

Regular Meeting of the Five Lakes Association Board of Directors
May 7, 2012

A regular meeting of the Board of Directors of the Five Lakes Association was held at the Farwell Middle School Library/Media Center, 500 E. Ohio Street, Farwell, MI on May 7, 2012. The meeting was called to order by President Dave Southworth at 6:03 p.m. The Pledge of Allegiance was recited.

Roll call was taken:

Board members present: President Dave Southworth, Vice-President Cory Gingery, Treasurer Steve Cohoon, Secretary Chris Butche and Area Representatives, Bob Chamberlain, Dick Haynack, Frank Oles, Tim O'Neal and Ralph Greenfield.

Board members absent: none

Association members present: John Zomer, Ray Brusseau, Mr. & Mrs. Rod Church, Vito Marinello, Dan Connelly, Don Dysinger, Rick Henk, Steve McNaughton, Tom Meskill

Minutes: February 28, 2012 special board meeting minutes were distributed prior to the meeting. Frank Oles offered a correction to page 2, stating his special assessment membership survey was complete and turned in on February 1st. Correction will be made to the minutes. Tim O'Neal motioned and Dick Haynack seconded to approve the minutes as corrected, motion carried 9 Yes, 0 No.

Treasurer's Report: Treasurer Cohoon presented the budget: Current Balance of \$13921.07 and including the CD, the Association Balance to date is \$23,150.99. We have projected spending of \$18,258.21 so, without the CD consideration, we have a projected deficit of \$4373. However, we have some cost which may not be spent this year and carry over to next (silt trap & Dam) as well as some reductions in spending (ex. grass cutting budget), with these changes, our deficit would be approximately be \$1500. Dues will be coming in to cover this expected deficit. Dick Haynack motioned to approve the financial statement, Chis seconded, motion carried 9 Yes, 0 No.

Presidents Report: 1. Dave reported the Grant Township Trustees, via a 4-1vote, agreed to disperse \$5000 for the weed treatment of 10 acres of the lake just off the DNR boat launch. These monies will be paid directly to PLM. Dan Dysinger asked and received a contract from PLM outlining the agreement. Also, Dan has asked for a Five Lakes over site committee to report on status of the lake (initial, middle, and year end). Tim O'Neal will be the Chair of this committee supported by Ralph Greenfield and Frank Oles.

2. Regarding Kapplinger Road residents liaison to the Board. In March, Dave polled the Board, 8 of 9 agreed with the liaison relationship. Penny Williams has accepted the position. She will report any information through Tim O'Neal, Chair of the Watershed Lake Management Committee

3. The Michigan DNR has installed two signs at the boat launch with information regarding invasive lake species, albeit small. Dave has suggested a larger sign denoting the monies contributed by the Association to maintain lake health as well as boat cleaning expectations. There was some group discussion regarding the benefit of the signs acknowledging there is currently a law in place requiring boats to be clean of weeds prior to launch and the lack of DNR personnel to enforce the law (signs).

Area Reports

Ralph Greenfield: Goose has been nesting on the loon island. No wake buoys set out last weekend.

Tim O'Neal: Nothing to report.

Frank Oles: Reminded the board the pre-approved storage facility will be constructed on the Heckman property.

Bob Chamberlain: Nothing to report

Dick Haynak: Nothing to report
Ralph Greenfield: Nothing to report

Committee Reports:

Tim O’Neal / Lake Treatment Committee: One of five lake treatment bid packages have been received, due date is May 10th. Also, quotes are pending from two engineering firms for the dam inspection.

New Business:

1. Special Assessment Update: Steve Cohoon reported we received \$19,500 in checks, \$5,000 from the Township and have \$10,800 from the budget giving us \$35,300 available for lake treatment. The original expected amount is \$23,000 with the maximum at \$33,000. Tim stated he believed we will be at the maximum based on how the lake currently looks and most Board members agreed. The PLM lake survey is scheduled for May 14, Tim will e-mail the results to Board members.

2. Line Item Level Budget Review: Dave first noted the rate of inflation since 2004 and projected into 2013 is 26%. Steve reviewed the budget: With current line items, we have a proposed 2012-2013 budget deficit of approximately \$900 - \$17976 expenses with approximately \$17085 dues revenue. As Steve reviewed the line items he recommended the following items be dropped or revised from the 2012-2013 budget due to overage projections or lack of use over time: Attorney fees (\$600), District Court fees (\$400), North End Silt Trap (\$106), Picnic (\$0), Reduction of Grass cutting by \$800 (Steve will cut for \$200).

During the budget discussion the board discussed:

- Moving the weed permit, dam inspection and silt trap budget items to the water quality fund
- The ongoing amount of dues to be utilized to fund the water quality account, current planning is 80%. Member Steve McNaughton suggested basing that decision on the cost of treatment this year for more realistic proposals
- Chris asked Tim Meskill to evaluate alternative Web site opportunities to reduce Web site costs.
- Dick Haynack reviewed a complaint regarding the picnic area. A member asked why the Association doesn’t properly take care of the picnic area when the membership is asked to care for their property. Dick suggested the Board discuss this at a later date.
- Potential dues increase to address ongoing lake quality. With the above budget and the monies from the especial assessment, is there a need to increase dues?
 - Tim stated PLM recommended having two years of increased costs in the budget. Also, initial quotes from other providers suggested increased costs over current budget. Dave also noted after 2014 PLM stated there would be a 3% increase in treatment costs.
 - Steve noted although costs/acre will increase, if we get the lake under control over the next two years, will our treatment acreage decrease. We have our CD and approximately \$11,000 budget money available for ongoing treatment.
 - Open group discussion revealed there are many unknowns regarding lake treatment costs over the next couple of years. These unknowns make it difficult to predict budget requirements. We will have more information available with the additional quotes and after the lake survey. Two options to fund the lake treatments were discussed:
 - Dues increase
 - Additional special assessments
 - The group expressed mixed feelings regarding the appropriate method for funding - pro’s and con’s of each. Some include:

	Pro’s	Con’s
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Dues increase	<ul style="list-style-type: none"> • Consistent / predictable revenue source • Ease of collection 	<ul style="list-style-type: none"> • Unpredictable lake requirements may lead to surplus • Emotional
Special Assessment	<ul style="list-style-type: none"> • Based on more reliable information on lake status 	<ul style="list-style-type: none"> • Non-mandatory contribution - funding may be insufficient • Intent of the Special Assessment was to be mandatory.

- Dave discussed the option of selling the picnic area as a form of contingency fund raising. More investigation is required on the legality of the sale - deed restrictions. Frank noted legal council would be required to review the deed and sell the property. The Board agreed to review the deed and see if sale is an option. If so, the proposal to sell would be an annual meeting to determine if the Membership has an appetite to move forward with the sale including any legal fees. Ray Brusseau also mentioned there were two back lots on Lone Pine which were donated to the Association which could be potentially sold. Group discussion revealed these were protected wetlands.
- Welcoming committee is currently not funded in the budget. Dave asked if we should fund the item. Chris noted the responsibility of welcoming new residents was transitioned from Nancy Grover to the Area Representatives. Rick Henk asked if new residents receive a copy of the covenants. Dick Haynack stated the Area Reps should accept this responsibility. Chris noted some real estate companies ask for a copy of the covenants to give to the new owners. She suggested as the Treasurer notifies the Secretary of the new ownership, the Secretary can notify the Area Rep to welcome the new resident. Group agreed this was a valid process.
- Steve McNaughton commented lake quality is our single most important issue for our Association and if additional funding is required through dues increase or special assessment, the Association must be prepared with information to support that discussion and the accounting of the revenue and expenditures for the lake quality fund need to be clear and accurate. Also, measurement criteria to measure progress and results must be available.

Steve motioned and Bob Chamberlain seconded to table the rest of the budget agenda items until next meeting in order to have more accurate information, motion carried 8 Yes, 1 No. Frank noted we need 30 days after May treatment to make the assessment for 2013.

3. Election Process - Chris noted we need volunteers to distribute and count votes. Dick asked the membership in attendance for volunteers: Don Dysinger and Rick Henk volunteered, thank you. Dick mentioned last year, people questioned voting for Area Representatives "at large" or just for their specific area (current process), and what would be required to change. Chris stated we had Board discussion regarding that issue last year and she would check the minutes for the results. But, Steve moved to make it mandatory to vote only in for the Area Representative for your area, Dick seconded, motion carried 8 Yes, 1 No. Frank noted, point of order, discussion was not solicited. Frank stated by only voting for your area rep, you are taking away 80% of the voting rights of the membership. Example: when voting at large, a member would be voting for 5 area reps vs. only 1 with the proposal. The group stated this is currently similar to voting for your Congressman vs. those for the entire state.

Dick suggested a modification to the By-Law's to delete Article 5, number 7 which states Board representatives are not required to pay dues. This change must be presented to the Membership one month in advance to the annual membership for vote. Dick motioned and Ralph seconded to send out a notice to delete Article 5, number 7 from the By-Law's, motion carried 9 Yes, 0 No.

John Zoomer asked why we can't have absentee ballots accepted at the annual meeting. Last years discussion of this topic revealed the major issue was with validating the vote. There was group discussion which included utilization of the Area Representatives to distribute, collect and validate the votes. Dave polled the Board for their thoughts on the utilization of absentee ballots:

Tim O'Neal - if the Area Representatives are going to have this added responsibility, there must be a procedure for the distribution and collection of ballots, including the delivery of the ballot by the voter to the Rep.

Frank Oles - validation of dues payment is an issue including those that pay during the annual meeting, not supportive of the Area Reps accepting this responsibility.

Dick Haynack - should come up with an absentee ballot procedure

Cory Gingery - is supportive of increasing voting participation either by absentee ballot, change of annual meeting date or some way to increase participation.

Dave Southworth - see's the value of an absentee ballot but, since the payment of the dues has to be validated prior to voting, this could cause a significant work for the Area Rep.

Chris made a motion to form a committee to develop a proposal, for Board review, for a process to allow absentee ballots for the annual meeting, beginning in 2013. This proposal should include the process for distribution, collection, validation, timing and responsibilities of absentee ballots. Dick seconded. Ralph agreed to Chair the committee, Bob Chamberlain, Dick Haynack and Steve Cohoon agreed to participate. Motion carried, 9 Yes, 0 No. Ralph will present the proposal in August or September.

4. Spring Newsletter - Chris stated the Newsletter was sent to the e-mail membership saving approximately \$69.00. Newsletter mailings were due to be distributed today. We had 11 advertisers. This year, self address, pre-posted envelopes were sent to the advertisers to increase percent of those who pay.

Audience comments:

1. Penny Williams volunteered to help with the annual meeting voting process. There was concern that since she was not an Association member, this would not be appropriate but, Frank noted we have had non-Association membership support in the past so, thank you Penny

Adjournment: Southworth asked for a motion to adjourn, Dick Haynak motioned and Ralph Greenfield seconded. Motion passed – meeting adjourned at 8:00pm.
Submitted by Chris Butche, Secretary