

**Lake Arrowhead Property Owners Association**  
**Annual Membership Meeting Minutes**  
**July 6, 2019**

- The meeting was called to order at 10:11 a.m. by President Cory Ames.
  - There were 95 members in good standing present at the beginning of the meeting. We had a quorum.
  - All board members attended.
  - Member Scott Bicknell moved to approve the minutes of the July 7, 2018 Membership Meeting. Ron Race Sr. seconded the motion. The motion passed without objection.
  - Treasurer's Report:** Treasurer Judy Race distributed a 9 page financial report and explained each section. Key points: Judy reported on account balances that were on hand at the end of the 2018-2019 fiscal year. 91% of our members had paid their dues. Gas well income was more than expected but is coming in low this year. We also had unexpected expenses. Roads were over budget due to heavy rains, snow, and ice and higher costs of sand and brine. Building Maintenance was also high because we had to have the crawl space cleaned of animal waste and replace the water heaters at the Office Building. The sander broke down several times. We could no longer purchase sand locally in winter and our sand costs rose by 85%. Gravel costs also increased. Trash costs are up 12% in the report but Judy is currently negotiating that price. Our dump costs increased but the report also now includes the cost of electricity, repairs, and security cameras at our dumpster site. We took in about \$30K more than we budgeted but spent about \$35K more than we budgeted. We borrowed money from previous years' funds to meet expenses.
  - Reserve Fund funds were spent to replace the pool house roof and the pavilion roof.
  - Lake funds were used to eradicate phragmites, and to purchase a new dock at the boat launch and a new swim raft.
  - The Campground had a good year. All 40 of the annual sites were filled last year and there is currently a waiting list. Pop can funds are "in and out" funds that are used for Campground special projects and we hold the funds for them. The Campground is an amenity of the Association but it is self-supporting.
  - Member Dorothy James wanted to know whether outside labor is utilized and how much we pay our workers. Judy explained that almost all work is done by our contractors. Their contracts are based on the number of estimated hours needed to fulfill the contracts at \$13.39/ hour. They are contractors so taxes and social security have to be paid by them. Tim is on call 24/7 and has a different rate.
  - Judy reported on current cash balances.
  - Judy reported on this year's budget and our expenses so far. So far, we have taken in 87% of members' assessments. Included in the Treasurer's report was a five year report on key expenses and our income for each year. Of major concern are road maintenance costs. Brine costs nearly doubled since last year. Unfortunately, we learned of the price increase only two days before it was scheduled to be applied. We had one application of brine but really don't have funds for more this summer. Brine costs have gone up 177% over the past five years. Sand, gravel, and dump costs have also increased significantly. The report also compared Lake Arrowhead HOA dues, road costs and trash costs with those of Lakes of the North, Guthrie Lakes, and Michawaye.
  - Collections: Last year we collected approximately \$50K in old past due funds. We continue to go after past due funds in small claims court but that pool of funds is decreasing.
- Ron Race Sr. moved to accept the Treasurer's Report. Cory Ames seconded the motion and it passed unanimously.
- Roads Report:** In response to Dave Ransom's inquiry about the justification for brine costs, Roads Chairperson Ron Race Sr. reported that we were shocked by the price increase. He and Ron Jr. went downstate to research a self-brining application and it was not cost effective. It would cost over \$12K to do it ourselves. Most places are no longer getting brine from well drilling operations. Brine is coming from a downstate mineral well. It is cleaner and lasts longer but is more expensive. We are negotiating prices and looking at other alternatives, including dry applications. We are developing a bid spec sheet to be used next year. Last week there was some confusion between our caretaker and Northern Tank and some roads were mistakenly brined before Ron stopped them. Ron explained that when Lake Arrowhead was developed roads were just cut. They are sand roads and they do not meet any set standards. We have experimented using limestone in some places instead of gravel and it doesn't wash out as easily. Ron commended Tim for a wonderful job on the roads during our challenging winter.
- Member Dorothy James asked about having tar and chip applied to our dirt roads. Former Roads Chairperson Chris Speen responded that drainage would need to be improved to do that and the estimated price was cited to begin at \$1.8 million.
- Member Dan Bodette asked about sealing cracks in Arapaho pavement. Ron Sr. explained that it is being evaluated, but it is very costly. Tom Rozycki reported that it is very costly and we decided to put funds towards replacing Arapaho.
- Survey:** The survey results were given to members with their agenda. Long Range Planning Chairperson Tom Rozycki thanked members for submitting the 2019 survey. It showed that roads are members' first priority and maintaining low association dues are second. Tom explained that we need new money to come in or we need to cut expenses. Every year our budget gets tighter and tighter. He was encouraged by the many good ideas members expressed and he encourages members to attend board meetings to understand how financial decisions are made. The Reserve Study that reports on our current amenities is found on the "News You Can Use" page of our website.

### **Comments and Concerns of Members:**

-Member Dorothy James stated that she does not think we are paying too much in dues, but she objects to the way our bylaws are written in regards to dues.(Sections of Article VIII). In addition to the \$50/lot late fee, the bylaws give the Board the right to charge a 7% interest charge on unpaid dues and to suspend members who are in arrears.Dorothy expressed her belief that members, not the board should vote on that. She also objects to the automatic annual increase of 3% on dues.She objects to the board deciding how funds are spent and thinks that the members should vote on how money is spent. Ron Sr. explained that the most recent bylaw changes were approved by 83% of members at an annual meeting.Dorothy expressed her belief that members didn't know what they were voting on and they weren't notified in advance. Judy explained that the board has not exercised its right to charge the 7% interest penalty but the \$50/lot late fee is required by our bylaws. Secretary Mary Davignon explained that the information regarding the bylaw changes was included in the newsletter that was mailed to members more than 30 days in advance of the membership meeting that year. The procedures required by our bylaws were scrupulously followed. The bylaw changes were prepared by our attorney and explained at the membership meeting before members voted.

-Member Jeanne Tripp explained to members that her road is a private road. She objected to the unauthorized visitors who took it upon themselves to remove the rubble her son placed to block off the trail at the end of her road and who did donuts in her driveway. She said they had no right to be there and they damaged her road. She wants an apology from those involved. She did call the police when some members showed up for the third time, and she will again if there are more incidents. She welcomes members to talk to her if they have issues about that road.

-Member Tricia Fowler expressed her concern about the children on ATVs without adult supervision. She also said someone gave information to solicitors that she has children. For safety's sake, she asks members respect each others' privacy and not to share such information.

-Member Tim Devine expressed thanks to the board for their hard work and stewardship. He salutes all members for their volunteerism. He thinks are dues are low and would not object to a dues increase.

-Member Steve Frantz wanted to know if the "No Wake" rules still exist. He said we sometimes have to raise dues. Ron Sr. said the lake is "No Wake" at 8:30 p.m.or beginning one hour before dusk, whichever is earlier. Lake Rules are posted at the boat launch and on the website.

-Ron Race Sr. reported that the Health Inspector was out and we passed everything, but he wanted the members to be reminded that there is no eating in the pool area. Food grows bacteria, attracts ants, and stains the concrete.

-Member Paul Dellock inquired if we can regulate water level. Ron Sr. explained we don't have a way to regulate it and that prior to dredging we had a kettle lake- one that is fed by precipitation. Now that the springs are working, we have a table lake;one that is consistent with water table levels.

-Craig Oakley reminded members that there is also no wake within 100' of shore. With water so high, waves can cause erosion and other damage. He has also observed someone doing fish tails on our roads. He asked people to be respectful and to not tear up the roads. Ron Sr. suggests people drive 15MPH to reduce dust and increase safety.

-Ron Applebey on Macatawa reported that a bear has been in his yard recently and suggested that members put away bird feeders.

-Marcia Schick thanked members for their deposit bottle and can donations. She reported that the campground play-scape was damaged and asked that only children play on the Campground play-scape.

-Chris Speen presented a plaque made in memory of Jeff Anagnostou who oversaw our lake project. Members observed a moment of silence.

-President Cory Ames remarked that running for the board was one of his best decisions. He learned that we don't have the funds to do all the improvements he envisioned. He encourages members to serve on the board.

**Election:** We have five vacancies for three year terms and one vacancy for one year to finish the term of Gordon Wearsch who resigned. Mary Davignon and Judy Race had already been nominated and are on the ballot. At the meeting Mary Davignon nominated Paul Cutting; Ron Race Sr. nominated Dave Johnston; Judy Race nominated Rebecca (Becky) Krzyzanowski; Joyce Shannon nominated Tricia Fowler; and Scott Bicknell nominated Ron Applebey. With no more nominations, Ron Sr. moved to close the nominations, Buddy Pardo seconded the motion and it passed unanimously. Cory thanked outgoing members Dana and Kyle Stubli and volunteers Fango and Alice Kennedy. New nominees introduced themselves. At 11:55 Cory recessed the meeting until the votes were cast and counted.

At 12:55, Cory Ames reconvened the meeting and announced that Mary Davignon, Judy Race, Paul Cutting, Dave Johnston, and Ron Applebey were elected to serve three-year terms; and Rebecca (Becky) Krzyzanowski was elected for one year.

The meeting was adjourned at 1:00.

Minutes submitted by Mary Davignon, Secretary

Approved, September 5, 2020