

COBMOOSA SHORES ASSOCIATION ANNUAL MEETING

Benona Twp Hall July 10, 2021

(The meeting was open for comments and questions from the floor throughout)

BOARD MEMBERS IN ATTENDANCE: Tom Boersma, Rich Campbell (president), Sara Collins (treasurer), Ed Dedic, Rick Emerson (vice president), Paul Jordan (secretary), Dennis McKelley, Tim Pieri, Bill Raffail

CALL TO ORDER AND PLEDGE OF ALLEGIANCE: The meeting was called to order at 10 a.m.

ADOPTION OF AGENDA:

After moving the reporting of votes to the bottom of the agenda, **the motion to approve the agenda was made and seconded**. The agenda was approved without any dissent.

INTRODUCTION OF NEW OWNERS: A number of new members introduced themselves.

APPROVAL OF MINUTES FROM JULY 11, 2020 ANNUAL MEETING:

Bill Raffail moved to accept [the minutes as posted on the website](#) and on the bulletin board with a second from Tim Pieri. They were approved unanimously.

COMMUNICATIONS RECEIVED: None

REPORTS OF OFFICERS:

- **Treasurer**: (See also slides 8 & 9 of [the powerpoint presentation](#), on the website)

Acting treasurer Rick Emerson presented the following:

Item	Orig. Budget	Spent	Variance
Roads	\$18,000.00	\$12,252.79	\$5,747.21
Trees	\$ 2,600.00	\$ 320.00	\$2,280.00
Beach and Parks	\$ 2,750.00	\$ 6,400.04	(\$3,650.04)
Insurance	\$ 3,700.00	\$ 4,007.00	(\$ 307.00)
Accounts Receivable Clerk	\$ 900.00	\$ 900.00	\$ 0
Communications	\$ 1,110.00	\$ 595.50	\$ 514.50
Postage and Supplies	\$ 800.00	\$ 425.40	\$ 374.60
Miscellaneous Admin	\$ 800.00	\$ 1,504.79	(\$ 704.79)
Legal and Professional	\$ 75.00	\$ 4,603.00	(\$4,528.00)
Taxes	\$ 775.00	\$ 737.73	\$ 37.27
Contingencies	\$ 60.00	\$ 0	\$ 60.00
Total	\$31,570.00	\$31,746.25	(\$ 176.25)

Assets on hand as of 6/30/2021: Checking: \$24,468.06
 Money Market: \$21,331.71

Accumulated Surplus: \$34,140.88 (Included in total assets above)

Rick explained two large expenditures that were not anticipated when the 20/21 budget was passed by the membership, \$3,279.74 for the reconstruction of the North Access stairs, and \$4,603.00 for attorney consultation. Rick pointed out that nobody knows in advance what an attorney's consultation will cost, and that it was more expensive than he'd anticipated. He was able to negotiate a 10% reduction in the bill. (The over expenditure for the year was due in part to the fact that the 20/21 budget was constructed within the limits of that year's revenue, which was the last year under the lower dues structure so that revenue was limited.)

[Correction: In his presentation Rick said that all the checks written were included in the minutes of monthly meetings. That is not the case. They are presented in the meeting, but not included in the minutes. Anyone wanting to know details of checks that were written should consult with Rick.]

Rick also presented the proposed budget for 21/22 (which had been included in the newsletter):

Ballot Proposal: 2021-22 Budget

Proposed budget is based on : ½ Lot \$32.50 | Lot \$65.00 | Lot with Cottage \$175.00

COBMOOSA SHORES ASSOCIATION, INC. — PROPOSED BUDGET, 2021 - 2022

Roads	\$24,000.00
Trees	\$2,400.00
Beach and Parks	\$3,000.00
Insurance	\$3,750.00
Accounts Receivable Clerk	\$1,000.00
Communication	\$2,000.00
Postage and Supplies	\$1,000.00
Miscellaneous Administration	\$725.00
Legal and Professional	\$200.00
Taxes	\$800.00
Social	\$600.00
Contingencies	\$4,000.00
TOTAL	\$43,475.00

Questions were asked and answered regarding the expansion of the roads budget. It was pointed out that traditionally the budgeted total was equal to the anticipated revenues, and that since it isn't possible to anticipate all necessary expenditures line items tend to be over budgeted. The Board then works to spend as little of that money as possible so that it can either be reallocated where needed or helps to build the association's reserves.

REPORTS OF COMMITTEE HEADS:

- **Roads:** Ed Dedic (See slides 11 through 15 in the presentation)

Several questions were asked and answered regarding road funding, and maintenance. A number of members complained about drivers exceeding the speed limit of 15 mph. Suggestions for improving the

control over this will be discussed at an upcoming board meeting. Ed is also working with Amerigas to get a reduced rate for this year for gas from the community tank.

- **Trees:** Rick Emerson (See slides 16 through 22 in the presentation)

Hemlock wooly adelgid infestations have been found on Huron and Chippewa. Bill Rafaill will be contacting the county agent about this.

- **Building:** Rich Campbell (See slide 23 in the presentation)
- **Beach:** Dennis McKelley (See slides 24 through 29 in the presentation)

Lots of volunteers helped to rebuild the South Access Stairs last summer to make them easier to navigate. Rich explained that the timing of the rebuilding of the North Access stairs and decks was necessitated by the time-limited availability of the services of two member/professional builders, Mark Buczek and Dean Gentel. The cost of the project was greatly reduced by reusing the salvaged decking from the former decks and stairs. Dennis McKelley and Tom Boresma worked to repair the South Access boardwalk to eliminate a tripping hazard.

- **Communications:** Bill Rafaill (See slide 30 through 36 in the presentation)
- **Entrance and Park:** Rick Emerson (See slides 38 and 39 in the presentation)
- **Rentals:** Paul Jordan and Ed Dedic (Also see slides 40 through 57 in the presentation)

Ed and Paul presented on how the board's formation of a committee of members to explore regulation of short-term rentals led it to seek an attorney's opinion (the opinion is attached to the April 2021 minutes), and also presented highlights of the opinion. As a result of that opinion the board voted to remove language from the Protective Covenants that suggested that the board had the authority to approve, disapprove, or regulate commercial businesses, and ended the Rental Registration Program.

Relevant facts are: That the Association is a legal entity by virtue of having been incorporated under a state law; lot owners are automatically Association members according to the bylaws; the board's authority is derived from the membership; payment of dues is necessary to maintain the Association properties enjoyed by the membership; the Association does not have the authority to approve, disapprove, or regulate short-term rentals (because commercial businesses are prohibited by deed restrictions); but the Association has the authority and responsibility to maintain and regulate its roads, beach, accesses, park, and its other properties for the common use of the membership.

Ed presented background concerning the timeline and history of the legal establishment of the Association.

- **History:** Ed Dedic (See slide 58 in the presentation)

PRESENTATIONS BY MEMBERS

The following members had previously indicated they wished to speak:

- Barb Raffail: “Invasive Plants in Cobmoosa Shores” and Beach Grasses in Cobmoosa Shores” (See slide 60 and 61 in the presentation)
- Linda Van Sprange: “What may the board spend ‘Dues’ on?” (See attached remarks and slide 62 in the presentation)
- Tim Grady: “‘Pack it in - Pack it out’ policy” (See slide 63 in the presentation)

Others who addressed the assembly:

- Tim Jeltema

Tim repeated concerns previously expressed to the board at monthly meetings. (See his comments attached to the [May](#) and [June](#) minutes.). New information was that he’d consulted his own attorney who confirmed that the Association did not have jurisdiction over owners’ use of their properties. He urged the Association to address the complexities and questions raised by the attorney’s opinion.

- Mike Van Heren

Mike spoke of his concern about the increase in short-term rentals, urged the Association to clean up the potential legal issues mentioned in the meeting, and suggested that lakefront owners like himself should enjoy special privileges for the use of and access to the association’s beach park because they pay more in taxes.

- Tim Jasperse

Tim complained about a neighbor who he alleges is expropriating the Association roadway in front of his property. The neighbor responded with a complaint about Tim. (None of the other board members were previously aware of this situation.) Ed Dedic, who has had apparently some interaction with Tim about this, will work out a solution with the two parties.

RECESS FOR VOTE COUNTING:

Harry Ostrander moved and Diane Frazine seconded to recess the meeting to allow for the counting of ballots. The motion passed by acclamation and the meeting was recessed at 12:25 a.m.

RESUMPTION: The meeting resumed at 12:40.

RESULTS OF THE ELECTION

- Budget

The budget as presented was adopted by a vote of Yes: 268, No: 4. (Members may recall that, according to the Bylaws, the owner(s) of each lot get two votes.)

- Election of candidates

3-year terms

Bill Raffail: 112 votes
Rich Campbell: 111 votes
Dennis McKelley: 110 votes
 David German: 2 votes

The top three vote getters were elected.

Unexpired 2-year term

Tim Pieri: 109 votes
 David German: 3 votes

Tim Pieri was elected.

ADJOURNMENT: 12:45 p.m.

Paul Jordan moved to adjourn with a second from Bill Raffail. The motion passed with a unanimous vote.

Respectfully submitted,

Paul Jordan, Secretary

(Here is the QR code for those of you who wish to open the presentation on your small device:)



COMMENTS ATTACHED AT THE REQUEST OF LINDA VAN SPRANGE

(Inclusion of these remarks as a courtesy does not imply agreement with their substance)

*Presentation to Cobmoosa Board June 2021 from Linda VanSprange – Excerpts read by Rich;
“Action on this letter was deferred since no other trustees received a copy.”*

*I am always surprised how easy it is to miss something in a document
– even if you've read it many times. Linda VanSprange*

The by-laws dictate exactly what our 'Dues' may be spent on.

In summary – Dues may be spent to “maintain and/or improve roads and beach accesses and other common areas.”

All other expenditures “common to the general welfare and interest of the association.” MUST be brought before the membership at the Annual Meeting and proposed as an Assessment to be voted upon.

A complete explanation follows:

From the By-Laws: **ARTICLE SIX - DUES AND ASSESSMENTS**

Dues.

The Board of Trustees shall submit at the annual meeting a balanced budget and a proposal for dues that must be

- a) ratified by a simple majority vote of eligible votes cast.
- b) for the purposes stated in Article Two, paragraphs (b) and (c),

Therefore, dues may be spent on b) and c) only, as shown below:

From the By-Laws: **ARTICLE TWO - PURPOSE**

The purpose of the Corporation shall be to form a property owner's association to:

- a) ~~Consider and deal by all lawful means with events common to the general welfare and interest of the association.~~
- b) Raise the necessary funds to maintain and/or improve roads and beach accesses and other common areas.
- c) Do anything necessary and proper for the accomplishment of the above slated purpose within the context of the provisions set forth in this document

From the By-Laws: **ARTICLE SIX - DUES AND ASSESSMENTS**

Assessments.

The Board of Trustees may submit at the annual meeting proposals of assessments that must be:

- a) ratified by a majority vote of all eligible votes cast.
- b) for the purposes stated in Article Two (All of Article Two, not just (b) and (c))

*Therefore, anything that falls under Article Two (a), it appears, **must be** considered as an assessment – and not part of the budget.*

Expenditures under (a), according to the By-Laws, are for general welfare of members, as shown:

From the By-Laws: **ARTICLE TWO - PURPOSE**

The purpose of the Corporation shall be to form a property owner's association to:

- a) Consider and deal by all lawful means with events common to the general welfare and interest of the association.
- b) Raise the necessary funds to maintain and/or improve roads and beach accesses and other common areas.
- c) Do anything necessary and proper for the accomplishment of the above slated purpose within the context of the provisions set forth in this document

The following expenditures made by our Association Board are “common to the general welfare” expenditures. They are NOT “expenditures to maintain and/or improve roads and beach accesses and other common areas.” and therefore fall under (a) and must be approved by the members at the annual meeting, as Assessments.

Joining a Homeowners Association Group	\$119
Maintenance of Trees throughout the Association	
Trees in budget	\$2,600
Tree Injectors	\$320
Attorney to Investigate Rentals	\$5,000+ is over 10%
Redesign of Cobmoosa Logo (up to \$500)	\$500
Scanner for Historical Papers (up to \$400)	\$353.32
Sandbagging Project (\$3000, plus \$6500 upon approval)	\$9,500 is over 10%

Even if the Board felt the sandbagging fell under “maintaining beach accesses” the dollar amount still violates Article Three (c). A special board meeting should have been called to discuss this issue.

ARTICLE THREE - LIMITATIONS AND RESTRICTIONS

- c) The Board of Trustees shall not authorize, approve, or consider requests for expenditures of funds for non-budgeted items when such requests exceed the lesser of ten percent of the current year's budget