

Lake Jeanette Association, Inc.
Board of Directors Meeting
Monday, August 23, 2021

MINUTES

PRESENT: Dixon Johnston, President; Robin Stiles, Vice President (by phone); Tom Weiss, Treasurer; Jory Marino, Secretary; Jim Blakeley, Member at Large; Deborah Roskelly, President Roskelly Management Associates LLC (RMA).

CALL TO ORDER: 4:35 pm

FINANCIALS and PPROPERTY - OPERATIONS REPORT:

1. **The Board reviewed and discussed the July ending Financials that included the below noted reports.** The full set of financials was emailed to the Board on August 16, 2021 for review prior to this Board meeting.

- a. Balance Sheet – **Cash on Hand = \$353,434.99 (Attached to the minutes)**
- b. Income and Expense Statement
- c. Statement of Cash Flows
- d. General Ledger
- e. A/R Past Due Report = \$27,128
- f. Prepaid Dues Report = \$10,768.55
- g. Checking Account Statement

Tom Weiss questioned the amount of Past Due Accounts. Deborah reported that the July ending past due amount of \$27,128.00 is not unusual since the dues for the second half of the year were due on July 1, 2021. Only two accounts are beyond the current billing period that ended July 31st. Deborah also reported that as of the date of this Board meeting, 8/23/21, the past due amount has decreased to \$12,919. A \$20 late fee was applied on 8/6/21 to each account and late notices were mailed. These accounts are expected to be collected by the end of September.

- **Motion:** Jory Marino made a motion to approve the July ending Financials as submitted.
Second: By Jim Blakeley
Vote: Unanimous to approve

2. **The Board reviewed the July ending property and operations reports submitted by Roskelly Management which includes the operating budget worksheet with detail per major line-item expenses, marina rental summary, pontoon boat usage log, and log of pontoon boat rental requests that the Marina could not accommodate.** The full set of reports was emailed to the Board on August 16, 2021 for review prior to this Board meeting. Highlights include.

- a. **Working Operating Budget Spreadsheet** with current projections to end the year at approximately \$34,591.00 net ordinary income after a \$45,000 capital reserve allowance. The current projected capital reserve allowance portion of the checking account is \$126,583.19. Deborah Roskelly recommended that a separate reserve fund account be established.

Note: The above year end projection includes a start date for Slatter Management on Oct. 1st for both the property and accounting management contracts and an overlap end date of 15 days for RMA and Aprio to October 15th.

- b. **Marina Rental Summary:** The total marina revenue budget for 2021 = \$70,000. As of July 31st, \$88,654.33 has been collected resulting in \$18,654.33 more in revenue than budgeted. RMA has collected approx. \$65,818.16 (space rentals and memberships) of the total revenue and the Marina staff have collected the remaining \$22,836.17 in recreational rentals. Recreational rentals started in April with four more months (from July ending figures) of revenue possibilities before year end. We are experiencing some Gazebo rental cancellations since the Delta Variant of the COVID 19 virus has become more prevalent. RMA projects 2021, to be the best year at the Marina in the history of Lake Jeanette specific to recreational usage, revenue from space rentals, and the qualifying marina memberships from the Swim and Tennis Club and the LWG Fishing Club.
- c. **Total Number of Qualifying Marina Memberships Per Category:**
- i. LJST = 71
 - ii. Brownstone Association = 2
 - iii. Northern Point Association = 4
 - iv. Jacobs Way Association = 2
 - v. LWG Fishing Club = 32

- **Motion:** Tom Weiss made a motion to approve RMA's reports as submitted.
Second: By Jory Marino
Vote: Unanimous to Approve

OLD BUSINESS

1. **The Board reviewed the July 29, 2021 Board of Directors Meeting Minutes that includes the Search Committee Minutes for the Property & Operations Management Contract, Due Diligence Timeline, and Scoring Matrix.**

Deborah Roskelly requested the below noted edits to the Search Committee's Due Diligence Timeline that is an attachment to the July 29th Board of Directors minutes.

- a. Include the range of fees submitted among all proposals received for the Property and Operations Management contract,
- b. Note Slatter Management's fee beside their entry since they were recommended by the Search Committee to receive this contract, and
- c. Re-word the July 29, 2021 entry on the timeline to match the action taken at the July 29, 2021 Board of Directors Meeting re a request to approve the Search Committee's recommendation for awarding the contract to Slatter Management.

- **Motion:** Jory Marino made a motion to approve the suggested edits to the Search Committee's Due Diligence Timeline and approve the July 29, 2021 Board of Directors minutes.
Second: By Dixon Johnston
Vote: Majority carried to approve the motion. Robin Stiles Abstained.

2. **The Board considered the Search Committee's recommendation to award the Property and Operations Management Contract to Slatter Management and Agent, Jennifer Smith: Slatter's fee for Property Management = \$9,320 monthly, \$111,840 annually.**

- **Motion:** Jory Marino made a motion to award the Property and Operations Management Contract to Slatter Management with Jennifer Smith as the Agent.
- Second:** By Jim Blakeley
- Vote:** Majority carried to approve the motion. Robin Stiles abstained.

Tom Weiss requested that the minutes reflect, that awarding the Property Management contract to Slatter Management was a good decision and would increase the 2021 annual budget by 3.67% if no other changes are made.

3. The Board considered Slatter Management’s request for a contractual start date of October 1, 2021.

- **Motion:** Jim Blakely made a motion to honor Slatter’s request for a start date of October 1, 2021 for the Property & Operations Management Contract and that Dixon Johnston request their written contract for review and approval by the Association’s legal counsel and Board of Directors.
- Second:** By Dixon Johnston
- Vote:** Majority carried to approve the motion. Robin Stiles abstained.

4. Discussion and vote re accounting services for Lake Jeanette Association: Slatter Management is a full-service property management company that provides both property and accounting management to its clients. When Slatter submitted their RFP response to the Search Committee for the Property and Operations Management contract, they also included a proposal for Accounting Management as did most other candidates. Their accounting management fee = \$1,747.50 monthly, \$20,970 annually. Slatter also requested a start date of October 1, 2021 for this contract.

- **Motion:** Tom Weiss made a motion to award the Accounting Contract to Slatter Management with a start date of October 1, 2021.
- Second:** By Jim Blakeley
- Vote:** Unanimous approval of the motion

5. Deborah Roskelly announced her retirement in May of this year and has requested an end date of her contract on October 15, 2021. A fifteen day overlap period among contractors will allow for the September financials to be reconciled and RMA’s property reports to be submitted to the Board and also allow a fifteen-day time period for Deborah to be available by phone if needed for consultation.

- **Motion:** Jim Blakeley made a motion to honor Deborah’s request for an end date of her contract on October 15, 2021.
- Second:** By Jory Marino
- Vote:** Unanimous approval of the motion

The Board discussed the timing of announcements to the membership. Deborah recommends that all releases of information be made by the first week in September. The email announcement and letter to the membership will be submitted to the Board via email for final approval before being published to the membership. The Association cell phone (336-382-3663) will be given to Jennifer Smith, Agent on September 30th and Deborah will provide her private cell number to Jennifer Smith, Kay Thornton, each Board member, and the Association’s legal counsel as a resource if needed. Deborah will update the Association’s website with all new contact information on September 30th.

6. Buffer Zone Violations: The Board reviewed two Buffer Zone violation letters/binders prepared by Roskelly Management Associates and approved each for submission to the homeowners who performed illegal cutting in the buffer zones adjacent to their lake view lots. Prior to Board approval,

Jess Washburn – Lenoir Warehouse Group LLC reviewed the damage to their property and also reviewed and approved each violation replant count, one at \$24,860.17 and one at \$25,830.10. One homeowner has already submitted payment to replant the buffer and remedy the violation. Trees are scheduled to be replanted in the month of October. The second violation replant count will be given to the homeowner in the coming week.

➤ **Motion:** Tom Weiss made a motion to approve both violation letters and binders for submission to each of the two homeowners.

Second: Jim Blakeley

Vote: Unanimous approval of the motion

- 7. License Agreement between Lake Jeanette Association, Inc. and The Point Association at Lake Jeanette, Inc.** This License Agreement gives The Point Association all of Lake Jeanette Association’s (Master HOA) obligations under certain Master Declarations of Covenants, Conditions and Restrictions for the sole purpose of maintenance, upkeep and beautification of the flower beds located at the Point Association’s right of way entrances shown as “Maser Common Area” on plats recorded in Plat Book 116, Page 99 and Plat Book 125, Page 28, Guilford County Registry. These entrances are the beds underneath the signage at the Point entrance off N. Elm St. that intersect with Checkerberry Lane and the Point entrance at the roundabout where N. Elm intersects with Bass Chapel Rd. Debby Reynolds, President of the Point Association and Dixon Johnston, President of the Master Association, signed the License Agreement in front of a notary. Refer to the Lake Jeanette Association Board of Directors meeting minutes dated Monday, May 17, 2021 (posted <https://www.ljvillages.com/minutes>) pages 6-9, item 8 for more detail re this item.

➤ **Motion:** Jory Marino made a motion to post the License Agreement on the Lake Jeanette Association’s website under the Governing Document tab for future reference by both parties of the Agreement.

Second: By Tom Weiss

Vote: Unanimous approval of the motion

NEW BUSINESS

- 1. Letter from Homeowner Re Sediment Build Up in Lake Jeanette:** Houston Core and Sarah Hames, owners of 2201 Baytree Dr., submitted a letter to the Board of Directors and Deborah Roskelly regarding sediment build up behind their lake view lot in the area of Lake Jeanette opposite the City water pipes near Richland Creek entry points. Mr. Houston and Ms. Hames moved into their home in January 2021 and expressed their concerns re the amount of sediment in this area of the lake. They shared in their letter that they have contacted an environmental law attorney who would like to begin looking into the cause of the sediment build up and form an action plan. Before they proceed, they want to make sure the Association and Board of Directors are aware of the severity of the issue and inquire as to whether or not any action has been taken or is anticipated in this regard.

Deborah Roskelly and David Phlegar, Stormwater Division Manager, Water Resources, City of Greensboro, met with Mr. Core and Ms. Hames on Monday, August 23 to discuss their concerns. Highlight of the items discussed include:

- The Lake is not owned by the Association. Lenoir Warehouse Group LLC owns the lake. Any conversations and concerns regarding the condition of the lake should be addressed to the owner.

- Lenoir Warehouse Group is aware of the sediment in this area of their lake.
- The DOT installed erosion control measures re the Urban Loop Road construction.
- The City of Greensboro also installed some additional erosion control devices to help protect Lake Jeanette similar to devices they installed at other Greensboro lakes.
- The Association and LWG were going to install silt curtains in this area of the lake prior to road construction that the City of Greensboro had obtained for the Association; however, the water levels in this portion of the lake are too low for this type of protective device to work.
- The piers that hold the City's water pipes also inhibit the flow of water in this area.
- The land behind the lake view lots at several addresses in this area (including the buffer) was cleared at some point in the past eliminating a buffer re the flow of water into the lake and this has been the case for over 16 years.
- The Marina staff perform trash clean up in this area of the lake several times each year.

The Board requested that Deborah Roskelly reiterate to Mr. Core and Ms. Hames that the Association does not own the lake and any conversations or engagements they wish to pursue should be discussed with the owner of the lake.

- 2. Land owned by the Association at 803 Roberson Comer Rd.:** Lake Jeanette Association, owns 8.29 acres of land at this address. The land appraisal value for this tract noted on the Guilford County Property Report totals \$476,700. The Association's Dry Storage facility is located on a portion of this land. The Dry Storage facility has 57 rental spaces – 3 of these spaces are reserved for HOA items. All spaces are rented excluding two. At a rental rate of \$500 per space per year, the lot has the capacity to generate \$27,000 in revenue per year. Rental rates are pro-rated and refunds are given when a member leaves the lot in the rental year. Total revenue collected each year over the previous three years plus total revenue collected as of July ending 2021 = \$85,736.96

2021	\$24,304.84 (through July 31st)
2020	\$21,540.88
2019	\$19,751.77
2018	\$20,139.47

In the past three months, there has been interest by third parties to purchase a portion of the 8.29 acres from the Association – no offers have been made. The Board agreed that the Dry Storage facility is a valuable asset to the Association and currently has no interest in selling any portion of this land. At some point in the future, the Dry Storage capacity may need to be increased.

- 3. Annual Bonus for Roskelly Management Associates (RMA):** The Board gives RMA an annual bonus each year in consideration of the amount of direct and indirect dollars RMA gives back to the Association (through cost savings and various fees collected throughout the year) and in concert with the success of the management of the current operating year. Over the 16 years of service RMA has given the Association a significant amount of savings both from fees and charges that are lower than other property managers and very diligent cost savings programs. For Example:

Contract Fees, as the average fee paid to RMA was at least 20% below market value based on two surveys conducted in 2018 and 2021 and this percentage figure is conservative. The Association also went six years without experiencing an increase in RMA's contract followed by four more years at the same amount.

Home closing fees are normally paid to the Property Management Company; however, RMA wished to give these fees back to its community.

Wood Recycling Program RMA started in 2008. When trees are removed from Master common area property, they are chipped and stored at the Dry Storage facility for mulching the Association's trails vs purchasing hardwood mulch. This dollar figure does not include the savings recognized by many of the Villages of Lake Jeanette that also replenish their trails using the recycled wood, and it also does not include the increased costs of what it would have taken to purchase hardwood mulch over the years.

Management of this year's revenue has been more successful than any other year in the history of Lake Jeanette. Many improvements have also been made to the property this year (as in years past) while managing expenses to remain within total budgeted dollars and continue to have a prosperous year while maintaining a solid reserve allowance. See below for some of this year's major projects.

- Repaired, Sanded and Painted 26 street signs throughout the Village of SouthernShores
- Renovated the Marina male and female bathrooms and Marina office: new flooring, new bathroom stalls, new paint, and new cabinet hardware
- Applied a turf lime treatment throughout the development on master common area property
- Replaced sections of fencing separating LJA and non-LJA property near NorthernShores
- Removed old landscaping on MCA property near DayBreak Square entrances to improve appearance
- Removal of dead and hazardous trees on MCA property due mostly to storm clean up and inclement weather
- Purchased 4 new paddleboards and 1 kayak for the enjoyment of the members

In addition, RMA Managed two **Buffer Zone violations** with replacement costs of over \$50,000 this year in order to protect the Association's Lease Agreement with Lenoir Warehouse Group LLC. The Association does not receive revenue from violations – all funds pay the costs to replant the buffer and any expenses the Association incurs to conduct the assessment process (e.g., copying/printing).

The Board called Executive Session and requested that Deborah leave the room in order to discuss and agree upon this year's annual bonus. When Executive session ended, the Board continued with the business meeting and informed Deborah that the Board had approved a bonus amount that she would be given at a later date.

4. Calendar for Meetings: The Board agreed upon the following dates and times for the below noted meetings.

- | | |
|--------------------------|---|
| Wed. 11/17/21 at 5:30 pm | Board meeting to review the draft operating and capital budgets and approve the Annual Meeting packet for mailing to the membership. |
| Tues. 12/7/21 6:00 pm | Annual Meeting of the Membership. Check-in will begin at 6:00 pm and the meeting will be called to order at 6:30 pm. |

The Board also discussed the need to appoint a nominating committee that will be chaired by a member of the Board of Directors with at least two members from the general membership.

Subsequent to this Board Meeting, and during a Board meeting held by Zoom the following day, Jory Marino was appointed to serve as Chair of the Nominating Committee by majority vote. One Director was unable to be present at this meeting.

NOTE TO THE MEMBERSHIP: Members who may have an interest in serving on the Nominating committee or running for election to the Board of Directors may contact Jory Marino by email or phone. Two Directors terms expire this year.

marinoj@triad.rr.com Cell #: 917-992-1813

Adjournment: There being no further business, the meeting was adjourned at 6:17 pm.

Respectfully submitted and Approved by, Jory Marino, Secretary of the Board of Directors on 8/27/21.

Approved by the Board of Directors, for posting to the Association's website, on 9/13/21.

