and migrate essentials to the new site. www.lapoa.com links automatically to the new site.

Info Back up: Scott had questions about data back up. Judy reported that data is being backed up in the cloud and on flash drives by Judy, Dana, and Anita. This allows data to be backed up regularly and kept off-site.

Lake Arrowhead Rules: Proposed new rules were presented Mary suggested amending them by adding, "Trash may not be left on properties." Scott requested that emphasis be placed on family friendly environment. It was agreed that enhancing the last sentence of paragraph one would suffice. Scott moved to accept the proposed Lake Arrowhead Rules as amended. Dick seconded the motion which passed unanimously.

Boating Rules: Mary explained that our boating rules are no longer in sync with Michigan boating laws and that we needed additional rules to protect the health of the lake. Michigan has stiffened the age and boater safety requirements for boaters and personal watercraft drivers. Scott proposed amending the proposed rules by moving the time of (fast) water sports" to a more prominent position for emphasis. The "According to Michigan Law" section is lengthy and will be posted elsewhere. It should suffice to point out that boaters must comply with MI laws. Mary will include new rules in newsletter and on website in order to educate our members. Scott moved that the new rules be approved as amended. Dana seconded the motion which passed unanimously. A new sign will have to be made (Anita).

Long Range Planning/Reserve Study: Thanks to Scott for providing a valuable resource for our reserve study. Chris Speen is eliciting bids, and requests funds not to exceed \$4000 to be used for a reserve study. Scott moved that up to \$4000 be allocated for the study. Judy seconded the motion which passed unanimously.

Forestry: Kyle will be inspecting property. Mary suggested granting permits to allow people to cut and remove dead wood. This was abused in the past and there was no support for it.

Cable Ron reports that Charter seems interested in coming in, but nothing is happening yet.

Propane rates: Scott reported that having a locked in rate saved us a lot of money this year. Rate is locked until June 1st.

Ballot Counting Committee: Secretary plus four other board members who are not running need to count absentee ballots within 24hours of Membership meeting Committee include: Dana, Kyle, Dick, Scott, and Mary. Meet at 9am on July 5th.

Membership meeting agenda: Mary has not received requests by members to place anything in particular on the agenda. Board members are reminded to provide their written reports so they can be copied and distributed at the meeting. Agenda will include the proposed bylaws, lake improvement report, and elections. Mary will use and edit previous agenda so nothing is missed.

Use of Office Building: In response to member requests, Mary asked that the Office Building be made available for member use. We could have a lending case with donated puzzles, games, books, etc that members could access during office hours. Mary also requested that the building be available for social events that would be open to members for activities such as card nights, chili cook offs, pizza nights. Scott moved that the building be made available for such activities without charge. Judy seconded the motion which passed unanimously.

Adjournment: Scott moved to adjourn the meeting. Kyle seconded the motion which passed unanimously. Meeting adjourned at 12:30.

Submitted by Mary Davignon

LAPOA Secretary

Approved July 5, 2014