

**Minutes of the Lake Arrowhead Property Owners Association
Board of Director's Meeting
May 7, 2016**

The meeting was called to order by President Ron Race Jr.

All board members were present with the exception of Kyle Stubli who was excused, and Brook Winiger. All contractors were present.

Minutes: Anita moved to accept the minutes of the January 30, 2016 board meeting as written, Ron Sr. seconded the motion and it passed unanimously.

(Brook arrived at 9:03)

-Treasurer's Report: Judy Race provided the board with a copy of the fiscal year end report. We made our budget, but it was close. In general, compared with the previous year, dues collections were up, 88.7% were collected. Campground revenues were up. The Lake Fund still retains \$52,000 which should be plenty for grading and planting the spoils area. The Reserve Fund ended the year with \$36,331, (after pool repairs). The Truck Fund was moved to the Reserve fund. The Forestry Fund ended with \$10, 887 after the lake stocking. Approximately \$20,000 from bankruptcies and old debt had to be written off. The Collections Committee brought in \$60,323 of overdue funds: (Lake 23K, prior years 12K, late fees 16K, 2015 past due 8K) Their expenses were only \$5,400. Accolades for the Collections Committee!

This year: Bills were sent out March 1st and approximately half the assessments for this year have been paid. Income is coming in as expected. So far, there have been no unexpected expenses. The new credit card payment option has had mixed reviews. Most people object to the 3% user fee, but we have collected about \$3K on credit cards. Approximately 13 or 14 people have used credit cards to pay their bills. Judy expects many more to pay in June on their cards rather than pay the \$50 late fee.

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

-Gas Wells: Ron Jr. reported that we should expect a 14% decline in gas revenues. Lynn Energy is trying to avoid bankruptcy.

-Real Estate: Dana reported that letters were sent to LAPOA members in good standing who owned properties adjoining available Otsego County owned lots informing them that they could acquire the county lots which failed to sell at auction at a deep discount. Judy coordinated with the county Treasurer. As a result, twenty-four lots were sold. Twenty-three lots went into foreclosure and will go to auction in August 2016. Judy suggested that we do this again after the second 2016 auction. She will contact the Treasurer. The county Treasurer can price these lots at her discretion.

-Roads and Maintenance: Chris Speen reported that Tim will begin painting street sign posts and cutting back brush in June. Brine should arrive in 7-10 days. Thanks to Tim, Phil James, and Matt Jones for fixing the dumpster when someone shoved a water heater into it. Chris would like to have AGS (the same company that did our lake study) to do a study on our roads, including soil borings, and report their analysis and recommendations to us. Member Jerry Russell asked about price difference between road gravel and afton stone and questioned whether we need a grader. Tim reported that we used to hire an outside company to come in every few years to grade and reclaim the gravel that had accumulated along the roadsides. Brook moved to authorize up to \$2,500 for an AGS road study. Initially, funds will be taken from the roads budget. Ron Sr. seconded the motion and it passed unanimously. Chris expects to have a report for us by the membership meeting. Ed Heitsch reported that some members have been putting something on the roads (calcium chloride?) in front of their homes to cut down dust. The brine will be here soon. Please do not spread any chemicals on the roads! Ron Jr. mentioned that the maintenance barn's broken window still needs to be repaired. Anita reported that the new parcel boxes have arrived and need to be installed. Mary requested that the giant puddle by the trash pad be filled. Tim said that he will take care of these maintenance items.

-Parks and Safety: Dana reported that Tim has already started raking up the winter debris from the parks. Anita has three pavilion rentals already. She will notify Parks person who will notify Tim. If the place is all cleaned up, people get their deposit back. Who inspects? Inspection should be added to Best Practices. Judy stated that fences need painting and that it is part of Tim's contract. It has been so long since the fences were painted that all of them need painting, and that it is doubtful that Tim will be able to do them all this year. In the future we will develop a painting schedule so that painting can be scheduled as part of our maintenance person's duties. Anita moved that we hire out the fence painting job this summer to be completed by July 2nd. Mary seconded the motion and it passed unanimously.

Playground equipment replacement doesn't come up in the reserve fund until around 2020. Meanwhile, can we get them repainted? Playground equipment sanding or sandblasting and painting will be referred to Kyle. Eventually equipment needs to be improved, not just maintained. There is not enough money in parks to cover the picnic and all the painting costs. Judy recommends that they get the playground equipment painting done even if they have to go over budget. Money can be taken from Forestry. The board was in agreement. On the picnic, Dana and Kyle will coordinate with Alice Kennedy who has all the picnic information.

-Building Control: Dick Miller reported that only one permit has been issued recently for new construction. It went to AC Building for the Campground pavilion. There was some discussion about a member who is clearing a lot. It is not buildable.

-Pool: Ron Sr. reported that the Pool Shower House is being spruced up. Old showers were removed. A new water heater and some new faucets were installed. Rotted wood was replaced. Ron requests permission to spend up to \$2000 to replace old lounge chairs with commercial grade lounge chairs that should last 8-10 years. Judy and Veronica Johnson will split the pool contract. Veronica's daughter Tory will help her. The wages in the proposed contract were adjusted to reflect our \$13/ hour contractor rate. Hours will remain at 300 hours. This will remain within budget. Ron Jr. moved to approve the new Pool contract. Anita seconded it. The motion passed with no objections and Ron Sr. and Judy abstaining.

-Environment and Zoning: Letters will be sent next week to members Mr. Dave Dean on Arrowroot Trail and to Mr. Sircely on Beechnut to clean up their yards. Dana reported that the county just hired a full time zoning enforcement officer to address complaints about properties. Her name is Christine Boyak-Woolfile.

-Campground: Marcia Schick reported that the pavilion has been built. She received quotes and would like to purchase four picnic tables to be placed there. Mary moved to authorize up to \$3300 of Campground funds for the picnic table purchase. Chris seconded the motion and it carried unanimously. Soil needs to be spread around the pavilion. AC ate a lot of cost overages because building department required the pavilion to be built to commercial rather than residential standards. Andy would have to rent equipment to move the dirt. Tim will take care of this.

Members Mr. & Mrs. Morris questioned who authorized the cutting/trimming of pine trees on his (campground) lot and moved and broke his bird bath. It was explained that the board trusts the judgment of the campground managers to complete routine maintenance and they do not need authorization from the board. The trees in question were the property of the Association, not the Morris's. No one saw anyone move or damage the bird bath. At this point their conduct got disruptive, the President ruled Morris's out of order. They left the meeting without further interruptions.

-Forestry: Brook reported that it's spring. Trees are growing and budding and allergy season is upon us.

-Lake Study: Chris Speen reported that the lake level is up. AGS will be coming out to inspect and report back to us. The island on the East side of the lake is submerged. Boaters should watch out for sand bars.

(10:30 Anita left.)

(10:40 Brook left.)

Technology: Dwayne reported that there are some speed issues with the internet. (We all seem to be having them in the last month or so. AVCI is doing some maintenance on the system.) Dwayne is planning to expand DSL into the campground, the boat launch, maintenance garage and trash areas. The log in signal will be the same as by the Office: LakeArrowheadwifi. Cameras will be installed for security surveillance at the pool (for after hours) and at the dumpster. Cameras will be motion sense activated only for photos, not video. He will have to determine the range. Cameras will connect to our (non public) secure, encrypted wifi signal that we use in the Office. The cloud service where images are stored is also secure. There is an approximate \$200/yr cloud service fee. Images from an unlimited number of cameras can be kept for up to 30 days, then, day by day they are replaced with current images: “First day in, first day out.” We can set a schedule; and download and save images as needed. Installation will be done ASAP as the internet service is expanded, but an electrician will be required for some of the work. Dwayne recommends that only a few trusted board members should have access to images and we should have a written policy and procedure that our attorney will review. Dwayne and Ron Sr. will work on the policy and procedures. Dwayne has administrative access. Ron Jr. appointed Ron Sr. to have primary access and Ed Heitsch to have secondary access to images. If there is a problem, the authorized persons can check and download images that may be useful to the Association and to the police.

We can schedule cameras to take pictures every 1-15 seconds. They are infrared so they will work at night. The motion activated image capture system should not slow down our internet speed.

Ron Race explained that cameras won't check membership but will record images of people dumping those large items, that we must protect the equipment, and that we must have signage. He made it clear that we are not the police and system is to help protect our assets.

-Communications: Mary requests all newsletter articles by May 15th. This printed newsletter must be mailed in May. She reported information from a class on “Broadband in Northern Michigan: Census data is used to determine which communities should get cable services. Our community may be overlooked because we have so many part time people. We should have members contact Charter if we want to get cable in here. There are Federal funds available to help low income families pay subscription costs for internet. New Federal laws are requiring a minimum of 10mg/s download speed from internet providers in order to be eligible for Federal grants.

-Historian: Connie reported that she received a box of vintage files that she is enjoying reading. She is organizing and then the documents will be stored in the office. She chuckled as there are letters of complaint from back in the 1960's regarding how high the membership dues are – when they were less than \$20 a year!

-Long Range Planning: Ed Heitsch put together a Five-Year Business Plan which contained an Association profile, a pie chart of operating expenses, and an adjusted five-year plan of operating cash flow and reserve cash flow. Big expenses are projected for 2021. There was some discussion about what should be done with Arapaho. Chris will have AGS check Arapaho and make recommendations. Ed will put a report together for our membership meeting.

-Unfinished Business: There was some question at our last meeting about what board members' compensation should be and whether the \$71 annual Reserve Fund charge should be made to board members. According to our attorney who examined our bylaws, each board member should be credited for the full charge on the first lot, including the Reserve Fund charge. He also said that husbands and wives who serve on the board should each get full credit for the amount of money that would be charged for the primary lot. If we do not want to abide by his recommendation, we would have to change the bylaws. So that board members may be charged the \$71 annual reserve fund fee, Judy moved to recommend that we amend Article 7 Section 14 so that it would read, “All duly elected Board members will receive as remuneration for their work, credit for one (1) full assessment during

each year served, not to include the Reserve Fund charge.” Connie seconded the motion. Eleven board members were present. Nine voted in favor. Two opposed. Motion failed.

-New Business:

Eva reported that the campground trees were trimmed because the trees were infringing on neighboring lots. Eva’s daughter Julie painted the showers in the bath house. Thank you Julie! Eva thanks the board for their continued support.

-Great Lakes Energy spraying: Great Lakes spray a defoliant beneath power lines along the easements to kill off saplings that would grow and eventually interfere with power lines. After a discussion about the pros and cons of spraying, Judy moved to allow Great Lakes Energy to spray saplings on common grounds. Ron Jr. seconded the motion and it passed with 6 in favor, 3 opposed, and one abstention.

-Mr. Melnyczenko asked about the safety of the spoils area. Chris responded that it is a safety hazard and that we had snow fencing, and ropes around the area. There are numerous signs posted to stay out of the area. It is slowly draining.

-Elections: Mary reported that as Secretary she normally leads the election vote counting. Since she is running this year, it would be improper for her to be involved with the counting. The following board members will count votes:

Ed Heitsch

Dick Miller

Marcia Schick

Connie Stubli

Ron Race

Judy moved to approve the new Campground contract as it stood in the previous year with Dale and Eva as managers. Dana seconded the motion and it passed unanimously.

Ron Sr. moved to adjourn at 12:20. Marcia seconded the motion and it passed unanimously.

Minutes submitted by Mary Davignon, LAPOA Secretary

Approved, July 2, 2016