

**Lake Arrowhead Property Owners Board of Directors Meeting Minutes**  
**May 6, 2017**

-President Ron Race Jr. called the meeting to order at 9:00 a.m.

-All Board members and contractors Tim Wheaton and Dale Davidson were in attendance.

-Ron Sr. move to approve the Minutes of the February 4, 2017 Board meeting as amended. Brook seconded the motion and it carried unanimously.

-Ron Sr. moved to approve the minutes of the March 25, 2017 Special Board meeting as amended. Dwayne seconded the motion and it passed unanimously.

**Treasurer's report:** Judy distributed our year end and current year reports. She borrowed money from Forestry to make ends meet and that has been repaid. She reported that last year 85% of our members paid their regular assessments. Gas wells are doing better than expected. Many of the county-owned lots were purchased as second lots and that is impacting our budget because many were first lots. We had approximately \$35,000 of truck related expenses over two years. We spent \$2,200 on the truck and \$2,500 for outside contractors to plow for us last winter and we've spent approximately \$1000 for grading this year. So far about half our members have paid their 2017 assessments which is typical. Most will pay by June 15<sup>th</sup> before the late fees are added.

-Collection committee: Last year the committee collected approximately \$52,000 in late fees, past due, and previous years' assessments. We are continuing the same process for collecting.

-Insurance: The new tractor is insured. Judy is in the process of clarifying insurance on our various buildings. The pole barn near Arapaho and Hayes Tower was not insured. Judy is working to resolve that. No non- LAPOA contractors are allowed to use LAPOA owned equipment.

-Dump costs are trending down. The new gauge is making a difference. Our tonnage is now 9-11 tons/pick-up. In 2016 before the gauge was installed, we had eight pick-ups over a 97 day period. In 2017, that has been reduced to five pick-ups for about the same time period. We are also trending ½ ton less per week which seems to be related to the recycling and the increased monitoring.

Member Lou Serma asked if we could get our own on-site recycling center. That is a program that costs the county money. We don't have the resources to have one.

Mary moved to accept the Treasurer's report. Dwayne seconded the motion and it passed unanimously.

**Gas wells:** Dave Johnston reported that prices have gone up but he expects a downturn in them. Gas companies are producing more and consumption is going down. Member Lou Serma asked what impact a total loss of gas revenue would have on our budget. We have gradually reduced our dependence on gas revenues and only budgeted \$10,000 this year. We should be able to adjust without having large dues increases.

**Real estate:** Dana reported that 35 properties have received forfeiture notices (Step 1) and will go back to the county in March of 2018 if taxes are not paid on them. An additional 16 properties are in foreclosure (Step 2) with the county and are expected to go to auction in August.

Judy explained how we worked with the County Treasurer to help the county sell some of the county-owned lots. This is a win-win. The county gets them off their rolls and we start getting income from them.

**Roads and Maintenance:** Chris Speen reported the good news: Our new tractor should arrive Monday or Tuesday. The price was \$82K, which was about a thousand less than the last price quoted to the board. Chris said that in the next few weeks we will have Miss Dig come out to mark the utilities. Then J& N will come in with a big grader to widen and re-shape roads, reclaim gravel, improve drainage, and fill low spots. We will all have to be cautious of the big grader. Chris will notify us when it is scheduled. He estimates it will be three weeks until completion. With the new tractor, Tim should be able to maintain the roads well. When that is done the roads will be brined. Tim reported that brining costs will go up because we now have to purchase brine as well as pay for its application. There was some discussion about the bus stop area which tends to flood. Tim should be able to improve it slightly with the tractor. Lou Serma suggested that we consider paving some of the critical areas such as the bus stop, mailbox, and trash areas. It seems like a good idea but it would probably be more cost effective to have that done when Arapaho is rebuilt. The bad news is that the truck is again in the shop and he is doing battle over warranty and non-warranty issues. We hope to get it back next week. The truck has approximately 60K miles and mechanics have

told Chris that it is a good truck. They do not recommend that we get rid of it. There was some discussion about that and Dwayne requested that Chris will have a mechanic give it an inspection so that we can have some idea of what shape the different systems are in. Chris agreed to have that done. Chris is working on developing better maintenance logs. The tractor will be the back-up and if the truck goes down, members should not feel the impact. Member Gordie Wearsh asked what implements are coming with the tractor. Chris reported that it will have a bucket, a snow plow, a hydraulic back blade, and an off-set brush hog. Judy asked about maintenance log on the trash compactor. Chris will get one going. The trash compactor oil level was found to be down again. Ron Sr. reported that the oil gauge had been hidden. It has now been exposed so that Tim can monitor it easily. Member Greg Smith voiced his opinion that last winter our roads were too narrow and “the worst they’ve ever been” and that they were unacceptable. He suggested that when the truck is down we should get J&N in to plow so the roads are wide enough. Chris reported that J&N doesn’t plow. Chris informed him that we were doing the best we could and that the new tractor is our back up. Brook expressed appreciation to all those members who helped plow when our truck was down. Ron Sr. inquired about Tim’s training on tractor. Chris reported that Tim will undergo training when the tractor is delivered.

**Pool:** Ron Sr. reported that the pool was scheduled to open on the Friday of Memorial weekend and we will be ready. Judy Race and Veronica Johnston will once again co-manage the pool. The septic field will be monitored but we don’t expect any issues with it.

**Parks:** Kyle wants to survey and mark our lot on Eagle Island so members can enjoy it and not trespass. He plans to install fences to mark the park near Red Wing Court. Ron Sr. requested that the park near the channel also be marked. Tim will be working on clearing up brush and leaves from the parks. Kyle would like to place “No Motorized Vehicles” at some parks where vehicles are an issue. Mary reported that the “No Wake” signs at the channel are out in the water and one is down. Ron Sr. reported that if we purchase “No Wake” buoys, Wayne Weirach from T&W would be willing to put them in and remove them seasonally. Kyle will look into purchasing them. Kyle reported that the swim raft is being repaired and will be put in when complete. Member Dave Burley brought up the “merry-go-round park”. Kyle said this will be addressed this year. We may need the big tractor to remove it. Kyle and Dana would like to begin replacing playground equipment beginning with the main park, but the funds have not been there. The Reserve fund has funds allocated but they call for replacement several years from now. Connie suggested that playground equipment may be less expensive if purchased in the winter.

**Building Control:** Ron Jr. reported that he is working on some permits. Member Lou Serma asked if we can raise some money by getting a cell tower in here. Dwayne responded that it has been explored. He found that we are close to seven towers. Verizon is not interested in coming in here.

**Environment and Zoning:** Anita reported that she would be resigning from the board at the end of this meeting due to health issues. We appreciate Anita’s years and years of generous service to our community.

**Campground:** Marcia Schick reported that Eva Davidson, our former Campground Manager passed away. Marcia will manage the campground. Dale will take care of much of the Campground maintenance. Marcia reported that the campground is doing well. We have 55 lots at the campground and that 39 of the 40 annual sites have been reserved. There is a camper in storage that belongs to a member who has not paid. She could use more petty cash. Judy will discuss it with her after the meeting. More mulch will be purchased for the play area. The campground roads are quite bad and need repair. Tim will fix it when the tractor arrives. Dale reported that the furnace is working well.

**Lake Improvement Project:** Chris reported that the spoils area is still draining . He requests that people stay out of the area. People keep knocking down the “Keep Out” signs with ATVs, but the area is still marked. Jeff from AGS will be here next month to evaluate the lake. The lake will be inspected for invasive phragmites. If found, they will be sprayed.

**Social Committee:** Brook reported that our first Easter Egg Hunt was well attended and enjoyed. Thank you to Cory and Heather Ames who organized it.

**Forestry:** There was some discussion about the Forestry plan. Members Gordie Wearsh and Dave Stubli were familiar with it. Mary will look for it in the files for it. Gordon stated that the Association purchased a Forest Stewardship Plan. Gordon thinks we are due for a selective cutting and that it would be beneficial to wildlife and

financially to the Association. Dave and Gordie both recommended that we get a new forester. The Otsego County Soil and Conservation District has a forester that will assist property owners.

**Communications:** Mary reported that all is well and that the June newsletter has gone to the printer. Ron Sr. reported that members, especially the part-timers appreciate the social media postings and the newsletter.

**Historian:** Connie Stubli reported that the Lodge was a fun place for kids and for adults. She recounted the last event there: a costume Halloween party. She and Dave were M&Ms ☺ The Lodge was dismantled and its parts were used in a building up in Indian River.

**Long-Range Planning:** Dwayne reported that we bring in about \$40K annually for our reserve fund. Our next big project will be repaving Arapaho. We estimate that to be about five or six years from now. We will not have enough cash to pay for all of it. Judy reported that we paid cash for the new tractor and we have largely depleted our Reserve Fund. She would like to obtain a line of credit to be used in emergencies. As it stands now, if we had to replace the truck, pave Arapaho, or pay for another emergency, we could not borrow money to do it. We need member approval for loans. We would have to wait for up to a year until the next membership meeting or have a special membership meeting with a quorum. After talking to Chemical Bank (where we bank) Judy can get the Association a line of credit without any problem. It would be renewable every three years. We need the approval of the board and approval of 2/3 of the voting members present at the Membership Meeting to be able to borrow. Anita moved to obtain a line of credit for up to \$250,000 for emergency reserve purchases. This will be taken to members at our July 1, 2017 Membership Meeting. Ron Race Sr. seconded the motion and it passed unanimously. Borrowing money with the line of credit would still require board approval.

**Technology:** Dwayne reported that he has installed open wifi in the Office, Pool, Campground, and Maintenance Building areas. The network can be extended. Mary reported that she is still working on getting Charter Cable to come in to Lake Arrowhead. We encourage members to contact Charter and we will have a petition for them to sign at the July Membership meeting.

#### **Security Cameras:**

-Marcia requested a sign to be on dumpster to show people to put trash through the door rather than throw it on top. Ron Sr. reported that our members have expressed their desire that we have security cameras at the pool and dumpster areas and funds were put into the Reserve fund to pay for them. Chris' cousin, Jeff Dziadula, who will be purchasing property here next week has offered to install a state of the art, digital, hard-wired, and wireless system for us, basically at cost. He has also generously offered to handle future maintenance on it. There is a three year material warranty on the system and it is expandable. The cost will be \$3,802.50, installed and including tax. Jeff described the technical attributes of the new system which will include high resolution cameras. Ron said that five illegal dumpers were ticketed, but the current system has proven to be inadequate. The cameras are only for security and the pool cameras will be on only after pool hours. They will be installed at the dumpster, bus stop, and maintenance garage as well. Ron moved that we proceed with the project with Communications Services LLC in the amount of \$3,802.50 for the new security system and its installation. Mary seconded the motion. Eleven voted in favor, two were opposed, and one abstained. The motion carried. Member Heather Bischoff wanted to know the protocol for capturing and storing digital images. Dwayne has been working on this. He has a draft protocol which will be reviewed by our attorney and made available to members.

-Member Phil James spoke out in opposition to a (cease and desist) letter that was sent to him from the Board Officers and stated that he would like the letter to be signed. The letter from the Board Officers was sent to Mr. James and copies were sent to the board in response to a written complaint made by a member. Chris had requested that complaint policy be placed on the agenda and voiced his opposition to the board officers being involved in a "domestic" case. Mr. James also voiced his objection to being sent a letter without being given a copy of the complaint. He said we should have talked to him and he had not been given a copy of the complaint. Mary offered to read the complaint and Mr. James indicated that he would like it read. Mary then read the complaint that was received on the Office email from a long-time member who alleged that an unidentified man harassed her at the mailboxes while she was retrieving her mail "with key in hand" and who accused her of using the mailboxes without living here. She described the man, his truck, gave a partial license plate, and requested that we identify this man and set him straight so that he doesn't harass her or anyone else again. She stated that she had her three old son in

the car and was frightened by the unidentified man. Mary also read the response she gave to the woman. Mary reported that she (Mary) was the one who had received the complaint, considered it a potential safety issue, and with the woman's permission, sent it to a few other Board Officers. Mr. James responded, "Obviously, now I know who to advise my attorney that sent this letter." At the mention of potential legal action, and because the Association had no legal representative present, Vice President Dwayne Crocker halted all discussion and President Ron Race Jr. called a 15 minute recess.

**At 11:27 Ron Race Jr. reconvened the meeting and the agenda was followed.**

**Contracts:** Judy Race requested approval for the pool contract which would once again be split between herself and Veronica Johnston. The only changes from last year's contract are the dates. Ron Sr. moved to approve the pool contracts with Veronica Johnston and Judy Race. Connie seconded the motion and it carried with Judy abstaining.

-Campground contact: Judy worked with Dale Davidson and Marcia Schick to work out the details of the campground contract. The total money is the same as last year but the division of funds is divided differently Marcia will be the Campground Manager and Dale will be the Campground Maintenance Contractor. Dale will be able to hire subcontractors with prior approval from the Campground Chairperson or the LAPOA Treasurer. Marcia can hire maintenance workers including Dale. Mary moved to approve the Campground contracts. Brook seconded the motion and it passed unanimously.

-The Roads and Maintenance contracts are still being discussed. Judy again presented the idea of having Roads, Equipment, and Grounds maintenance separate from Building Maintenance. Building Maintenance would include power washing, painting, cleaning, and building repairs. Tim said that when he agreed to his three year contract he really didn't understand the scope of the work because Anita and Nels did so much. Judy estimates that the job would average ten hours per week, but most of the work would be done in the summer. Chris would like to give Tim the responsibility but would like us to have another chairperson to oversee the building maintenance work. If Tim took this all on, he would report to Chris, Kyle, and the new buildings maintenance chairperson. Gordon Wearsch suggested that the Building Control Chairperson oversee the Building Maintenance contractor. Tim's Roads contract is not up until September. Dwayne moved to separate the Roads and Maintenance contract into two separate contracts to be approved at the August 2017 board meeting. Anita seconded the motion and it passed unanimously. Meanwhile, Tim will work on a lot of the maintenance work. Judy stated that she wants all the contracts to come up for renewal simultaneously in May so these contracts will be for only 9-10 months. The contracts and money will be voted upon at the August meeting.

**Membership Meeting and Election Committee:** The following board members volunteered to help count votes:

Ron Race Sr., Judy Race, Dana Stubli, Kyle Stubli, and Dwayne Crocker. -Sound system: Dave Johnston

-Table set up: Dwayne & Nels and more help will be needed. -Picnic: Kyle will have everything ready.

**Responding to Members' complaints:** Dwayne would like a very clear dispute resolution procedure that can be put into place and published to members. Judy stated that the Officers had been charged by the board to respond to members requests and complaints and that we did so in this latest case just as we do with complaints about fencing, dogs, chickens, junk on lots, etc. Brook wants more information to be shared with the entire board. Anita said that if someone feels threatened, they should call the police. After much discussion it appears that the board wants the officers to handle complaints that are clear violation of our rules. If a complaint is interpersonal in nature, they want the board to stay out of it. Dwayne agreed to work on a complaint protocol. For starters, the procedure should cover the following issues: 1) When a complaint is filed, we acknowledge and retain it. 2) Ask ourselves if this a safety or a security issue? If yes, advise complainant to notify police. 3) Is this a rules violation? How do we handle it? 4) If a member files a formal complaint, should the subject of the complaint be notified? May we share identities or do any investigation? The draft protocol will be sent to our attorney for review. Kyle left at 12:35

-The pavilion roof needs repair. Dana will notify Kyle.

Dwayne announced that he was resigning from the board on July 1<sup>st</sup>. He thanks the board and apologizes for not fulfilling his term but he finds it necessary to resign. We thank Dwayne for his service.

At 12:37 Anita moved to adjourn. Ron Sr. seconded the motion and it passed unanimously.