

**Lake Arrowhead Property Owners Association  
Board of Directors Meeting Minutes  
October 3, 2020**

-The meeting was called to order at 9:01 by President Paul Cutting

**-Attendance:** All board members attended except for Buddy Pardo and Ron Race Jr. who were excused. Contractors Tim Wheaton and Cindi Smith were excused. All other contractors attended.

**-Meeting Minutes:** Carolyn Wright moved to approve the minutes of the September 5, 2020 Board of Directors' meeting. The motion was seconded by Trisha Fowler and passed unanimously.

**-Treasurer's Report:** Treasurer Judy Race distributed the financial reports: Current Budget as of 9-30-2020, and our current account balances. Judy explained them to the board and reported that 90.2% of our 2020 assessments have been paid. The Campground had a very good year. Daily stays increased and we are at capacity for seasonal campers. Campground storage is up. Campground expenses were as expected. Some uncommitted Campground funds were used for new security cameras and a new wifi system at the Campground. She reported that \$3,205 was taken from the Lake Improvement Fund to cover costs of new buoys and stone at the boat launch. Equipment maintenance costs are an ongoing concern with most unexpected costs associated with the (1994) International truck. In recent years we have averaged about \$10K/year in truck repairs. The two brine applications totaled approximately \$14K. The picnic costs were higher than normal at \$1,700 because we contracted a caterer. We did take in about \$800 in donations that helped cover those costs. Forestry spent \$2,130 to cover half of the Forestry Plan, most of which should be re-imbursed by the Federal grant. Expenses such as gravel, brine, sand, and dumping fees have all gone up substantially since we approved the automatic 3% increase to dues and gas well revenues have declined. We must address those additional expenses and at our next meeting we will plan for increasing income. Ron Race moved to approve the Treasurer's report. Dan Burroughs seconded the motion and it passed unanimously.

**-Collections:** Collections Committee Chairperson Gary Smith reported that collections "are quite a process." We have five cases prepared and ready to file in court. We placed liens on three homes. We recently sent letters and draft court documents to ten members who are in arrears. If payments or payment arrangements are not made, the owners will be taken to court. We have about 18 judgments that still have not paid and we will begin aggressively pursuing those funds. We can file motions to extend judgments for another six years. The biggest expense is for process serving, but all collection and court costs are added to the debt, and we can charge interest. We can file to have show cause hearings in which debtors will be subpoenaed and required to show their financial information. If successful, we can go after wages, savings, tax returns, and place liens on other properties they own. We do continue to pursue funds owed even after properties are sold or foreclosed upon.

**-Gas Wells:** Minerals Chairperson Dave Johnston reported that gas prices are up slightly, but production is down. He recommends removing gas revenues from future budgets. Dave reported that many companies are closing wells and that when wells are abandoned on private property, companies usually just cap the wells and leave the gas lines intact. The lines are made of polypropylene and they are flushed three times and the waste transported away. There is less environmental impact by leaving them the lines in place. Leaving them also makes it possible to resume production if that becomes desirable.

**-Real Estate:** No report other than houses are selling quickly. New Lake Arrowhead member Katie Warner suggested that we should have a welcoming committee to welcome new members and to answer their questions. Judy responded that once we get a registered deed from the county (or proof of purchase), we send out a "Welcome Packet" to new owners. The problem now is that the county is two months behind in processing property transfers. An abundance of information is on our website and some realtors are good about referring buyers to visit the site. The website is currently being rebuilt.

**-Roads, Grounds, & Equipment:** Chairperson Ron Race reported that within four days of our last brining we received 1.75' in four hours. We received 16" of rain (3" above average) since June and the

lake is up 8” since June. Tim is addressing the road issues as best he can. There was a long discussion about the roads. Ron proposed forming a “Roads Committee” to study the roads and propose remedies. The Roads Committee will consist of: Ron Race, Dan Burroughs, Lawrence DeHate, and Phil Sandberg.

**-Long Range Planning:** Chairperson Tom Rozycki reported that our only recurring income is from dues and from the Campground. We need more recurring income because we have increasing expenses and we should be making improvements. We should also pay attention to what our members stated are priorities in the survey that was completed a few years ago. Mary will send out the survey summary to the board.

**-Parks, Lakes, and Safety:** Chairperson Jeff Kennedy (Fango) reported that he removes most of the buoys at the end of the season. The older, taller buoys are hard to remove. The new, Styrofoam buoys are holding up well and are much easier to manage. He recommends buying more new ones before next season. Fango and his wife Alice have been maintaining Chuck O’Connell’s property which has flooded. Gas is off and the electricity will be shut off. High water is an issue for Northern Michigan Lakes. Member Ken Crittenden reported that Brian Marshall from the DEQ/EGLE has been out to inspect lake properties and is working with property owners. Fango reported that he removed the swim raft and placed it as high as he could. We really cannot do anything about fences and park equipment that are in the water until the water recedes. Member Laurence DeHate asked about changing the lake status to a “No Wake” lake. Ron informed us that Lake Manuka was able to do that because they are a public lake. We would need a majority of our members to approve such a change. Dan Burroughs reported that trees that fall into the lakes should be removed by the property owners and that owners could be held liable if someone runs into one. The Association has many lakeside parks, and we need to address our dead trees too. We need to know how many need to be removed so we can budget for that. Gary Smith reported that Scott’s Tree Service did a lot of work at the Campground was removing a lot of trees from Lake Manuka last winter; perhaps lakeside lot owners can unite to hire them to work on removing trees. Gary will contact Scott’s Tree Service. Ron Race displayed a proposal from ECT to study and help us manage the lake. Part one of the proposal would be for a feasibility study to see if we can manage the lake level by possibly placing a weir system under Pueblo Trail that would allow water to flow into the Manistee River water shed. Dan Burroughs moved to approve task one of the ECT proposal and to spend \$1,775 from the Lake Improvement Fund to cover the cost. Paul Cutting seconded the motion and it passed unanimously. Ron Race reported that our attorney wrote a proposed bylaw change for us that would give us authority for addressing fallen trees and tree debris from lakeside property owners. If the board approves this bylaw change, it would be enforceable, but members would have to affirm the change at the next Membership Meeting. The proposed changes to Article XII, Section 3 follow and are highlighted:

Section 3. The Board of Directors shall have the following powers and duties:

- a. To keep and maintain Common Grounds, the recreational facilities and other property owned by the Association or managed by the Association in a clean and orderly condition, to cut and **remove trees**, weeds and grass there from, to pick up any loose or undesirable materials or refuse; and to do any other things necessary or desirable to keep such properties neat in appearance and in good repair and order as appropriate.

**Any debris or trees that fall into the lake, whether by natural causes or intentional acts, shall be removed by the owner of the lot the debris or tree was on or the lot that was directly inland from where the tree fell. If the owner fails to timely remove the debris or tree after being given written notice by the Association, the Association may remove the debris or tree and assess all expenses to the responsible owner. The costs shall be assessable in the same manner as annual maintenance assessments as provided for in Article VIII.**

Mary Davignon moved to approve the proposed bylaw change. Dan Burroughs seconded the motion and it passed unanimously. Dan Burroughs reported that no permits have been issued for permanent docks on this lake in the past 20 years and that the DEQ requires that all temporary docks be removed at the end of the season. Especially concerning are the submerged docks and dock posts that are not easily visible. Volunteers will go around the lake and get locations of submerged docks. Mary will post requirements to social media and we will send letters to owners that their docks must be removed. Ron reported that our docks will be removed by a dock specialist. Dan, Ron, Fango, and Tim will remove the underwater fishing dock from Little Bear Lake.

**-Building Control:** Changing the bylaws is tabled until our next meeting when Ron Race Jr. can attend.

**-Building Maintenance:** Ron Race reported that we are awaiting help from the Post Office for re-assigning the mailboxes. The labels have been prepared for inside the boxes and Ron hopes the project can be done next week. About half of the park fences have been painted. An Automated External Defibrillator (AED) has been purchased and will be mounted on the exterior of the Office Building for use by anyone in an emergency. It will be tied into our alarm system. There was a request for directional signs to the Campground. Ron will order some before next camping season.

**-Environment & Zoning:** Judy reported that no letter was sent to the new member on Leelenau Trail who had multiple campers and loud gatherings. They seem to have toned things down and the noise issues seem to be resolved. We need to revise our rules before any further action should be taken.

**-Campground:** Gary Smith reported that the Campground electrical system is 20 years old and is not adequate for the number of campers we have with AC and other modern conveniences. Breakers are constantly blowing, and plugs are breaking down. Ron and Judy displayed a power point presentation plan which includes plans for improving the Campground water system, electrical system, and the addition of camping sites. The improvements will improve the Campground amenity, make more sites available for members, and generate income to be used for Association's operating expenses. After discussion, Paul Cutting moved to approve the recommended Campground improvements and loan the Campground \$90,000 from Reserve Fund to be paid back over 5 years @3% interest, minimum of \$20,000 annually until loan is paid in full. After the loan is paid in full, \$20,000 annually will be transferred to a new Campground Expansion fund to be used to expand Campground. Develop a long-range plan that includes the addition of 10-12 full hook-up sites, after funding the expansion, excess funds collected by the Campground will be moved to the association operating budget annually. The improvements will be funded with a minimum increase of \$200 per seasonal lot. Mary Davignon seconded the motion and it passed unanimously.

**-Lake Improvement:** Ron Race reported he is working with ETC on a proposal to monitor lake health.

**-Forestry:** Carolyn Wright reported that Martell should have the 20-year Forestry Plan ready for us by our December meeting. We will need to contract the forester, and this may be approved at our December meeting. Carolyn will invite a representative from Martell for our December meeting.

**-Pool:** The pool is closed. Ron will check to see if the pool heater heat exchanger is covered by warranty.

**-Security Cameras:** Ron reported that the new security cameras were installed in the Campground. The internet speed was not sufficient to help identify a late-night speeder in a pickup truck. Judy subsequently had the internet speed increased. Ron reported one illegal dumping incident and a letter was sent to the member. His family will remove the trash for him.

**-Communications:** Mary Davignon reported that the September newsletter has been posted to the website. Mary and Judy have been working with Rosemary Yardley of Yardley Designs who is rebuilding the website. Once complete, Rosemary will continue to update the new site and help with any problems. Mary and Judy are pleased with how responsive Rosemary is to their suggestions.

**-Social Committee:** Chairperson Trisha Fowler reported that Connie Stubli has agreed to coordinate the Halloween festivities. Halloween Trick or Treaters should meet at the Maintenance Building at 3:00 p.m. on Saturday, October 24<sup>th</sup>. They will once again stop off at the Campground mid-way to warm up, use facilities, and have hot dogs and hot chocolate that the Campground is providing. We need more trailers

this year and several were offered. Mary will advertise the event. Volunteers with trailers and candy contributors should contact Connie.

**-Unfinished Business:** The Rules Committee will be ready to present proposed changes in February.

**-New Business:** It was suggested that we consider lowering the speed limit to 15MPH.

**-Trail Mapping:** Several members have asked to develop a map of ATV trails. Those working on it include Brandon Sears, Scott Goodenough, and Ron Race Jr. They should be invited to our December meeting.

**-Social Events:** Katie Warner suggested that we have more social events. The discussion included suggestions for a virtual run, outdoor movies, sleigh rides, and a "Hillbilly Parade." Katie generously offered to help Trisha with social events.

**-Volunteers:** Katie suggested that we ask for volunteers on Nextdoor (which we normally do). Mary needs committee chairpersons to notify her when volunteers are needed so she can post request on-line and in newsletters.

**-Adjournment:** At 1:07, Mary Davignon moved to adjourn. Dan Burroughs seconded the motion and it passed unanimously.

Minutes submitted by Mary Davignon, Secretary

Approved December 5, 2020