

**Minutes of the Lake Arrowhead Property Owners Association
Board of Director's Meeting
August 1, 2015**

-The meeting was called to order at 9:00AM by Pres. Ron Race Jr and we recited the Pledge of Allegiance.

-Attendance: All board members were in attendance except Chris Speen, Marcia Schick, and Mary Davignon who were excused. Contractors: Eva Davidson and Tim Wheaton were present.

-Minutes: Ron Sr moved to approve the minutes of the July 4, 2015 board meeting as amended. Judy seconded the motion which passed unanimously.

-General: Ron Jr asked the Board to be sure their motions are detailed and complete. There was a bit of confusion on one motion from July 4th as to whether or not we were approving allocation of funds for a project or were we also authorizing a Board Member to select a vendor and spend the funds.

-Treasurer's Report: Judy presented and explained the Treasurer's Report. With the membership approval of the Reserve Fund process, approximately \$60K from the pool and truck savings were transferred to become part of the reserve fund. Judy will continue to try to add \$500 per month for truck replacement to augment the reserve for the remainder of the year. Kyle questioned why the truck funds transferred to the reserve fund? Ed explained that that is what the reserve fund called for as approved by the membership. Connie moved to approve the Treasurer's Report. Ron Sr seconded the motion which passed unanimously.

-Lake improvement – Judy presented detailed income and expenses regarding the successful Lake Improvement project. The board discussed the expenditures to date as well as future expenditures to complete the project i.e. eradicating phragmites and monitoring for presence in the future, detailed monitoring of the health of our lake, and completion of the spoils retention area to its natural state in compliance with the DEQ permit. Dwayne made a motion for the final billing to be set at \$200 and it was seconded by Ed. The motion failed for lack of support. Judy made a motion that the final billing be set at \$190 which was seconded by Brook. That motion carried with one opposed. Judy will include a statement in the final billing indicating that the cost of the project appears to be coming in under budget and that whole \$225 will not be necessary. Additionally, should the final cost come in less than the billed amount, members would have a choice of a refund or applying a balance to their next year annual dues.

-Collection committee – Judy gave a report to the Board regarding the status of current collections and legal actions the team is pursuing. Judy reported that she has represented the Association in several court cases. She has a 100% enforcement judgment against any member or former member that we unfortunately were forced to take to court.

-Gas wells – Ron Jr reported that there isn't anything unusual to discuss and it appears gas wells income will be a little bit under or close to budget.

-Real estate – Dana reported that all but one association owned lot has been sold and that remaining lot is in process of sale.

-Roads & Maintenance: Contractor Tim W reports that the truck is in fine running condition and he sees no foreseeable issues in the near future. The replacement box for the dump truck is on backorder and should be in in about three weeks. After a brief discussion the Board authorized Tim to order the third brining of the roads.

-Pool: Ron reported that the Pool has been very busy with lots of our members taking advantage of the nice water. We had to replace the pool filter after it developed a crack causing the pool to be out of service for two days. The Pool Doctor came to the rescue and quickly obtained a replacement filter within two days. Ron reported the investigation into the most economical and long term solution to resurfacing the pool has been thoroughly research. As Ron Jr has expertise in this area as he was in the business for many years, Ron deferred to Ron Jr to present the various proposals and options. Note: the Otsego Country Health Inspector will not let us open next year without resurfacing the pool. We have been setting aside funds for this project based on pool budget savings. Additionally, the reserve fund calls for the project to be completed this year. Anita made a motion to authorize Ron Sr to proceed with the resurfacing of the pool and for Ron Sr. to be authorized to spend funds not to exceed \$45K. The motion was seconded by Dwayne and passed unanimously.

-Parks and Safety: Ron Jr read an email that he received yesterday about a child diving off the dock in front of the pavilion and fractured a vertebra in his neck. After discussion, the board felt it prudent to paint "no diving" on all association on docks. Kyle will immediately take care of this project.

At the July 4 meeting the Board authorized the allocation of up to \$8000 for the restocking of the big lake with the funds coming from the forestry account. The board needed to see the three bids and needed further information regarding what species of fish are included in the category "baitfish." Kyle reports that he does not have three bids as there's only one place in Michigan to obtain the fish and that is from the Imlay Fish farm. Regarding the baitfish, it depends on what's available at the time. As this is a fall planting season, Kyle will provide the Board with the size and numbers of hybrid bluegill and black cruppy and exactly what the baitfish will be prior to ordering. The Board authorized Kyle to coordinate this restocking project and feel we will have ample time to run the species of fish by our Geologist prior to releasing in our lake.

The Board discussed the letter sent to the Czarniecki's regarding leaving one of their pontoon boats moored at the boat launch. We also discussed the Czarniecki's response to the board's letter. The response letter validates that Czarniecki's are in violation of the policy put in place last year with rule of allowing member to moor their boat, used for personal pleasure, for up to 72 hours in any association park. It's believed that this is an easy fix and Kyle has volunteered to speak with the Czarniecki's to resolve. Kyle will report at the next meeting.

Parking in and around the boat launch is getting out of hand with the majority of issues coming from non-members from the 10 acre parcel. After lengthy discussion it was decided that Anita and Ron Jr will investigate remedies and report back to the board.

-Building Control: Karl has nothing to report.

-Campground: In Marcia's absence, contractor Eva reported all is going well and she thanked several campers for their help and for going the extra mile for the benefit of the campground and association. Eva reported that campers still desire a pavilion in the designated campground park / playground area and Marcia will be bringing a proposal to a future board meeting. Eva said that Marcia has received one bid response already on this. Camper Jim Morrison requested that the board approved the

campground pavilion now. Ron Jr informed him that the Board supports the campground but nothing has been presented to the Board to review to date.

-Environment & Zoning: Anita is requesting the Board's advice on how to proceed with members that are in violation of zoning ordinances in deed restrictions. After discussion, it was decided that we would develop a form letter to advise a member of the violation and that this would be a three-part process (depending on the severity). We will send one cordial informational letter, followed by a sterner reminder letter, and then action involving the State or County. Anita and Dwayne will work on a letter for our membership and report back at a future meeting

-Communications: Ron reported that Mary needs any articles for the newsletter no later than September 15.

-Long Range Planning: Ed says that with the membership authorizing the reserve fund, there's nothing new to report. He will put together some details on what projects are expected over the next five years in regards to the reserve fund.

-Forestry: Brook was looking for the best practice documentation for this area. That document had not been received by the prior chairperson. The Board gave Brook some basic responsibilities (Forest conditions, health and the vegetation, infestations of any type of bugs or disease, unauthorized activity in the forest, etc.) and told her we would work with her in developing the best practices document.

-Contracts: Judy reports that the contracts for the Office Manager, Accounting Agent/Financial Secretary, and the Financial Committee need to be revisited and approved for the upcoming year: These are one year annual contracts. Judy is recommending no wage increases this year. Karl made a motion that we approve the contracts of Anita Wheaton as Office Manager, Judy Race as Accounting Agent/Financial Secretary, and Dana Stubli and Anita Wheaton as Financial Committee, with all verbiage being identical to last year's contracts and just changing the dates to indicate 2015 to 2016. The motion was seconded by Brook and was approved unanimously

-Key Policy: Judy recommended that this item be tabled until next month's meeting.

-Bid Policy: Judy believes it's in the best interest of our membership to develop a documented bid policy. After some discussion, Brook made a motion that any purchases or services \$1000 or greater there needs to be three bids solicited before awarding the job. This was seconded by Anita and passed unanimously. Note: This does not impede our caretaker in the performance of his duties as large purchases i.e. gravel, sand, and/or repairs are already called out in his contract with a set approval process.

-Office Repair: Anita pointed out that we just paid \$700 to have the entry door and jam replaced. It will still get icy with ice buildups on the door area and may cause future damage. Additionally, it poses a liability for that area. After discussion, Brook made a motion that we spend an amount not to exceed \$1K to have an overhang/peak built above the front entryway. This was seconded by Ron Sr and passed unanimously.

-Barrier Free Areas: Dwayne asked if we could leave the side gate to the pool area open for any wheelchair-bound members wanting to get access to the pool. Currently the office manager or a Board Member in the area unlocks the gate and ask the member to re-secure when they're done. Ron explained that health department regulations in the State of Michigan requiring all swimmers to take a

shower “bath prior to entering the pool area.” It's required that all access passes by a shower. Fortunately, it's rare that someone needs access other than through the showers. Ron will have a sign made to post on the gate with phone numbers to call if somebody needs entry.

-Legal – It has come to the attention of the board that one member is renting a house on the 10 acres and has leased a vacant lot in the association so nonmembers living outside of the association would have access to all amenities. Additionally, we have a member inform the board that he “may lease out several of his lots for \$50 a year each to allow people to do whatever they want and there's nothing anyone can do.” The board sought the advice of our attorney who stated that the power of the board is spelled out in the Association Bylaws and it very clear. Our attorney drafted a rule to be reviewed by the Board detailing that *“The Board of Directors hereby adopts the following Rules and Regulations for Lake Arrowhead Property Owners Association, which shall be effective as of August 1, 2015:*
1. The Common Grounds, as defined in the Association Bylaws, shall hereinafter be restricted to use by members of the Association and tenants of dwellings within any of the Subdivisions. 2. Tenants of vacant land shall not be permitted to use any of the Common Grounds, lake, swimming pool or trash compactor. The owner of any vacant lot shall be responsible for any costs of the Association resulting from any of their tenant's use of the Common Grounds, lake, swimming pool or trash compactor, or enforcement of these rules and regulations.” After discussion, Anita made a motion to accept and approve the attorney's recommendation as a formal rule effective immediately. Ron Sr seconded the motion and it passed with one abstain and one oppose.

Dwayne made a motion to adjourn. It was seconded by Kyle and passed unanimously

Minutes submitted by Ron Race, LAPOA Board Member
Approved as amended, October 3, 2015

Approved minutes submitted by Mary K. Davignon, LAPOA Secretary