

POALH Board of Governors
Meeting Minutes
July 22, 2020

The meeting was called to order at 7:06 pm by Bonnie Sudell at The POALH Pavilion, Lake Shore Drive, East Haddam, CT. Board members in attendance: Cindy Biancamano, Jeff Conway, Hema DeSilva, Jason Griffing, Gary Petersen, Kathy Sabo, & Bonnie Sudell.

Board Members Absent: Janet DePratti & Bill Taylor

Association members in attendance: Lee Griffin - Treasurer, Ed Bader - Tax Collector, Dave Edgington, John & Cari Eckert, Kim Jonah, Randy Miller, Gail Miers, & Corinne Halliday.

Invited Guests: Erin Day – Yoga Instructor

Bonnie Sudell started the meeting asking for a motion to suspend the normal order of business to allow the budget committee to make their presentation first. Jason Griffing made the motion and Cindy Biancamano seconded the motion. A vote was held, and all board members present agreed (7 yes).

Committee Reports:

- **Budget:** Randy Miller reported on behalf of the budget committee which consisted of Randy Miller, Ed Bader, Lee Griffin, Kim Johah & Dave Edgington. Copies of the proposed budget was handed out to board members. Randy Miller directed us to look at the 2021 -2022 proposed budget of \$218,881 which is a 3% drop from the current 2020-21 budget. The budget committee worked hard to get expenses down. The budget committee had people responsible for the various expenses come in and talk to the committee. Properties was decreased by \$3,000. Communications is down 25% due to an electronic spring packet. Social was cut by \$1,000. The budget committee felt that socials can have a greater emphasis on having events pay for themselves rather than running at a loss, the adult events only, not the children's events. Insurance is the best estimate the committee had at the time based on what they received from the insurance representatives. Financial review and legal fees – everyone is comfortable with those amounts. Public safety budget was decreased \$700 to \$3,300. Real estate taxes are what they are. Stipends were not touched. For the current year (2020-21) and next year (2021-2022) there is a \$4,000 stipend in there for the first time for a property manager. Waste management was bumped up about \$1,000 as there has not been an increase in quite a few years and that may happen. Lake Quality went up about \$1,000 based on an estimate on how much the Solitude expense may go up. Capital reserves stays at \$25,000 to have funds available to pay for projects coming up, particularly the dam project. Webmaster is the same. Utilities down \$500.00. Tax Collector expenses up slightly. So, on the expense side we are down about 3%. On the revenue side Bank Interest is what it is. East Haddam expense reimbursement we anticipate the town will keep that at \$7,500 but one never knows. East Shore donations will now go into a separately established East Side Dam Repair Reserve, not through our operating budget so that is why the 2021-22 budget has a \$0 there. Transfers from reserves in the current year (2020-21) of \$25,030 is a result of having an overage two years ago. There is nothing coming in for the current year because we did not have an overage so there is \$0 for the proposed budget. With less \$3,000 from east shore donations and \$25,000 from reserves that is \$28,000 less in income for the proposed budget. The committee tried to find ways to replace that which brings us back to taxes. The proposed tax amount is \$208,931 which is a proposed increase of 12.53% over the current tax bills. It seems like a lot, however, the amounts budgeted looking back to 2018-19 & 2019-20 was \$196,100. The current year budget of \$185,661 was a result of the overage from a year ago of not having to pay Solitude. While this proposed budget is up 12.53% from last year if you go back to what was budgeted two years ago, we are only up around 6%. The budget committee talked about looking for other ways to add revenue resources. Jeff Conway is in total disagreement that \$1,000 was taken out of the events budget. Kathy Sabo inquired about the property manager position. This position was approved by the membership for the 2020-21 year and it will continue for the 2021-22 year. Kathy felt this could be put on hold for now as we do not yet have a property manager. Hema DeSilva questioned the transfer from reserves for \$25,000 and then the reserve charge for \$25,000 seems like a wash. The answer was the \$25,000 from the expense side is the amount we are putting in reserves each year to build up the account. The transfers from reserves of \$25,030 under income was the overage we had two years ago driven by funds from the 2018-2019 error in billing for taxes that were approved around \$11,000 and the funds we did not spend for a weed treatment. The dollar amount is just coincidence. The current policy in place is to carry the overages forward into the operating budget of the future which causes confusion and it causes the tax revenue that has to be collected to fluctuate in a way that makes it more difficult to budget. It makes it more difficult for the residents as the taxes will fluctuate up and down depending whether we have overages. The budget committee will recommend going forward that any overages we have in the operating budget goes into capital reserves. Jason Griffing felt this may not be an easy thing to overturn. Hema asked if there could be a tax break for association members due to hardships they may be experiencing this year. The budget committee's goal was to get the budget

down to \$200,000 but they could not find other line items to cut the budget. The committee talked about taking money off of stipends or taking money from capital reserves, but it did not make sense. Kim Jonah commented that half of the budget goes toward properties, waste management & reserves. Everything else is so small it is hard to just keep chipping away. Dave Edgington agrees it would be nice to give members a break, but the dam project is coming up which will be very expensive, and we need to be fiscally responsible. Hema DeSilva commented that we should be getting money for the dam from the state and also east shore residents. Randy Miller went over projected monies that will go into the reserves adding \$25,000 each year and the spending over the next five years on the Dam Project and Watershed Management Plan. This Watershed Management Plan is crucial in getting grants from DEEP. The total Dam Project Phase 1 should be \$76,000 but the budget is showing \$66,000 because \$10,000 was previously approved and is already in reserves. The Phase II budget (west spillway) is \$125,000. Those three projects over the next five years is \$206,000 in addition to the \$10,000 already in reserves. If we generate more capital over the next five years or get more grants, we can tackle the other proposed capital projects sooner. This helps us see what we need to put into reserves over the next ten years. At this point the budget committee believes we need to keep pushing money from the operating budget into the capital reserves. It is important that the association or the board look into getting grants. Grants would help in not pushing as much money from the operating budget into capital reserves. The budget committee is looking to the board to consider ways to generate revenue so that we do not have to always increase taxes. Ed Bader then recapped what the budget committee is recommending the board to accomplish: 1) change the policy when we have excess revenue over expenses to have that money go into capital reserves; 2) critical to develop a watershed management plan; 3) have a grant coordinator to pursue grants and; 4) develop additional revenue sources. *Jason Griffing made a motion to accept the budget committee's recommended budget to be presented to the members at the annual meeting. Bonnie Sudell seconded.* Jeff Conway objects to the \$1,000 less in the social events budget. Jason Griffing would support bringing the public safety budget up. There are issues with security and cutting public safety is not prudent at this time. Jason Griffing supports the events committee having more money as well. Cindy Biancamano would like to make the recommendation to table the property manager position as she feels there will be more help for properties than there has been in the past. Jason Griffing feels that the property manager position should be more money. Kathy Sabo agrees with tabling the property manager position. She agrees that events should not go down and has no problem with safety going down. Kathy Sabo inquired about the assistant secretary position and thought that we could find a volunteer for that position. Kathy Sabo also inquired about the financial advisor position which assists the treasurer and feels that position could be a volunteer position as well or eliminated. Gary Petersen feels the property manager position line item should be kept in the budget. Hema DeSilva felt the increase for the tax collector over the years has been considerable. Cari Eckert asked if we go up \$1,000 in the events how much more taxes would people be paying. Randy Miller stated it would be about \$2.34 per property. Randy Miller said that per the charter it is not the responsibility of the association to provide events that people pay for with their taxes. He understands we have traditionally done it, but it is not an objective of the association to do it. Bonnie Sudell commented that the by-laws provide for the board providing recreation/social events. Ed Bader commented that if the association votes down the budget then it is up to the board to reallocate the budget. Right now, we have to present a budget to the association members giving proper notice of said budget recommendations. Hema DeSilva would like to limit our taxation to the membership in this budget to go back to the \$196,100 we had back in the 2019-2020 budget. Cindy Biancamano asked what the difference would be per household between taxing at 196,100 versus 208,931. Randy Miller stated it would be about \$55.00 per household. Dave Edgington noted this would take a lot more money out of the budget which would take more money out of events, etc. Hema DeSilva feels this increase will be very large to association members. *A vote was held and Jeff Conway, Jason Griffing, Gary Petersen & Bonnie Sudell voted yes. Cindy Biancamano, Hema DeSilva and Kathy Sabo votes no. The motion carries with 4 yes' and 3 nos.* Ed Bader noted that at the last board meeting the board approved to send the approval for the dam capital improvement project in the amount of \$66,000 to the members for a vote at the annual meeting.

Public Comment:

Jeff Conway introduced Erin Day of Ten Summit Yoga who will be conducting a yoga event at First Beach on August 1st from 9-11. She has had her policy and waiver reviewed by our insurance representative. Erin Day of Ten Summit Yoga has added the association to her policy and has supplied a waiver with Covid stipulations. She requires masks and hand sanitizer. Her style of yoga is gentle yoga. She has been teaching for twenty years to all levels. Jeff Conway commented that this is a private event and it will not be on Ten Summit Yoga's FB page.

Minutes: *Cindy Biancamano made a motion to accept the minutes of the June 17, 2020 board meeting. Jason Griffing seconded. A vote was held and Cindy Biancamano, Jeff Conway, Hema DeSilva, Jason Griffing, Gary Petersen, & Kathy Sabo voted yes. Bonnie Sudell voted no. The motion carries with 6 yes and 1 no.*

President's Report: Bonnie Sudell remarked she received a call from Fred Lesiak regarding his concern about jet boards on the lake. She spoke with an officer from DEEP and they said they would try to get someone out on the lake to catch them. It is a concern on how fast they are going. Hopefully we can enforce a slower speed limit on the lake in the near future. Sandra Brown called about getting the ladder back on the raft at little beach.

Financial Reports:

- **Treasurer:** Lee Griffin handed out his treasurer's report to all board members present. Income collected thus far is \$117,00 which includes \$88,400 for tax receipts. The donations shown for east shore will be transferred to the lake preservation reserve which will show on the next report. Our expenses right now are at \$45,000. The actual to date bank accounts are as follows: checking account is \$2,300; money market is \$492; special money market is \$159,000. All invoices at the moment have been paid. We are still expecting the insurance policy invoices. Jeff Conway inquired if the money market is growing every year. Lee Griffin indicated that they created a special money market into a 2.5% interest rate. The money in reserves just stay on paper we actually do not transfer it physically. All the tax receipts go directly into that reserve. *Gary Petersen made a motion to accept the Treasurer's Report as presented. Hema DeSilva seconded. A vote was held, and all board members present agreed (7 yes).*
- **Tax Collector:** Lee Griffin reported that the tax receipts so far are \$88,438.10. Cindy Biancamano commented that tax bills are not due until October 1st but asked if the interest starts now. General consensus of the board members was that no interest is levied until after October 1st. Lee Griffin commented that association members have until October 1st to pay their taxes. Bonnie Sudell further commented that if members pay their tax bill after October 1st then all of the prior months will be charged interest. Ed Bader reported there have been relatively few bills that came back with bad addresses. Ed Bader is concerned that people may not remember to pay the taxes when the grace period ends. There is no interest charge. The tax sales are still suspended. He is still short one taxpayer who has not paid their July 1, 2019 tax bill which is a little over \$300.00. *Gary Petersen made a motion to accept the Tax Collector's Report as presented. Jason Griffing seconded. A vote was held, and all board members present agreed (7 yes).* Hema DeSilva suggested that we send an email blast sometime in September to remind members that their tax bill is due October 1st.

Committee Reports continued:

- **Nominating Committee:** Gail Miers reported that 10 people have applied for the vacating board positions. The committee has met with all ten individuals. The committee is close to their slate of four candidates. They will have their four candidates in time for the deadline to put into the newsletter. The committee had a scoring criterion which included board experience, knowledge of the community, board experience outside of Lake Hayward, and other community involvement. The criteria were used to choose candidates in terms of identifying the individuals that had the skills, commitment, the interest and something to bring to the board. The committee felt they needed a balance of new blood, new people coming into the community that could grow within the board representing the next generation of homeowners, experience, expertise and that every district was represented as best as possible. Gail Miers feels it is important the board be prepared for the possibility of nominations from the floor at the association meeting. The board needs to make a decision as to whether or not when someone is nominated from the floor they are slated to run in a specific position against another person or just have a slate of 6 or 7 candidates. Jeff Conway feels if there are six great people then all six should get to be on the ballot. Kathy Sabo thinks if you have 10 people that are eligible then all those should be put forth to the association to be voted upon. Cindy Biancamano reiterated that the board needs to come up with some kind of voting method with independent tallying of the votes. Kathy Sabo commented that if we have ten people, we do not want to lose those people if they want to be volunteers. If we did not pick them to be on the board then we should ask them to be active in another way on a committee.
- **Lake Quality:** Corinne Halliday indicated that by September she will give the board a good estimate on developing a watershed management plan. She spoke with Northeast Aquatic regarding oxygen levels and water clarity. There has been an algae outbreak on the lake. Reasons for this happening is not a perfect science so the cause is not an easy answer. She will have better answers by the end of the year. Part of our permit for invasive weed treatment is also for an algaecide for about twenty acres of the lake but we are nowhere near contemplating that. Testing is continuous. The committee is on top of the water quality and algae and will send out information to the community as they deem prudent. A writeup will be going into the newsletter with information on the lake quality.
- **Events:** Jeff Conway reported that the chicken barbeque was cancelled. The band Furious George will perform during the day August 8th. Movie night is occurring August 1st. Yoga is also August 1st. Other events he is trying to plan is adult bingo, water balloon baseball game and the modified carnival beach games. A proposal was put together by Diane Nelson that Jeff Conway sent to all the board members about Covid-19 safety guided beach games. They would also like to have a magician. Board members will look over the proposal for the beach carnival games by July 29th and vote via email whether they think the games should go forward. Bonnie Sudell is

concerned about a dessert event being held on August 15th. Jeff reported this is in conjunction with a karaoke dance and the food items will be single serve prewrapped items. Bonnie Sudell then brought up the cake walk and chocolate bingo. Jeff Conway said that the chocolate for bingo would be in a gift bag. Social distancing will be required at tables. The cake walk would still go forward with just figuring on how people will choose the baked goods. Board members felt that the musical chairs portion of the cake walk is not social distancing. It was decided to cancel that event. Linda Abel is still doing the doggie parade. Bonnie Sudell thinks that the third beach potluck should also be cancelled. Board members agreed. Bonnie Sudell then stated that because Yoga event is being conducted by an outside vendor, we need to approve it. *Jeff Conway made the motion to allow Erin Day to conduct yoga classes at the lake provided that we get the Accord certificate of insurance from her showing the POALH as an additional insured. Gary Petersen seconded. A vote was held, and all board members present agreed (7 yes).*

- **Properties:** No report
- **Public Safety:** No report
- **Secretary-Clerk:** No report
- **Technology:** No report
- **Water Quality:** No report
- **Other:** None

Old Business:

- **Coronavirus Update:** Discussed under Events.
- **Due to the lateness of the hour the old business listed on the agenda of Rights-of-Way and POALH Property Encroachment Update, Insurance Update, Strategic Plan Update, Blighted Properties Update, Dam Reconstruction Update, Bio-detention Basin Update, Signage Enforcement Update, & Speed Limit on Water Update were tabled until the next board meeting.**

New Business

- **Voting in New Board Members:** Jason Griffing wanted to follow up with a concern that we should be consistent with what we do. We cannot just change things back and forth. The board created a qualification to be on the board a candidate must be available to attend 75% of the meetings. That may not be possible with some of the snowbirds that may be on the board. Cindy Biancamano commented that board members could attend virtually. Other board members noted that board members could attend virtually, you just could not vote. Jason Griffing feels that this is something we need to consider because it may come up. Bonnie Sudell commented that as long as 5 members of the board are in the state of CT you have a quorum. These rules can be found in the guidelines of the nominating committee. Kathy Sabo commented that the word attend can mean virtually. In person meetings have only been suspended for now until September 1st because of Covid-19.

There will be a Town Hall meeting on August 8th with the engineer to answer questions about the dam.

The next board of governors meeting is on Thursday, August 13, 2020 at 7:00 pm at the pavilion.

The Property Owners Association of Lake Hayward annual meeting will be held on Sunday, August 16, 2020 at 10:00 am.

Gary Petersen made a motion to adjourn the meeting. Jason Griffing seconded.

The meeting was adjourned at 9:46 p.m.

Addendum to minutes to provide clarification by Ed Bader submitted on August 12, 2020

- Just to be clear, if property tax bills are not paid until after October 1, 2020, interest will be charged at the rate of 1.5% per month from July 1, 2020 though the month that we receive the check. The minutes must be clear and should state that interest on delinquent tax payments will be charged interest at the rate of 1.5% per month from July 1, 2020 through the month they are paid after October 1, 2020.
- The Watershed Management Plan is included in the 2020-21 Budget proposal for \$15,000. That number is not stated in the writeup. The Watershed Management Plan is crucial to getting in grants from various sources. DEEP is not a source of grant money. The total estimated cost of the Dam Reconstruction project is \$226,000 of which \$10,000 was approved in the 2019-20 Budget and the Budget Committee is requesting an additional \$66,000 in the 2020-21 Budget for a total cost of phase 1 of construction of \$76,000. The cost of Phase 2 of dam construction is estimated to be \$150,000 but this amount is not included in the 2020-21 Budget. The cost of Phase 2 will be raised over a period of 3-4 years or sooner depending on a combination of annual increases in funding the capital reserve and our success in raising money from various other sources, i.e. Town of East Haddam reimbursement, East Shore residents contributions to a dedicated Dam Construction reserve and other sources, State Bonding Commission and other grant issuing agencies.
- Clarification-Once we receive the donations from the East Shore residents, the money will go into a capital reserve and be used to defray the cost of dam construction and other Lake related enhancements. The Board of Governors will control its specific use but in all likelihood, their contributions will go to reduce the cost of the dam reconstruction for the next 5 or more years