

# **GREAT LAKES SHORES GENERAL MEMBERSHIP MEETING JUNE 3, 2023**

**Call to Order:** The meeting was called to order at 11:09 AM at the Clubhouse, 7168 Baker Road, Lexington, Michigan.

## **Pledge of Allegiance**

**Introductions:** Board Members Present: Judy Freeborough, Sue Lauzon, Manny Mallia, Diane Rizzo, Joe Rotellini, Dean Shrewsbury. Board Members Absent: Scott Cote', Michelle Larsen, Shawndra Pileri. In addition to the Board, there were 74 members in attendance.

**Approval of Minutes:** Sue Lauzon asked the members to review the minutes provided of the last General Membership Meeting, held on August 20, 2022. There being no questions or corrections, it was moved and seconded to approve the minutes as presented. Motion passed.

**Treasurer's Report:** Judy Freeborough presented the Financial Report. There is \$114,570 in the checking account and \$44,754 in the beach account, which is a savings account, for a total of \$159,324 in the bank. Of this, approximately \$60,000 is from our special assessment, which will be used for boulder placement along the shoreline. Annual dues have been collected from 309 households, with 94 not paid to date. If you did not get your dues notice, please let us know, as it's been hard to get an accurate mailing list, and we'd appreciate members providing us with their current mailing addresses. Income to date this year includes \$42,000 in dues, \$390 for kayak rack rental, and \$250 for clubhouse rental for the craft show held in May. Upon motion and second, and vote, the Treasurer's Report was accepted as presented.

**Construction Projects:** Joe Rotellini provided an update on projects. This year, we've contracted with a new lawn service, and they've begun lawn cutting along the top of the bluff.

We are constructing a walkway on top of the beach seawall, consisting of coarse limestone to lock in the crushed concrete that was already there, with a second layer of finer crushed stone on top. This is now fully completed from the wall at Elm through the Aspen stairs.

We will continue the project placing boulders in front of the seawall. Joe will meet with our contractor to get a quote for this, and he will be asking him to do the work after Labor Day but before winter begins.

A kayak rack has been built and installed at the Huron Bay beach, and it is already fully rented. If we need more, we could build another rack at a later date.

**Announcements:** Judy Freeborough said that we rented the clubhouse to someone outside the association for a craft fair in May and are considering renting it again to the same group in November. We will charge a higher deposit to cover heating and utilities. We also had a Halloween party and several weddings in the clubhouse, which is available to any member to rent. Manny Mallia thanked Boni Lillibridge for putting on the Memorial Day breakfast held at the clubhouse, which was very well attended.

**Short Term Rental Rules - Proposed Bylaws Changes:** Manny Mallia asked Dave Falzon to present draft short term rental rules for consideration by the membership.

Dave said that a Committee was formed in February in response to a letter from Greg Stremers, to both GLS and Huronia Heights, suggesting that we consider coming together with Bluewater Beach to establish a set of uniform and common guidelines regarding Short Term Rentals (STRs).

Mr Stremers is the attorney for Worth Township, and reviewed their ordinance, and also worked with Blue Water Beach to develop their STR rules in their bylaws. Our STR Committee has met several times with the Worth Township Supervisor, and with the township Zoning ordinance enforcement official. The Township supervisor encouraged GLS to establish our own set of guidelines and rules, which can be more restrictive than the township ordinance. The Committee has been in discussions with BWB and HH since February, and the 3 committees met on May 20 to discuss issues and concerns, and the possibility of having a common set of standards. Another meeting of the 3 committees is scheduled for September.

The Committee also met with GLS' insurance representative, who recommended that we add a \$1million umbrella policy, at a cost of \$300/year, to protect against any possible liability.

The committee does not want to tell homeowners that they could not rent out their property, but to have a set of rules to follow, which would also protect the community. The program needs to be self-supporting, funded by permit fees and any fines imposed. No money from out general funds should ever be used for anything related to STRs.

If these proposed rules are approved today, it will be up for a vote at our annual meeting on July 9, per Article XII, S.2 of our bylaws. Approval requires a simple majority of the votes cast at the annual meeting. Fran Parker asked what about Article IX, S.6? This section calls for the Annual Meeting to be adjourned, and reconvened 2 weeks later to cast ballots, meaning the separate election is considered a continuation of the Annual Meeting. This is the reason we've put bylaws changes on the ballot in the past. Do we have a legal opinion on this? Why the change in practice? Dave would like the board to address this after he has made his presentation.

Dave introduced the STR committee, consisting of himself, Patti Pitre, and Chuck Portelli. The committee has been meeting and working on this since February.

Dave began to review the draft rules Section by section.

Regarding Section 3, limiting the total number of STRs in GLS to 15, Mike Watson asked how many do we currently have? Chuck Portelli said they believe it's around 30. Members asked if that meant the other 15 above the permitted number would be grandfathered in, and Dave said no, there is no provision for grandfathering. Boni Lillibridge and one other member said that those STRs would be considered legally nonconforming and would have to be grandfathered in. There is case law in Michigan which found that if an entity is legally operating, and a law is later enacted prohibiting it, they are protected by State Statute which grandfathers them in as a pre-existing nonconforming property.

There was discussion of whether STRs are considered commercial businesses, and if they are allowed or prohibited in residentially zoned areas under current law. SB 446, which did not move forward and is now considered dead because there is a new session in the legislature, would have identified STRs as a residential use of property and allowed in residential zones.

One person suggested any STR above the 15 issued permits, that were operating as pre-existing nonconforming homes, be grandfathered in, but that if they didn't use it for that purpose for one year, or they sold the property, they'd lose that grandfathered status. Grandfathering doesn't mean they wouldn't have to follow the rules, just that they can be allowed to operate even if they're not one of the 15 homes given permits.

There was a motion to table this draft and not consider adopting any rules regarding STRs. In discussion, Fran Parker suggested that we endorse the Worth Township ordinance in our bylaws, and we require anybody who rents their property to comply with that. We then have an enforcement committee who reports violations to the township. They want us to adopt rules because they know theirs aren't enforceable. This sets us up for litigation, rather than the township.

Discussion on the motion was suspended while continuing to review sections of the draft rules.

It was suggested we accept and review our permits earlier than the township to allow more time for the applicant. If our limit is reached, there's nothing that says the township won't issue a permit.

Members questioned how the committee came up with the \$1,000 permit fee, and asked what we will do with that money. This amount is in line with what Huronia Heights and Bluewater Beach plan to charge. These are still open for discussion in GLS.

Don Salata said that he sees nothing but difficulty in adopting the rules we're discussing. He thinks it will turn all of our residents into a Bylaws enforcement squad, in a way that will not be productive for the association. We're also setting ourselves up for somebody who is a deep-pocket investor to come in and challenge what we're doing and set us all up for significant legal ramifications in the form of attorney's fees. He doesn't know why we would consider doing anything other than what Worth Township has already put forth. If we want a committee to investigate violations and advise the township of them, we can do that. By doing this we'd have the opportunity to see if what Worth has done works, and see if they're enforcing their ordinance.

He made a motion that we adopt the Worth Township guidelines for short term rentals and defer to them in enforcement of those standards.

Sue Lauzon pointed out that there are now 2 motions on the floor, and we can't proceed with this second motion. Manny Mallia asked the first person if they wanted to withdraw their motion. The motion was withdrawn in favor of the second one. The motion being seconded, a vote was taken and the motion proposed by Don Salata was approved.

#### **Other Business:**

A member asked if there was any plan to repair the jetties. Manny Mallia stated that we need to finish other beach projects first, then we plan to look at additional projects. If you want to bring it up at the July meeting we'll consider it.

Manny Mallia announced that there would be some openings on the Board of Trustees. If anyone would like to run, they need to let us know by the end of the Annual Meeting on July 8th.

Denise Rizzo Ridenour said that the walkway down to the Huron Bay beach is steep and covered in loose gravel, which makes it slippery. Joe Rotellini said he would investigate either covering the gravel with grass, and/or adding a handrail, when he meets with our contractor.

A member asked about the status of developing a trash pickup contract with Waste Management or other company for multiple subdivisions. Diane Rizzo said they are working with 2 other subdivisions, but the contracts don't all expire at the same time, so that presents a problem. They'll continue to meet.

Dave Falzon asked for clarification on the motion that was passed regarding short term rentals. Were we leaving enforcement to the township, or will GLS have an enforcement committee? We can discuss at the next meeting how we want to do it.

#### **Adjournment:**

There being no further business, the meeting was adjourned at 12:47 PM.