

DRAFT**Lake Arrowhead Property Owners Association****DRAFT**
Annual Membership Meeting Minutes
July 3, 2021

- The meeting was called to order at 10:30 a.m. by Board President Paul Cutting.
- On behalf of our community, Jeff Kennedy thanked and welcomed home two U.S. soldiers, Jeremy Barnard and Kyle Swank who just returned from overseas deployment. Our members gave the men a rousing applause and then recited the Pledge of Allegiance.
- **Quorum:** A quorum was established with 166 members in good standing in attendance.
- **Board Attendance:** All board members were present.
- **Minutes of 2020 Annual Meeting:** Tom Rozycki moved to approve the minutes of the September 5, 2020, Annual Membership Meeting. Gary Smith seconded the motion and the motion passed without objection.
- Paul Cutting informed the members that there was some misinformation that was circulating that will be addressed during reports and reminded everyone that we are all neighbors.

Treasurer's Report: Treasurer Judy Race provided extensive financial reports which were included in a packet of materials given to members at sign in. Financial reports included: Cash balances and budget vs actual for previous fiscal year and current year to date. Major annual expense and year end cash balance comparisons for 2015-2021; and surrounding HOA fee comparisons. Judy explained that \$90K was loaned from the Reserve Fund for the Campground Electrical upgrade and expansion project and will be repaid to the Reserve fund with 4% annual interest from CG annual income over the next five years. Judy reported that although 91.5% of our members paid last year, that rising costs of brine, stone, sand, taxes, and declining gas well revenues are contributing to our very tight budgets. She explained that contractors have not received raises since 2014, that we have a lot of dead trees that will need to be removed from parks, and the amount of past year's dues that we can collect is decreasing. Neighboring associations do not pay for road maintenance, some charge for each bag of trash, and some have income generating amenities. If our members had to pay for trash collection, that expense alone would be approximately \$350/year. Neighboring associations are also considering increasing their dues. If our members approve the increase in dues, we would like to be able to increase brine application to 3/year, provide raises to contractors, remove dead trees from parks, and use some of the funds on improving roads. Tom Rozycki explained that improving roads requires that we produce a plan, improve drainage, and buy materials. We cannot do any of that without additional funds.

Environment & Zoning Report: Dan Burroughs reported that the addresses of members with junk vehicles on their lots were reported to the county. Some members have started removing junk vehicles. Some people have removed underwater docks but the rest of them need to come out.

Concerns of Members:

- Scott Bicknell explained that the Campground has always been revenue neutral; it pays for itself. Gas wells are revenue generating as there are no expenses associated with them.
- Steve Frantz asked how the budget shortfall was made up last year. Judy answered that we collected more than we budgeted and used the small excess from the prior year.
- Dave Maddix objected to us keeping funds in the Lake Improvement fund to return the spoils area to its natural habitat. Ron explained we must have funds to restore the spoils area. Dave mistakenly believed that this was part of a contract. Additionally, Dave challenged why the association paid to put up the protective fence around the spoils area as he believed this was part of the contract. Ron explained that neither item was part of the contract and that the fence was erected for our members' safety and to protect the Association from liability exposure. Dave also objected to the bylaw that forbids proxy voting, bringing of our roads, and not being able to initiate a bylaw change at the annual meeting. (The bylaws outline the procedures for making bylaw changes.)
- Bill Williams reported that he read that nationwide, depending on their contracts, some landowners are responsible for maintaining capped gas wells and he assured us that Lake Arrowhead does not have that in our contracts.
- Denise Arteby expressed her thanks for the improvements to the Campground and wanted to know the process for initiating repairs there. She reported that some of the Campground picnic tables are in disrepair. Judy responded that the priority this year has been on the expansion and upgraded electrical and water systems. Other needs will be addressed. Please report anything broken or hazardous to the Campground manager.
- Dan Bodette expressed his belief that no one uses the neighborhood parks and asked if we can sell them. Mary explained that our parks are deeded and may not be sold.

-Alice Kennedy thanked all who support the Beautification Committee who maintain the gardens at the entrance, pool, and Lancaster Hall. Proceeds from the T-Shirt sale are used for beautification. She thanked Donna Siero and Joy Shannon for work on the nostalgic Lake Arrowhead signs, Wayne at T&W Landscaping for donating mulch, and all who helped reset the front entrance stones and spread mulch.

-Phil James wanted to know if the Campground paid for internet and thinks all members should be provided internet. It was explained that the Campground is an LAPOA amenity and that the security cameras require internet. (There is also free, open Wi-Fi for members by Lancaster Hall and at the Maintenance Garage.)

-Katie Warner would like to see more funds used on neighborhood parks and suggested members “Adopt a Park” to help maintain the neighborhood parks. She also stated that budget line 806 could be broken out to show compensation and other details of LAPOA contractors’ contracts. Paul explained that all contracts are openly discussed at Board Meeting and unless the board is dissatisfied with a contractor’s performance, the contractor is normally offered a new contract when it comes up for renewal.

Unfinished Business: Ron Race Sr. reported that in 2017 the Board promised the membership that we would resolve the excessive dumping around the compactor, and we have. However, some people still occasionally leave unwanted items outside of our dumpster area. This causes a lot of work for our contractors: removing items, reviewing security images, tracing unknown offenders through police, sending warning letters to member’s (first offense) and/or issuing \$250 fines to members (second offense). If ticketed by police, it is a minimum \$250 fine. Ron asked that we take advantage of our Nextdoor network and do not leave any unwanted items outside the dumpster.

New Business:

Information regarding proposed dues increases and the changes to the bylaws were included in the June 2021 newsletter that was mailed to each member’s last known address on May 21, 2021 and was posted to our website. The information was also included in members’ meeting packets.

A: Mary Davignon moved to increase annual dues commencing in 2022 on First/Primary lots to \$275 and on Second/Additional lots to \$100 which includes the 2022 3% annual increase. (The Reserve Fund will remain \$71/year.) Randy Burroughs seconded the motion. 109 voted in favor. 47 voted opposed. The motion carried with 70% of members approving.

Bylaw amendments: Prior to each motion on the bylaws, Ron Race Sr. described each of the four bylaws needing amending and read each of the bylaw changes as prepared by our attorney.

B: Mary Davignon moved to ratify the bylaw amendment regarding trees as presented. Dan Burroughs seconded the motion. 139 voted in favor of the motion. 3 were opposed. The motion carried with 98% approval.

C: Mary Davignon moved to ratify the bylaw amendment concerning auxiliary building size as presented. Ron Race Jr. seconded the motion. 97 voted in favor. 15 were opposed. The motion carried with 87% approval.

During discussion on this topic Scott Bicknell explained to members that auxiliary buildings are not habitable and do not have wells or septic systems.

D: Tom Rozycki moved to ratify the bylaw amendment concerning remote attendance of board members at board meetings as presented. Trisha Fowler seconded the motion. 94 voted in favor. 14 were opposed. The motion carried with 87% approval.

E: Judy Race moved to ratify the bylaw amendment concerning “good standing” as presented. Ron Race Jr. seconded the motion. 89 voted in favor. 5 were opposed. There was 1 abstention. The motion carried with 95% approval. During discussion on this topic Scott Bicknell questioned whether “reasonable” should be clarified. Ron Sr explained that that our attorney advised us that the word “reasonable” should be included in the amendment.

Election of Board Members:

-Besides the members whose names already appeared on the Mail-In Ballot and the Meeting Ballot, Judy Race nominated Brandon Sears for the board. With no more nominations, Paul Cutting closed the nominations.

-Each nominee introduced themselves briefly to the community

-The meeting was recessed at 12:31 while members cast their ballots and the votes were counted.

Election Results: Paul Cutting thanked all who ran for the board and reported that the following people were each elected for three-year terms: Ron Race Jr., Ron Race Sr., Katie Warner, and Carolyn Wright.

Adjournment: The meeting was adjourned at 1:30 p.m.

Minutes submitted by Mary Davignon, LAPOA Secretary