

# AGENDA

## WALLED LAKE LAKE IMPROVEMENT BOARD MEETING

February 27, 2020  
2:00 PM

Novi Civic Center  
45175 Ten Mile Road

- I. Call Meeting to Order
- II. Roll Call
- III. Public Comment
- IV. Approval of Minutes of November 19, 2019 meeting
- V. Treasurer's Report
- VI. Discussion of New Special Assessment Roll
  - a. Review of current assessment roll
  - b. Provide direction to City Assessor on preparation of new roll
  - c. Set date for next meeting and public hearing on roll
- VII. Interviews for Riparian Representative
- VIII. Elections:
  - a. Riparian Owner Representative
  - b. Chairperson
  - c. Secretary
  - d. Treasurer
- IX. Public Comment
- X. Other Business
- XI. Adjournment

Please visit [www.cityofnovi.org/lakeboard](http://www.cityofnovi.org/lakeboard) for additional information

**WALLED LAKE  
LAKE IMPROVEMENT  
BOARD MEETING MINUTES  
NOVEMBER 19, 2019**

The meeting of the Lake Improvement Board for Walled Lake was held in Council Conference Room at the Novi Civic Center at 45175 10 Mile Road on November 19, 2019. The meeting was called to order by Dave Galloway, Chairperson, at 2:02 PM.

**Present:**

Dave Galloway, Riparian Owner Representative (Chairperson)  
Megan Mikus, City of Novi Representative (Secretary-Treasurer)  
Karen Warren, Oakland County Water Resource Commissioner's Representative  
Gwen Markham, Oakland County Board of Commissioner's Representative

**Also, Present:**

Mark Roberts, Attorney, Secrest Wardle  
Victor Cardenas, City of Novi, Assistant City Manager  
Angela Maynard, City of Novi, Customer Service Representative

**Absent:**

Casey Ambrose, City of Walled Lake Representative

**Public comment:**

Three Novi residents and three Walled Lake residents were present.  
No comments were made.

**Public comment ended.**

Secretary/Member Megan Mikus presented the minutes from the September 10, 2019 meeting.

**Moved by Mikus, Supported by Markham;**

**CARRIED 4-0: To approve the Minutes of September 10, 2019 meeting.**

Treasurer/ Member Mikus presented the Q3 2019 and Q4 2019 year-to-date Treasurer's Reports. The balance on hand as of November 7, 2019 is \$125,357.27. Member Mikus stated the legal fees have been higher this year in preparation for the project renewal. Member Mikus made a recommendation to reallocate the \$5000 of remaining budget in the Lake Management Consultant line to the Administrative & Legal line to cover any remaining fees for the rest of the year.

**Moved by Mikus, Supported by Markham;**

**CARRIED 4-0: To reallocate the \$5000 budget in the Lake Management Consultant line to the Administrative & Legal line and to accept the Q3 2019 and Q4 2019 year-to-date Treasurer's Reports.**

**Discussion of the 2019 Treatment Review and Water Quality Report**

Member Mikus explained the first section of the report, which gives a review of 2015-2019 treatments-how many times Savin Lake Services treated the lake each year and what

**WALLED LAKE  
LAKE IMPROVEMENT  
BOARD MEETING MINUTES  
NOVEMBER 19, 2019**

was treated. Member Mikus went on to explain the water quality report and that the 2019 results were consistent with years past.

Chairperson Galloway commented the lake is holding steady and on how we are lucky that stonewort has been contained to one spot. One thing that needs to be looked at for the future is that natural weeds might need to be harvested.

Tina Miller of 1957 W Lake Drive, Novi, wanted to know where the information about phosphorous, nitrogen and alkaline was obtained for the water quality report. Chairperson Galloway confirmed Savin takes the samples and sends them to an independent lab for testing. Member Mikus clarified on the location of the reading points and when the samples were taken. Chairperson Galloway commented it would be possible for certified volunteers to take samples throughout the year, too.

#### **Discussion of 2020 Treatment Recommendations**

Member Markham asked if harvesting was figured into the 2020 recommendations. Chairperson Galloway said no it was not. Member Markham asked if we know how much that would cost. Attorney Roberts pointed out in the last section of the recommendation harvesting costs were estimated. Member Mikus said herbicide treatment could be reduced to cover the harvesting costs.

Member Markham commented it looks like we are in a holding pattern with treatment, and if it gets worse we would have to harvest. Is there any thought that we will eventually get rid of this? Chairperson Galloway responded there is a limit as to how often you can treat the naturals.

Tina Miller of 1957 W Lake Drive, Novi, asked questions about hybrids and how to test for them. Chairperson Galloway commented there is testing for that; however, treatments seems to be working, so there would be no need to test at this time.

Jerry Anderson of 127 S. Pontiac Trail, Walled Lake, asked what triggers harvesting. Chairperson Galloway said when it becomes a nuisance to lake property owners.

#### **Discussion 2020 Budget**

Member Mikus presented the 2020 budget based on the recommended treatment from Savin. The recommendations aligned with the previous year's. The proposed 2020 budget estimated the harvesting and herbicide treatments, including surveys and studies, at \$90,000; the permit fee at \$1,500; the administrative and legal line increased to \$5,000 due to anticipated costs related to preparation of the project renewal; and other at \$1,000, which is used typically for reimbursement to attend the Michigan Lakes and Streams conference. The total expenses are estimated at \$97,500, which would use up \$30,000 of reserves.

**WALLED LAKE  
LAKE IMPROVEMENT  
BOARD MEETING MINUTES  
NOVEMBER 19, 2019**

Attorney Roberts said he had reviewed the recommendations and felt it is consistent within the existing project, which is invasive species removal.

**Moved by Mikus, Supported by Markham;  
CARRIED 4-0: To approve the proposed 2020 budget.**

**Discussion of Renewed Project (Years 2021-2025) Treatment Recommendations**

Member Mikus said that in preparation for the renewed project, she had requested Savin come up with treatment recommendations for the years 2021 to 2025. They recommended budgeting \$95,000 for the first two years and \$100,000 for the final three. This would include not only treatment costs but also any studies, surveys and recommendations. In the recommendation, Savin highlighted if the Board wanted to do harvesting, which would be about \$15,000 per year, they could reduce treatment. The Board would need to know the budget for the next five project years in order for the Assessor to prepare the roll. In the previous meeting, there had been discussion on whether to go out to bid to see what those prices are before deciding to establish the roll or Savin had proposed keeping their 2020 prices for the term of the project-until 2025. Member Mikus posed to the Board do they want to go out to bid for lake treatment services or accept the proposal from Savin. Attorney Roberts said this is a professional services contract; therefore, the Board is not required go out to bid.

Member Markham asked how many other contractors provide these types of services. She said she is not pressing for change, but \$100,000 a year is a lot of money. Chairperson Galloway knows of only a few other contractors. Rising labor and/ or equipment costs could be contributing to the increased prices. Savin has history with the lake, and he thinks the lake is in great shape.

Dorothy Duchesneau of 125 Henning Street, Novi, pointed out if there were a new contractor it would take one to three years for them to get to know the lake. That seems like going backwards. Chairperson Galloway agreed that is a possibility.

Member Warren asked for some clarification-are we voting for a five-year contract or are we voting to not go out to bid? Attorney Roberts said the first determination is whether the Board wants to go out to bid. The second is –typically the Board has five-year projects. The next project would begin in 2021 and the assessment would be collected winter 2020. So if the Board is going to extend another five-year project, it needs to have the roll approved sometime next year- preferably early in the year. The Board is not bound by a five-year project and could do a one-year project; however, he would not recommend it as it adds costs. Member Warren said it seems premature to her to do a five-year term. Attorney Roberts said this is the way this particular lake board has been functioning due to the when the assessments are collected. The assessment is one year ahead of the treatment itself.

Member Warren said it sounds like the Board does not want to go out to bid right now.

**WALLED LAKE  
LAKE IMPROVEMENT  
BOARD MEETING MINUTES  
NOVEMBER 19, 2019**

Member Mikus said she was proposing a motion based on the discussion she heard.

**Moved by Mikus, Supported by Markham**

**Carried 4-0; To not go out to bid, and to accept the proposed pricing by Savin for 2020 treatment only.**

Member Mikus asked for clarification from the Attorney on the next steps in the project renewal process. Attorney Roberts said the Board would direct the Assessor to prepare a roll based upon the value of the estimated costs of the project. He recommended one more business meeting prior to the public hearing where the Assessor presents the roll to the Board and an election is held based on the nominees for the riparian representative.

**Moved by Mikus, Supported by Warren**

**Carried 4-0; To direct the Assessor to prepare a proposed assessment roll to be presented to the Lake Board.**

**Public Comment**

Gabriel Costanzo of 815 Bluffon St., Walled Lake, asked for clarification on the contractor's billing as it seems some treatments are very close together. Member Mikus explained the treatment may occur over two days, but it is billed as one treatment.

Member Markham commented how impressed she is in the expertise of all of the residents on the lake. She appreciates residents care and learns something every time she comes to a meeting.

Tina Miller of 1957 W Lake Drive, Novi, wanted to let the Board know about the upcoming Michigan Lakes & Streams Conference on May 1 and 2. Chairperson Galloway also recommended it and said it is an outstanding conference. Chairperson Galloway stated there is a course offered online by MSU Extension, where you can learn about lake ecology.

**ADJOURNMENT:** There being was no further business to come before the Lake Improvement Board; the meeting was adjourned at 2:54 PM.

The Board next meeting was tentatively scheduled for February 27, 2020 at 2:00 PM.

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Megan Mikus  
Secretary/Treasurer

**WALLED LAKE IMPROVEMENT BOARD  
2019 ANNUAL REPORT**

<b>BALANCE ON HAND:</b>	<b>12/31/18</b>	<b>\$142,732.26</b>
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<b>INCOME</b>	<b>Annual Total</b>	<b>Notes</b>
Assessments (City of Novi)	\$ 39,861.54	1
Assessments (City of Walled Lake)	\$ 25,421.39	2
<b>TOTAL INCOME</b>	<b>\$ 65,282.93</b>	

<b>EXPENSES</b>		
Harvesting and Herbicide Treatments (including surveys, studies, etc)	\$	80,970.92
Permit Fee	\$	1,500.00
Administrative & Legal	\$	2,821.40
Other	\$	799.40
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>86,091.72</b>

<b>BALANCE ON HAND:</b>	<b>12/31/19</b>	<b>\$121,923.47</b>
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**Notes**

- 1 Novi payment includes assessments paid to date to Novi
- 2 Walled Lake has paid the assessment in full

**EXPENSE DETAIL FOR 2019**

<b>Description</b>	<b>Invoice No.</b>	<b>Vendor</b>	<b>Amount</b>
Legal Fees through 2/28/19	1356580	Secrest Wardle	\$ 463.80
Herbicide Treatment	4730	Savin Lake Services, Inc.	\$ 26,913.98
Conference Reimbursement	20190715-174018	David Galloway	\$ 799.40
Herbicide Treatment	4831	Savin Lake Services	\$ 14,270.30
Legal Fees through 6/30/19	1364160	Secrest Wardle	\$ 489.80
Legal Fees through 7/30/19	1354644	Secrest Wardle	\$ 26.00
Herbicide Treatment	4869	Savin Lake Services	\$ 3,643.30
Legal Fees through 8/30/19	1367849	Secrest Wardle	\$ 273.00
Herbicide Treatment	4982	Savin Lake Services	\$ 34,868.34
Legal Fees through 9/30/19	1369638	Secrest Wardle	\$ 910.00
Permit Fee 2020	5074	Savin Lake Services	\$ 1,500.00
Legal Fees through 10/31/19	1371463	Secrest Wardle	\$ 86.80
Legal Fees through 11/30/19	1373381	Secrest Wardle	\$ 572.00
Lake Management Services	5210	Savin Lake Services	\$ 1,275.00
<b>TOTAL EXPENSES</b>			<b>\$ 86,091.72</b>

Submitted by *Megan K Mikus*  
Megan Mikus, Secretary/Treasurer  
Walled Lake Improvement Board



# MEMORANDUM

**TO:** WALLED LAKE IMPROVEMENT BOARD

**FROM:** MEGAN MIKUS, SECRETARY/ TREASURER

**SUBJECT:** FINANCIAL PROJECTION FOR WALLED LAKE ASSESSMENT

**DATE:** FEBRUARY 18, 2020

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The current assessment roll, which was adopted by the Lake Board on June 3, 2015, was for a period of five years (Project years 2016-2020; taxes are collected on the December tax bill of the previous year for use in the next). It is estimated the Lake Board will have a balance of approximately \$95,000 at the end of 2020.

The projected expenses for the next five years of assessment is approximately \$537,000. The assessment would increase from \$133.17 per year per unit to \$212.44, which is an increase of approximately 60%. In the last renewal, the projected balance was applied to the current assessment, which reduced the revenue requirement on the assessment 30%. The attached financial reports provide additional detail on current and future financial status.

The table below shows the estimated assessment per year for each type of lot based on the current assignment.

	Units of Benefit	Current Assessment per Project Year	Proposed Assessment per Project Year
Condominium parcels with lake access	0.1	\$13.32	\$21.24
Lake access parcels	0.2	\$26.63	\$42.49
Waterfront condominium properties	0.75	\$99.87	\$159.33
Residential riparian parcels with up to 95 feet of lake frontage	1.0	\$133.17	\$212.44
Residential riparian parcels with more than 95 feet of lake frontage	1.5	\$199.75	\$318.66
Commercial riparian parcels	3.0	\$399.50	\$ 637.33

The new assessment roll would require a mailing to each property owner, a public hearing in front of the Lake Board, and a resolution by the Lake Board to proceed with the new assessment roll pursuant to the requirements in the statute.



**FINANCIAL SUMMARY OF CURRENT FIVE-YEAR ASSESSMENT  
WALLED LAKE IMPROVEMENT BOARD**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>ESTIMATED 2020</u>	<u>TOTAL</u>
<b>INCOME</b>						
Assessments (City of Novi)	\$46,202.45	\$43,470.34	\$41,402.36	\$42,014.79	\$42,014.79	\$215,104.73
Assessments (City of Walled Lake)	\$25,421.39	\$25,421.39	\$25,421.39	\$25,421.39	\$25,421.39	\$127,106.95
<b>TOTAL INCOME</b>	<b>\$71,623.84</b>	<b>\$68,891.73</b>	<b>\$66,823.75</b>	<b>\$67,436.18</b>	<b>\$67,436.18</b>	<b>\$342,211.68</b>
<b>EXPENSES</b>						
Herbicide and Harvesting (including studies and surveys)	\$68,299.43	\$75,553.78	\$86,011.87	\$80,970.92	\$90,000.00	\$400,836.00
Permit Fee	\$3,000.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$9,000.00
Administrative & Legal	\$34.20	\$1,006.80	\$1,136.60	\$2,821.40	\$5,000.00	\$9,999.00
Other	\$0.00	\$764.43	\$761.23	\$799.40	\$1,000.00	\$3,325.06
<b>TOTAL EXPENSES</b>	<b>\$71,333.63</b>	<b>\$78,825.01</b>	<b>\$89,409.70</b>	<b>\$86,091.72</b>	<b>\$97,500.00</b>	<b>\$423,160.06</b>
<b>BALANCE ON HAND</b>	<b>\$175,251.49</b>	<b>\$165,318.21</b>	<b>\$142,732.26</b>	<b>\$124,076.72</b>	<b>\$94,012.90</b>	Final Balance

**PROPOSED BUDGETS FOR NEW FIVE-YEAR ASSESSMENT 2021-2025  
WALLED LAKE IMPROVEMENT BOARD**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>TOTAL</u>
<b>INCOME</b>						
Assessments (City of Novi)	\$67,014.80	\$67,014.80	\$67,014.80	\$67,014.80	\$67,014.80	\$335,073.98
Assessments (City of Walled Lake)	\$40,470.18	\$40,470.18	\$40,470.18	\$40,470.18	\$40,470.18	\$202,350.90
<b>TOTAL INCOME</b>	<b>\$107,484.98</b>	<b>\$107,484.98</b>	<b>\$107,484.98</b>	<b>\$107,484.98</b>	<b>\$107,484.98</b>	<b>\$537,424.88</b>
<b>EXPENSES</b>						
Herbicide and Harvesting (including studies and surveys)	\$95,000.00	\$95,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$490,000.00
Lake Management Consultant	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$25,000.00
Permit Fee	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$7,500.00
Administrative & Legal	\$1,500.00	\$1,500.00	\$1,500.00	\$3,000.00	\$5,000.00	\$12,500.00
Other	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$5,000.00
<b>TOTAL EXPENSES</b>	<b>\$104,000.00</b>	<b>\$103,000.00</b>	<b>\$108,000.00</b>	<b>\$109,500.00</b>	<b>\$112,500.00</b>	<b>\$537,000.00</b>
<b>BALANCE ON HAND</b>	<b>\$97,497.88</b>	<b>\$101,982.85</b>	<b>\$101,467.83</b>	<b>\$99,452.81</b>	<b>\$94,437.78</b>	

NOMINATIONS FOR RIPARIAN REPRESENTATIVE  
FROM LAKES AREA HOMEOWNERS ASSOCIATION  
TO THE WALLED LAKE IMPROVEMENT BOARD

The following name was provided to the Walled Lake Improvement Board's Secretary on February 13, 2020 by Jerry Anderson, President of the Lakes Area Homeowners Association (LAHA).

- Tina Miller