

# Minutes of the Lake Arrowhead Homeowners Association Meeting

## November 2, 2020

Board Members: Herman Spiess (Acting President), Vacant (Vice-President),  
Herman Spiess (Treasurer), Mary Dowell (Secretary)

People in Attendance: Gary and Jenny Herzenstiel, Vickie Prouix, Kim Lilly-Bernau, Alex Thomson, Brian Cahill, James Bausan, Chris and Lindsey Kearns, Chris Cereska, Steve Jacobs, Mike Tow (Prestige Management Company), Janice Tow, Herman Spiess(via telephone), and Mary Dowell

### 1. Meeting Opened at 7:03pm

### 2. Secretary's Report – Mary Dowell

- Minutes were read by those in attendance. No questions or comments

### 3. Management Company's Report – Mike Tow

- Mike Tow introduced current board and explained history of our HOA which is incorporated in the state of Michigan. Mike Tow has been the past President of the Association for several years. Once he moved out of the subdivision and no one stepped up to fill the position, he stepped in as a management company for a fee of \$30.00 per household.
- Herman Spiess discussed his long history with the Association as the Treasurer and the importance of continuing with a new board in place and keeping up the standard of the subdivision. The board members will make the decisions about how the HOA money will be spent to continue the upkeep of the subdivision. Unless the board decides to once again take on all the tasks associated with the HOA, the management firm will perform the day to day work of running the HOA (dues collection, contracting work, enforcing bylaws, etc.). Mike Tow talked about the evolution of fenced yards. Fences were not allowed except in the event of a pool and then they were to be decorative in nature (no cyclone fences). Sheds and other outbuildings are also not allowed. However, over time some of these have been grandfathered in and fencing has gone up along Jewel Road and 25 Mile Rd for privacy reasons with the increase in traffic and the addition of sidewalks over the years.
- Mike Tow discussed how every year we have had a contingency fund of approximately \$10,000 to cover any unforeseen expenses. He went on to discuss yearly expenses that we incurred for mowing the grass at the entrance weekly and outside of the subdivision biweekly, additional landscaping expenses due to tree falling on wall after a storm and mulch (we did not do flowers this year due to wall work, unavailability of flowers later in year and high expense), snowplowing, and Christmas lights. Additional expenses included electrical work at the entrances and the repairing the walls and signs at the entrances. The work on the walls and signs depleted the HOA's bank account.

### 4. Treasurer Report - Herman Spiess and Mike Tow

- There were two financial statements submitted, one by Herman Spiess and one by Mike Tow, due to the transfer of operations to the management company.
- Herman Spiess - Financial Summary as of Nov 1, 2020 submitted: Bank Balance 9/30/19 - \$12,248.06, dues collected -\$2,045.00, expenses - \$14,274.47, Current Bank Balance - \$18.59, outstanding dues cumulative total - \$3,500.00, Past budgeted expenses for 2020 - \$15,350.00, Average cost per household - \$100.00. (Note this did not include cost of management company)

- Mike Tow, Prestige Management Company – Financial Summary as of Nov. 2, 2020: Bank Balance 12/31/2019- \$0, dues collected \$18,960.00, expenses - \$18,416.8, Current Bank Balance - \$851.17, outstanding cumulative dues (8 homes) - \$2700.00, 2021, Outstanding debts – management fees for 2020 – \$1,030.00, Budgeted Expenses for 2021 – \$19,165.00, Average cost per household – \$126.92
- Green Meadows did our mowing this past year and plan to continue with them next year. However, they do not do a good job with landscaping, so any landscaping will be done with another company. We, again, have chosen Rainbow for snowplowing this year. There has been no increase in their rate for the season. The cost of Christmas lights will go down to \$750.00 vs \$1800.00 in the past as we are not lighting the remaining trees this year.
- We have been successful in the collection of outstanding dues to a manageable level. There are only 8 homes with outstanding dues, 5 of them with multiple years. Late charges are added to any outstanding dues. Those that need more persuasion are turned over to an attorney. All costs (attorney, court, etc.) are billed to the individual homeowner. We cannot use collection agencies as they will not take on anything under \$500.00
- All realtors are aware of homeowners’ association and should contact M. Tow for the resident’s status prior to sale. Recently some of the title companies have not been following up with the HOA. This has led to some new homeowners being surprised to learn about the HOA.
- After reviewing the treasurers’ reports, it was noted there was an error in the reporting of management fee payments. The transition this year made the financials complicated. A revised financial statement will be submitted to the board for further review.

## 5. New Business

### a) Election of officers

- Michael Tow talked about the need to fill empty positions on the HOA board and asked for any volunteers. Chris Cereska, Brian Cahill and Alex Thomson all volunteered to take on positions. Chris has lived in the subdivision since 2017 and has previous experience with HOAs, Brian and Alex have both recently moved into the subdivision within the last year or so. Steve Jacobs nominated Chris Cereska for position of president. Seconded by Brian Cahill. Motion passed. Steve Jacobs nominated Brian Cahill for position of Vice President. Seconded by Chris Cereska. Motion passed. Herman Spiess agreed to continue as Treasurer. Seconded by Jennifer Herzensteil. Motion passed. Mary Dowell agreed to continue as secretary. Seconded by Gary Herzensteil. Motion passed. Kim Lilly-Bernau nominated Alex Thomson as trustee. Seconded by Chris Cereska. Motion passed. New board as follows
  - (i) President – Chris Cereska
  - (ii) Vice-President – Brian Cahill
  - (iii) Treasurer – Herman Spiess
  - (iv) Secretary – Mary Dowell
  - (v) Trustee – Alex Thomson

### b) Dues

- Discussion regarding setting HOA dues for 2021. As the HOA no longer has a contingency fund, money needs to be collected through dues or assessments to rebuild this contingency fund for future expenses.
- Herman Spiess made a motion to increase dues to \$155.00. Five dollars would go towards paying the outstanding management fees to Mike Tow, and the remaining \$20 to replenish the contingency fund. Motion Seconded by Brian Cahill. Discussion followed that board

members wanted to further review the past year's financials before determining the correct action to take. – increase dues or charge an assessment. If dues are to be increased, the amount should be appropriate so that it would not have to be increased again next year.

- Herman Spiess amended his motion to increase dues to \$135.00 to cover management fee shortfall and to assess a special assessment, amount to be determined by the board, to replenish the contingency fund. Discussion again about not wanting to set dues until a further look at finances by board. It was brought up that dues needed to be set tonight at the meeting so that the HOA could cover upcoming expenses. In addition, Mike Tow agreed to keep his fees at \$30 per household.
- Herman Spiess amended his motion to keep dues at \$130.00. Seconded by Brian Cahill. Motion passed.

**c) Management Firm**

- It was agreed that at this time, it was in the HOA's best interest to keep the management firm in place to run the day to day business of the HOA.
- Herman Spiess made a motion to keep Mike Tow of Prestige Management Company at the cost of \$30.00 per household for 2021. Seconded by Brian Cahill. Motion passed.

**6. Meeting adjourned: 9:00pm**

## Lake Arrowhead West Homeowners' Association Contact List

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This gentleman indicated he was interested in taking on the position of treasurer in the future and would like to work with Herman to learn about the position. Would everyone be in agreement to include him in board business as an observer if he starts mentoring under Herman?

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