

Island Lake of Novi
Board of Directors Meeting
Wednesday, January 25, 2023

1. Call to Order and Roll Call

President Campbell (North Bay) called the meeting to order at 5:32 p.m. at the Boathouse and ZOOM. Present were Directors Bartlett (Treasurer) – Woods, Fox – Preserves, Kumrow (Vice President) – Arbors, LeFevre - Vineyards, Pfeiffer (Finance) – North Bay, Raman, Sorrentino – South Harbor, Thirumoorthi – Reserves, and Verma - Shores.

- Ms. Hartman and Ms. Liles represented Sentry Management.

2. Approval of Agenda

Director LeFevre moved and Sorrentino seconded to accept the Agenda as presented. The motion was unanimously approved.

3. Approval of Minutes

- Director Fox moved and Director LeFevre seconded to approve the Minutes of the October Board of Directors meeting as submitted. The motion was unanimously approved.
- Director Roman moved and Director Bartlett seconded to approve Minutes of the Board of Directors meeting held in November 2022 to approve the budget and new management. The motion was unanimously approved.

4. Community Forum

Mr. Odell was in attendance.

5. Interim Actions by the Board

There were no interim actions by the Board.

6. President's Report

7. Management Report

a) Transition Update

Ms. Hartman is working with the Association's attorney to obtain information from AAM (bank statements, financial statements, balances, and invoices - paid and unpaid).

- Shutoff notices were received from **DTE** and a cancellation for insurance.
- They are contacting vendors and the sub Associations to introduce themselves, setting up a system for financials, which is currently turned off, and will be available to Directors once finalized.
 - President Campbell and Ms. Liles have received credit cards.
 - President Campbell and Mr. Pfeiffer are helping resolve open and outstanding items.
 - Financial reports will be available after obtaining information from AAM.
 - Management has access to the checking accounts and have not paid any bills without Board authorization.
 - Requested meeting on Friday to review invoices.
- Management has worked with the CPA for updates on the 2020 and 2021 taxes, who indicated ILON is not a priority on their client list.
 - Management requested 2022 from another CPA and will go back if needed, with a directive from Directors Bartlett, President Campbell, and Mr. Pfeiffer.
 - An engagement letter with Owens & Strussione indicates they are obligated to complete or may be responsible for payment.

b) Ms. Liles maintains an action items list that helps keep on task and make sure there is an understanding of expectations and timelines.

- Management is currently collecting information and will move forward working for a good working relationship.
 - Directors are welcome to contact with questions or concerns.
 - Director Bartlett, President Campbell, and Mr. Pfeiffer have really put forth lots of effort and work.

8. Financial Report

Thanks were extended to Sentry for reacting quickly to pay the insurance premium that was due to lapse within one day and DTE.

- Director Roman thanked Director Bartlett, President Campbell, and Mr. Pfeiffer for all their efforts, diligently working to complete the transition and keep the Association moving forward.
- a) Transition - Unfortunately, legal counsel had to be engaged to obtain information from AAM; reconciliation cannot begin until the financial documents are received.
 - Mr. Thomson indicated he was providing information but is not doing.
- b) Financial - Mr. Pfeiffer did not receive financial or bank statements from AAM since October 2022 to prepare the financial report or reconcile year-end balances.
 - There are 30 accounting adjustments for September that need to be completed.
 - A check in the amount of \$10,000 from December didn't get cashed.
 - Contributions from the sub Associations are not reflected for December 2022; however, income totaled \$53,323.88, indicating payments were received, leaving accounts receivable at zero if all payments were received.
 - He noted that the Master pays the water bills and receives payment back from the sub Associations.
 - Reserves income was \$93,000 and totaled \$75,000 at year-end after transferring \$50,000 to the operating account to cover a shortfall.
 - \$25,000 was moved to Sentry for funds to pay bills.
 - There was supposed to be a transfer from a money market to Reserves of over \$25,000 in October, though a statement hasn't been received.
 - Other funds are maturing in May, July, and May 2024, earning minimal interest.
 - The checking account balance was \$25,000 at year-end.
 - The status of payments and outstanding invoices is unknown, including for the Boathouse, payroll, and taxes.
 - Five initial contributions from closings are outstanding from 2021.
 - Waiving future fees created an estimated loss of \$7,300.
- c) AAM / Legal – Mr. Thomson was last physically onsite December 5 with a meeting scheduled the last week of December that he canceled.
 - Ms. Hartman reached out to Savannah, former Office Manager, who was supposed to be relaying messages, yet with no response.
 - It was thought that general ledger items were paid as well as the insurance, which were not. Sentry recommended getting legal counsel involved, causing losing approximately three weeks with the transition because of AAM.
- d) 2023 Capital Spending Plan – A draft was presented during the October Board meeting with cost changes totaling \$290,000.
 - Painting the interior of the Boathouse - \$10,000.
 - Painting North Park building - \$3,000.
 - Part B of upgrading the security system - estimated \$35,000.
 - The Stanley system is outdated.
 - Electric cart - \$10,000.
 - The ATV was sold last year for just under \$5,000.
 - Concrete - \$75,000, increasing from \$69,000.
 - The dock at the Boathouse.
 - Repairing fencing and filling gaps at Island Lake.

- Repairing the electrical system that controls the lights and waterfall at Glenview and Wixom Roads - \$5,000.
- Purchasing more cantilever umbrella stands and tables and chairs for the pool area.
 - Four stands were purchased last year.
- Replacing the pool filter is in progress at a cost of \$127,295 with \$116,000 paid to date.

e) Discussion

- Management has a spending limit up to \$15,000 with provisions the expense is for a budgeted item and the line item is not over budget; otherwise, Board approval is required.
- Director Verma asked if funds are budgeted for the Beautiful Committee as previously discussed to enhance the entrances.
 - President Campbell advised nothing has been presented to the Board and noted, funds may be spent with majority approval from the sub Associations.
 - Sentry could obtain proposals upon direction from the Board.
 - Director Fox advised the Preserves just paid \$16,000 improving their entrance and they need to consider all the Associations.
 - Director Varma will reach out to the Committee Members to discuss contributions from the sub Associations and prepare a presentation for the next Master Board meeting.
-Director Fox and Thirumoorthi as interested in participating.
 - Management will place on task list.
 - Director Bartlett said they need to work to do what is best for the entire community and it would be a Reserves expense.
- **Director Bartlett moved and Director Verma seconded to appoint Mr. Pfeiffer to serve as Assistant Treasurer. The motion was unanimously approved.**
- Director Roman asked if anyone stays on top of the rate of return of interest.
 - Mr. Pfeiffer advised Fidelity is offering close to 4%, the best current rate available.

9. Committee Reports

- a) Communications – President Campbell submitted a report, stressing the importance of communicating with the Membership, promoting utilizing the the website and encouraging to refer to for up-to-date information, and continue requesting and obtaining email addresses.
- b) Security – Director Bartlett said there was nothing to report as focus has been on the transition.
 - Research for upgrading the system will continue in the future.
- c) Social – Mr. Odell was introduced as the new Board representative.
 - President Campbell met with the Committee the other night, who are active and publishing events.
 - The Committee is seeking a Board liaison and appreciate the Board’s efforts.

10. Unfinished Business

- a) Concrete – The area around the Boathouse island is planned to be completed this spring.
 - North Bay contracted with contractor and reached out for a proposal to perform work at the same time.
 - Director Sorrentino advised the cost is 40% higher than the last time work was done, but less than last year.
 - Board approval is needed for price guaranteed from last year.
 - Additional proposals could be obtained.

11. New Business

- a) Magnets and Coffee Mugs – Discussion took place regarding showing appreciation and thanks to Members who volunteer, including those who spent their time decorating the Boathouse and removing holiday decorations. **President Campbell moved and Director Varma seconded to authorize Management, on behalf of the Association, to purchase a minimum order of 60 coffee mugs at a unit price of \$13.99 this month with no setup or shipping fees, totaling approximately \$840.00; President Campbell will provide the vendor information. The motion was unanimously approved.**
- Director Kumrow suggested making available for Members to purchase and selling towels to be used at the pool.
 - President Campbell will provide information for an online store available to purchase and deliver to the Boathouse. He noted this was tried previously but was not promoted or marketed. A one-time set up fee would be waived with the establishment of an online store.
 - The swim and tennis teams will be contacted for interest.
 - Director Fox provided a good recommendation for Ms. Pope, representative of the proposed vendor.
- Director Sorrentino moved and Director Roman seconded to authorize Management, on behalf of the Association, to purchase 1,000 magnets with the Association’s information, including the website, to be distributed from the Boathouse and annual meeting, at the approximate cost of \$400.00. There were eight (8) yes votes and one (1) not vote. The motion was approved.**
- The biggest obstacle is Members don’t know what Association they live in.
- b) Conference Room Chairs – The existing chairs are heavy, falling apart, sagging, and the buttons are falling off. **Director Bartlett moved and Director Sorrentino seconded to authorize Management, on behalf of the Association, to purchase eight chairs, available in four to a box, at the approximate cost of \$600.00. The motion was unanimously approved.**
- c) Legal – Legal counsel proposed \$590-\$885 to provide an opinion regarding tenants from which rules and a policy could be created.
- Reviewing and updating the responsibility matrix would be more work at an added cost.
 - President Campbell explained that leased units are not identified and issues if tenants have the same rights as owners, raising concerns with the objective of resolving before distributing key fobs in the future.
 - It was reported 45 units of 104 units are leased in the Arbors.
 - Owners have been given key fobs but not website information or rules.
 - It was asked if owners could be required to provide a signed document to tenants acknowledging receipt.
 - Management recommended reviewing the Master and sub Associations’ Bylaws for terms.
 - Updating the Documents is a long and costly process.
- Director Sorrentino moved and Director LeFevre seconded to authorize Management, on behalf of the Association, to obtain an opinion from legal counsel regarding tenants and their rights at the cost of \$590.00-\$885.00. The motion was unanimously approved.**
- Director Roman asked if there is a cap for rental units.
 - Ms. Liles advised each Association has provisions in their Documents.
- d) Stroll Magazine – The Contract is expiring in February with a two-year subscription at no cost.
- Alcohol, tobacco, and Cannabis are prohibited.
 - The Board could require additional insurance for certain events, such as carnival with bounce-house.
 - A draft will be forwarded to the Directors.
- e) Rules Committee – A Committee will be established to thoroughly review the handbook that hasn’t been updated since 2017 with quick revisions last year to correct errors.
- Director Kumrow volunteered to work with President Campbell to highlight changes and distribute to the Directors for review before summer.

- f) Docks - AAM contracted with Mr. McBride and paid \$2,000 upfront to purchase necessary parts and did not get service as promised.
- Some damages occurred from not being stored properly, resulting in only being able to install part.
 - Parts were taken offsite without permission to repair and now can't be located.
 - Information isn't available to contact Mr. McBride and no invoice was submitted.
 - A handyman removed the dock in in fall and just before starting legal steps, Mr. McBride called from Mexico stating he'll be back in spring and will meet to discuss how much more is owed.
 - The objective is to locate and secure the docks.
 - Mr. McBride won't be used in the future.

12. Community Concerns

- a) Director Roman requested suggestions how to support each other and enforce rules to maintain the appearance of their community.
- Director LeFevre advised the Vineyards issues an email and letter addressing with a first notice then levy fines if not resolved with fine amounts tiered per occurrence.
 - President Campbell advised emails being issued for placing garbage out but not storing receptacles, noting homes and units have different challenges. The Master cannot get involved in sub Associations' business.
 - Director Thirumoorthi added rules and regulations is a good tool, enforced with violation notices and fines have been effective.
 - Director Fox said the Preserves don't have rules other than their Bylaws and is struggling to enforce rules and asked if the sub Associations have guidelines for holiday decorations.
 - She asked if rules and regulations are posted on the website.
 - President Campbell advised each Association has a portal with a secure login, noting the website is not secure so care has to be given to not posting anything confidential or financial. Boards have the authority to create rules in accordance with their Bylaws and individual Associations are welcome to post Documents, which assists potential purchasers.
 - Director Roman said legal counsel helped with guidelines and recommendations.
- b) Director Barlett said trash on the east side of Napier near the southside entrance of Seaglen is not on their property but looks horrific.
- President Campbell requested Mr. Ritter to drive through community every Thursday to collect trash and debris and encouraged Directors to contact Management to report.
- c) Ms. Hartman advised that all Director's full legal name and email addresses are needed to change bank accounts.
- President Campbell will provide a DocuSign document to close bank accounts and CIT.
- d) **Next Meeting**
The next Board of Directors meeting is scheduled to take place on Wednesday, April 26, 2023 at 5:30 p.m. at the Boathouse.
- e) **Adjournment**
There being no further business, President Campbell adjourned the meeting at 7:15 p.m.