

Minutes of the Annual LAPOA Membership Meeting

July 1, 2023

The meeting was called to order with the Pledge of Allegiance by President Paul Cutting at 10:18 a.m.

We had a Quorum with 140 members in attendance at the start of the meeting.

All Board Members were in attendance except for Katie Warner, who was excused.

Scott Bicknell moved to accept the Minutes of the July 2, 2022 Membership Meeting. Randi Burroughs seconded the motion. Motion passed, unanimously.

Treasurer's Report: Treasurer Judy Race reported on: Audit Review of books this year – two weaknesses were found - no official purchasing policy and our contractors should be classified as employees per IRS and UIA guidelines – Board approved a purchasing policy - Board voted to convert our current contractors to employees – very smooth transition – no health coverage is required due to number of employees – all employees are receiving the same hourly rate as when they were contractors – Enhanced Board Oath of Office and new Code of Conduct this year – Board Members are required to sign the Oath annually.

Gas wells (non-budgeted item) performed well this year – money to Reserve Fund

2022-2023 Budget – 92.8% of Association Dues was collected – Forestry Income (non-budgeted item) collected \$34,516.71 – Reserve Fund \$47,136.24 – Campground \$47,625.00 – Expenses: Lake Improvement \$14,500 used to cut down the dead trees on Association property around the lakes – Legal Expenses high due to seeking legal advice for transitioning from Contractors to Employees – Pool Expenses high due to new pool company prices and the price of LP for heater – Road Maintenance includes road improvement costs, brine application costs, and improvement to bus stop lot – Campground Expenses includes extra repairs – Reserve Fund purchased a Certificate of Deposit of \$100,000 at Horizon Bank

2023-2024 Budget - As of today, we have collected 84.9% of Association Dues – Forestry Income \$1,794.61 – Gas Wells Income \$2,629.89 – Campground Annual sites are full – Expenses: Lake Improvement second-round of dead tree removal – Campground maintenance issues, picnic tables – Long Term Liabilities is the Campground Loan for the electrical upgrade (\$20,000 a year is repaid) balance owed is \$54,881

Questions from the floor:

Phil James had a question about Deferred Income – CPA transfers excess funds there for Tax Purposes – this is so that we do not have to pay taxes on funds that will eventually be used (i.e., Reserve Fund) – We are a non-profit

Steve Frantz - had a question about Receivables and Bad Debts – Need good reason to write off bad debts – we rarely just write off bad debt without a fight – eventually some have to be written off – Campground Budget for Loan – CPA has it on the Balance Sheet per accounting practices

Scott Bicknell – shared that the Campground is revenue neutral for the Association – it is an amenity for all property owners – Association dollars are sometimes used for the campground (i.e., picnic tables for the daily sites)

Donna Young – Campground policy question about allowing family members to use an annual lot – no additional spots for extended family members – property owners can allow their family to use their lots – honor system

Scott Bicknell moved to accept the Treasurer's Report. Dan Burroughs seconded the motion. Motion passed.

ORAL REPORTS OF OFFICERS:

Forestry Report: Chairperson, Dan Burroughs reported that everything that we set out to do has been accomplished – Consultant Report has been followed – will look at a new governmental program in the future – no one likes to see the

trees cut, but it will all come back bigger and better in the future – first stage was for habitat, the second stage was a total clear cut – all directed by professionals and Martel Forestry

Board Member, Tom Rozycki – Reserve Fund Comments – Importance of putting income from Gas Wells and Forestry into the Reserve Fund – the fund was designed by professionals that assessed our assets and approved a plan – we are underfunded according to the plan – excess funds need to be put into the Reserve Fund

Roads Report: Chairperson, Ron Race reported that brine application costs have increased significantly – will only have two applications this year – spray water to reactive the brine – Social media - posts that are untrue – call the office if you have concerns – every call is logged – will share your concerns with the Board – Ron has one paid position (Building Maintenance) all other work is volunteer

Parks and Lakes and Safety Report: Chairperson, Jeff (Fango) Kennedy reviewed where the money has been spent – flagpole repair – fire danger sign – pavilion poles washed and stained – pickleball bench repair – dead trees cut down – mooring posts – annual picnic – swim rafts

Campground Report: Chairperson, Gary Smith reported that 8 picnic tables were purchased for daily sites – old picnic tables were repaired with new wood and parts for use at the daily sites – shower and bathroom stalls were completely redone with new paint and materials

President's Report: President Paul Cutting shared that he will be leaving the meeting early due to a family commitment (50th wedding anniversary). There have been rumors on social media and among the Community – for clarification, a few months ago two members Phil Sandburg and Byron Dell filed a complaint with the State Police that the Race family, Ron, Sr. Ron Jr. and Judy were embezzling – there was an investigation by the State Police and both reports are available through the Freedom of Information Act – the claim was that the Races purchased gravel for road improvement from a friend and overcharged the Association to benefit them – upon investigation the claim was found to be baseless and unfounded – all bids go through the Board and are reviewed and voted on by the Board – Ron Sr. was not the Chairperson of Road Improvements at the time – the Races did not know the vendor prior to him bringing road supplies to Lake Arrowhead – the vendor's prices were lower than the other quotes – a couple of weeks ago Byron Dell filed another complaint against Ron Sr., Ron Jr. and indirectly named me (Paul Cutting) – accusing Ron Sr. and Ron Jr. of stealing gravel and sand – again the State Police investigated and closed the case as baseless and unfounded – the gravel was unusable for the roads and Ron Jr. purchased it, he did not steal it –there is a receipt - the sand was the stuff scraped off the bus stop parking area – it was waste byproduct that is unsuitable for the roads and would have cost the Association \$2,200 to be removed – Ron Jr. removed it at no cost

COMMENTS AND/OR CONCERNS OF THE MEMBERS

- Donna Young – Group willing to raise funds to build a dedicated Pickleball Court – asked the Board to contribute funds
- Carolyn Wright – shared her opinion about the Board's handling of the transition from Contractors to Employees, the Board not following proper Board procedure, and employee contracts.
- Phil James – shared concerns about the lottery for the seasonal mooring posts at boat launch – proration of the seasonal fee
- Diana Sanom – shared that the Annual Garage Sale costs her money to put on – asked the Board to contribute funds
- Randi Burroughs – suggested a 50/50 raffle to benefit the pickleball court and the fireworks
- Byron Dell – shared his opinion that the Board doesn't work and made comments that are in conflict with our Bylaws. He also stated that he filed the complaints with the State Police
- Karrington Baker – asked when the swing set in front of her house would be replaced
- Patty Burroughs – shared her concern that the price was prorated for the mooring posts at the boat launch
- Bill Williams – asked the President to read the last line of the response from the Police. Paul reiterated that the complaints were baseless and unfounded.

- Larry Roll – asked that boat racks be installed at the boat launch for small row boats
- Mike Melnychenko - asked if any of the Board Members are receiving Workmen’s compensation
- Less Young – shared his concern that the fish habitat was torn up at the boat launch – would like a pickleball court

MEMBERSHIP VOTE TO RATIFY BYLAW AMENDMENTS

Ron Race reviewed the Bylaw changes.

Scott Bicknell moved to approve the Bylaw Changes. Ron Race, Sr. seconded. Motion passed 48 to 46.

(There was a question as to whether or not a two-thirds vote was needed for Bylaw Amendments – only changing the amount of the Association Dues Assessment requires a two-thirds vote. All other Bylaw Amendments require a Majority Vote).

ELECTION

Nominations from the floor: Randi Burroughs self nominated; Walker Mink nominated Jeff (Fango) Kennedy (accepted); Kyle Stubli nominated Dan Burroughs (accepted); Rexane Dell nominated Kylash Iyer (accepted); Carolyn Wright nominated Nikki Burroughs (accepted)

The nominations were closed.

All candidates on the ballot and those nominated from the floor were asked to introduce themselves.

Paul Cutting called a recess at 12:26 p.m. for the election.

Results: Katie Swank: 129; Gary Smith 105; Tracey Duty: 101; Cyn Huyghe: 96; Patti Brown: 92; Jeff Kennedy: 82; Nicole Burroughs: 69; Dan Burroughs: 57; Byron Dell: 55; Randy Burroughs: 29; Kailash Iyer: 27

Judy Race reconvened the Annual Membership Meeting and announced the seven winners of the elections: For three-year terms: Katie Swank, Gary Smith, Tracey Duty, Cyn Huyghe, Patti Brown. For a two-year term Jeff Kennedy. For a one-year term Dan Burroughs (Nicole Burroughs, who was the next highest vote getter, withdrew her nomination after the results of the election – Dan was the next highest vote getter).

At 3:15 p.m. Cyn Huyghe moved to Adjourn. Ron Race Sr. seconded the motion and it carried without objection.

Minutes prepared by Cyn Huyghe
LAPOA Secretary