

**Special Meeting of the Lake Arrowhead Property Owners
Board of Directors
December 5, 2020**

Because of the Covid-19 pandemic and restrictions placed on gatherings by the State of Michigan, this regularly scheduled meeting was changed to a Special Board Meeting. Board Members were able to participate via conference calling or Zoom. Other LAPOA Members were invited to participate via Zoom.

- The meeting was called to order at 9:05 a.m. by President Paul Cutting.
- All board members attended except for Jeff Kennedy, who was excused. Contractors were excused.
- Minutes:** Dan Burroughs moved to approve the minutes of the October 3, 2020 board meeting. Tom Rozycki seconded the motion. The motion passed without objection. Ron Race Jr. and Buddy Pardo abstained.
- Forestry:** Perry, from Martell Forestry joined the meeting to give us an update on the Forestry Plan. He said that they are still doing some of the field work. Perry is familiar with the USDA and their re-imburements. The forestry plan is a “back and forth process” and wanted some input from us in order to complete the plan. Once complete, a draft of the plan will be submitted to us for approval; then the plan will be submitted to the USDA for approval. Martell’s charges are based on the amount of acreage. They require 50% of the cost of the plan (already paid) in advance, and the other 50% when the plan is submitted to the USDA. We requested that the plan be completed by our February 6, 2020 meeting. We requested that wildlife habitat be preserved; that existing trails be utilized for equipment; that trails remain open and twisty; that some historic trees be preserved; and that some trees on the South side of Arapaho be removed to reduce shade on the road. He was notified that hunters do utilize the property. Tom will follow up with the trail committee to see progress of trail mapping.
- Treasurer’s Report:** Treasurer Judy Race reported that 90.6% of the 2020 assessments have been paid. Gas well income continues to be down. Judy spoke to a rep from Riverside, who told her that if gas prices don’t go up, we should expect the wells to be capped. We have only received \$4,200 of the \$8,000 for which we budgeted. We have to eliminate gas income from future budgets. Prior year’s payments are coming in as expected. Expenses are as expected. Road Maintenance and Equipment continue to be our major budget challenge. We spent about \$9,500 on truck repairs this year which caused us to exceed our total equipment budget. We only budgeted \$10K for road brine but a second application was needed so we spent approximately \$14,560 which has caused us to already exceed our road maintenance budget. Based on last year’s expenses, Judy estimates that we will be \$10K short of our projected bills, but she is hoping that our reduced dumping costs and slightly increased income may help us make our budget. \$30K was borrowed by the Campground from the Reserve Fund to pay for materials for the Campground renovations. The electrical work is ongoing. The Forestry Plan is about \$4,000 and half of that has been paid. Tom Rozycki requested a chart of the Campground plan with paybacks. Judy will provide it for him and for the minutes. Ron Race Sr. moved to accept the Treasurer’s Report. Carolyn seconded the motion and it passed unanimously.
- Dues increase discussion:** Judy reported that it is time to ask our members for an increase in our dues. She showed us a financial summary sheet, comparing our recent years expenses and neighboring associations’ dues. Many of our expenses have increased much more than what we can cover through our current dues structure. Gas wells are not being tapped and may soon be capped. The amounts of past due monies is declining. She estimates that we still need an additional \$31,300 per year to meet expenses, include a third yearly brine application, and give each contractor a small raise. There are different ways to structure our dues. For example: an increase of dues to \$200 (plus Reserve fund) on Primary Lots, and \$100 on Secondary lots should generate an increase in revenues of approximately \$36,000. More would be needed if we decide to replace the truck. Arapaho will also need to be repaved. Any increases would need approval of members and would not be charged until 2022. Our dues are much lower than Lakes of the North, Guthrie Lakes, and Michaywe. None of them include trash service or maintain their own roads.

Tom reminded us that the Campground expansion will generate about \$20K/year once their loan is paid off. For now, we will table the discussion of increasing dues until our February 2021 meeting.

-Collection Committee: Committee Chairperson Gary Smith reported that we filed a motion in court and were approved for an additional six years to collect on one of the judgments we received. The plan is to begin the process for “show cause” hearings which will help us to acquire financial information on people for whom we have judgments. Judy filed five cases in small claims court. Three parties did not respond to notifications and we will request personal service. Two cases went to mediation and those parties agreed to a payment plan to pay in full.

Gas Wells: Minerals Chairperson Dave Johnston reported that gas prices are only about \$2.50. There is very little profit at that price. Companies are maintaining wells for now, but they are considering capping wells. It is less expensive to cap them than to maintain them.

-Real Estate: Chairperson Paul Cutting had no report. Mary Davignon reported that it is taking a month or more to receive deed registration reports from Otsego County.

-Roads, Grounds, & Equipment: Chairperson Ron Race Sr. reported that we have had no large truck expenses so far this winter. Member Ben Chudzinski will be back up for Tim on heavy equipment. Tim is still trying to save the road between Little Bear and Buhl Lakes. Water seeps under the berm so the ruts cannot be eliminated at this point. At the end of October, we got 9” of rain that produced horrible washouts including one that was 4’ deep and 5’ wide. Phil Sandburg and Ron helped Tim make some of the repairs. Materials and a grader were brought in to make the big repairs. Ron reported that Mike at Earthworks was willing to come out with the grader for only \$100/hour. We continue to get complaints about the bumpy roads. We have formed a roads committee to try to come up with a plan before Spring. These roads were not built to county standards. They do not have adequate drainage and are just sand roads. Work on the roads is very dependent upon the presence of frost and how wet they are. The ponds adjoining Beechnut are over the road and will have to be fixed next year. Some vehicles have been going through despite the presence of cones. Emergency services have been notified that the road is closed. It was suggested that we put down crushed concrete and limestone. We don’t have the funds to repair it now, and it is not safe to use the tractor there under current conditions. Dan Burroughs moved to temporarily close Beechnut at the ponds between Fallen Timbers and Arrowroot Trail. Gary Smith seconded the motion and it passed unanimously. Ron Race was offered a price on some old equipment that cannot be used with our current equipment. Ron was authorized to sell it but will advertise such things in the future.

Long Term Planning: Chairperson Tom Rozycki said that we have used the Reserve Funds for several projects, and the fund will have insufficient funds to support some of our future anticipated major projects. We should have further discussion on possible funding options.

Parks, Lake, and Safety: Jeff Kennedy (Fango) was not present. He reported to Mary Davignon that he removed the jet ski that had floated up to the O’Connell cottage and it is up on shore at Fango’s place. Power and gas to O’Connell’s have been turned off. Ron Race Sr. reported that he took down the cable between Little Bear for the winter and the road and put PVC pipes and reflective tape on the dock.

Building Control: Chairperson Ron Race Jr reported that the Otsego County Building Department is reaching out to us before approving permits so that our rules are followed. The board approved size restrictions on accessory buildings at our August meeting Ron would like to make that a bylaw change and requested that it be put on the agenda for our February meeting.

Social Committee: Chairperson Trisha Fowler reported that family obligations prevented her from planning any social events for the holidays, but Katie Warner and Nicki Burroughs had some ideas.

Trisha reported that all the Campers at the Campground that had to be moved for the electrical work did move. The bathhouse has been shut off. Katie reported that they would like to have a tree lighting/ATV event, and on December 24th we can participate in a nation-wide bell ringing activity. Ron will check on the Pavilion fireplace and

open the building for restrooms. The date will be determined. The committee will get the details to Mary to advertise.

(Trisha Left at 11:00)

Building Maintenance: Ron Race Sr. reported that the AED has been installed and hooked into our alarm system. The containment area has been checked and the fences are in good condition. No big issues with anything right now.

Zoning: No report from Dan Burroughs. Dan asks about the metal pole barn near Arapaho and Hayes Tower. Put on agenda for next meeting.

Campground: Chairperson Gary Smith reported that he and Cindy contacted all the yearly campers who leased this year and informed them of the upcoming site rental increase. Five parties plan to leave the Campground. Three people have asked to be removed from the waiting list. With the additional six new sites, Gary estimates our waiting list for yearly sites will be down to three. Revised Campground documents were distributed to the board in advance of the meeting. Carolyn Wright proposed a change in the definition of “good standing” to include “no ordinance violations” and that the decision of who is in good standing is determined by the LAPAO Board of Directors. Judy will amend the documents to match our bylaws. Tom Rozycki moved to approve the new Campground Annual Lease, Campground Storage Lease, Campground Rules, and the Campground Daily/Weekly Reservation form with the changes that Carolyn Wright proposed. Dan Burroughs seconded the motion and it passed unanimously. Gary reported that Cindy was the one who made all the contacts with campers and prospective campers.

Lake Improvement: Ron Race reported that ECT (Environmental Consulting & Technology, Inc.) is still working on feasibility for controlling our water level. Ron will call to get a timeline for the work.

Pool: Dave Johnston reported that the heat exchanger on the pool heater was not covered because the warranty had expired.

Security Cameras: Ron Race reported that a lot of material is being placed in the dumpster that is not normal household garbage. Ron requests a change in our security camera policy to allow the Pool and Campground Chairpersons access to some of the security camera photos. Judy Race moved to amend the LAPAO Security Camera Policy to allow the Campground and Pool Chairpersons and/or managers to access the security cameras of their areas of responsibility. Paul Cutting seconded the motion and it passed unanimously.

Newsletter: Mary Davignon reported that the next newsletter comes out in March and she will need contributions. The new website looks great and is very functional. It is a bit harder to edit, but Rosemary gave us good instructions.

Website: Judy Race reported that our website improvements are being done in two phases. Rebuilding the site is complete and Rosemary is ready to begin working on the on-line Pavilion/ Meeting Room rental reservations and the on-line Campground reservation systems. Cindy Smith prefers to talk to the campers who are making reservations and would prefer reservations go through her. After discussion, the consensus was to have Rosemary go ahead with building the reservation systems, but only the on-line Pavilion/Meeting Room rentals will go live next year.

Unfinished Business:

-Trees: Mary reported that we received some information about tree cutting from Wade’s Tree Service (Mancelona) and also Scott’s Tree Service who removed trees from Lake Manuka last Winter. Ron Jr. talked to the owner of Scott’s and they will offer discounts if they can work on different members’ properties at one time. The boards’ consensus was that Mary may post the appropriate information on our social media sites. At Lake Manuka, Scott stored wood on property and owners could remove it themselves or he would come back in the Spring for clean-up.

-Mailbox Project: Ron Race reported that the mailbox project has been completed. It was quite a project. A question remained whether to continue charging the \$50 one-time mailbox fee. Mary Davignon moved to continue charging the \$50 mailbox fee and the \$25 key deposit. Dan Burroughs seconded the motion. The motion carried with two opposed.

New Business:

- Ron Race Sr. reported that there is some confusion regarding the Office Building. The building was previously dedicated to Al Lancaster. Ron would like to name the building “Lancaster Hall,” and refer to the meeting room and the Office as rooms within the Hall. Carolyn Wright moved to change the name of the Office Building to “Lancaster Hall.” Ron Race seconded the motion and it passed unanimously.

Members Concerns:

-Member Katie Warner expressed her dissatisfaction with the condition of our roads and wants more done to maintain and to improve the dirt roads. We know the roads are a problem. The questions become, “What are the problems? How do we fix the different sections (with different problems)? What are the costs? How do we pay for it with our limited resources?” The Roads Committee will meet in December and try to come up with some solutions.

Katie and Phil are welcome to serve on the committee. Ken Crittenden suggested that we let Otsego County take over road maintenance. Ron Sr. responded that we would have to get the roads up to county standards. The county does not plow nearby areas very early in the morning. Ken was also invited to attend the meeting.

-Cell Tower lease: Paul Cutting reported that it was suggested that leasing space for a cell tower on LAPOA land could bring in a continuous stream of additional income and possibly improve our reception. It was reported that Scott Bicknell looked into it once and Ron will reach out to him. Ken Crittenden reported that when companies improve the towers or do maintenance, additional revenues would come in.

(Carolyn Wright and Dan Burroughs left at 12:45)

-Gary Smith reported that they plan to have the Campground electrical work completed by our opening on May 15th, but Covid and weather could be factors.

-Member Victoria asked if tests were being done to check for leaky septic systems. Ron responded that the lake has been tested for e-coli and passed.

-Katie Warner asked if half of the new Campground sites could be saved for use as daily sites. Gary explained that the Campground daily sites are rarely all being used, and that the Campground brings in more revenue by using them as yearly sites. In addition, the revenues from those new sites are dedicated to paying back the loan from our Reserve Fund. Our prices are still lower than most campgrounds in the area.

-Adjournment: At 12:40 p.m., Ron Race Sr. moved to adjourn. Mary Davignon seconded the motion and it passed without objection.

Minutes submitted by Mary Davignon, LAPOA Secretary

Approved, February 6, 2021