

Island Lake of Novi  
Board of Directors Meeting  
Wednesday, January 27, 2021

#### Call to Order

President Valade called the meeting to order at 5:08 p.m. on zoom. Present were Directors Dolin – Vineyards, Felch - Preserves, LeFevre - Arbors, Pfeiffer – North Bay, Sargent – South Harbor, Thirumoothi – Reserves (arrived at 5:24), Valade - Orchards, Verma – Shores, Bartlett – Woods and Mr. Hall – Community Manager.

#### Approval of Agenda

President Valade moved and Director Felch seconded to accept the Agenda as presented. The motion was unanimously approved.

#### Approval of Minutes

President Valade moved and Director Pfeiffer seconded to approve the Minutes. The motion was unanimously approved.

#### Community Forum

There were no homeowners present.

#### Interim Actions by the Board

None

#### Financial Report

- Item #6 - Director Pfeiffer said December financials from KS are incomplete with numerous errors and we need to use accrual accounting. Dir. Dolin said because they used cash, you can't move it after the fact. With accrual, you can retroactively make corrections. Dir. Pfeiffer finished the correcting entries, he just needs to give it to KS to implement. Dir. Dolin suggested we go with December financials on accrual with Dir. Pfeiffer's corrections. She reiterated that they still need to figure out what's going on with the negative account. Pres. Valade said KS needs to have the adjustments done by Friday afternoon. There is an invoice from MLP for \$21,000 that is not in the financials and is understating cost for 2020 year and Dir. Pfeiffer is still waiting for KS to respond to the MLP invoice discrepancy.
- Ron Hall updated us on the expenses.
  - Initial contributions are down because we never rented the boat house due to Covid.
  - Office expenses are overstated.
  - Reviewing line items - Over lighting budget by \$1100 (Street lights, Christmas light repairs). Replacement for the light pole that was run over is \$4046 for repair and AAA offered 15% less according to their process. Dir. Dolin's husband is trying to negotiate with AAA for total reimbursement.
  - Mr. Hall said there are major problems with the irrigation account. Mr. Hall is working with Sunrize to get an accurate invoice for a repair by the mailbox. City of Novi said they fixed issue, but Sunrize claims it wasn't fixed accurately and they fixed again and charged \$1900. There is a \$2200 bill to repair to repair Dinzer Drive sprinkler system. The timeclocks were damaged by either a car or mower. System is getting older and that account is going to continue to increase.
  - Pool wages were over because of Covid and the additional work. We did a better job of controlling costs by having pool company come out for emergency items only and training people working for pool to manage normal maintenance.
  - Some trail maintenance needed because of storms – drove up the cost for trails. Mr. Hall did have our guys do those repairs which helped keep costs down. Water bills came in less because Mr. Hall had all the rain sensors replaced. \$1300 to replace.

- Pres. Valade commented that we're doing well with the budget. While we lost income, it's being offset by other cost cutting.
- Dir. Bartlett asked about reserve fund. Dir. Pfeiffer said it's right on task with the study. Last year was \$790,000. This year is approximately \$886,000.

## Unfinished Business

### Security Committee

- Pres. Valade is waiting for more info from the police and attempting to get them to come to next meeting of Security Committee so we know what we're legally allowed to do. Some suggestions included a security company and night patrols but wondering if we are going to have as many issues this year. Hoping to enhance security without running up a lot of cost. We need to improve the language on the signs for the police to respond and remove people from North Park. The signs need to say private property. It was suggested that instead of adding signs, we just replace what's there. Dir. Dolin suggested tabling decision until we know exactly what the sign should say.

### Tennis Court reservation system.

- In the last meeting we agreed to take out the basketball nets from the tennis courts and put in a separate basketball court. Mr. Hall made calls, but no numbers yet. Pres. Valade said by spring we need the hoops down in anticipation. The suggestion is that one court should be open all the time and one court would have reservations available for 90 minutes prior to 11:00am. Only residents can reserve. Dir. Dolin recommends that when the committee meets, we should reach out to the residents first so it's not a surprise. We need to look at the cost of a basketball court before agreeing to put them in. Committee questioned if we must get the entire communities' agreement before we spend the money on basketball courts. Dir. LeFevre said we need to have a home first for the basketball court before removing nets from tennis courts. Still need the legal opinion about a capital improvement for the community.

### Item 7 C –Pool operation/lifeguards.

- Mr. Hall said that Marina will not be returning to the pool or coaching the swim team. The assistant manager, Olivia, is going to be one of the coaches and has solicited two other people to work with her to help with scheduling. A mass email was sent out to last year's lifeguards to ask how many are coming back. Mr. Hall is looking for someone who has experience and will be paid as a pool manager to be on the stand during the week and one day on the weekend, so the pool manager knows what's going on with the attendants. We'd like to have fewer lifeguards and attendants, so they get more hours. Mr. Hall would like to schedule them a month in advance to accommodate vacations. Hoping this will bring more consistency. Put off adding shades at pool to replace umbrellas for another year.
- There's a spot in the deep end where plastering is needed, estimated cost \$74000 to \$90000. The fix will have to be done at the end of the season. This is a reserve expense. The re-plaster typically lasts 7-9 years.

## New Business

- We need an audit of the Master's financial. KS is not doing a great job as our financial consultant. They don't seem to know if the financials are correct and rely on Mr. Hall and Dir. Pfeiffer to correct the issues. Part of the problem is the software they're using, and they don't have an accountant/CPA on staff to confirm that the financials are correct. They are going to add an accountant, but the relationship with Mr. Hall and Dir. Pfeiffer has deteriorated. Multiple examples of financial issue - Sunrize and KS got together a few weeks ago and decide to pay multiple bills without talking to Mr. Hall. Mr. Hall is supposed to approve all invoices and wasn't even invited to the meeting. Dir. Dolin recommends that we put out a quote to a few companies. We have to give 60-day notice to KS. Dir. Pfeiffer is suggesting that the audit from our tax accountant may not be enough to bring KS to task. We may need a forensic audit. We need a firm that understands HOA accounting. Pres. Valade made a notion to serve them a 60-day notice. Dir. Verma suggested that we have them at least finish up the

December Accrual financials. Pres. Valade made a motion to serve notice that they're being replaced by February 1<sup>st</sup>. Dir. Dolin seconds that after we get the December financial. Dir. Verma thirds. All were in favor. Zero nays. Dir. Dolin and Pres Valade will draft a letter to terminate KS Management.

- Pres. Valade mentioned that we need to find a new management company and return RFP's by the 17<sup>th</sup>. Dir. Verma and Dir. Pfeiffer would like to assist because they are all looking for new management companies. Kramer is on the list along with 6 companies, including American Association and Condominium association. We will get quotes from all and we'll whittle it down for interview. The RFP that Dir. Dolin put together is very specific to the Master Association and won't necessarily work for the individual homeowners. We could let them know that there could be more associations involved and would we get a discount for this. Dir. Dolin is going to send out the RFP on Monday.
- Item C – Social Committee
  - Dir. Dolin signed contract with a food truck company that is coordinating all the other food truck companies. Possibly every other Friday down at the boathouse. Dir. Dolin told them that any subassociation or individual can still bring in a food truck company.
- Boat Launch parking lot gate.
  - Installed temporary gate to help with security since the lake is being used by outside residents. Residents would like something more permanent. Mr. Hall got a quote for \$2500 for a better-quality gate. Dir. Dolin asked if there were options for something more aesthetically pleasing. Dir. Thirumoothi recommended that we keep the current gate up until we can put in something nicer and then the board should just be able to sign off by email.
- Dir. Bartlett asked why the snow removal company was keeping their trucks in the boat launch parking lot. Mr. Hall confirmed that it saves us money to let them store stuff there. The suggestion was made for them to store the equipment somewhere else and Mr. Hall will inquire.

#### Management Report

- Health club usage – around 7 a day before Christmas and now dropped down to 2 or 3 after Christmas.
- There has been a lot of maintenance on the bridge and trails. We put \$5000 in the budget and Mr. Hall will have in house keeping up the maintenance.
- Sunrize irrigation is still a problem because need a complete register of all checks that they received from KS. Mr. Hall was not happy that they met with KS Management and the accountant without him. Still checking to see if there are any double payment.

#### Master's Sub Association Committee

- Dir. Dolin is asking for documentation to know who is responsible for snow removal, lawn, sprinklers. We need to know where Sunrize thinks the cutoff is between master and individual associations between Sunrize and MLP. Dir. Dolin wants to be able to go to the contractors and tell them this is where we need to draw the lines. Pres Valade and Dir. Bartlett volunteered to be on the committee with Dir. Dolin.

#### Membership Round Table

- Paving of Drakes Bay and Shoreline – Dir. Verma spoke with the City of Novi and they recognized there was an issue and while the integrity of the pavement was intact, they're evaluating if we need to redo with asphalt. Dir. Verma mentioned that Island Lake hosts a triathlon and it brings in a lot of people and the city should support. They're evaluating reconstructing. If it is reconstructed, it will be a lot of mess for a while, but the mess would be palpable if we got a new road. Looking at numbers and getting back with Dir. Verma. Shoreline is probably more likely to get a redo.
- Dir. Verma's second item - Shores residents looking at the use of solar for homes. How it looks? Is it available? Can we use it? If the board wants to investigate solar panels, Shores would give company names. Dir. Verma is

looking into the numbers. There are a lot of rebates from federal and state. Dir. Felch has a resident who has solar. He got a quote on his own house and all depends on how your house is facing. Dir. Verma was told that you couldn't get a permit if it's on the front of the house.

- Dir. Barlett mentioned that long time resident and board member, Glenn Lowenstein, passed away in November.
- Pres. Valade called out Mr. Hall and Dir. Pfeiffer for all their help with the financials over the last six months.

#### Adjournment

Pres. Valade moved and Director Dolin seconded to adjourn the meeting. The motion was unanimously approved. There being no further business, President Valade adjourned the meeting at 6:58 pm.