

LAKE OGEMAW SUMMER RESORT ASSOCIATION

BOARD OF TRUSTEES MEETING

Special Mtg. 8-26-2023:

This meeting was held in the pavilion due to the clubhouse being in use.

ROLL CALL: Rick Sinclair (present); Frank Barretta (present); George Buhler (present); Jaime Ibarra (present); Brent Gilbert (present); Greg Quigley (absent); Susan Kiwak (present). There is a quorum.

A special meeting was called to deal with short-term rentals. The open meetings act under which LOSRA is covered states any public board meeting must be posted at least 18 hours before the meeting. Four board members were discussing this and decided that we should have an open meeting. We need to do more work on the question of short-term rentals, as at the present time there are 25 short-term rentals on the lake, including Somerdorf. This started as an informal discussion, but we decided all communication from the attorney will be in written form to all board members, on letterhead and with the attorney signature. Frank would like to back off on the attorney for a little bit and question the association members as to what the members want. David Harris is the general manager of Sugar Springs, which is a POA. Sugar Springs shut down all str and the property owners acted on their own and got a class action lawsuit. Gladwin County Court said "no you can't stop people from having a short-term rental" in the class action suit. The people from Sugar Springs then went to the Appellate Court for the state and they upheld the ruling and said that no short-term rentals can be allowed. At the present time they are going to go back to court again, the people that have short-term rentals are renting again and they are being fined \$3,000 a week while operating. Their legal fees are being covered by their insurance company; they have a policy that has a liability to the Board of Trustees. Sugar Springs POA are going back to court with a different attorney. Sugar Springs has a 2.8 million budget and deed restrictions were put on the properties when it was built by the developer. Public Lakes are trying to stop short-term rentals also. Brent asked if our insurance company has a clause that they will cover our legal fees.

George says Ryan of the planning and zoning commission in our County, is having this issue with many lakes. There is a House Bill already signed by the House, in the Senate that has been sitting for 2 years. Ogemaw County has stated they are not dealing with any short-term rentals until the state decides because the state will override anything the county says. What do the members want us as a board to do concerning short-term rentals? We need direction from the members.

Jamie said the house rentals don't follow the rules, boats can bring in invasive species, they drive wrong way on lake. We need to do what is best for the lake.

George asked this question. If you're all for short-term rentals, then do you want them next door to you? Do you want 8-10 people changing every week who is in the home, a variety of people doing business right next door to your residence? Short term rentals are a commercial business. The sheriff stated in a past meeting that 80% of the people they pull over are not from this lake. You cannot open a corporation/and or business on a private lake.

George stated he had gone to the county for the Planning and Zoning commission and saw Ryan. They said they are having this issue with many lakes. There is a House Bill that has been signed but has been sitting in the Senate for 2 years. The Senate has not signed it. Ogemaw County is not dealing with any of these issues until the state decides, because the state will override anything at the county level. Rick Sinclair states he has gone to meetings with the County Board of Commissioners trying to get them to move on these issues. All the short-term rentals are registered as LLC's or advertise on VRBO, they have advertised great fishing, great swimming, the use of our Pavilion and all the other activities we have. They are not dealing with the lack of septic fields and tanks.

Jay Balog suggests a lake usage fee or rental fee. He suggests a \$300. A day luxury tax to help pay for lake expenses on a private lake. Jay thinks it's very possible that this will deter a lot of renters.

Rick said he wants to know if we can do anything at all other than just a tax on our dues. Is there anything in the by-laws that would allow us to charge a luxury tax? He wants to know why Ogema County hasn't jumped on this cash cow.

Frank has stated that not everyone is against short-term rentals. We need to see what the association wants, should we change our bylaws? Do we want to pursue this or would we rather just regulate the short-term rentals. Brent stated that there's no trespassing at all the boat launches, only LOSRA members and their guests. Renters are not guests. Is there any way to prohibit them from bringing any boats or watercraft in and this is a question we would like to ask our lawyer.

Chris Lanzon asked what type of verbiage can be put in the bylaws to change these issues. We are regulated under Public Act 137 of 1929 and this is the only thing we can fall back on.

Rick wants to know if most of the Association wants to do this. What way do we want to preserve the lake? Do we want to stop all short-term rentals of the future or just regulate the short-term rentals?

George states that there are POA's, HOA's and SRA's. Sugar Springs is very similar, they are a POA, but they can hold political functions.

Sandy Pauls asked what is the difference in cost of having security at the boat launch versus using an attorney to fight the short-term rentals? The budget will cover legal fees to a point. George stated we have \$156,000 in a Rainy-day fund and this is a rainy day. Rick says he would rather eliminate any boats and watercraft at short-term rentals.

We need to mail paper ballots to all homeowners just like we do for the budget and for candidates for the Board of Trustees. If a family owns 10 Lots by the same members, you get one vote for the husband and one vote for the wife. We have 775 entities or homeowners that will receive a ballot in the mail. The votes will be counted by our election committee, they will keep election integrity. We must mail detailed information to all members to ask them if they want us to pursue not allowing short-term rentals. We must define a short-term rental.

Frank Baretta made the motion to send a detailed letter to all members and ask if the members want us to pursue stopping all short-term rentals on the lake. This will be a ballot that each member of the Association should vote on and return. The ballots will be mailed via US postal service. Jamie Ibarra second the motion and it was carried out unanimously.

One of our members asked if the STR are a commercial business, do they have to go through the city to get permits, and licenses? Can a C1 business, a commercial business be next to RE residential zoned properties?

Brent Gilbert made a motion to adjourn the meeting. Jamie Ibarra seconded the motion, and it was unanimous.

Respectfully Submitted,

Susan Kiwak