

**Minutes of the Lake Arrowhead Property Owners Association
Board of Directors Meeting
September 13, 2023 Special Board Meeting**

Meeting was called to order by Vice President Dave Johnston at 6:30 p.m. in Lancaster Hall.

Attendance: Present: Paul Cutting (via phone), Dave Johnston, Cyn Huyghe, Judy Race, Ron Race, Sr., Ron Race, Jr. (via Zoom) Dana Stubli (via Zoom), Dan Burroughs, Katie Swank, and Patti Brown. Absent: Gary Smith, Jeff Kennedy, Katie Warner, and Tracey Duty.

Judy explained that she requested a Special meeting be called to more thoroughly discuss the upgrade or replacement of the truck and the long-range plan for the roads.

Truck Upgrade / Replacement:

Ron Sr. explained that bids for trucks are hard to obtain. For years we have been working with Zaremba's for our mechanical needs and Boyne Truck and Trailer for equipment.

Ron Sr. received a bid from Zaremba's for the purchase of a new International 2024 HV507 Heavy Duty Truck in the amount of \$125,554.81 and a bid from Boyne Truck and Trailer for the purchase of requisite equipment and installation to build out the truck for our needs, in the amount of \$135,822.00. For a total of \$261,376.81.

Used trucks that meet our requirements are not available. Leasing a truck is not an option.

In order to secure today's pricing, we would need to place a deposit of \$5,000 to order the truck, which will not be received until the Fall of 2024. The equipment build out will then take 4 or 5 additional months, so the truck may not be available for snow plowing until Winter 2024-2025. If we do not take delivery of the truck, we will lose the \$5,000 deposit.

We can secure today's pricing on the equipment by placing a \$100,000 downpayment. This is highly suggested as these items are escalating in price. Boyne Truck and Trailer will store the equipment at no charge. There would be minimal cost (if any) if we do not proceed with the truck purchase, as they will be able to sell the equipment easily.

Long-Range Road Improvement Plan:

Dan explained that Arapahoe Trail is in need of replacement. Resurfacing will not solve our problems. It needs a complete removal and rebuild. Dan received a bid from Payne and Dolan to grind up the existing road (using the waste to build up the road), add A23 gravel, and top with 2.5 inches of asphalt. The bid also includes redoing the gravel shoulders to 3 ft. widths. The bid is in the amount of \$374,000.

Reserve Fund:

Judy reported that the Reserve Fund's balance is currently \$217,000. She reviewed options and the timeframes if we paid cash for the truck and road, if we finance the truck and pay cash for the road using the reserve fund, and paying for the road using the reserve fund and road improvement funds. Also discussed was the option of adding a special assessment for the road.

Board discussion centered on the need to replace the truck as the priority. Aprapahoe Trail hopefully will hold up for another few years. If the truck is not replaced, we will lose the ability to plow the roads, which is more important to the community.

The Board decided to move forward with the truck purchase now and let the membership vote at the 2024 Annual Membership meeting on how we pay for it, cash or part loan. The truck will not be ready until early 2025. The Board will have future discussion on the financial options for both projects.

Motion by Dan, seconded by Cyn to approve the deposit of \$5,000 to Zaremba's to order the 2024 International Truck HV507 and to make the downpayment of \$100,000 to Boyne Truck and Trailer for the purchase of requisite truck equipment.

Roll Call Vote:

Patti Brown, Dan Burroughs, Judy Race, Dave Johnston, Paul Cutting, Ron Race, Sr., Ron Race, Jr., Dana Stubli, and Cyn Huyghe voted Yes. Katie Swank voted No. Motion passed, 9-1.

Bank Change:

Judy explained that it has become increasingly difficult dealing with Huntington Bank and their rates are not competitive. Horizon Bank has better customer service and rates.

Motion by Judy, seconded by Dana to move the LAPOA Bank Accounts from Huntington Bank to Horizon Bank, this will include checking, money market saving, and credit card processing.

Roll Call Vote:

Katie Swank, Patti Brown, Dan Burroughs, Judy Race, Dave Johnston, Paul Cutting, Ron Race, Sr., Ron Race, Jr., Dana Stubli and Cyn Huyghe voted Yes. Motion passed, 10-0.

Judy explained that the \$100,000 CD that was purchased at Huntington has matured. She was authorized to purchase a \$50,000 CD at Horizon Bank and deposit the remaining \$50,000 and interest from the Huntington CD into a Money Market account at Horizon.

Motion by Ron Sr., seconded by Dana to adjourn. Motion passed, 10-0.

Adjournment:

The Special Board meeting adjourned at 7:59 p.m.

Submitted by: Cyn Huyghe, LAPOA Secretary

Approved: October 7, 2023