

**Property Owners Association Lake Hayward**  
**Annual Meeting**  
**August 18, 2013**  
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The meeting was called to order at 10:10 a.m. at the new First Beach Pavilion by President Gail Grzegorzczak. Present at the roll call of the Board of Governors were Dave Edgington, Dave Glazier, Gail Grzegorzczak, Larry Lusardi, Linda Nuzzo, Gary Petersen, Bonnie Sudell and Mike Trocchi. Also present were Lee Griffin, Treasurer; Brenda Armstrong, Tax Collector; Ed Bader, Budget Chair and Bob Sudell, co-chair of the Pavilion Committee. Arriving after the roll call was Diane Nelson.

Welcome: Gail thanked Linda Bailey for cutting the cake with a representation of our pavilion on it. She welcomed Association members to the new pavilion.

Minutes: A motion was made, seconded and passed to accept the minutes of the June 23, 2013 meeting.

Financial Reports:

Taxes: Tax Collector Brenda Armstrong reported that as of 6/30/13, she had collected \$151,463.17 of \$156,422.00 billed, leaving \$4,958.82 unpaid. The new tax bills went out on 7/1/13. \$135,202.36 has been collected so far, leaving \$83,527 still to be paid. This figure includes liens and finance charges that have been placed on properties. Brenda reported that the Board had made the decision to place liens on property that were thirteen (13) months delinquent. As the Town is more than six months behind reporting changes in ownership, it is very important that the Association have current property owner information. There are Lake Hayward Property Owner Information Sheets at the sign-in table for completion to ensure that we have current information. There was a question as to the length of time a lien is valid; Brenda responded that a lien is good for fifteen years.

Treasurer: Treasurer Lee Griffin referred Association members to the financial report in the August 17<sup>th</sup> newsletter for details. He remarked that we ended the year on a positive note. Although we collected \$5,000 less in taxes than budgeted, other income areas exceeded expectations, resulting in only a \$2,000 income shortfall. Expenses were \$16,000 less than anticipated, resulting in \$14,000 left to put back in reserves. All bills for the 2012-13 budget year have been paid and the books have been reconciled. As always, the books are available for review by appointment. Lee also has copies of the latest review by our CPA. A member asked what it takes to spend the unallocated reserves. Budget chair Ed Bader answered that if the amount was not in the approved budget, the Board would have to make a recommendation to the membership to spend the unallocated reserves. Gail elaborated that the Board has the authority to spend up to \$1,000 of unallocated reserves for emergencies. A motion was made, seconded and passed to accept the Treasurer's report as presented.

Budget Presentation: Ed Bader presented the proposed 2014-15 Budget for approval. He stated that the Budget Committee and the Board had spent a lot of time this year rethinking the way that we budgeted and taxed Association members and had come up with a number of recommendations. He said that one of the challenges was budgeting the Association's operations eighteen months in advance.

The Budget Committee and Board proposed, as its first recommendation, establishment of a contingency reserve as part of the annual budget. Certain expenses that were budgeted but not spent in prior years as well as categories that were significantly unspent would not be included in the proposed 2014-15 operating budget. They would be part of a contingency reserve which could be used to fund unforeseen expenses but only after the Board had reviewed the level of unexpended funds in all expense budget categories and reallocated the unspent budgeted amounts. The result of this proposed change in policy would give the Board the authority to reallocate the budget based on the existing circumstances, and eliminate budgeted expenses never expended.

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The second recommendation was to use any excess of revenues collected over expenses in a given year to reduce the taxes in the second succeeding year. For example, if there were excess revenues over expenses in 2013-14, the excess would be used to reduce the tax revenue assessed in developing the 2015-16 budget; 2014-15 for 2016-17 and 2015-16 for 2017-18.

The third recommendation was to factor into the mill rate a percentage to compensate for the 8% of Association members who do not pay their taxes. The Board and Budget Committee recommend factoring in a 4% delinquency rate in the 2014-15 budget. (Note: there is no uncollectable percentage figured into the 2013-14 budget.) The remaining 4%, if needed, would come from the contingency reserve, as described.

Based on the Association's cash balances as of July 19, 2013, specific existing reserves, and proposed reserves, were identified as follows: East Shore Weed Control \$1,478.98; Memorial Reserve (formerly Memorial Fund) \$525.65; Weed Control \$50,000; Pavilion Construction (\$190,000 less \$123,965.02 spent to date) \$66,034.98; proposed 2014-15 operating budget contingency reserve \$10,000 and unallocated reserves \$27,974.55. The proposed mill rate would be the same as this year, .004 mills.

As the promotional account recoups what it spends, it is recommended that a separate reserve account be established for promotional items, with \$5,000 in the proposed budget. Also for budgeting purposes, all recreational and social activities would be reduced to one line, with a supplementary schedule detailing expenses and revenues of activities. Finally, the Board has directed all committee chairs to obtain competitive bids for all expenses expected to exceed \$3,000.

A motion was made and seconded to accept the budget proposal as presented. Under discussion, it was asked why we are waiting thirteen (13) months to put liens on property. Ed replied that it is a matter of practicality and that we are trying to give members every opportunity to pay. Gail stated that periodic statements, including interest at 1-1/2% per month (18% per year), are being sent to delinquent tax payers, and we are beginning to see results of this collection effort. Publishing the list of delinquencies has also encouraged some members to set up payment plans. Gail remarked that thirteen (13) months was actually very aggressive, and that the Town would not place a lien on property that soon. There was a question regarding investing our cash; Lee replied that it is invested in a money market fund. In response to a question asking if we had ever foreclosed on a property, Gail replied that, to her knowledge, we had not. Ed said that the burden of foreclosure would probably be placed on the Town, but we had not reached the point of recommending foreclosure yet. Another member asked if we were able to recover legal expenses, including liens. Ed replied yes. A member stated that taxes were raised 40% ten years ago to pay for Sonar, the weed control agent used at the time. She asked why taxes could not be lowered now that we were using Clipper, which costs 1/8 as much. Ed stated that only \$20,000 was in the proposed budget for weed control. We work closely with Aquatic Control Technology, the DEEP, Tim Pelton and the Weed Control Committee to spot treat the lake. If and when Aquatic Control Technology recommends and the DEEP approves full treatment of the lake, the cost will come before the Association for approval. The Budget Committee and the Board proposes a Weed Control Reserve account of \$50,000. A motion was made, seconded and passed, to call the vote on the 2014-15 budget and the other recommendations. The motion to adopt the proposed 2014-15 budget and other recommendations passed with one opposed.

### Board of Governors and Committee Reports

Water Company: Larry Lusardi reported that water bills for most members had decreased with the advent of metering. Water lines continue to be replaced, and the water company asked for permission to park equipment in the First Beach parking lot. Some members received lead and copper testing kits. Larry will try to find out more about the kits. A member raised a concern that CT Water was no longer accepting electronic funds transfers (EFT's). Larry will clarify when he calls CT Water.

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Weed Committee Update: Gail reported that Aquatic Control will be completing a survey in September to evaluate the effectiveness of the June treatment. The report will be available in October, when the Weed Committee will meet to review, before posting the report on our web site. The Weed Committee is looking into alternative approaches to weed control, including sectional harvesting. Justin George of 82 Town Road asked if we have pursued grants available from the State for weed control. Gail said that we are part of the East Haddam Lakes Association, and that organization reported at their last meeting that they are looking into grant requirements. Gail learned at the last meeting that grants are currently not being awarded as there is no funding for them. She said that we are increasing our request for money from the Town of East Haddam; this year we received \$5,000. A member commented that we had applied for and received a grant several years ago, but that it had not been funded.

Communications: Gail reported that we are continuing to move towards on-line communications, such as our web site and emailed newsletters, as well as Global Connect for phone communications. She said that it was very important that the Board have the correct information from members; we have 257 email addresses so far.

Parking and Security: Dave Glazier reported that he issued 200 parking permits so far this season, so about 200 households do not yet have them. He has some with him today. He found an article on the web site howstuffworks.com that details ten simple things you can do to protect your property when you're away. He has some copies at his house for those who are interested. Dave is still trying to implement a neighborhood watch, but he needs more year round residents to take part. He also reported that both the State Police and East Haddam have increased their patrols of our area. Bob Sudell reminded members that, if they rent their property, it is their responsibility to inform guests of Association Rules, and ensure that guests display parking passes. We will be working with the Town to help us enforce our rules and regulations, with the potential for unmarked vehicles to be ticketed or towed.

Properties: Dave Edgington reported that with the pavilion project, some other properties work had been deferred. However, at the south end of the lake, by the dam, considerable work has been done clearing trees and brush. Dave thanked Pete Doyle, John Jacoby, Brian Bagnati and Gary Petersen for their hard work. After rock removal, soil will be brought in and grass seed planted. He also said that work would start soon on projects at the north end. Dave showed members the time capsule he made and asked members to contact a Board member if they had something they would like to have buried in the capsule. He said that he was stepping down as chair of the Properties Committee and wanted to thank all the volunteers, but especially Don Fantozzi and Brian Bagnati for their hard work over the years. Gary Petersen will be taking over as chair, and Dave urged members to give Gary support by volunteering.

Events/Social/Recreation: New Board Member Linda Nuzzo recognized Laura Cohen, Linda Abel and Janet Soboleski for their help to her this year, as well as Diane Nelson for mentoring her. In spite of the uncertainty of pavilion completion, traditional summer activities as well as new ones took place. Many activities are planned for Lake Hayward Days, culminating with a pirate themed carnival, and Linda and Diane urged members to volunteer to help. Gail acknowledged Don Smith, who is in charge of pavilion reservations, a challenging job this year. A member asked if there was a policy of no smoking under the pavilion. Gail said that there was no policy but it would be brought up at a Board Meeting.

Pavilion Rebuild: Bob Sudell and Larry Lusardi, co-chairs of the committee to rebuild the pavilion, thanked the Board and the Association for their input in the project. They also thanked committee members Don Fantozzi, site supervisor, who contributed more than 300 hours of his time; Steve Nelson, construction manager; Felicia Tencza, Jason Griffing, Gary Petersen and Dave Edgington. Bob also thanked other members of the community who donated time working on the project. The Landscape Committee will be developing plans to landscape the area in 2014. Bob reminded members that they should not try to attach anything to the siding or pavilion columns. A memorial bulletin board kiosk for notices will be investigated over the winter. Bob pointed out the two bricks in

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the columns of the front wall of the storage area, one dated 1929 from the first building on this site, and one dated 2013 to commemorate the new pavilion. Bob said that there is still a punch list of items to be completed, including configuration of the three rooms and additional lighting in the pavilion itself as well as the porta pottie area. He estimated that at least \$10,000 worth of materials and time have been donated to the project from local contractors and Association members, although he believed that the total was probably closer to \$20,000 in "sweat equity." He encouraged members to use local contractors and will be working on a project over the winter to identify members of our community who can provide services. At this time, projected final cost for the pavilion is estimated to be \$171,500. Furnishings are estimated to cost \$6,000. Steve Nelson recognized our local contractors who did the roofing (Bill McKane) and electrical work (Rod Bernier). A question was raised as to why the committee chose wood doors instead of steel. Wood doors were chosen for aesthetic reasons, and the committee felt that with the security system, there were adequate safeguards. A member asked if the lights were motion sensitive. The lights are on timers, but the security system is sensitive enough to pick up detail without light. A member asked about storage of flammable materials and if a fire suppression system had been installed. Flammable materials will not be stored in the rooms, and the cost of a fire suppression system was cost prohibitive. There was discussion regarding our previous insurance carrier and our being underinsured; Bob summarized the coverages we now have with Bouvier Insurance. As a token of appreciation for their hard work, Gail Edgington presented each committee member with an ornament, featuring the pavilion.

### New Business:

Presentation of Slate of Nominees for Board of Governors: The nominating committee, consisting of Phil Nuzzo, Linda Glazier and Scott Miers, presented the following slate of new members to the Board of Governors: Deborah Smith, Second Beach Rep, with term expiring 2015; Mick Trocchi, Third Beach Rep, with term expiring 2014; Gail Grzegorzczak, Third Beach Rep, with term expiring 2015; Gary Petersen, First Beach Rep, with term expiring 2015 and Bob Sudell, Rep at Large, with term expiring 2016. Continuing their terms were Diane Nelson, Rep at Large, with term expiring 2014; Linda Nuzzo, First Beach Rep, with term expiring 2014; Dave Glazier, Rep at Large with term expiring 2015 and Bonnie Sudell, Second Beach Rep, with term expiring 2014. As there were no nominations from the floor, the slate was approved as presented.

Emergency Medical Response Initiative: Jeff Bender, cardiologist at Yale Medical School, and resident of 6 Forest Way, discussed his concerns regarding 911 response at Lake Hayward. His concerns were in response to conversations with two members who had called 911 and felt that the response was slow. He contacted David Bailey, Region 3 Coordinator for the Department of Public Health Office of EMS and asked him to look into the coordination of medical response between Colchester and East Haddam and of the level of response that we can expect. He also spoke of the acquisition of an AED, at a cost of approximately \$1,500, probably at First Beach, and will continue discussions with the Board. A member asked that the Association put a list together of members who are health care providers and first responders, so we know who might be available.

Other New Business: Gail thanked Janet Soboleski for her work with the newsletter carriers, and reminded members that the carriers do not get paid so tips are appreciated. She also thanked Moira Boone for putting together the newsletters, as well as her work on the web site. In response to a question about drainage issues on Glimmer Glen, Gail said that the Board is establishing a position of Town Liaison, to work with the Town on this and other broad issues. A motion was made and passed for the Board and the Pavilion Committee to go out to dinner at the end of the season at the expense of the Association. There was a question regarding the open space initiative; Gail responded that there was no update.

The meeting was adjourned at 12:08 p.m.

Respectfully submitted,

Bonnie F. Sudell

Recording Secretary