

**Minutes of the Lake Arrowhead Property Owners Association
Board of Director's Meeting
August 2, 2014
Approved as amended 10-4-2014**

-The meeting was called to order at 9:00 by Pres. Chris Speen and we recited the Pledge of Allegiance.

-All board members were in attendance except Dave Liggett who was absent. Contractors: Anita Wheaton and Eva Davidson were present. Tim Wheaton was excused.

-Ron Race moved to approve the minutes of the July 5, 2014 board meeting as written. Karl seconded the motion which passed unanimously.

- Judy presented and explained the Treasurer's report. One questionable expense that she is checking is the dumpster cost. The cost per dump is up significantly but we are using fewer dumps because of recycling. Scott suggested that allowing members to make automatic monthly bill payments may help with cash flow and make it easier for members to make payments on time. Judy has been working with the bank and is looking into quarterly credit/debit card payments as a re-occurring payment for members. She hopes to have this in place in 2015. Scott moved to approve the Treasurer's report as received. Ron seconded the motion which passed unanimously.

-Collections: Judy reported that the Collections Committee sent out letters to some members advising them they were overdue on their dues and that small claims filings would be made against them in September if a payment arrangements were not made. Some members have responded by making payments. Plans are to file ten claims at a time beginning in September. Some of the larger accounts will be sent to the attorney for collection. The Collections Committee will meet monthly to discuss and work on late accounts. In regular past due assessments, \$9,007 was collected this year. \$17,000 in overdue lake assessments were collected. Some of our overdue accounts are so old that they will be uncollectible. Scott pointed out that 80-85% of LAPOA members typically pay their assessments in full with only one billing as compared to most other Northern MI associations that only collect ~50%. This is probably because members see that we are getting great value for our dues. There were two letters read from members who were late on their payments this year. Members were appealing to the board to forgive the late fees. Scott (our parliamentarian) stated that the board is empowered to make decisions in cases like this where the action appears contrary to bylaws. Scott moved that in these two cases the late fees should be "peeled back to just the first lot" and the rest forgiven. There was no support for the motion but there was a lengthy discussion about the issue. The board will continue to look at appeals to the board on a case by case basis. Ron moved to cut off discussion. Motion was seconded by Karl. Motion passed with one opposed. Ron moved that letters be sent to the two members declining their requests and encouraging them to contact the office to work out a payment plan. Pat seconded the motion and it passed with one opposed. Motion carries.

-Natural Gas Wells: Ron Race Jr. reported that we are doing better than expected. Prices have been going up. Approximately \$16,600 of the \$26,000 budgeted for the fiscal year has already been received.

-Real-estate: Dana reported that we do have lots for sale and that the Otsego County property tax sale is coming up later this month. A 10% discount will given at the auction to LAPOA members who buy property in here. Mary will post info on FB & Nextdoor. Dana will forward e-mail she received to us. A list of properties is can be found through the county website.

-Roads & Maintenance: Chris Speen reported that the truck needs a new dump body and it will cost approximately \$11,000. We may be able to get one more winter out of it. Roads need to be brined. Kyle will arrange with Tim. Karl asked about a large grader to eliminate crown on roads. It will be addressed in the reserve study.

-Pool: Ron Race reported that last week the pool passed Health Dept. Inspection "with flying colors." Pool paint is chipping and water needs changing out to help maintain chemical balance. Ron is getting estimates on resurfacing the pool. Marcite costs somewhat more but will last 20-30 yrs while paint lasts only 6-8. This will also be addressed in the reserve study.

-Parks and Safety: Connie Stubli reported that a member had asked Ron if the culvert leading to Elk Island could be examined. She fears it has collapsed and water may not be flowing through as the lake water to the east of it seems stagnant. The culvert will be examined to make sure it is not plugged. Arrangements need to be made to keep the Fire Danger sign updated. Connie will make sure it is done. LAPOA website has a link for Fire Danger level. Connie and Pat could use more help and information for managing the parks. They were directed especially to Anita and to the Best Practices Manual for information. Role of board person is not to physically do the work but rather it is to manage and supervise work. Tim's new contract will include park maintenance. Connie reported that the new dock will be installed at the main park once the dredge is out of the way. Member Bob Halleck asked that the boat launch dock be re-installed. It is difficult for his wife and others to get aboard boats without the dock. Chris will have Tim move the dock into place right away.

-Ron Race distributed photos and reported that he had received a complaint about a dock being placed on LAPOA owned land and there was also a pontoon moored all summer at boat launch. Anita says the dock owner knew it was not allowed. Our attorney says to notify the people that they have to remove dock. Scott moved and Karl seconded the motion to have someone appointed by the Pres. of the board to speak to owner of the dock and have it removed. If owner does not comply then the attorney will be contacted for further action. Motion passed unanimously. Ron and Chris will talk to owners about removing the dock.

Member Bob Hassick asked for board to do something about allowing temporary mooring and parking at boat launch. Mary and Ron explained that parking is not permitted at boat launch per Soil and Conservation District.

There was a long discussion about mooring boats at the community parks. The board would like to make it easier for members to enjoy the lake. A long term docking solution should be considered. Scott moved that members be allowed to temporarily moor non-commercial-use boats at the neighborhood parks for no more than 72 hours. Boats must be properly secured (bow and anchored stern) so they do not interfere with other boats or use of the parks by other members. Mary seconded the motion and it passed unanimously. Scott left the meeting at 10:25 a.m.

-Building and Zoning: Karl reported that no work has been done on the (red tagged) house that collapsed last winter on Cochise Trail. He will call the county zoning board to report it as blight. Karl answered a question regarding pole barns and garages. The largest allowed is 1200 square ft.

-Campground: Marcia and Eva reported that 90' of split rail fence was installed to keep children away from the road. Carl Schick and Dale dug holes while Marcia and Eva held posts. They are getting bids for replacement of bath house roof. They would like to add a Merry Go Round. Ron has some information on that for them on modern models. Approximately \$500 was collected already this year on pop cans. Funds were spent on fencing and playground mulch. Thank you to Marcia Schick and Sharon Morris who organized can drive and to all who showed support by donating bottles/cans, and by purchasing quilt raffle tickets. Marcia reported that the size of storage shed allowed in the

campground rules is no longer available. Can they use a comparable, but slightly larger size?
Consensus is Yes.

-Lake Improvement Project: Chris Speen reported that he is meeting with Jeff Anagnostou of Applied Geotechnical Services weekly. Chris sent a copy of Jeff's letter to the board this week which outlines the progress of the project. Briefly: the project is in compliance with the DEQ and our permits, lake level dropped only 3.5" when a 12-18" drop during dredging was expected. Jeff thinks this is because we've had cool weather, rain, and the springs are recharging the lake. The water temp where dredging has been completed is 66-68 degrees as compared to the rest of the lake where there are no springs which is ~76 degrees. His assessment is "So far, so good!" Chris reported that dredging got off to a slow start but things are going much faster now and the muck has a higher percentage of solids than at the beginning of the dredging. His only disappointment is that people keep tearing signs and barriers at the spoils area. A snow fence may be needed in winter to keep out snowmobilers while the area dries out. Chris will bring this back to the board when we know. Kyle questioned the capacity of the spoils area since it has been built up twice. It does drain quickly. Chris thanks Kyle, Bill Christ, Jeff A., Ron Race Jr., and Dave Cunningham for their excellent work on the project. Ron Jr. visits the site, takes pictures, and calls Chris to discuss project every day. Dave has donated use of his boat and has been taking regular lake level measurements. Kyle questioned capacity of spoils area which seems OK for now. Ron Sr. thanked Chris and Ron Jr. for their continued work on the dredging project.
Phragmites: Chris and Ron are working on it.

-Communications: In accordance with member's wishes, Mary will continue to mail a copy of the digital newsletters to those who request them. Please get newsletter articles to Mary by Sept 15th. Mary passionately encouraged people to use our web site: www.lapoa.com. Judy moved to eliminate "Welcome Packets" and send Welcome letters to new members referring them to the website. The website is easier to update and more thorough. Dana seconded the motion which passed unanimously. Mary reported that the posting of all the minutes as required by bylaws uses up all the bulletin board space and they are so high that no one can read them. It was agreed that it would be better to have all the bulletin boards at the end of the building. A cover will have to be built to protect the bulletin boards from the weather. Anita will look at building a cover.

-Long Range Planning: Ed Heitsch and Judy met for 3 hours with Brittany Eggert of Building Reserves, the company which is doing the long-range planning report. They toured the property and Brittany took photos and measurements. The report will take 4-6 weeks and is ~50% done. Judy asked Ed to add campground bath house to report. A draft study should be done for us before our Oct. meeting. We will be able to give our input for up to two revisions. This will give us a "reserve plan" for projects that we save for in addition to our "operating plan" that we currently use for day to day expenses. Ed noted that the balance sheets are not true balance sheets as they do not include all of our assets. Judy stated that he is correct (discussed with Board prior) and the report is a cash flow report. She stated that we do have reports that list all of our assets and our goal is to get them all input into QuickBooks. Ed offered to assist with creating the reports.

-Forestry: Kyle reported there is no market right now for forest chip products. Karl says that harvesting trees leave a mess. Some of the Jack Pines along Arapaho are dying because they have a beetle infestation. Kyle will get estimates for cost of removing the dead/dying trees. He would like to replant. Dale suggested giving wood to campers.

-Contracts: Ron Race reported the recommendations of the contract committee (Karl, Mary, Ron): All contracts will begin Sept. 1st this allows us to approve them at August meetings. Dana no longer wants

to work as an Office Manager but she would like to continue to work on the Financial and Collection Committees. Anyone working in the office is expected to answer phone and help members while there.

-Office Manager Contract: Manager will report to the Secretary. The office will be open Monday, Wednesday, and Friday from 1:30- 2:30PM, and on the 2nd and 4th Saturday of each month. Other Saturdays will be by appointment. Judy and Mary will assist with office coverage during March and other times when Anita is gone. Judy moved to approve the amended contract for Anita Wheaton as the Office Manager. Ron seconded the motion and it passed unanimously.

-Accounting Agent/Financial Secretary Contract: Mary moved to offer Judy Race the amended Accounting Agent/Financial Secretary contract: Karl seconded the motion and it passed with Judy and Ron abstaining.

-Financial Committee Contract: Contractors will report to the Treasurer. Mary moved to accept the amended contract and offer a split contract to Anita Wheaton and to Dana Stubli. Karl seconded the motion and it passed with Dana and Kyle abstaining.

- Maintenance Manager Contract: The board discussed the committee's salary recommendations and it was agreed by all that Tim has been seriously underpaid. Chris Speen said plowing subcontractor pay is not reasonable and needs to be increased. He also suggested that since Tim's responsibilities are being increased in the new contract, making him a true all-inclusive caretaker of the LAPOA property; that in addition to a salary increase; we should offer him a three year contract. Mary moved to offer Tim Wheaton the three year amended contract. Judy seconded the motion, which passed unanimously. Thanks to Ron Race and the contract committee.

Ron Race is taking it on himself to try to find a solution to the illegal dumping.

Please try to get Best Practices to Judy by the next meeting.

Old Business: Ron Race moved to dismiss Dave Maddix's suggestion to have people voluntarily pay their assessments "way in advance" because it is not practical. Karl seconded the motion and it passed unanimously.

Kyle moved to adjourn. Ron seconded. Motion passed unanimously. The meeting was adjourned at noon.

Minutes submitted by Mary Davignon, LAPOA Secretary
Approved as amended 10-4-2014