

BOARD MEETING - August 19, 2020
(Via Zoom)

PRESENT:

ROGER CROOK	GLEN KATZ	MICHAEL LYNCH	AMI NICKEL
PAT DEGNAN	MARK KEMPNER	JOANNE MACHALABA	RUSSELL NOLAN
SCOT DESORT	STU KIPILMAN	BEVERLY NEMIROFF (Late)	KIM STECHER
MICHAEL ILARDI	STEVEN KOENIGSBERG	KRISTEN NEU	MICHAEL STOCKNOFF ROBERT TORCIVA

ADMINISTRATION: ROBERT ROSSMEISSEL, Esq.

ARRIVED LATE: BEVERLY NEMIROFF @ 8:07

ABSENT: GLEN KATZ

Michael Ilardi, President, called the meeting to order on Wednesday, August 19, 2020 at 8:00 p.m.

Suzie Palazzo Roll Call

Michael Ilardi

MOTION #1: Motion to approve the minutes of the July 15, 2020 Board Meeting.

2nd by Kim Stecher

Michael Ilardi Does anyone have any questions, comments or changes to the minutes? None

Motion Carried

CORRESPONDENCE

Elaine Deabella (??)

I would like this addressed by the POA Board. I would like to know what kind of rebate or reduction in dues will occur for next year. Please don't tell me that expenses were the same as the planned budget. Obviously, I understand the hardships faced by the Board. Festival Day was cancelled, Newsletter mailings were non-existent until recently, only one pool was opened at a later date, and the circus pool was not open at all, even on weekends as before. Don't tell me the money isn't there. Please explain what will happen.

- I did not respond because there are many options of what can happen. I also did not respond because they asked for the Board, not my input.
- **Joanne Machalaba:**
- Mike and all, I'm sure that's not the only person that's asking that question. I don't know if it is a topic for tonight but once we look at the financials maybe in October or November, we can see where we are at and what kind of response...I can draft/write something now, if you'd like. We have 50% of our budget spent. We have expenses that don't go away even though certain things aren't happening as we all know. I can try to draft something to send out to people to inform them in the short term. Laurie takes the brunt from a lot of these people who don't want to pay dues because of what's not working. As we get closer to the end of the year, the Board may want to take a closer look at where we are financially and discuss it.
- **Michael Ilardi:**
- I think the option is when we set the dues at the end of the year and how we will compensate the leftover money. If you want to draft something, I can email back to anyone who inquires, you are more than welcome to do that.
- **Pat Degnan:**
- I think at this time of year there is still a lot of expenses that we will have and I think we should wait until we have a better picture of what we actually spent. We can always use any surplus to reduce dues for next year. That's the proper way to do it as far as I am concerned.

- **Michael Ilardi:**
- I think what Joanne is thinking of drafting would be just explaining to them what the procedure will be, not just saying you will be getting money back but the procedure is that at the end of the year, as we do every year, see what the financial situation is, what surplus there is and what mechanisms there are to deal with that surplus.
- **Joanne Machalaba:**
- Right. In the short term, people will appreciate we are not sitting on a bunch of unspent dues. Actually, we are spending pretty much as much as we spent last year. I'm happy to work on that if it will be helpful.
- **Kim Stecher:**
- It will also be good so that people don't think that we are not responding to their concerns, questions, or letters.
- **Scot Desort:**
- A reminder to the community that Festival day although was not held, even though it is a \$5,000 budget, we normally do not operate at a loss. We have a small profit or break even. It pays for itself. If Festival Day is not held, we are not spending money and also not any making money. It's a wash.
- **Michael Ilardi:**
- It's on the Country Club side, not the POA side.

Family of Thomas L. Degan

- Expresses their deepest appreciation and sincere thanks for your kind expression of sympathy. From Pat and family.

Boy Scout Troop

- Request from them that they are interested in having an overnight camping at the A-Field because they are actually limited in what they can do this year. They will provide us with the proper insurance.
- I spoke to Rob today and obviously we will get a Hold Harmless Agreement.
- I would like to know if the Board would be in favor of allowing the troop to do so.
- They did not give an exact date. Suzie spoke to them. It will be in the fall – they were looking for September or October.
- It's not like the field is being used for anything else. They will have chaperones and protocols in place.
- Does anyone want to comment on to not allow?
- **Pat Degan:**
- Would we have to leave the bathrooms open for them?
- **Response by Michael Ilardi:** I would assume so but I would also assume that we would have that it the agreement that the bathrooms will be open and will be inspected both before and after with one of our employees and one of their leaders to make sure they are left in the same condition they were found in. I would not be against them using the bathroom with that stipulation.
- **Roger Crook:**
- What are their plans for any camp fires?
- **Response by Michael Ilardi:**
- They did not have any specifics for a camp fire but I think they would need a permit from the Fire Marshall.
- **Robert Torcivia:**
- The woods, for a long time, people have been talking about putting trails in the woods and we don't have the money to do it, and yada, yada, yada. One of the boy scouts had mentioned that for his Eagle Scout project that he would do mapping and things like that. He was kind of into it at the time when I was speaking to another kid about the signs. I do not know if that is anything the troop would ever be interested in but the woods could certainly be a really cool campout for the boy scouts if they wanted to do that. I do not know we would approve it or not. Our community would get trails out it. I'm sure they would be happy to mark the trails with blazes, and stuff like that. It is a very boy scoutish thing to do.
- **Charlie Bogusat:**
- Actually, Troop 10 in Mountain Lakes maintains their trails for them. They cleared their trails after the last storm.
- **Stu Kipilman:**
- If they were to be on the A-Field, where would they be? Do they have to dig it up to put a fire pit in?
 - o **Response by Michael Ilardi:** They did not mention a fire pit.
- I've gone camping with the cub scouts and we had to go to a place where we could have a fire because we had to do some cooking, and grilled over the fire, and so on. I'm sure they are going to want that unless they are going to have Domenico's catering.
 - o **Response by Michael Ilardi:** We don't have all the details. They said to put up camps and tents overnight. They did not say what details it would entail.
- The question should be asked and then we should decide where it will be if that is the case.

- **Response by Michael Ilardi:** We can get back to them, ask these questions and come back to the Board next month? I don't know what timeframe they need an answer. This question came in at least 1-1/2 to 2 weeks ago.
- **Michael Stocknoff:**
- There is that sandy area between the pavilion and the stream that would certainly be sufficient if they wanted to make a fire pit or do something like that. Obviously, we wouldn't want them to do it on the field.
- **Responses:** So, we're not against a fire as long as they do it where it is acceptable to us and get the proper permits. We need a more detailed plan of what they want to do.
- **Michael Ilardi:**
- I would like a consensus with the stipulation that they can have a fire in a location that is approved by the fire marshal, Charlie and Kurt. It has to be in a place that will not be an issue. The fire marshal will not let them do a fire in a place that will be dangerous. Pretty sure the boy scouts is a serious enough organization who knows where and how to build a fire. Do we want to come to a consensus tonight or do we want to get more information and come back in September?
- **CONSENSUS** to allow with an agreement and all the stipulations: **Yes**
- **Michael Ilardi:** Michele, can you get together with Suzie when she gets back to get the information from the boy scouts? **Response:** Yes, I will.

GOOD & WELFARE

Mark Kempner – 4 North Lakeshore Drive

- I have 2 issues and I don't expect the answers tonight because I know the meeting is going to be really long.
- 1st comment is in regards to the Boards role in decision making.
- I am getting very concerned on where the decision-making lies as to with the President singularly or with the Board?
- Last month we had an email regarding doing the meeting via zoom or live. We had 12 or 13 board members on the conference email and at least 7 of them were very concerned and wanted to do zoom. A consensus was requested twice to our president and no consensus was taken and then we had the live meeting.
 - **Response** by Stu Kipilman: That never bothered you. When you were president it never bothered you.
 - **Response** by Mark Kempner: Sure, it did. Let me finish my point.
- 2nd point: Today we saw an email about a political type rally, or whatever you want to call it, using the lake and boats.
- Again, our president made a singular decision when we had a board meeting tonight and the board could have taken a consensus on whether we agreed with it or not. Whether they say no problem or whatever.
- The point is the decision making ... I understand the president makes the day-to-day decision and does not have to come to us. I understand the president has to make decisions sometimes on an emergency basis and based on timing. In these two issues there was plenty of time to have the Board involved in making that decision.
- The second thing I want to mention is that our collection in dues is fairly good this year. The pandemic did not really take hold until mid to end of April. I'm very concerned with a very large budget based on we don't know where this pandemic is going and we will know more when we begin our dues collections rather than half way through. I'm concerned our dues collections may not be sufficient so we should be very cautious with how we vote on budget items and use of the reserve fund just in case any emergencies arise due to this pandemic. Many more people now are feeling the effects of it financially than they were earlier. They were getting \$600 a month and were not out of work yet. Businesses were not shuttered yet. So just to keep that in mind as we go through the meeting.
- **Response** by Michael Ilardi:
- Last month when protocols were in place to have an indoor meeting, everyone could have chimed in that they did or did not want to come. 7 people had some concerns but they did not say they weren't going to come or only come if it were on zoom. The people who did not comment is assumed to be fine with coming.
- As for the boat parade, the email went to the entire board. I got the email and responded to it. I did not respond to them that it was a decision. I said: There is little the board can do. If people want to take out their boats and parade through the lake with flags on their boats in any such position, it is not sanctioned by the POA, it is not something we are participating in nor advertising but if members want to go out and call their friends to do a loop around the lake with flags on their boat, there is no jurisdiction for the POA to get involved with free speech. I am sorry if you are disappointed with this response but there is really nothing the POA can do to stop them from using the facilities and decorating their boats.
- **Response** by Mark Kempner: I am not going to respond. I said my peace. I feel the Board should have responded to it.
- **Response** by Michael Ilardi: This email was sent to the entire board and every board member had an opportunity to respond to this.

- **Response** by Mark Kempner: You responded before I even saw the email. I don't want to get into it. We have a very long meeting. I appreciate your input and response to my questions so we can move on.
- **Stu Kipilman:** Rob, do you have any comment on that?
- **Attorney Rob:** The only thing I have on that is I did not learn about it until afterwards. My understanding is that it isn't the kind of thing a permit would have to be taken out for. It really is individuals going out on the lake. That is my understanding of it. I do not know if it is the kind of thing that generally would require approval if it were a train of boats going out without any flags or banners. My understanding is that people with boats could go out on the lake in that kind of formation and that would not require any formal approval or any permit from White Meadow Lake.
- **Pat Degnan:**
- Didn't we have an incident a couple of years ago where a number of boats tied themselves up together and the Board did not approve of it and yet we could not do anything about it?
- **Response** by Michael Ilardi: Boats tie up out there every weekend and hang out together. The more people that utilize the facilities, the less abuse that takes place. I don't think the POA would have any mechanism controlling something like this. If someone put other signs on that some people might not be in favor of, then you could be prejudice about that particular demonstration. They are not posting things on our property; they are not holding a rally in our Clubhouse or on the beaches. They have material on their privately owned boat. I don't know what jurisdiction we have.
- **Response** by Robert Torcivia:
- Pat, yes to answer your question, we did have a big tie up. It was before I was on the Board. I was contacted by Mark and Charlie about safety issues and not doing it again. It did not turn into being an annual thing as what I had hoped because I had not really thought it through. When we talked about how to anchor the boats and try to get people trained to do it, and so on and so forth, it was certainly an event where people and kids were in the water. There was at one point where one guy was fishing with kids in the water. It struck me that it was not safe and I agreed with them. The Board did approach me and asked me about it. It was a totally different thing because it was a tie up and it was a safety concern. In this case, I totally agree with Mike on we don't have any jurisdiction here and it was a good response. I understand what Mark was saying too and I think that is an important question that we need to address here: When does the President unilaterally respond to something and when is it something, we would expect the whole Board to communicate with each other first before a response is sent out? I just think it is an issue that needs to be clarified. Not tonight as we have a lot of things to do but something that should be clarified for the future. We have been blessed with great Presidents, the last two being Mark and Mike, who are fantastic Presidents. If we end up with someone who gets elected and for some reason is a kook, we want to make sure that he is not just randomly responding to things and does not end up disrupting the whole Board. It makes sense what Mark is saying that there should be some sort of procedure.
- **Response** by Michael Ilardi: This was an email to the Board. It was an email to everybody to ask for their response.
Barry Mendelsohn – 53 Oakland Avenue
- The flagstone path between the Clubhouse and the dam: one of the tiles or stones is loose. You may want to take a look at that before someone gets hurt.
- Boats: It was peaceful. It was not interfering with anyone. What next do we do is to say you can't sail your boat because we do not like your blue or yellow sail? As long as it was peaceful, nobody was hurt and it was not interfering with anybody, I have no problem with that.
- Zumba: Someone who used to live here and her parents still live here, is looking to set up some kind of Zumba class outside the Clubhouse. I was wondering what she would have to do to get it started.
 - o **Response** by Pat Degnan: It is Women's Club or House Activities.
 - o **Response** by Kristen Neu: No, that is Athletics and I believe we have already gotten that request and Glen actually handled it I believe.
- I don't know if he got back to them at all.
 - o **Response** by Kristen Neu: I'm not on Athletics but my guess with COVID I'm thinking a couple of things are on hold so they might not have an answer yet. I know Glen was looking to restart Yoga and there was someone who reached out to start Zumba and it could be the same person, I don't know. I think someone reached out to the Clubhouse and got connected with Glen.
 - o **Question** by Michael Ilardi: Was it Yoga that was up in the teen center? Through Athletics?
 - o **Response** by Kristen Neu: No. At the time Athletics did not want to do it but House Activities felt there was an interest from the community so even though it was not typically a House Activities thing we did, we volunteered to take it. Then, Glen indicated that Athletics wanted to start it back up and House Activities was all for it. We shared the different contact information of different Yoga instructors we had in the past and if

- any of those wanted to come back. I know he had instructors he knew of as well. Last I knew, kind of when COVID started, that it was in Athletics hand. I'm sure it had some delays as a result of that.
- o **Response** by Michael Ilardi: Barry, can you have them email either Glen or the office who will forward it to Glen.
- I think they spoke with Glen and he was going to get back to them but I don't know. I think he was busy. Just looking to how to move it forward.
- o **Response** by Pat Degnan: Tell them to send me an email because I am co-chair of Athletics and see where it goes from there.

Reva Gomer - 50 Ellen Drive

- I would like to talk about something that would be good for the welfare of the community.
- My daughter, Ally, and several of you know who she is, is a product of our lake. Now as an adult she is not only a certified Health and Physical Ed teacher, she is also certified as a Zumba instructor and would love the opportunity to provide a fitness program for our residents by the deck in one area. This past summer Ally has been doing a class at Cooks Pond in Denville that was outdoors with social distancing. It has worked out very well. I would think, particularly in times like this, something that addresses the health and well-being of members of our community could be a very wonderful thing. Pat, I heard you very kindly offer for Ally to contact you and I will share that information. I know she did reach out to Glen Katz and I think someone else in the Women's Club but forgive me I'm not sure who that is. She has a certificate of insurance. If there are any other questions you may have, you would, of course, have to ask her. She is very highly respected. There are many residents of White Meadow Lake who have been taking her outdoor class in Denville and they can tell you directly about the wonderful program she runs. It's safe, there's social distancing, and I can't imagine anything nicer than being fit while overlooking our beautiful lake. Thank you for listening and your time. Pat, I will have Ally get in touch with you.
- o **Response** by Pat Degnan: I will be looking forward for the information.

PRESIDENT'S REPORT

- At the seniors meeting the other afternoon, they finally got to meet on the deck. It was nice to see them out and about. On behalf of the POA Board I presented this plaque to Pat that reads: "Tom Degnan, 50-year resident, 17 years White Meadow Lake Maintenance, Chief White Meadow Lake Fire Department." This will go on a bench which is on order for Beach 3 in recognition to Tom's contribution to the community and his willingness to give Pat to us for so many hours over years. I will let you know when the bench is installed. It is well deserved.
- o **Response** by Pat Degnan: Thank you.
- Does anyone have any questions for me? None

OFFICE REPORT

- August 2020 report distributed by email.

SITE MANAGER'S REPORT

- August 2020 report distributed by email.

MAINTENANCE REPORT

- August 2020 report distributed by email.

TREASURER'S REPORT

- August 2020 report distributed in packet.
- We expended \$849,000 which is 50% of the budget.
- The good news is we collected 89% of the dues which is just 2% less than last year.
- I have no major note on the POA or Country Club side of the budget.

LEGAL COUNSEL'S REPORT

- Nothing new to report at the public meeting.
- Keeping busy on other various researches, assignments and projects.

COMMITTEE REPORTS

Beach – Beverly Nemiroff

- **FYI:** To hire Baptist Electric to provide all material and labor for the installation of amp circuits for the concession stand. One is for the soda cooler, one is for the ice cream freezer and one for the microwave. \$682.58. The reason

is the concession stand building is very old, the wiring is old and we found out that we need to update all that wiring and the plugs to maintain the equipment in there.

Women's Club – Kristen Neu

- We have 2 scholarship fundraisers coming up, if you can keep your eye open for them. If you are interested, please support.
- One is donuts through our neighborhood donut truck Glazed and Confused. They will support us with the same fundraiser we did for Father's Day and 4th of July and this is for Labor Day.
- We will also be doing a fundraiser sale of mums, cabbage, kale and hanging baskets I am finalizing those details tonight and tomorrow so we will have more information and the info will be in the September newsletter.
- **Question** by Michael Ilardi: How is the Women's Club Scholarship fundraising coming along compared to the previous years with all the changes you had to do? Is it keeping up?
- Patrizia has a really much better answer and if she is in the audience, you can ask her or maybe Joanne as Officer-in-Charge and Treasurer? They would have a better idea than I would.
- I know we are hurting without some of these really great events that Women's Club throws but I think a lot of these smaller efforts are adding up.
- **Response** by **Patrizia Trento**: Thank you Kristen for bringing those 2 things up to everyone. We do hope that you support them. Kristen is spear heading them for us, so thank you. The bulk/majority of the fundraisers that generate the most income are done in the beginning of the year – January, February and March. We do Pub Night and Club Night, those are generally the two larger ones. We added Latin Dance Night which has also been amazing and great. We are hoping to host that again next year. So, while we are not behind, we're on target as we have been really pushing a lot of new programs and fundraisers. We just wrapped up an apparel sale that generated, I think, was between \$700-\$800. I'm waiting for the final number. The first Glazed and Confused donut sale Kristen had done generated \$500 and the second one about \$250ish. We're doing okay. I continue to support the programs we are putting out there and always open to new ideas. I think we'll be okay and we'll see where we are next year.

OLD BUSINESS

Joanne Machalaba Treasurer & Officer-in-Charge, Women's Club

MOTION by Phone Vote on July 7/29/2020:

- Motion to open the preschool for the 2020-2021 season with a 10% tuition increase to ensure the financial loss of doing so should be no greater than \$6,000 of the cost to keep the school closed. This increase will override the previously passed budget and will be revised to reflect any changes to income and expenses.

2nd by Michael Ilardi

Motion Carried

Discussion at Board Meeting:

Joanne Machalaba:

- That was based on the regulated 10 person per class which would be 40 students max in the school. We put that out there to parents that registered and we actually pushed this information out there to secure more registration. At the end of the day we only had 27 students that enrolled. At the 10% increase, we would be looking at a loss of \$36,000 which is \$16,000 more than keeping the school closed. If we keep the school closed, we still have real estate taxes, insurance, heating and cooling to maintain the building that would run about \$20,000. The Board struggled with this. We worked with Women's Club on a lot of various options, different increases, different levels of students, and the time of day, but the \$16,000 loss was just not fiscally responsible. We then went back to the Women's Club and there was an idea of actually having the parents paying more money per child and we have not heard back on that. Even if we were to ask every parent to pay \$500 more per child, we would still be looking at a loss of over \$7,000 above keeping the school closed. I feel for the parents, the kids and the continuity of education. We had hours of conversation about this to see if there was some way to make this work and it doesn't seem financially that we could do that. I also want to point out that if any child or teacher is presumed to have the virus and diagnosed, we have to close the school for 14 days. Then the kids can go back. Then again, if anyone is presumed to have the virus and diagnosed, we have to close the school for 14 more days. Given all that, I think the best decision is not to open the school. I know it is a tough call but that's pretty much where we are now.

Patrizia Trento:

- I kind of agree with everything that Joanne had said. On behalf of the parents I just wanted to pass along some information.

- I guess the parents were a little surprised that the school wasn't going to open. There was an initiative/suggestion made by a few of the parents who either wanted to increase and said what if we all agreed to pay extra in order to make it not profitable but to a point where it would be fiscally responsible. That was one suggestion. There was another suggestion to do fundraising. There was an unofficial poll done by some of the parents. Our thing is that maybe one parent can afford the \$500 a year and the next parent may not be able to. We don't know if that option would have even been enough. We don't know if we had enough people to say we can afford the extra \$500 or whatever it was at the time. I told the preschool parents that there would be a discussion tonight and I do not know if any of them are on. On behalf of them, I did want to present that and that is something they had asked if it was an option. I just wanted to present that on behalf of the parents to the Board.

Michael Ilardi:

- I would like to thank Joanne, Patrizia and Gloria on the hours they spent on many different options on trying to come up with any which way to make this work. It was zoom calls, telephone calls, and emails over the last three weeks or longer.

Patrizia Trento:

- It really was a tough call to make. I just hope that next year we are in a better place and a better position if nothing does change for this year. I hope that this does not affect anything for next year and it doesn't impact the school in any way. I wasn't surprised but I kind of was in the fact that so many parents were willing to try to make up the difference and spend more money on the program which is already reduced. They were paying more for less. I just think it speaks volumes for the program and the benefit it provides to the residents and our community. I just want to put it out there that they love it. If there is a way that we can look at things maybe in the future to kind of maybe prevent something like from happening again and just something to better sustain the school in the long run.

Pat Degnan:

- Is there any way that we can revisit and possibly ... because by January things may change completely? Is there any way we can revisit say in December, let's say if schools are completely open, we can hope, that we could maybe have a January to June session?
- **Response** by Michael Ilardi:
- That was discussed too if things were to change. We were still going to be on top of this. Gloria was going to be on top of the stipulations in place and if things change where we can have a bigger class. It is not a done deal for the whole year. If something comes up where we can revisit it, it would be opened up again and if we could make it work, we will make it work because Gloria wants to too.

Joanne Machalaba:

- It's really the enrollment numbers. If we can get more kids enrolled. Maybe parent's confidence will grow and have more enrollment.

Patrizia Trento: I think we had someone drop out today.

Joanne Machalaba:

- Refunds will be processed and go out shortly. I know parents are looking to see what else they can do with their children. We will be open minded if things change and we can revisit this with the community. We will stay in touch with the Women's Club and Gloria to see if there is something we can do.

Michael Lynch:

- Patrizia was just talking about the parents themselves and how much they love the school. I think we need to tap into that and ask them their opinion on that instead of just making a broad stroke opinion. We spent a lot of time as a Board to open the school and then we closed it when 4 or 5 people made the decision on it as Mark mentioned earlier, and I don't know the logistics to all that. I just want to make sure that we're taking care of the kids. That's what we are all about. You close that school it might not ever open again and that would be a very sad thing because my kids went to that school and I'm sure a lot of people on this call have children that went to the school a long time ago.

Michael Ilardi:

- The decision was not made by 4 people. The decision was made by a motion made last month that the Board agreed that the loss would be no greater than \$6,000 and we were not getting anywhere close to that. With that parameter in place, that's why the decision was made.

Patrizia Trento:

- The pre-school kind of does fall under Women's Club which then funnels up into the POA. We started these discussions, I'd like to say, shortly after we closed back in March. We kind of started thinking about what is going to happen in September. This is just a back story so you kind of understand our process. I met with Gloria and we started thinking about it and said let's just see what happens. I think our first conversation really tapping into what's really going to happen in September once Gloria got the information from the Division of Child and Family Services which is

like instructions on how to safely reopen. That's when we got the news that hey, you can only have 10 kids in a classroom and we're only a one room school. That was the biggest blow and the biggest hurdle we had and how were we going to accommodate all these people. Gloria came up with the suggestion of modifying the program by reducing the program: reducing the 5-day to a 3-day and the 3-day to a 2-day and eliminating the 2-day. That was a huge thing. So back and forth with Women's Club and then we got to the point to get a motion in place and how do we do this. We worked the numbers with Joanne. Women's Club decided that we vote either on a 10% or 15% increase and Women's Club, as a committee, voted on the 10% increase that went as a motion to the Board last month and that was what was decided on by the Board. That was an email or a phone call, I forget how you guys did that outside of a regular meeting. It's a tough thing. I support the parents. I also support being fiscally responsible. I'm kind of in the middle. I'd love to see it open. I'd love to try to think of something outside the box to try to maintain it. We had a parent dropout today and can everyone assume another \$500 or whatever that number is and take that on? A few families can and a few families can't. The families that do, great and the other families drop off and then it becomes a \$1,000 or whatever it is. I don't know what the answer is.

Michael Lynch:

- We're doing fundraisers for scholarships and I'm sure parents would get together to do fundraisers to keep the school open. In a short while we will be spending hundreds of thousands of dollars on different things but a shortfall when it comes to the children we can't cover. Personally, I am not happy with.

Patrizia Trento:

- I agree with you. I really do. I wish there was some way we could grab this money from somewhere and have it to just get going and open up. I do not have that power. Maybe someday.

Pat Degnan:

- The \$6,000, is that like the insurance costs, overhead and things like that?

Response by Joanne Machalaba:

- To keep the school closed will cost us \$20,000. We assumed we would have 40 kids because it's the cap based on the regulations. With 40 children, we would be running \$6,000 more than the \$20,000 to keep the school closed. The Board felt we could eat the \$6,000 and remember pre-school falls under Country Club which owes the POA a boat load of money right now. It adds to the debt. I know it sounds harsh but those are the things I have to look at. We said let's keep the school open and take the \$6,000 loss. Then we ran it with a 15% increase, a 20% increase and no matter how we cut it, then with 27 enrolled kids, it costs about \$100,000 a year to run this school. It is nowhere close with 27 children. That's the hard decision. What can we do? We can try and do fundraisers, try and ask parents if they can kick in more money, and try to do lots of other things. We are already pushing into September. We did not have these regulations from Family and Child Services until about a 1-1/2 to 2 months ago. It was the Women's Club Board, the Women's Club and then we brought it to this Board. I think the process was followed and as soon as we could draft a letter to the parents to inform them, we did that. We reached out directly. I think Suzie called parents that were registered or expressed interest. We posted it on Facebook with all this information. Thank you Patrizia for doing that. We did try to communicate where we were at in every step of the process. It's just 27 children and now 26. It's a hard decision. This school may have to close for 14 days and then are we going to have to give a refund for those 14 days? We reopen and then there could be another 14 days and give another refund?

Patrizia Trento:

- I think the risk is that some of the area schools are starting to open and go virtual. That's a possibility that exists. I hope not but it's a possibility that's out there and if Rockaway Township does, then we do. Then that's another conversation that has to be had.

Joanne Machalaba:

- Virtual does not work with pre-school. That's what we found last year.

Steven Koenigsberg:

- I don't mean to interrupt but weren't there refunds last year?

Response by Patrizia Trento:

- Yes, but I think approximately half of them took it and a few of them opted to give a portion back. It was like \$1,000 and they gave back \$500. It wasn't all the parents that opted for a refund. It was about a half and a few that did a portion of their refund.

Joanne Machalaba:

- It was a difficult decision. I hope you all get a feel for what we looked at and considered coming to the decision.
- **Response by Roger Crook:** We know Joanne. It's a lot of work.

Pat Degnan: It's sad though that we have to do it. As long as we can revisit it in January, I'm okay with that.

Patrizia Trento:

- If things change, we can revisit it earlier. It's not something that is definitive. I think Gloria needs her time. There is paper work that she needs to file, inspections that need to be done, and equipment that will need to be ordered so it's not just a one-time thing. We're in discussion with the attorney on the waiver and that would need to be finished. If parents agree to sign the waiver and send their kids to school. We got over the first hurdle but a parent could look at this waiver and say I'm not agreeing to this, I'm not sending my kid back and then the numbers drop down. We're kind of back to maybe even lower enrollment. I wish there was some way we could find money to make up the difference and it wouldn't come out of the parent's pocket and we could sustain the school even if it is for two months. My goal is, and I'm asking the POA to maybe look at things, look at the pre-school and let's see if there is a way we could figure this out so we can sustain it better past COVID so that a year from now we are running this amazing pre-school that is thriving and not at risk for this happening again if something should come up.

Steven Koenigsberg:

- I don't mean to interrupt Patrizia but can I ask a question?
- I'm in line with Mike. I actually happen to learn to tie my shoes in that school. It has a warm place in my heart. Maybe this is a question more for Joanne and Mike. Is there not an option for the Board, at the very least, that we can set a limit on what the loss will be or at least take a vote on it by the Board whether we would accept the new loss? With the understanding and, I'll be honest, my personal opinion is that there is probably a fair amount of parents that will potentially sign up that are waiting until the last minute because they do not know what is potentially happening with their older kids with public school. With that being said, if we were to open and a month in someone gets sick and we have to shut for 14 days, I'm assuming then we would go to a virtual model during the 14 days the same way they were offered last year.

Patrizia Trento:

- I can't answer that part because it would involve Gloria and Jen. I can't answer that.

Michael Ilardi:

- My assumption would be that even prior to this decision to not open was that if it went virtual there would not be a refund option like last year. They would have to understand going in that if we were mandated to shut, we would go virtual and that's how the program would continue.

Patrizia Trento:

- I think that would be part of what we would put on a waiver. Again, we talked about many different scenarios and another one was if we do close if the public schools went virtual, and we have to close the pre-school, I believe we said we would not go virtual. That was an option. We would close the school rather than trying to run a virtual program. I do believe it was an option that Gloria and Jen were in on the conversations and it's just a scenario and a hypothetical. We'd have to cross that bridge if we ever came to it.

Joanne Machalaba:

- Steve, I hear your request to have the Board look at the new loss but we actually do not have a new loss.

Roger Crook:

- It would be \$15.20 for every household to subsidize it. If it's a \$36,000 loss, 2,375 homes, it's \$15.19 each.

Steven Koenigsberg:

- But we're not talking about raising dues \$15.19. We have, and again I am not the treasurer, I know the POA has money as we are talking about moving money around to different accounts just tonight. It's just my opinion, and maybe it will get the better of me on this, and I think Mike Lynch is with me on this one. I look at the nursery school as a service to the community and my understanding, and Patrizia feel free to tell me if I am wrong, that the pre-school has functioned on a break even or, if not, a small profit the last number of years.

Patrizia Trento:

- The last few years we have been making money. Joanne may have those numbers in front of her. Not huge, but been making money.

Steven Koenigsberg:

- The POA has taken the money, and maybe I am wrong with this, but I'm assuming we did not take the money and apply back to the pre-school as far as reduction in tuition? The pre-school is a viable entity, a service to the children of our community and we are in a very unique year where the whole world is adapting. If just think that if we have to take it on the chin so that the school can operate to the best of our ability, I personally and not only willing to vote for that, I am willing ... I haven't seen ... I'm not a pre-school parent and I do not get an email about would you contribute. I would 100% contribute financially personally to the pre-school to help offset that. I have a feeling that there are a lot of other families in the community that have children that have gone through that would feel the same way if we were to put it out there.

Patrizia Trento:

- I'm sorry to cut you off. On that thought, there are parents that don't have children in the pre-school that have offered. And again, it's just buzz and stuff that I am hearing. There are parents that have kids that have already gone through the school and would donate if there were a fundraiser.

Michael Ilardi:

- This is on the Country Club side, not the POA side. So, if it makes a profit or loses money, it's still Country Club. The pre-school almost closed several years back because they were losing money and they decided to take a small percentage of non-resident students to sustain the pre-school. I did come up with an option during this process about a go fund me page possibly with the understanding that it would go to pre-school and should the pre-school not open for some reason, the money would go to the Scholarship Fund only because how would you give the money back to someone as I don't know how the go fund me works. That was discussed but not pursued.

Patrizia Trento:

- We said the money would stay with pre-school.

Joanne Machalaba:

- There are lots of options that can be brought up here. I guess for the Board, and given what ..., I know the pre-school decision is important because parents are waiting. I don't know if the Board here is the place to start brainstorming here and capturing ideas. There is a mechanism in place between the Women's Club and this Board. I am happy to work with you all on this. Go out and secure ideas on how we can offset the loss to some degree. The Board agreed to \$6,000 and if you can get it to something close to that, why not bring it back to the Board. Happy to do that. To keep brainstorming here, I could tell you after hours of doing this, we could spend the rest of the night doing this.

Stu Kipilman: How many of the 26 are non-residents?

- o **Response by Patrizia Trento:** I don't have that.
- I'd like to know that.

Steven Koenigsberg:

- Again, knowing the time limits, and again I don't know if this was a Motion you made, I'm just wondering as a Board if we can vote on it can we vote to increase the \$6,000 loss to a maximum of, I think the new number is \$16,000, and then we open it up to the community to donate to bring that down. That allows us to tell the parents that effective tomorrow the school is open.

Mark Kempner:

- In the past, I think Stu Kipilman can recall better than I, the school ran in a loss for many years. At the same time the Country Club was in much worse shape financially than it is now but somehow we managed to keep it open. I kind of see Steve's point. If you want to take a consensus real quick if we want to extend the loss to \$16,000 and keep it open if the Board agrees with it. I'm sure that Joanne can come out with some figures after the meeting and during the week if we all agreed to go up to \$16,000. Rob Peter to pay Paul and the POA loaning Country Club the money or whatever it takes. We've done it in the past.

Michael Ilardi:

- What if we say okay and the Board decides to accept the \$15,000 or \$20,000 loss and we go out and get registrants and in a week Rockaway Township decides they are going to school 1-day a week. The parents say my other kids are coming home and 4 kids pull out and now we are down to 21 students. Now the loss is even bigger.

Mark Kempner:

- I think that someone made a point that, maybe it was Patrizia, and that the parents would have to sign a waiver. They would have to pay for this year even if it means going virtual and even it means opening and closing. If the parents are willing to do that, maybe we can meet them with that number. I'll leave it at that. That is just my opinion. I'm agreeing with Steve. We've done it in the past where the Country Club was in much worse shape.

Stu Kipilman:

- That's why we went to the outside to bring people in because we were bleeding so much. We were going to close it down or bring it in. To go back and start losing significant amounts of money again I think is inappropriate. I think it is a fiscal responsibility that we are not taking responsibility for.

Attorney:

- Mark, just a quick comment about the waiver we worked on. It was actually a waiver for safety and liability. Doing a separate agreement where you got everybody to agree to commit to pay regardless whether the school closed, you could do that but I think the Board, in my experience, the issue will come back here and everybody out of sympathy will say that the school year got cancelled and we must give a refund. I think that that would be an issue that results from that. I think we could do an agreement like that but the waiver wasn't a financial waiver.

Steven Koenigsberg:

- One last thing. Our nursery school is not a daycare. It's not where parents send their kids because they work for 8 or 9 hours. In fact, mornings are booked now not the afternoons. Even if public school, which right now is 2 days a week and went to 1 day a week, I don't think that necessarily parents are going to say well now I'm home now and not going to use the pre-school. They were not using the pre-school if they were going to a job to begin with. Right? With a half day program at this point, because the afternoons are not full, I don't think that is a risk. Even if the schools went full virtual, I don't think that necessarily means that our school has to go full virtual.

Patrizia Trento:

- It does because we follow Rockaway Township. When Rockaway Township went virtual back in March, we had to go virtual.

Steven Koenigsberg:

- Right now, the reasons the schools are opting for virtual is that they can't meet the requirements set forth by the government. ... (recording jumbled) and Copeland says they can't because they don't have enough PPE and the number of kids that does not necessitate that the pre-school has to close. I'm not saying we shouldn't. That doesn't mean we have to.

Patrizia Trento:

- I don't know if that's true or not. I'd have to check. I don't know.

Steven Koenigsberg:

- For example, right now Rockaway Township could potentially go full virtual. I'm not saying they are. They could. Morris Hills Regional District might not. When we went full virtual back in March last year that was the whole state being told they had to go full virtual because of the outbreak. Now they are basically being given the option of a hybrid model or if you can't meet the requirements then go virtual. Obviously, I'll leave it more to our legal to decide that. All the districts so far that opted for full virtual, like Boonton went yesterday, Dover went yesterday, is because they can't meet the governor's requirements to stay with a hybrid model.

Attorney:

- Steve, and I'm not trying to prolong this discussion, but I will just comment to say that you are correct about the schools closing because it was a part of an Order by the State in March. I think what Patrizia is talking about is the precedent of the pre-school following Rockaway Township on its days off, snow days and those kinds of things. You could reopen the pre-school regardless of what Rockaway Township did. I don't know if they want to break precedent.

Patrizia Trento:

- Robert, just to interject, based on what Gloria said, she said that if Rockaway went virtual, she would have to go as well and that is because of Division of Child and Family. If I'm wrong or she's wrong, that is what she had advised.

Attorney:

- I will take a look at it.

Mark Kempner:

- Joanne, when I look at the numbers, I see a lot of money in Country Club. Is that all accounted for? Is that available? I'm looking at the cash summary for 2020.

Joanne Machalaba:

- So, there is \$50,000 and it looks like it is available in country Club. Most of that is what POA paid in ways of rent and is moving into the Country Club Reserve Fund. There is a slight amount of that which is \$7,600 from Bar & Rental and House Activities brought in \$7,000. If we do not open the pre-school, we still have to refund the 27 pre-school families and there are still expenses yet hitting on the Country Club. Just to clarify, Country Club owes the POA \$700,000. There is a debt of close to a million dollars that has been accruing over years by Country Club owing the POA. You will see it in the audit report. I think it is important to keep in mind that we are trying to get Country Club to make more money on their events to be self-sustaining and this year they aren't going to cut that because there are no events. The hole is getting deeper. With covering pre-school there is something to keep in mind but at what point do we make a decision on the pre-school. If there is energy to go out and try to fundraise to bridge the gap, I'd say go get some folks around this and come back with a plan of what we can do and bring it to the Board. The Board has to kind of assess ... I know that the hardship of the kids not having school this year – 27 kids versus all of the complicating factors and finances.

Mark Kempner:

- I get it but this is a one off year. Again, I know what Mike Lynch is saying, I know what Steve is saying and I know we have financial issues and we owe the POA but we have owed them for many years and I just don't know if \$16,000 is going to make or break the situation. I realize we need to be smart and better with money. I understand that but this is a one-time extraordinary situation. We have done everything in the past to keep that school open.

Joanne Machalaba:

- It's the logistics of potentially having to close for 2-weeks. The teachers having to evaluate the kids coming in at the door step and make an assessment whether they think they have symptoms, and turn them away or not turn them away.

Mark Kempner:

- I'm not saying it's easy. I'm not saying it's wrong. I'm just wondering if any way on earth if there is a way, we can squeeze a year out and deal with all those issues.

Michael Ilardi:

- I just want to add one other thing. We have the opportunity to have 40 students and right now we are at 26. It's not like we have 50 families saying open the school. We can't even get a full allotment to fill the classes that are downsized. We cut the program and can't fill it. Although there is a demand, the demand is not the full occupancy we are allowed, which is drastically cut from what it would normally be. Patrizia, I think we usually have 70 students?
 - o **Response by Patrizia Trento:** Yes.
- Now we are down to 26. That is a third that is even interested at this point.
 - o **Response by Steven Koenigsberg:** We may not get more than that.
- I understand that.

Steven Koenigsberg:

- We may get more as we get closer to school starting. The reason I say that is that I talk to a lot of ... I have three school age kids and everyone on this Board who has school age kids knows that every other day you think that the announcement is coming out that they are going full virtual and not going to school. I'm pushing off getting my kids school supplies because I don't think my kids will need it.

Joanne Machalaba: I think the point is that we have to make the decision.

Mark Kempner: Time is of the essence.

Michael Stocknoff:

- Mark is saying it is a one-time thing but we have no idea where we will be a year from now. If we do it now, then why won't we do it next year? How long will we carry this forward and do it?

Steven Koenigsberg:

- Mike, we need to make a decision now saying that this is unprecedented, never happened before, and I believe we have more kids in the community and we will have more in September. Do we take this initiative that we will eat the loss? Also, open it up to the community for however you would do the go fund me thing. I personally will commit right now to donate \$1,000 because I believe in the nursery school as a service, not a product which is the right term. You know what, I think it is also fair to say that God forbid we are in this position next year, by the way if we can't have indoor activities between now and next year, what about the Country Club if we can't hold a Bar Mitzvah, wedding etc.? The whole world will be in the same position. We need to make a decision now. Again, I don't know if the Board can vote on it and I think Mike Lynch and Mark Kempner will vote with me on this and that we accept up to a higher max of a loss ...

Patrizia Trento:

- Can I just interject for a moment? If the possibility does not exist to take the \$16,000 from Country Club or where ever, and the residents do want to do some type of fundraiser, if we have a parent who is willing to initiate that and they do raise money, say the \$16,000, \$5000 or \$6,000, is that something that the POA Board will support? If it did and the school opens it would go to there but what if the school closes, and maybe this is a legal question, will the money be held for the preschool and not absorbed somewhere else? If they want to take it upon themselves as something they want to do, we should allow that. Right? We can't stop people from doing that. I think what I am asking now is if they want to do that do we have your blessing and okay and if the money starts funneling in what would happen?

Steven Koenigsberg:

- Joanne, the reason I am putting a priority on doing something tonight is if we don't take a decision tonight but the decision is we are open to a decision but not make it tonight, these parents are forced to assume we are not going to do and if they need to make other arrangements, they are going to make those arrangements.

Patrizia Trento:

- Steve, one other thing. Gloria already said that if anything was to change, she would not be opening on time because there is paperwork that needs to be filed, inspections and equipment that needs to be ordered. Regardless of what happens whether it is tonight, tomorrow or next week, she is not opening whatever the date was, I think it was

September 8th. It will just get pushed back. Just so you know. She is not working on that deadline. It will be, however, as long as it takes to put everything into place.

Steven Koenigsberg:

- That's fair. What I am suggesting that if we don't take a decision tonight parents are forced to make other arrangements.

Michael Ilardi:

- If someone wants to come up with a motion, come up with a motion. We have to move on.
- (Several people talking at once and conversations not clear.)

Mark Kempner:

- Maybe we should do a consensus to get a feel and not worry about the motion right now? If people don't agree we don't need a motion.

Pat Degnan:

- Why don't we wait to see what Bev has to say?
 - o **Response** by Michael Ilardi: I'm trying to get to Bev.

Beverly Nemiroff:

- I'm listening to Mike and sitting here thinking about that and listening to Joanne and I understand everyone's point with opening the school and not. Listen, we couldn't open camp either for a bigger situation but we are still in a pandemic. This is still here. We have to remember the pandemic and what could happen with having these children in the school. It doesn't matter if they sign a waiver. People will come back and say oh my gosh, I don't have the money, I need my money back. We feel bad and give it back. The point is we don't even have 40 kids. We have 27 and now down to 26. I think if you get 40 kids then come back and say something. You don't have the children to put in there.

Michael Ilardi:

- We went out soliciting to try and get more.
- (Again, people talking at one time over one another and conversations not audible.)

Steven Koenigsberg: We can't solicit for more kids because we closed the school.

Michael Ilardi:

- Guys, let Joanne say something. If someone wants to ask for a consensus or a motion, we will do that. It's 9:20 and we have a budget that will take hours.

Joanne Machalaba:

- We did solicit for additional registrations. We have 26 children. The volume is not there I don't think to really support opening the school, the safety and logistics. I will tell you that if we asked the currently enrolled parents to pay \$500 more per child, and that what I sent back out to Women's Club and Women's Club liaison, there would be an additional loss of \$7,300, not too far off the \$6,000. So, I would say if you could get parents to increase what they want to pay this year that would be a help. I just don't think we could absorb a loss of \$16,000 above the \$20,000 for keeping the school closed. If we have a go fund me and the money came in, I believe we would put it in the coffer somewhere that we could hold it for the pre-school. 4 out of the 27 children are non-residents, Stu, to answer your question. We are seriously underpricing this program in my opinion. I think there is opportunity to charge a little more tuition that would make the school more profitable.
 - o **Response** by Stu Kipilman: So that's 22 of our residents.
- So, I think if the Board wants to do a consensus if the Board as whole thinks there is an opportunity to entertain some additional fundraising to offset the loss, let's take a consensus to allow that to happen.

Steven Koenigsberg:

- My question for the consensus would be that the Board, if everyone is in agreement, or who is in agreement, A. to accept the loss at a higher level which I believe Joanne you said is \$16,000 while also accepting any donations from any resident which the POA would put on their page for that money to go to the pre-school. If we did not open, the money would then be held for pre-school. If we open and should have to shut down for a 14-day period all parents would have to sign a waiver. That is what I am suggesting we're taking a consensus on if anyone wants to correct me.

Michael Ilardi:

- I don't know if we are going to solicit on the POA page but I think someone could set up a go fund me.

Patrizia Trento:

- We can just do it with checks and have people drop checks off in the office, can't we?
 - o **Response** by Michael Ilardi: Yes. I don't think the POA is going to do the solicitation for donations.

- There are parents who want to do it. If we find a parent when we go back to the pre-school parents who brought it up and let them know that we have POA Board blessing, go ahead, figure it out and do your crowd sourcing. I will help them out with whatever they need help with. As long as I know that ... effort from the POA that if they raise enough money, we will open the school and if anything happens the money goes into a little savings account for pre-school for next year or whatever. I just don't want to put it out to them if this isn't something that is an actual possibility if they do by chance raise enough, whatever that number is.

Steven Koenigsberg:

- Two things. Mike, what I was actually saying put it on the POA page because not everyone is on the pre-school FB page but however we advertise is fine with me. The only caveat Patrizia I would say is that opening the school is not contingent upon the crowd sourcing. We are taking a consensus not a vote that the POA will accept a higher loss to open the school and that donations can be made to offset that loss.

Patrizia Trento:

- I have no say in it. My position is that I have the blessing if they go back and do fundraising and however it legally needs to be worded is on the POA.

Stu Kipilman:

- But if you open it and you say we are going to take a \$16,000 loss, there is no incentive for people to make any contributions because we already said we are accepting the \$16,000 loss. I thought it was a good idea to close it and revisit it in October or November to see what's changed in the pandemic situation. I think that makes sense.

Joanne Machalaba:

- In that period of time, if the parents get together and decide they want to pay more money for their students. Suppose we can open in November or December and parents want to help bridge the gap or do fundraising. Let's sort it out then.

Mark Kempner: Should we just take a consensus on Steve's question?

Steven Koenigsberg: So, my question is that the POA will accept the level of loss for the pre-school.

Michael Ilardi:

- The Board will take the level of loss for the pre-school, not the POA, because it is the Country Club taking the loss. Just clarifying it for the record.

Joanne Machalaba: We already said we would take a \$6,000 loss.

Mark Kempner: Let's just take a consensus on the \$16,000 and be done with it.

CONSENSUS to accept up to a \$16,000 loss on the Pre-School with the understanding that any fundraising will offset the loss:

NO (only 5 and we need 9)

Michael Lynch: I will volunteer to run the fundraising and my first contribution will be \$1,000.

Steve Koenigsberg:

- I will match Mike's contribution. We are now down to a \$14,000 loss without asking anyone else for a contribution.

Stu Kipilman: Let's move on. We can be here all night and we have bigger fish to fry.

- (Several people talking at once and cannot capture their comments)

Michael Lynch: Thanks guys. The children appreciate it.

Patrizia Trento: The definitive answer is that we are staying closed? **Response:** Yes.

Robert Torcivia: I think we are saying that we are still willing to accept a \$6,000 loss, right?

Response by Attorney: Yes. You already passed a motion to that effect.

Michael Lynch:

- So, if they can raise enough money to meet that \$6,000 loss, I don't think we have anyone here that will have any problem with that. **Response:** Right.

Robert Torcivia:

- I don't know if there is any appetite for this but does it have to be \$16,000 or \$6,000 or can it be something in the middle that we might agree on?

Joanne Machalaba:

- I would say leave it at \$6,000 above keeping the school closed. We will revisit this as things change.

Michael Ilardi:

- We can revisit this next month if people can go out and get more enrollment/more kids involved that would be the best option. Then we would be providing a service to more children. We worked very hard to try to get close to the 40 people and could not do it. We made phone calls and went out to solicit to get enough students to make it practical. That would be the best option. If we get a higher enrollment by next month, it would be very easy to revisit this. We'll work on trying to get enrollment up if we know people with that age group.

Mark Kempner:

- I know you put in the effort and it's time to move on. We took a consensus and it did not work. Let's just get on with business at hand.

Joanne Machalaba:

- A practical question though. Maybe we should process refunds upon request and get back to the parents and tell them this is still being worked on and if you want a refund let us know?

Patrizia Trento:

- I think the big issue will be that they know it's being discussed, they know it's a possibility, so I honestly feel there needs to be something definitive. For Joanne's point, parents are kind of saying well maybe they are going to allow us to do fundraising and the hope is there. I just feel like it is wishy-washy and I'd like maybe a firmer answer. I'm speaking on behalf of the parents so I just need to know how to go back them. I don't know who's on the call and if any of them are listening. If they want to do some fundraising they are going to go ahead and do it. They can funnel the checks in and if they raise some money great, if not, can we say that the money will be held in a pre-school account?

Steven Koenigsberg: I think we already agreed to that Patrizia.

Patrizia Trento: I wasn't sure. I kept hearing ... I don't know if it was a definitive answer or not.

Steven Koenigsberg:

- We agreed to that but Mike and Joanne let's be clear that we cannot solicit any more students right now because we are not opening. You can't go out and solicit students and say we might open, please send me a check. You can't do that.

Joanne Machalaba:

- Steve, you can ask them if they are interested in pre-school. We are intending to close the pre-school. Mike, maybe we should issue refunds to those 27 parents. **Response:** I agree.
- So, issue the refunds. We can certainly publicize should we get more students enrolled, call the office and register.

Steven Koenigsberg:

- Who is going to sign up for pre-school, in community or outside the community, if the advertisement is call up and register, we might open?

Mark Kempner: We need to move on.

Steven Koenigsberg:

- I got it. I agree to move on. I think it's more realistic to say if we get more registrations we will reconsider.

Michael Ilardi:

- We did solicit for the last 2 weeks. Why would you want to open it?

Steven Koenigsberg:

- I'm in agreement. I'm just saying it's not fair to say that if we get more registrations we will consider opening and revisit. You can't go and solicit registrations if you are closed.

Mark Kempner:

- You're right. We might open in September, we don't know. So, we just need to come up with ideas over the next month and move on tonight. Pat says maybe we will open in January. We have a month to figure things out for the future. Right now, the Board feels it's not the time to do it, so ... (cut-of)

Steven Koenigsberg:

- I'm in agreement. It's a final decision tonight that we are closed. All's I'm commenting on is that Joanne I think you process your refunds, you can't do this on a maybe, and our decision is final tonight that we are not opening. I do not agree with it but I accept it because that is what the Board has decided and we should move on. I agree.

Pat Degnan:

- One suggestion I would say is currently we only have 26 children enrolled in our program. Unless we get an enrollment of 40 children, we cannot open the school.

Patrizia Trento:

- We can't say that. If the motion was a \$6,000 loss, we don't need the 40 children. We just need enough to bring us to that number.

Joanne Machalaba:

- Clarify. Accept the \$26,000 loss versus a \$36,000 loss. What we're saying is to keep the school closed is \$20,000. So, we are either going to eat \$6,000 or \$16,000. The actual loss by running the program is either \$26,000 or \$36,000. It really is about registration.

Kim Stecher:

- Joanne, I just have one question. You said that the current people enrolled are willing to pay \$500 more per child?
 - o **Response** by Joanne Machalaba: We did not yet get confirmation of that.
 - o **Response by Patrizia and Michael Ilardi:** Some of them said they would.
- You're saying that if they all agree to it, hypothetically, we will have a loss of like \$7,500? **Response:** Yes.

Steven Koenigsberg:

- Just to be clear, and I apologize I hate beating a dead horse, if we had a \$10,000 loss, we would need to raise \$10,000 between tonight and let's say Friday or whatever the deadline is that is self-imposed, therefore the school could open. The only reason that I bring that up is that Mike Lynch said he would spearhead the go fund me and if he were to set that up, we can raise that. Between Mike and I we are already knocking it down to \$8,000. If we can raise that from the entire community by the imposed deadline, we can technically still open. Should we then therefore say as a concession that we are not obviously opening now but hold-off on refunds until let's say Friday Joanne or whatever date might be appropriate to give it a chance?

Michael Ilardi:

- Patrizia already said that Gloria is not ready to open if we decided tonight with all the paperwork and things she needs to do.

Steven Koenigsberg and Patrizia Trento: Both said not opening on time.

Michael Ilardi: I don't think it is a hard date for opening anyway.

Steven Koenigsberg: It's a hard date because we have to refund the 27 parents who are currently registered.

Michael Ilardi: 26 because we just refunded one.

Mark Kempner:

- Can we look to January? I think that is realistic. We would have it opened, it would just be a delay and we would have more time to work on it. Steve, starting thinking about opening it in January and see what we can do in the next few months. Accept the fact that it will open late if at all.

Steven Koenigsberg:

- I definitely do. I'm just asking if Mike is going to start ... Mike I don't know if you meant go fund me or how you think you will spearhead it.

Michael Lynch: I will do whatever I can.

Michael Ilardi:

- This could come back in September, I would assume. Patrizia if you could get with Gloria and recap what is going on here in the next few days if you can.

Patrizia Trento:

- I'm really not sure any more what is going on. Are we closed?
- (Several people talking at once ... comments not captured.)

Joann Machalaba:

- Let's issue refunds immediately. There's 26 families and I think that is the reasonable thing to do. In the meantime, we should communicate that we are receptive to opening based on regulations and making the financials a little bit more palatable along the lines of a \$6,000 net loss. We will revisit this in September.

Michael Lynch:

- So, can we say we are having a delayed opening contingent on all those facts we just talked about?
 - o **Response by Pat Degan:** With a minimum of 40 children.
 - o **Response by Michael Ilardi:** We do not have to have 40.
 - o **Response by Joanne Machalaba:** No. We can have fewer children but we have to bridge the gap. It is considered a delayed opening but for all intents and purposes for now we are closed and if they want to open again and all those things that Gloria has to do happens.
 - o **Response by Mark Kempner:** I think you are just looking at the situation for now that we are closed. We are doing everything in our power to open at a future date but there are no guarantees.
- If our attendees are so small it gets to a certain ratio that we do not need two instructors any more, just one.
 - o **Response by Michael Ilardi:** We have to have two. It is not an option. That is one of the things that was first discussed when we started these meetings.
 - o **Response by Patrizia Trento:** We have to have two.

Steven Koenigsberg:

- The only thing I would suggest and this really is on Mike Lynch and Joanne I guess, and Patrizia you can comment as well, it will be delayed no matter what, is we don't process the refunds until let's say Monday, 4 to 5 days, and ... (interrupted)

Michele: They're not going out until next Wednesday.

Steven Koenigsberg:

- So, we have a couple of days. Mike, I don't know anything about go fund me's or how the site works but if we can get something setup in the next 24-hours ... we only have to raise \$14,000. If every family in the community contributed \$15.00, and we are not going to get every family, ... (interrupted)

Joanne Machalaba: We need to take this off line now and I think run this by Gloria if you don't mind.

Patrizia Trento: I'd like to just give Gloria the courtesy of letting her know.

Michael Ilardi: We are going to move on.

BOARD DISCUSSION – Revisit Legal & By-Laws Motion from the July Board Meeting

Michael Ilardi:

- I just want to clarify that the motion for the Election procedures last month in number 10: "In accordance with New Jersey ??? Regulations, our counting shall be done in public" is the part of that section that is required by the State. When we voted on it, it was my understanding that it was number 10 in its entirety was part of the regulation. I want the Board to be understanding that the Regulation is that counting of the ballots need to be in public. The rest of that paragraph is what Legal & By-Laws is recommending. What I would like to do is to change that to right after that sentence after it says it must be done in public is the only part of the State regulation is for the second line to say "all ballot sheets are to be kept for 90 days which is part of what they submitted to us. After that sentence I would like to add "the following is a recommended procedure but not mandatory." The reason I am recommending that sentence is because the election committee will obviously change year to year and I think some people may want to have 30 vote sheets counted and compare the two with somebody looking over their shoulder but I think it is a good recommendation but I don't think it should have to be mandated every year going forward that tallies be compared after 30 sheets and the 30 sheets be stapled together and the other procedures that are in here. I am not against those procedures, I just don't think they should be mandatory. I would like that other sentence added in.
- If anyone wants to comment.
- Was I the only one that had the misunderstanding that the whole paragraph was what the Regulation was?
 - o **Response** by Kristen Neu: So, you want this brought to Legal next month? The September Legal & By-Laws meeting? I'm not understanding. This is the first time I am hearing about it. I did not write this motion and I am not familiar with this motion but as a member of the committee and I'm just trying to understand what you want us to do.
- I'm asking the Board if they are under the impression like I was that the whole Section 10 was what New Jersey Regulations was mandating. That's how it was presented that I understood. So, I just wanted it to be clear to the Board that the only regulation that New Jersey is mandating is that the counting be done in public. They were not mandating that one committee member should read each ballot aloud. Another member seated next to the reader will visually confirm the ballot has been read correctly. Two members will independently tally the votes as they are read so that the two or more tallies can be compared to confirm the count. It is recommended that each tally sheet shall have no more than 30 votes counted on it. After 30 votes have been counted the tally sheets shall be compared. If the count is off by any line that line will be reread and recounted until the two sheets are match. I was under the impression that this motion was brought last month and that all of this was the regulation. After the meeting I looked into it and said this seems awfully cumbersome to be a regulation. Then I found out that the regulation stopped at the first sentence.

Attorney:

- In Rob's original motion I counted two things that were required by law. The public counting of the ballots and then the maintaining of the ballots for not less than 90 days following the election. I did approach Rob before the Board meeting and I probably should have said something during the Board meeting. I think I noted that to you Rob that those were the two things I noted in your motion were mandated by the new regulations.

Michael Ilardi:

- I'm recommending them to be kept. I'm not asking for anything to be removed. I'm just asking for the sentence to be added that "the following is a recommended procedure but not mandatory." If the Board is in disagreement with that, the Board can be in disagreement with that. I do not know if the entire Board was under the impression that this whole paragraph was not mandated.

Robert Torcivia:

- You are right. It's not mandated. You are absolutely right. Sorry, I did not mean to give the impression that it was. It's just the first and last sentence that are mandated by the State. On my committee we have several people who have served on the Election committee before. We put in about 3-4 hours over two different meetings debating how it would best be done because we have all been there before, counted votes before and had problems counting votes

before. We've seen what goes wrong. So, we thought to ourselves okay what happens when you start doing that in public in front of everybody and then you have a bunch of questions. The next thing you have angry people. We had that one year where someone wanted to witness it and that whole issue, right? So, we were trying to come up with a solution whereby it would be pretty difficult to make any mistakes. Where anybody who was looking at it from the public would be looking at this and see they got this guy calling it, this guy watching him call it, so he could see what he was doing. You have two independent people counting and it's pretty difficult for there to be any significant discount at that point. It takes four people to do it and you're right it's kind of cumbersome. I think that if it is done in that way it gives us a lot of credibility. That's what you need in an election. You need people knowing that their votes actually count. I think that is why we decided to do it that way. I do not have a problem adding the line saying that this is mandated and this is not mandated. I just think it is something I would want to take back to my committee though. I would not want to vote on this tonight as a Board and preempt what the committee did.

Michael Ilardi:

- I never said that. Was I the only one under the impression that this whole paragraph was not the mandated regulation? Can you show of hands by the Board that this whole paragraph was the State Regulation? Okay, so I am not alone with misinterpreting that. I wanted to make sure that the Board was aware that the majority of this was what the committee brought to us and is not from the State mandate. If the Board is okay with leaving this as to how the mandate of the election is done year after year going forward, that's okay too. Personally, I would like it to be a recommendation and not necessarily be mandated to say that's the way you count it. There may be years where it may not be necessary to do it that way or not feasible to do it that way. I don't know. If it is being done in public and we are keeping the ballots it is very hard for it to be done wrong. If the Board is fine with it being done this way and it is now the understanding that the majority of this came from the committee and not the regulation, I am fine with leaving it the way it is. I just wanted to clarify it on record at the Board meeting.

Stu Kipilman: Can we bring it back next month?

Michael Ilardi:

- Yes, we can. I do not want to spend time on it tonight. If Legal & By-Laws wants to revisit that and come back next month and come back with the same thing, it's up to the committee.

Kristen Neu:

- This is definitely a committee decision. Thank you for your input. You could have told us a couple of weeks ago, had it edited and a new version for this meeting. I agree with your edits.

NEW BUSINESS

HOUSE OPS/MAINTENANCE FYI's:

- Purchase insulation from Home Depot for the preschool roof at a cost of \$1,362.67. Money to come from Line 525.11.
- To purchase a flammable materials cabinet for the maintenance shed at a cost of \$800.00. Money to come from Line 525.11.

Michael Ilardi

President, House Ops & Maintenance Committee

MOTION #2:

Motion to replace dump truck body and receiver mounted salt spreader. Motion to spend up to \$13,000. Money to come from the Equalization Fund.

2nd by Steven Koenigsberg

Discussion:

- The dump truck body and the dump mechanism itself has rotted over the years.
- It is over 13 years old.
- Maintenance has welded it like a dozen times to patch the hole and it is beyond repair.
- The salt spreader attaches to the trailer hitch not the dump body itself which will help prevent any future erosion to the body itself.
- We have two vendors we emailed to you today. We're leaning towards one vendor for the dump body and the salt spreader was about \$1,700 but Kurt had a couple of other locations he was going to look at for that same basic model. He anticipates it being a little cheaper than that.
- It's up to \$13,000 because they may be a couple of what ifs when they get the body off the dump truck.
- **Joanne Machalaba:**
- Mike, I spoke to you earlier about this but I want it to go on record for the Board.
- My question is why is it coming out of the Equalization Fund and why not out of the Maintenance budget? Currently the Maintenance budget is only 50% spent this year. So, could this expense not be absorbed in the planned budget

and if not, rust does not just happen overnight and this truck has been rusting away for a while now. Could this have been planned better so it does not have to hit the Equalization Fund?

- **Response** by Charlie Bogusat: We have been trying to avoid spending the money by welding the plates on and we ran out of material to weld to. Now all of the stuff is just dropping on top of the gas tank and underneath the truck frame. We pushed it as far as we could. Last year we needed the money to purchase the utility truck. We also needed the second hand pontoon boat as a working platform for working out on the lake. We had to prioritize what we had to replace over the years.
- That working boat was budgeted for, I think in Lake, for \$3,000 for two years and it was finally bought. That was separate from anything ...
- **Response** by Michael Ilardi: We did not anticipate this dump body rusting through as quickly as it did after it was being patched. Brian, when he was on full time staff, was a good welder and welded it but did not hold up because it continued to rust and welded to material that did not hold up. We anticipated it lasting longer but now it is starting to break through. I think the Maintenance lines that have money in them I think are earmarked for other things.
- **Response** by Stu Kipilman: That is what the fund is for. Repair and replace. From my perspective it makes sense to come out of the fund.
- **Pat Degnan**: What is the year of that truck? How much would it cost for us to buy a new dump truck?
- **Response** by Michael Ilardi: I think it is an '07 and it's 13 years old with 18,000 miles on it. A new dump truck like that would probably be \$50,000 or more. If we do this, we will get at least another 15 years out of the truck. Now it's garaged and it wasn't always garaged. By not having the salt spreader on the body it will help a lot. The motion will be tabled and brought up next month for discussion and more finalized numbers.
- **Charlie Bogusat**: I'm not too sure I understand what just happened. We're not going to vote on it and take money from the Equalization Fund this month?
- **Response by Michael Ilardi**: We bring the motion this month, sit on it for a month and vote next month. The Equalization fund has a 1-month waiting period.

Tabled until 9/2020 Meeting

Joanne Machalaba

Treasurer, Board

MOTION #3:

Motion to transfer \$50,000 from POA budget Line 542.01 into the Capital Improvement Fund.

2nd by Michael Ilardi

Discussion:

Stu Kipilman:

- Why are we doing it now? It's a little early to do it now?
 - o **Response** by Joanne Machalaba: No. We did it the same time last year and the year before at this meeting in August. There is no point in waiting.
 - o **Response** by Michael Ilardi: This is the money that is in the budget and we are required to transfer. This is not a surplus amount.
- If there was not enough money to transfer what would happen?
 - o **Response** by Joanne Machalaba: It's in the budget.
- I understand. If we spent the budget and at the end of the year there was only \$12,000 left what would happen? I guess I'm just looking at making sure that the budget is ... (interrupted)
 - o **Response** by Michael Ilardi: Right now, like Joanne said, we are at 89% collections and last year we were at 91%. We really on target as a normal year. It's not like we are in arrears in collections. It wouldn't be a threat to be running out of money at the end of the year. Correct Joanne?
 - **Response**: That's correct.
- I think if we were at 79% collections Joanne would have said we probably shouldn't do it this month and see where we are in December. Our collections are consistent with previous years and we have always done it at this meeting.

Robert Torcivia:

- Is there anything else we can think of that will come up before the end of the year just because of COVID and all this other stuff that is going on? I think Stu has a valid point. We don't necessarily have to do it in October just because we always have. We have to do it by the end of the year but if we put it into these funds there is a vote to get it back out. If we end up in November and we actually needed something, I kind of see what Stu is saying any way.
 - o **Response** by Michael Ilardi: We would have to forgo other things in the budget. The way this was worded when this came up, the money has to be transferred from the POA budget to be expunged whether it be

January or December but let's do it now because we have the money. We don't have to do other things because it is in the budget. I am on the understanding this is something we have to do.

- **Responses:** Yes, we have to do it.
- **Response** by Joanne Machalaba: I don't think this money is available if we want to buy another truck or ...
- **Response** by Stu Joseph: There is actually plenty of cash in POA so you will not have an issue of running out of any money. Your only question would be overspending the budget. So, this isn't about collections. Alright? You are not going to run out of cash just by moving the money into the funds. Does everyone understand what I mean by that?
 - **Responses:** Yep.
- It's not a timing issue. There is nothing to wait for. The only reason that you would want to wait is if you are coming close to overspending the budget but you can't. You are obligated by the ballot question that put this out there and made it a line item to do in its entirety anyway. The same question will probably come up in the next motion as well.

Motion Carried

Joanne Machalaba Treasurer, Board
MOTION #4: Motion to transfer \$30,000 from POA budget Line 542.02 into the Sinking Fund.

2nd by Pat Degnan
Discussion: None **Motion Carried**

Application for Household Membership dated 8/10/2020
- **CONSENSUS** to accept: **Yes**

Application for Household Membership dated 8/12/2020
- **CONSENSUS** to accept: **Yes**

Pat Degnan Co-Chair, Athletics Committee
MOTION #5: Motion to obtain POA Board approval for the following ballot question and explanation to be put to the community at the second annual meeting:

Question

Should the WML POA spend up to \$500K to replace the existing six tennis courts with five tennis courts and two dedicated pickleball courts including fencing, net posts, nets and permit fees? Monies to cover this project would come from the Capital Improvement (\$200K) and Sinking Fund (\$300K).

Explanation

The existing courts and fencing are in serious disrepair. Two of the existing courts are unusable. Patching the cracks and repairing the numerous depressions that collect water and further damage the courts has become more costly and less effective each year. At this point, completely replacing the courts is the only cost-effective long-term solution. Replacing the courts was identified as part of the 2003 and 2018 Reserve Studies.

The Tennis Sub-Committee of the Athletics Committee has done extensive research and recommends using the footprint of the existing six courts to construct a modern facility featuring five tennis courts and two dedicated pickleball courts (see picture below). The courts would be constructed using a post-tensioned concrete process that provides maximum stability and a crack-free surface guaranteed for 25 years.

The committee believes replacing these courts will add value to homeowners, accommodate our growing number of players and be a focus of recreational enjoyment for the community for many years to come.

The money in these two funds has been accumulated over the years specifically for projects such as this. Spending funds on this project will not increase dues. A 2/3 majority is required for this question to be approved.

2nd by Michael Ilardi

Discussion:

Michael Ilardi:

- I know a lot of work did go into this. I did go to the meeting when we had the recommended installer/contractor on the phone when questions were being answered.
- One of the things I am concerned about with this question is that it is going to drastically reduce those two funds down. Our goal is to have a reserve fund and we don't have a Country Club Reserve Fund that is fully funded by any means. Our reasoning behind that is that we do have these two funds to fund projects going forward. This is going to bring those funds down dramatically. The thought that I had, and I not against voting for this question, but I think there are different options to be considered. I just want to put them out there. One thought would be to put money in the budget this year, \$100,000 maybe for tennis, and reduce this question to keep some more money in those funds. The problem and concern with that idea was that if the question does not pass, the community does not vote for it, we have \$100,000 in the tennis line that is now being collected for a project that is not being done. Another thought was to put \$100,000 into the Country Club Reserve Fund line and earmarked for the tennis court project if the question was to pass. \$100,000 this year and \$100,000 next year with the question would reduce the ballot question by \$200,000 and it was a thought I had and another option. I wanted to put my options out there and my concern bringing these funds so low and not having reserve money available to cover items that are in our reserve study and guidance to do.

Pat Degnan:

- The Reserve study does include the tennis courts as one of things that needs to be replaced but because there is not enough money in the reserve fund itself and the courts really need to be done at this point. We have been pouring money into those courts up until the last two years and it has not done any good. This will raise the surface of the courts so we won't have the problems we have been having and having to put \$20,000 ... (interrupted)

Michael Ilardi: I totally understand the practicality of the project. I just wanted to get my thoughts out there.

Stu Kipilman

- I guess I would like at least a second question that would say to spend up to \$250,000 for 3 courts and 1 pickleball court.
- When you take a look at Rockaway Township and their fields, they only have several courts.
- You take a look at Denville and they only have several courts.
- We have to have 6, well 5. I think we should scale down. The money could be used for far better things and the value you are talking about will still be there because there will be several tennis courts and a pickleball court. The unused area you could grass up and maybe put some benches and have a nice waiting area. I don't think we need 6 courts. If there are people that have to wait a little bit to get on the courts that's life. I think the overall amount of one half million dollars for several months as well as a minimal amount of people is just too much. I'm not saying don't do it but I'm saying let's be smart about it and let's have a choice if that's the case. Let's offer the community the opportunity to have less courts at a lesser amount of money.

Michael Ilardi:

- I thought when they did the presentation that if you did 3 courts instead of 6 it did not make the price like 50%, it was like 65% of the cost because a lot of the cost was there. It was quite a bit more per court and that was one of the reasons they said 6. I don't have those numbers in front of me.

Stu Kipilman:

- I never saw those numbers. As a matter of fact, when they made the presentation before the Board, I was kind of poo-pooed with one of the presenters about what would we do with the other part.

Michael Ilardi:

- That was when they spoke to the Board but when they did the slide show in March at the very beginning of this pandemic because we were sitting spaced apart in the ballroom, they did give those different options. If we did 4 courts it was going to be, I don't know, maybe 70% of the costs. I don't remember the exact numbers.

Stu Kipilman:

- If it is 65% of the costs then it is \$175,000 less. From my perspective I think we owe the public the opportunity to have a choice. Or only have one choice and make it 3 courts.
- I think the 6 courts is greedy. We're in a different time and place in this world. Money is of the essence. We're concerned about it. We could use that \$175 to do a lot for the Clubhouse which gets certainly a lot more use than those tennis courts will ever get. So, from my perspective I think it is just too much.

Mark Kempner:

- Two quick things. Up until 4 months ago I was all for doing the tennis courts. I wasn't for it in the beginning. I thought it was a lot of money to spend for an awfully small group in the community. With what's been happening I don't think we should do it this year. Everything does not have to be immediately in our community. I think with the future very uncertain that we should put this off another year. Not to compare apples to oranges, we can spend a half million on tennis courts but we can't spend \$20,000 on the pre-school.
- **Response** by Pat Degnan: That is a totally different thing. The pre-school is in Country Club and the ... (interrupted)
- I said it was apples to oranges Pat.

Pat Degnan:

- If we all remember last year, we had some surplus and put \$130,000 into each one of these funds which we said would be earmarked for these tennis courts.
- **Response** by Stu Kipilman: Well you have \$260,000 and that will take care of your 3 courts plus a pickleball court. You're right there.

Robert Torcivia:

- I wanted to chime in on one thought because it won't work from a legal perspective. We can't comingle funds so you can't have the Reserve Fund pay for part of something and the POA funds pay for another part of it. If you do, it confuses the ownership of that item, so it can no longer be a deductible or appreciated or whatever. If you comingle them it is dangerous from a legal point of view.
 - o **Response** by Michael Ilardi: Good point.

Roger Crook:

- I am looking at the cash summary that Joanne and Ryan sent out.
- Right now, the Sinking Fund has \$309,760 in it. If we take \$300,000 out, we will have \$9,760 left which is the value of a 2012 used Honda.
 - o **Response** by Joanne Machalaba: Remember we just voted to move \$30,000 in.
- On the other side, Capital Improvement currently has \$204,750 in it. The \$200,000 out of these will leave us with \$4,750 plus the \$50,000 we just voted to move in. That is pretty slim.
 - o **Response** by Michael Ilardi: That is my concern with the question.

Joanne Machalaba:

- Practically speaking if we spend this \$500,000 out of the Capital Improvement and Sinking Funds and we have left the \$50,000 and \$30,000, we can't spend that money until we vote on it until next year.
 - o **Response:** Right.
- So, from a practical perspective it is not like if we left the \$200,000 in there, we can spend it in January or February or next year without some kind of emergency vote. We would have to wait until a ballot question next year. So, why not bite the bullet, fix these tennis courts because we have been talking about them for 2-3 years. We can debate whether it should be 4 or 6. They are an asset to this community. We have a tennis attendant sitting there and I do not know how many people are using them. I think we are part of the HUB Lakes tennis league. I think there is a growing interest in tennis. It is a feature of this community. I personally don't play tennis. I do think it is something we should maintain as an asset of the community. We have an obligation to do that. If we spend the bulk of this money, I don't think it will leave us in a lurch because we couldn't spend the money if we left it sitting here. Right?
 - o **Response:** Correct.

Steven Koenigsberg:

- What if something comes up next year and we don't have the money for it? I don't play tennis either. I have driven by the area four times in the past 11 days and some days are overcast, one day it was about 4-hours after rain and the other days were beautiful days and I haven't seen anyone playing yet. (several talking at once and can't capture comments)

Pat Degnan:

- A lot of them play earlier in the day, don't play in the middle of the day and some of them play at night. There is a bigger tennis group now than when I was first on the Board and became Athletic committee chair.

Joanne Machalaba:

- We're not voting here to spend the money, we're voting here to put it out to the community. What I heard is either take it the way it is for up to \$500,000 or make a change to reduce it to Stu's proposal of \$350,000 or put two questions out there. That's what we are deciding on. Do we take a question to the community, and if so, what should the question be?

Michael Ilardi:

- As of now, what the Board is voting on, do we want to pose this question to the community. If the Board votes yes, then it's on the ballot. If the Board votes no, at the September meeting anyone at that meeting in good standing could pose this question and with the majority of the people voting there to put the question on the ballot, the question would go on the ballot. Once it is brought up here tonight it can get on the ballot either by the Board okaying it tonight or by a community member bringing the question up at the first annual meeting and having a majority of the membership vote to put the question on the ballot.

Stu Kipilman:

- Historically when you put something on the ballot it is very rare, in my experience over 25 years, that it has been voted down. I think that if you were going to vote to put it on, I would like to make a second motion for less courts.
 - o **Response** by Michael Ilardi: Yes, I agree. I think that should be. I wish that option was presented. I know with what is going on this summer that we couldn't have the meeting that we had. I anticipated more meeting after that first presentation with the vendor at the site to give us a much more thorough explanation of exactly what they were going to do and then what the four courts would look like. There are costs we had that night and I would like to have those costs here and we don't have them here tonight which is unfortunate. If we go from 6 courts to 4 courts, let's say, we then have 2 courts worth of material that have to be removed and renovated to become whatever it becomes. There are costs involved with that. It would be nice to have a second question with more costs and a bigger breakdown to be able to vote.
- 3 courts and a pickleball court – does that make 4 courts? **Response:** Yes. That would be a footprint of 4.
- The other way it was 5 courts and 2 pickleball courts – that's 7.
 - o **Response** by Michael Ilardi: With pickleball, 2 courts fit on 1 tennis court footprint. If you look at the diagram on the sheet, we have you see the 5 big courts and the 2 little ones. The 2 little ones are pickleball which are on the footprint of basically 1 tennis court.
 - o **Robert Torcivia:** It basically can't be 4, it can be 3 or 6? Practicality it couldn't be 4?
 - **Response:** Agreed Rob. You got it right.
 - o **Michael Ilardi:** Why can't it be 4?
 - **Response:** Because of the layout.
 - o Why can't you change the layout? The front 4 tennis courts ... (several people talking at once)
 - **Pat Degnan:** There are 3 courts and 3 courts.
 - o If you look at it the other way it is 2, 4, 6 from the street to the field. When we had the presentation, I brought up the point that if we went with 4 courts you could eliminate the 2 courts closest to the street and put in some more parking. There is no off-street parking there. There was a discussion that you would have 4 courts and then parking by moving the courts to the inside 4 courts using that footprint. There are costs involved in that.
 - **Stu Kipilman:** You could just put some plants and grass and the renovations are a lot less.
 - o I understand that but we do not have that information which is what I would have liked. I anticipated having more meetings throughout the summer and I was surprised that the question was brought this year because there was no follow-up from that March meeting. Maybe the tennis subcommittee has a lot more information than what we have in front of us.

Pat Degnan:

- One of the things I can tell you is that I read about the post tension concrete is that it has been found to be economical and efficient and provides additional advantages of reducing and eliminating control joints and resisting and controlling cracking as a result of the induced compression into the concrete and stretching the steel.
- (several people talking, comments not captured)

Joanne Machalaba:

- Bob Fehon, a community member, is on the tennis subcommittee and might be able to shed some light on the cost's differential between 4 courts and 6 courts.

Michael Ilardi:

- One last thing before we go to him is if this ballot question goes to the community and it's a large sum of money and a lot of non-tennis players might say spend a half million dollars on tennis courts, are they nuts. If it doesn't pass it's very hard to then renovate the tennis courts after the community said don't spend the money on the tennis courts. The committee needs to keep that in mind. This came up in the past with other ballot questions. When we renovated the bar we tried to be as cost effective as possible when we came up with those questions because if we asked for some top of the line crazy numbers to renovate the bar people would have said no to the question and then you can't renovate the bar because are then going against the community's wishes.

Bob Fehon:

- Yes, you didn't receive the proposal that was recently sent.
- He gave us a number of \$451,000 plus tax for the 6. Previously he said \$325,000 but I think that number is supposed to be even higher because his estimate was off. The long story is he actually wanted more. He did some calculations wrong but gave it at the \$451,000. I asked him what kind of overrun you guys have typically because contractors do projects that do go up and we're trying to keep it under \$500,000 and we're stuck. He said it's not going to go up unless you guys start adding things to it. We typical are within this range.
 - o **Questions** by Michael Ilardi: \$451,000 for 6 courts?
 - **Response:** Yes.
 - o Was there a price for 4 courts? Or 3 courts?
 - **Response:** He said it was going to be a battery of 3 or 6.
 - o What would 3 be?
 - **Response:** In the original presentation he said \$325,000. He didn't redo a number for 3 for us.
 - o You're talking maybe a \$150,000 to double the size? **Response:** Right.
 - o That's what I remember from the meeting it being not real cost effective to cut it in half. Something has to be done with the remaining garbage. He is not going to deal with that or remove it. We have to do something with that. That becomes an additional project.
 - o **Michael Ilardi:** Anyone else have questions for Bob because he has the knowledge for it?
 - o **Robert Torcivia:** So, Bob what you are saying basically is like half the cost of this job is them showing up, setting up, demoing, and so on. It does not really save us any money to try and do it smaller.
 - **Response:** I thought the discussion we had during the information session we had... it will save us money if we do less not considerably because you still have to do something with the remaining piece.
 - o **Question by Stu Kipilman:** You don't think \$100,000 or \$125,000 is a lot of money because we have it somewhere? I guess it's someone else's money so it's easy to spend.
 - **Pat Degnan:** You are also losing the pickleball courts which is now a big thing here in White Meadow.
 - **Response:** No, you're not.
 - If we only did 3, it would be 3 tennis courts.
 - **Steven Koenigsberg:** Why can't it be 2 tennis courts and 2 pickleball courts, Pat? Is that not an option for us? I think Bob just said we would either have 3 or 6.
 - **Response by Michael Ilardi:** It would be an option.
 - **Mark Kempner:** Bob, as the world has changed in the last 6 months has the tennis group and committee thought differently about spending that kind of money this year versus waiting? Do you all want to get this together and get it done no matter what?
 - **Response:** It's not that we want to do it, I thought we were asked to do this project because it was due. It seems the reserve study says I think it was due last year. All's we want to do is get it to the vendors, we have a huge number of vendors, and we did all the research to find out what the best thing to do was. We are not demanding anything. You can do whatever you want to do. This is the best option after coming down and doing the research.
 - **Mark Kempner:** (audio not clear)
 - **Steven Koenigsberg:** Mark, real quick. Bob and his group did an amazing amount of work on this and they have a vested interest in wanting it. They also looked every potential way to renovate our courts.
 - **Response:** We're past that part of it.
 - My point is I just want to make a statement but I also want to follow up with something else. ... selfishly they want to play tennis. They did their homework and though this is expensive. Based on the land we have and what it does to our tennis courts this is the best option.
 - **Mark Kempner:** I'm not arguing that at all.
 - I have from day 1 sat in on the Athletic committee meetings, and have always been a huge ___(??) of this. I have a very hard time...I think if the Board puts this on the ballot it's the Board's recommendation that this gets passed and we are supporting it. I have a very hard time as of right now, this second, voting to support this for a half million dollars, \$400,000, \$300,000, \$75,000 when we just turned down \$10,000 for the nurse school. Money comes from different accounts. Personally, I find it very difficult to vote for anything where we spend extra money and you say we

can't afford to spend \$10,000. (several people talking at once and comment not captured) But our residents who are watching this or hearing about this are going to say wait a minute you couldn't come up with money for the nursery school but you want us to vote on your recommending we spend a half million on tennis.

- **Response** by Michael Ilardi: Recommending that the community have an option to vote on something.
 - **Steven Koenigsberg:** Yes, the ballot measure we wouldn't vote to support it being on the ballot.
 - **Michael Ilardi:** With that thought process you won't vote for anything going forward because we turned down opening the pre-school. We didn't turn it down strictly for money. We turned it down because the enrollment was not there.
 - **Steven Koenigsberg:** Mike, hang on. I said
 - **Roger Crook:** Leave pre-school out of it now. Pre-school is history for tonight.
 - **Steven Koenigsberg:** Tonight our time .. and I have been a supporter of the tennis courts since day 1. I have been at all the meetings. I participated. I have a hard time voting to spend extra money tonight. That's all. We don't need to argue it. We have a proposal in front of us and we vote yes to put it on the ballot as is or we vote no not to put it on the ballot as is. Anything else does not matter. You either like them or you don't. If you think it's valid to put them on the ballot or not. We don't have plan B put in front of us from the committee. We can't vote on plan B. We vote on plan A as presented to us.
 - **Michael Ilardi:** Anyone else have any questions to get the understanding this question entails from Bob?
- Defeated**
- Vote count: 3 yes / 13 no

Stu Kipilman:

- Mike, do we need a second question in case at the September meeting it gets on the ballot?
 - o **Response** by Michael Ilardi: This is the time to bring up another question, if someone wants to, for a lesser of a project. It needs to be brought up tonight. The Board can shoot it down tonight and it can be revisited in September also.
- I want to make a motion for another question.

Stu Kipilman

Board Member, Athletics Committee

MOTION #6:

Motion to obtain POA Board approval for the following ballot question and explanation to be put to the community at the second annual meeting:

Question:

Should the POA spend up to \$350,000 to replace 3 tennis courts including fencing, net posts, nets & permit fees? Money to come from the Capital improvement fund (\$150,000) & Sinking Fund (\$200,000).

Discussion:

Michael Ilardi: This can be shot down and could then be brought up at the first annual meeting.

Joanne Machalaba:

- If the Board approves this motion, at the September Annual meeting can the community still bring a ballot question for the \$500,000? **Responses:** Yes.

Michael Ilardi:

Another question for clarity: If the community brings up the question for the \$500,000 question for 6 and it gets passed, and the Board votes to do the \$300,000, obviously we are not doing both. Does anyone have the answer to that right now?

Attorney:

- Both procedures put a separate question on the ballot. I will have to look at that and see. I don't think there is anything in the Constitution that deals with that controversy.

Michael Ilardi:

- We can do something where we can say we are going to vote for one. Something to think about for the September meeting. We will need a procedure. Both questions might get raised as there is a group that wants 6 courts and there is a group that wants 3 courts and both questions could end up on the ballot. If we vote tonight, this question is on the ballot.

Steven Koenigsberg:

- It's got to be when we run the ballot it has to be select A, B or C, with C being neither.
- (several people speaking at once and comments not captured)

Robert Torcivia:

- You have a problem there because if you have A, B or C and A gets 20% of the votes, B gets 30% of the votes and C is do nothing you got 50/50. (several people talking and comments not captured)

Stu Kipilman:

- You have to have 2/3's of the vote so therefore nothing gets done.

Michael Ilardi:

- Right. You are going to need ... (several people talking and comments not captured)

Robert Torcivia:

- ... It's very difficult for 2 yes options to split the yes vote and have 2/3 of the vote. It's nearly impossible. ... There's just no way to do that.

Michael Ilardi:

- If this question passes tonight it's something the committee needs to be aware of if they bring the other question that nothing may pass.

Pat Degnan:

- Which line will it come out of? The lower question?

Stu Kipilman:

- The lower proportion has the same proportion as the \$500,000 question.

Joanne Machalaba:

- The second does not come from the supplier? **Response:** No. He said they have to update the 3-court number.

Steven Koenigsberg:

- Just to add, as I recall and if Bob is still on the line and you can confirm this, his numbers do not include the removal of the torn up existing property.
 - o **Responses:** Correct.
- Then whatever we pass to put in new courts is not covering the removal of the torn up 6 courts we have now.

Michael Ilardi:

- On either project we have to have everything removed first?

Bob Fehon:

- No, if the 6 are done it gets destroyed and remade. If we do just 3 the courts that have nothing being done to it, we have to remove.

Steven Koenigsberg:

- Didn't you say with the 6 we are responsible for removing the dirt?

Bob Fehon:

- I don't think so. I think now he is raising it. The only thing he said last time was that we will have to do some landscaping ourselves on the outside if you don't like seeing the raised edge. Mark and Joanne are here too in case I am missing something.

Steven Koenigsberg:

- I remember conversations talking with local landscapers about getting an estimate on removing of the gravel.

Bob Fehon: Yea, I'm not sure.

Michael Ilardi:

- I think that was if we didn't do the 6. If we did 3 it would cover that but be left with the 3 old courts and it would have to be addressed and add to the project.

Bob Fehon:

- If you don't mind as someone who has been working on this I heard and have a misunderstanding that we will save money if we only do 3 courts. That's a misunderstanding. If you do 3 courts then you have another project to do after that may come close to another \$150,000. I don't really know what the cost is but there is an additional cost over the cost of doing the 3 courts.

Michael Ilardi:

- Part of the problem with this question coming tonight is that we did not have follow up meetings after that first meeting which was an excellent meeting in March. To get down to the \$100 numbers ... what if we do 3 courts? What is going to cost to remove what is there so we have 3 courts fenced in, in a presentable fashion? That number could have been brought as part of this discussion. I think we did not spend the summer to get all our ducks in a row. I think we are coming too soon with a question like this and a lot of questions that are unanswered.

Mark Kempner:

- We voted down the \$500,000. We know that in September that we will have tennis people that will come and try to create a new question. Why don't we just leave this alone and in September ... (interrupted)

Michael Ilardi:

- They cannot create a new question. They can bring up the question that we turned down tonight. We can bring up another option so we have 2 questions to discuss for next month.

Mark Kempner: But we just can't do this other question right now. We don't have the facts.

Michael Ilardi: I understand. It's 11:00 and we haven't started the budget.

Mark Didrikson:

- All I want to say is I think what we could do is look at 4 courts. 3 probably just doesn't give us the capacity and if we could get a reasonable price for 4 if that is an option. I'd like to explore that. At the presentation we had 4 and 6 and pricing for asphalt and concrete for them.

Michael Ilardi: Do we have a number tonight to pose a question for 4?

Mark Didrikson:

- Like Bob said, I'd like to go back and I think it was \$325,000 from this vendor. Given the variability we got on the quote for \$450,000 I'd just like to confirm that. I'm sorry I just can do it tonight. So, the way I understand the rules that if we bring it up in September it has to be the \$451,000, right or \$500,000?

Stu Kipilman:

- For this motion there is a way of repairing and replacing and taking money out of the Equalization Fund for the difference. If it is \$350,000, I think we might be able to make a vote on that. I'm not sure, but I think we may be able to.

Mark Kempner:

- Will we be able to make the members aware that we are taking money from two different places or is it still \$350,000?

Joanne Machalaba:

- We are taking it from two places. I think if we come back to where we are going to take it from but if we are going to put another motion to the Board now and then get clarity on the procedure of what happens, Stu Joseph has some comments that might help us with that.

Michael Ilardi:

- We can bring this motion up now, turn it down and it can be brought again in September with a lot more facts where we can then decide and the whole community has to vote on it then if it goes on the ballot. We can leave it up to \$350,000.

Mark Didrikson: We can try to get a price for that and the removal of the other two courts.

Stu Joseph:

- The second motion that you are considering – one issue is the dollar amount. You can increase it to a dollar amount that you think you can meet. If it's \$325,000 and we're not sure on that and don't forget the other one is at \$450,000 and you needed extra things for permits and fees and stuff like that so it brought the \$450,000 up to \$500,000. It would make sense that the \$325,000 would come up to a 400 number and you could probably feel comfortable with a 400 number and get that done as well as the removal of the other stuff. But you could just word each of the motions that if they were to both be available and they were both passing about putting courts, if the greater one passes, the \$500,000 one, then you are putting in your 5 plus 2 courts scenario. If the lower one was to also pass you are not expected to put that plus the other in. You would have passed it and then you also have your 3 or 4 court scenarios. You just got more by virtue of the greater one passing. I think you could have them both out there. I think the issue is more of the confusion it would cause to the public. I don't think the issue is about you're legally obligated to put in 5 plus 2.

Michael Ilardi: (Echoing on not clear audio)

Stu Joseph:

- You would have to have a separate explanation saying which ever greater one passes will be the one we will do. Make sure you are going to put up a motion for the smaller one that you are voting on very clearly like this first one was saying all the parts of the explanation, where the money is coming from, and that sort of thing. A quick vote of I vote to spend \$350,000 on tennis courts is not what you want to do because you are voting on what is going to the public. If you want to take that aside and someone wants to write it up while the budget is going through that might be a good idea. Don't just rush this one through because whatever you vote on tonight goes to the public.

Stu Kipilman:

- Just remember when we did the bar, we voted for \$110,000 and when we went out, we did not have the numbers. When we came back, we needed another \$90,000 or \$85,000 and that we put in the budget. Just because it's on

there and we say it's okay and we don't have the money or it's not enough money it doesn't mean that we have to do it. I would go with Kempner's idea of waiting until 2021 but just in case I wanted to have something else on the ballot.

Stu Joseph:

- And the bar waited. I am not on the Board so I will not argue the merit just providing the clarification to make sure that whatever you are posting is a very clear motion including a full explanation. For that matter you might want to include in the explanation that it is a reduction to the current number of courts for the purposes of being fiscally responsible or something like that. Someone may want to take on the task of drafting it while everyone is going over the rest of the budget.

Michael Ilardi:

- My issue when we met in March about downsizing the footprint was that you were not downsizing the cost by enough to justify the downsizing the footprint. To spend \$375,000 and for another \$125,000 you are getting another 3 more courts. That's the way I look at it and its hard for me to say. If I were doing a project at my house and let's say I'm getting twice as much as for 20% more I am going to go for twice as much.

Stu Kipilman:

- Except that that \$125,000 can be used somewhere else that can give us a lot more value for our money. (several people talking and comments not captured) If we have it, we will spend it. We want to get the biggest bang for our bucks and it's not in the tennis courts. I'm sorry.

Michael Ilardi: I understand that.

Steven Koenigsberg:

- Just understand if we want to make a second motion tonight, not necessarily to pass it although it may pass, but in September a resident can only bring up what does not pass tonight.

Stu Joseph: With that exact wording. That's why the wording is so important.

- (Recording jumbled, comments not clear)

Steven Koenigsberg:

- Let's take the first motion, change the number of courts to 3 with a pickleball court and lower the amount to \$325,000 and basically just vote on that. Is that my understanding Joanne?

Stu Kipilman: It was just 3 courts, no pickleball court.

Joanne Machalaba:

- The first motion did not carry so that can go to the community in September as it is written. Now on the table is a second motion that someone needs to go craft and say it is a reduction from the current courts and bring it back to us and we will vote on that. If we vote no then that can go to the community. What I'm understanding Stu to say is that both questions can go to the community and they can vote on whether they want the higher amount with that amount of courts or the lower amount with that amount of courts.
 - o **Stu Kipilman:** Or nothing at all.
- Stu Kipilman's comment, if the community voted on the lower courts ballot question that passes, did I hear this correctly that we can say we can bridge the difference to the half million by taking money from Equalization Fund?

Stu Kipilman: No, No, No.

Michael Ilardi:

- He's saying that if money has to be used to remove the debris from the courts that are not being used, we can get money elsewhere to rip up the courts that weren't being replaced.

Pat Degnan:

- If we change instead of saying replace the 6 courts, we just say replace the tennis courts we won't limit the courts that we can get for such and such a price. Can we do something like that?
- **Response** by several: That will be confusing.

Michael Ilardi:

- When someone drafts the motion for the second ballot question, we will revisit it. Add it after the budget and vote.

(CONTINUED AFTER BUDGET SECTION)

Michael Ilardi:

- As I turn this over to Joanne, keep in mind that this is the budget we are going to present to the community and then go through line by line in September. So, each committee and the office put this budget together and presented it to Joanne. Joanne asked questions when she saw something and asked why you are adding this much or you did not spend this last year. A lot of work went into this so there shouldn't be a lot of questions that we need to beat to death tonight to have a budget to present to the community that we will all beat to death next month. Keep that in mind because it is 11:00. I hope that expedites things.

DISCUSSION: 2021 PROPOSED BUDGET

1. ATHLETICS

- **No changes proposed**
- **Sub Total: \$37,228.00**

BEACHES

503.01 - Salary Lifeguards

- **Proposed \$98,371.00**
- **Joanne Machalaba:**
- This is the same as this year. Is there is no minimum wage increase this year?
- Is there an adjustment needed?
- **Beverly Nemiroff:**
- There probably will be an increase going into next season.
- Salaries, we did not hit that mark for the last two seasons.
- We will be pretty safe for next season.

503.21 - Beach Water Testing

- **Proposed \$4,500.00**
- **Decrease to \$4,000.00 – Vote wins**
- **Joanne Machalaba:**
- This is the same as 2020 but we have a credit of \$1,300.
- The water testing will probably go up by some amount percentage wise.
- We're not going up by \$1,300. The credit should be reflected in the 2021 number.
- **Beverly Nemiroff:**
- No, I don't agree.
- I don't know what the percentage will be with Garden State because that increase is based on what the regulations are going to be. If the recreational bathing regulations changes with New Jersey regulations and they come back and say we have to change this test now and you have to pay this much more that's why we get these increases. We cannot control that.
- This \$1,300 credit will be applied to next season. You can't apply it now. There is no way we are coming in less next year. The \$1,300 is basically coming out of the circus pool which is a separate invoice. They charged us \$1,300 for the testing of the circus pool for this season. Since we did not open the circus pool, that is why we have the credit and that is where we will apply the credit next season.
- The other money is for other five areas which is the swim lanes, the two beaches, and the drum pool. It is going to increase and I do not know what that bottom line will be.
- I would leave it just the way it is.
- **Michael Ilardi:**
- If we have a \$1,300 credit, even if it goes up \$500, we can still lower that line by \$800 and be well within. I can't anticipate them increasing it by 25%.
- **Pat Degnan:** If you go back to 2018, we spent \$4,400. That was before the change in the number of tests that we have to do.
- **Michael Ilardi:**
- In 2019 it was \$3,600. Sometimes we have multiple tests if we failed, something may be added for some reason. I do think if we have a \$1,300 credit, we can drop it to at least \$4,000 or \$3,800 and be very safe.
- **Beverly Nemiroff:**
- If that's what you want to do that's fine. You didn't say that in the committee so that's why we have it at \$4,500. We can drop it to the \$4,000. That's perfectly fine.
- **Roger Crook:** When do we get the credit? In 2020 or 2021?
 - o **Response:** 2021. Most of the credits are being applied to next year. They are not refunding money.
- **Sub Total: \$150,841.00**

BOAT DOCKS

505.01 - Maintain boat docks, house, and canoe & rowboat racks

- **Proposed \$5.00**

- **Increase to \$6,600.00 – Vote wins**
 - **Joanne Machalaba:**
 - Mike Lynch I put in a \$5 placeholder but is there any updates or numbers you would like to put in here?
 - **Michael Lynch:**
 - I'm not sure what the house part is at?
 - **Response** by Michael Ilardi: The boat house. In case there is any work/repairs that you guys area aware of.
 - **Joanne Machalaba:** In the footnotes I did put down some costs from my experience of what these things would cost.
 - o New dock inserts @ \$4,500/each.
 - o New dock fingers @ \$1,500/each
 - o Land racks @ \$150-\$200/each
 - **Michael Lynch:** We did we use last year for the used docks? \$1,500/each? **Response:** \$1,700/each
 - **Robert Torcivia:** Wasn't someone putting new ends on the docks at the Clubhouse?
 - **Michael Lynch:** Yes, those are the fingers. I have that in the Lake section.
 - **Michael Ilardi:**
 - If it's for docks it should go here. We can take it out of the Lake section and put it in here. Do you know the number?
 - **Joanne Machalaba:** If you want to work on it and we will move on and come back to it.
 - **Michael Lynch:**
 - 2 used sections @\$1,700 each and 2 finger docks @ \$600 each.
 - Land racks - \$2,000. We'll get more solid numbers for next time.
 - o **Response** by Michael Ilardi: That's a lot of racks.
 - Everyone put their boats on land at Beach 1 and all the other beaches. It was pretty much a free for all this year. We're anticipating that they will want the same thing next year.
 - Steven Koenigsberg: Didn't we discuss the removable A-frames?
 - Michael Lynch: We discussed a lot of things. Linear frames. They were basically the two options. I'll get some more information.
 - **Stu Kipilman:** Are the finger docks necessary?
 - o **Response** by Michael Lynch: They are adding more stability to the problems with our bulkhead.
 - **Stu Kipilman:** Is that where the party boats are? Are there too many parked there?
 - o **Response by Michael Lynch:**
 - o Most of the problem is that they are their canapes are left open in high winds. We are getting a better feel for getting information out to boat owners to take their canapes down.
 - o We're using to see if the stability does improve.
- Sub Total: \$6,600.00**

CIVIC AFFAIRS

515.00 – Miscellaneous

- **Proposed \$1,000.00**
 - **Decrease to \$500.00**
 - **Decrease to \$800.00 – Vote wins**
 - **Stu Kipilman:** We haven't used the \$1,000 so why don't we reduce it to \$500.00?
 - **Russ Nolan:** Can we drop it down to \$800? We are going to buy some equipment this year-TV/digital sideage.
 - **Michael Ilardi:** You are going to buy that in 2021 not in 2020? It was budgeted for this year-2020.
 - **Russ Nolan:**
 - We were hoping to but the business we were going to buy it from went out of business. We're sourcing a new company right now. If you want to drop it to \$500. I'm okay with that. We'll make it work.
 - **Pat Degnan:**
 - I would leave it at \$800. If we get it this year, we might have to get some additional software if we find out it works very well and we can then enhance it more.
 - **Joanne Machalaba:** Where are the TV's located?
 - **Russ Nolan:** We are going to test them at the Tiffany Bar with the hopes of expanding if it works well.
- Sub Total \$800.00**

COMMUNITY PLANNING & ENGINEERING

507.00 - Hiring of Expertise for Major Projects

- **Proposed \$20,000**
- **Decrease to \$10,000 – Vote wins**
- **Joanne Machalaba:** Stu, you put the reserve study in this but you put it in the budget this year to do the study.
- **Stu Kipilman:**
- We have been trying to get it done this year. We have two quotes that are basically the same. I don't know if we want to do it. I can reduce it by \$10,000.
- **Joanne Machalaba:** I would suggest trying to do it this year. We talked about it. We have the money.
- **Stu Kipilman:**
- I don't know. I asked at the last meeting if anyone had an idea or copy of a report so we know what we are getting. What does it look like that we are going to get so we can compare it to what we have to see what the value of it is? They write it down, you only get one visit, so I would like to see what they are offering us, that's all.
- **Joanne Machalaba:** The CAI has all kinds of references.
- **Pat Degnan:** I'm waiting for one more quote. There are only certain groups that do the reserve study.
- **Michael Ilardi:** We have a few months left and we'll try to get it done.
- **Joanne Machalaba:** Engineer/Architect Consultant to prepare RFP @\$10,000 for what?
- **Response:** That is for the renovation of the outside of the building – the woodwork, the soffits, the roof, the cement work. Someone to prepare a bid, an architect or engineer, as to what the building needs to be done on the outside of the building so we can then go out to find reputable contractors who do old building renovations and get the work done. It's a whole RFD.

Sub Total \$10,000

FESTIVAL DAY

509.01 - Offset costs for police, entertainment, Activities

- **Proposed \$5,000.00**

FURNITURE & RENOVATION

511.01 – Furniture

- **Proposed \$500.00**

GENERAL & ADMINISTRATION

547.00 – Credit Card Fees

- **Proposed \$10,500.00**
- **Michael Ilardi:**
- We're leaving that number the same. I know we had a big increase this year with PayPal and we were looking into a different avenue of people paying on line. It is so expensive and maybe we will do away with that line when we get back to a normal year. Did we keep it with that price, work with our banking and look into getting another mechanism for paying? Otherwise we have to increase this because it is much more expensive fees from PayPal from people paying online.
- **Scot Desort:** Where is the 2020 expended column so we have it for comparison?
- **Roger Crook:** \$ 14,922?
- **Michael Ilardi:** It probably won't go above that much.
- **Joanne Machalaba:**
- Michele is looking into credit card fees to see if there is something, we could do to reduce them. We talked about limiting PayPal or people paying fees for covering some of that expense for the convenience and ease of using it.
- **Michael Ilardi:**
- If we want to keep these fees like before and people want to pay on line they can absorb the fee for the convenience of paying on line. Otherwise all the members are subsidizing that. If the office is open, they can come in to pay or mail in a check. I don't think the community should foot the bill for the added fees. The basic credit card fees when they come to the office to pay by credit card I can see absorbed.
- **Joanne Machalaba:** This year we overspent credit card fee line by _____(??) We should try to manage this down.
 - o **Response by Michael Ilardi:** That was because of the PayPal situation and people not being able to pay in person. We would not have gotten the collections that we got if we did not have that option.

513.12 – Office/Clerical Salary

- **Proposed \$285,000.00**
- **Stu Kipilman:** It went up \$35,000 and you have a commentary to hire a part-time bookkeeper. Why is that?
- **Response** by Joanne Machalaba:
 - Ryan and that position needs help. We need to bring in somebody that can assist that role in doing basic bookkeeping and accounting, streamlining how we do things, TOPS and utilizing QuickBooks. Right now, we are working a little bit with the auditing firm to try and figure out how we clarify and operationalize the whole bookkeeping and accounting more effectively. The goal is to bring in somebody who can be a temporary person we retain for a period of time that comes in 3 days a week for a few hours, sits down and helps us do the bookkeeping and get the financials in shape. Currently our audit is significantly delayed which could compromise our filing for the Country Club taxes, financials for the Board, you see how late they come out. We need someone who knows bookkeeping/accounting in greater detail to help us and the bookkeeper to get this back in order.
- **Stu Kipilman:**
 - If you need it, you need it. I just have difficulty with throwing more people at it. We were supposed to have a reduction when we put in a new system which really did not do much for us. QuickBooks was supposed to be wonderful and did not do too much for us. Now we have two systems, QuickBooks and TOPS. In the end, is there better software that we can use?
- **Response** by Joanne Machalaba:
 - I have been asking around, other treasurers and other homeowners associations. TOPS and QuickBooks are the leading products in the state. We, unfortunately, have outdated versions of at least of TOPS. We need to get upgrades to the versions we have and, also, to provide the bookkeeper some training on how to really maximize the systems. I myself have not had time to sit down with the TOPS people but will be doing that. Someone that comes in with years of experience in using these systems can bring a ton of value to us to really ratchet it up for utilizing the systems, how we are doing this work, and that is the goal of this role.
- **Scot Desort:**
 - Joanne, just so you know, Roger, Ryan and I had spent a lot of time looking at alternatives to TOPS, as well as talking to TOPS about switching to their online version because the version we have is very old. It is housed in our servers in the Clubhouse office. The online is much more modern but it is phenomenally expensive because you don't own the software. You have to pay a monthly fee that is based on membership and it is out of the realm possibility for the POA to foot that bill. I looked at alternatives and nothing seems to do what TOPS does. We kind of hit a dead end. We did a few demos; they were very nice and had some nice stuff that would be nice to use but they lacked a lot of the stuff TOPS already has in a version that is 10-years old.
- **Stu Kipilman:**
 - What was the cost that you thought was too much?
- **Scot Desort:**
 - Oh, it was something like over \$1,000 a month.
- **Stu Kipilman:**
 - Yes, but we are adding another person at maybe \$25,000 a year.
- **Scot Desort:**
 - Don't forget I don't think she's saying she's adding a person because the software is inefficient, I think she is saying because it's just a lot of work.
- **Joanne Machalaba:**
 - And sort of expertise, right? Someone who is doing bookkeeping/accounting inside and out and can help us figure out...we have a big budget here. We have a lot of complexity, two entities, and intercompany transfers. Someone who has differing views than the people we worked with, has these areas of expertise and could advise us if we can live with the version of TOPS we have, does TOPS have something that is not quite \$1,000 a month, is there something in the middle of the road or we could help build a case to spend the \$12,000 a year to get the new TOPS version.
- **Scot Desort:**
 - To me it seemed like the main goal was to offer online dues payment and to spend that kind of money for that feature is ridiculous.
- **Joanne Machalaba:**
 - I agree with you. Stu, so that answers your question as to what that role is for. They may not need to stay the whole year but the goal would be to get somebody in here to help out with the details around our budgeting and finance management.

- **Pat Degnan:**
- Also, one of the things that I found out from going to the different seminars too was that I would ask people which system they use and they say the safest system to use is the TOPS system. Because we have so much information within our TOPS system, we want to keep it as safe as we possibly can too. That's why we have both system going because the original idea when Jerry Tauber was working with Lauren on getting us QuickBooks was to completely turn over to QuickBooks and then they found out that they couldn't do the complete turnover.
- **Roger Crook:** One's accounting and one's management.
- **Joanne Machalaba:**
- Scot, can you ask Stu Joseph in so he can participate because he is on the budget committee with me?
- **Scot Desort:**
- I just want to provide a little more information on TOPS. We pay \$200 per month now and the new price would be \$1,250 so it is an additional \$1,000 per month. We would only get two years of financial data converted and some of the homeowner data would not even convert. So, there was not that much benefit there and I wanted to clarify that.
- **Stu Kipilman:**
- You know how with Windows 7 they are not supporting things, well what happens with TOPS if it gets too old, will they still support it? Because in the end if they are not supporting it, we're stuck.
- **Scot Desort:**
- That's a good question. I am not sure. I don't think they have said anything to us yet that I know of. Roger, what do we have one computer left on Windows 7?
- **Response by Roger Crook:** I think it's one, that old one there that we are going to look to replace in a line not too far down.

513.13 – Payroll Service

- **Proposed \$8,500**
- **Stu Kipilman:**
- Other than timeclock, what are other enhancements?
- **Joanne Machalaba:**
- Paychecks offered us an enhanced HR service, I informed the Board of this that we have been piloting for 4-months. They are providing things like hiring tools, interviewing tools, performance management tools, training including OSHA, safety, management, leadership, people management, benchmarking salaries, and a whole suite of lots of great services that I think we should be talking more advantage of.
- **Stu Kipilman:**
- At that meeting you asked if we could go ahead and do it and I think it was \$1,500 or something like that which we said okay to. How much has it been used?
- **Joanne Machalaba:**
- Yes. Unfortunately, I have been campaigning very hard to have the management take the training to give us feedback and what they thought of it and actually have employees take the critical training like safety, help with rewriting the job descriptions, and all of that. People have been very busy with the feedback and I don't know that it has been utilized. Charlie and Michele are on this call and maybe they can speak more as to where they are with that.
- **Michele:**
- I have taken 3 of their training sessions which were helpful. I have to take more. We are still trying to get the other people to be able to get into Paychecks to do the training and we are having difficulty reaching someone there to help us with that.
- **Charlie Bogusat:**
- My problem was that Kurt and I are not able to get into it so we are just waiting for the opportunity to get into it. I also have to point out that as I always do is that this time of year is just very difficult because of have a lean staff on purpose. Years ago, we would have so many guys but they were just standing around. There is no break in the day.
- **Michael Ilardi:** You can find an hour or two a week to get some of the training done.
- **Joanne Machalaba:**
- Some of these trainings are 20 minutes in length. As I know, training is actually a part of a person's job. If we took this training, may we actually be able to approach our insurance company about getting a break on our insurance. The training has been available, I think we started this back in April or May, we didn't utilize it. The logins have to be reset or provided again.
- **Stu Kipilman:** How much did you put in the new budget?
- **Response by Joanne Machalaba:** \$1,300 over what we would have been paying for the base package.
- **Charlie Bogusat:** Joanne, is that \$1,300 increase for the year? **Response:** Yes.

- **Joanne Machalaba:**
- No, it was an increase over the pilot time. They were running a special. We got 4 pay periods free and then for the additional pay periods it was an additional \$1,300 to trial this program. I will tell you that I am waiting for your feedback. They also have safety specialists who does safety work across organizations. My thought is we could do a webcast with the maintenance guys by Zoom and actually have an expert they can ask questions to about various OSHA things, asbestos and all kind of things our Maintenance guys are doing. This guy can walk through with them the things they are doing. We can have documentation on file that they took this training.
- **Stu Kipilman:**
- The other part is, and I hate to do it, but the insurance companies will come in and audit you to see what you are in violation of so you know what you need to know. I hate to bring them in and then they raise our insurance. Some insurance companies do have safety seminars and maybe we can check with our carrier to see if they run any programs for that.
- **Robert Torcivia:** Don't bring it up.
- **Joanne Machalaba:**
- Right now, and for the last 5-months we've had this opportunity to take advantage of this resource – people, tools and training. Unfortunately, not much has happened. I would love to have Board support during your committees to encourage staff to take advantage of it. I will be coming back to see if we can get pricing to continue HR services at least through the end of the year so we can fully take advantage of this.
- **Stu Kipilman:** What about non-staff?
- **Joanne Machalaba:**
- I looked at some of the volunteer stuff. There actually is some privacy, what you should say and how you should say it.
- **Stu Kipilman:**
- I'm talking about committee chairs for example.
- **Stu Joseph:** This is a budget meeting. Can we get back to the budget?
- **Joanne Machalaba:**
- This has been bumped up but probably not enough to have these enhanced HR services through next year. I am still waiting and negotiating a little bit the pricing with them. We bumped it up a bit to take advantage of that and also the timeclock. I think it is from the 1950's.
- **Response** by Stu Kipilman: I would support the timeclock. Is that the one that does computation and know exactly what it is?
- Joanne Machalaba: Yes, and people can actually do it remotely like from the lifeguard stand and a GPS shows that they are actually in that spot.
- **Stu Kipilman:** That's a definite program for 2021?
- **Response** by Joanne Machalaba:
- Yes. Michele, you were working on getting the estimate for the timeclock. Do we know what it is?
- **Michele:** I believe Ryan was working on that part of it.
- **Roger Crook:** I don't know if we have it broken out yet, do we?
- **Ryan:** I don't have the number right in front of me but I think there is a one-time fee around \$750 to set it up and then I think it was a \$1.00 per person if you do the GO located timeclock.
- **Michele:** Yes, I have it and it is \$750. That's the flex time mobile, correct? **Response:** Yes, that is correct.
- **Michael Ilardi:** A \$1.00 per person per pay period? So, if we did that in the summer with all the camp and lifeguard staff that's a lot of money.
- **Response:** Yes, per pay period.
- **Michele:** That's the cheapest plan they offer.
- **Michael Ilardi:** We can get this number next week.
- **Roger Crook:** If there are 30 full-time employees normally, that's \$30 per pay period. There are some months with 3 but basically 2 a month so it is about \$120 a month or so for the normal employment level.

Sub Total \$437,683

HOUSE OPERATIONS

517.06 – Beautification/Restoration

- **Proposed \$15,000**
- **Decrease to \$8,000 – Vote wins**
- **Decrease to \$12,000**

- We will revisit this next meeting.
- **Stu Kipilman:** What are we beautifying? There are no numbers and notes.
- **Charlie Bogusat:**
- I thought that landscaping was going to be moved to that line?
- That was all the landscaping money we moved into it.
- Basically, it was going to cover repairs that come up in the old building.
- You guys kept talking about putting the landscaping money into that line at the meeting.
- **Steven Koenigsberg:** It was a reduction from the 2020 budget of \$20,500.
- **Stu Joseph:** Landscaping is 525.02. It should remain the same basically at \$14,000.
- **Pat Degnan:**
- Weren't there some areas that were going to have new plantings that we are trying to replace like Kurt did in the front and now we are working by the flag pole this year?
 - o **Response** by Michael Ilardi: Yes, and he has a lot more to do. It's landscaping.
- **Stu Kipilman:** Yes, but you have it in two places.
- **Steven Koenigsberg:**
- Landscape maintenance is, and this is my first year doing this, a little bit different. We're talking about seeding, grading (several people talking and comments not captured). So again, it's a reduction.
- **Charlie Bogusat:**
- Landscape maintenance is mulching, spring and fall fertilization, and we want to over seed it to start to grow grass instead of the clover ... (interrupted)
- **Stu Kipilman:** You have \$10,000 in the line to do that and it is a lot of money.
- **Response** by Charlie Bogusat: It costs a lot of money Stu. Once you start buying mulch, fertilizer and seed in the quantity we want to buy for the lawn.
- **Joanne Machalaba:**
- Is there an explanation we could put there and the Board could comment on that? What is it going towards?
- **Steven Koenigsberg:**
- First off, it's a \$5,500 reduction from 2020. Let's understand that.
- **Roger Crook:** We already spent \$16,500 in calendar year 2020.
- **Stu Joseph:** Is this for specific projects?
- **Stu Kipilman:** We did it for specific projects. That was from the Clubhouse lawn for regrading.
- **Stu Joseph:**
- If you look back from 2018 and earlier you are in the couple of thousand range. The last 2 years were for specific projects where the money was being spent. You can't just say landscaping. You have for the specific projects.
- **Stu Kipilman:** That's all I am asking. What's the \$15,000 for?
- **Steven Koenigsberg:**
- I think part of it had to do with our increased responsibility regarding the A-Field where expectations were for landscaping around the A-Field areas, the basketball courts, and the playground. No landscaping around the playground but mulching to get the permit approval. I apologize, Charlie correct me if I am wrong, we had ... Excuse me but I should have had my notes.
- **Michael Ilardi:** I know the front sign needs landscaping. Kurt doesn't think he will get to it this year.
- **Steven Koenigsberg:**
- We also talked about the potential for what we need to do landscaping wise around the shuffle board area. We don't know what is going to happen to that area and we have to clean it up and landscape it. We have expenditures we know we are going to be spending. We're not looking to over spend the line. We're looking to take a reduction from this year. Again, it's projects that have to get done.
- **Stu Kipilman:** Those are not \$10,000 projects. I propose we reduce it to \$8,000.
- **Charlie Bogusat:** We can't even do the fertilizing, seeding and mulching for that.
- **Stu Kipilman:** You have \$14,000 in your budget for maintenance.
- **Joanne Machalaba:** That stuff is not here. This line is for projects. A-Field is under Athletics.
- **Michael Ilardi:**
- Let's make it \$8,000 and then the committee can go back and get together with Kurt to sharpen the pencil on these couple of lines in these two sections. If there is not a project we are remembering tonight, bring it up next month and say this is what we need an additional \$6,000 for.
- **Stu Joseph:** If you can't justify it and the lower number gets voted, come back in September with projects and it can be changed.

- **Joanne Machalaba:** Send me notes to put in here.
- **Charlie Bogusat:** Where are we going to put the money, \$82,000, in the budget that we need for the Clubhouse.
- **Michael Ilardi:** That is being brought up in the Country Club Reserve Fund.

517.10 – Cleaning Service

- **Proposed \$5**
- **Michael Ilardi:** Can we remove the \$5.00? I'd like that line to be removed soon. It needs to be 3-years at \$0.

SUB TOTAL \$30,500

INSURANCE

519.01 – P&C Insurance

- **Proposed \$280,000**
- **Joanne Machalaba:**
- We have not gotten any numbers from Jake our Insurance guy so Stu Joseph and I looked at 2020 and extrapolated with that.
- We added a 4% increase and that is how we came up with the P&C Insurance.
- **Stu Kipilman:** Rob, did we increase the liability of the Officers and Board? Was it what we expected or ...
- **Robert Torcivia:**
- Yes. It was part of the 2020. I think it went through exactly as expected. It was what you wanted. I think it was a doubling of the D&L. It was a majority vote by a long shot.
- **Stu Kipilman:** Can we have that information for next time so we know how much it is?
 - o **Response by Robert Torcivia:** Sure.

519.02- Health & Life

- **Proposed \$57,800**
- **Increase to \$60,500 – Vote wins**
- **Joanne Machalaba:** We took it up 5%
- **Stu Joseph:**
- We don't know what it will go up next year. It could go up 10% and I wouldn't be surprised. That's the best guess.
- **Stu Kipilman:**
- The broker did not have any information on the basis of our usage of the plan and what he expects?
- **Robert Torcivia:**
- Especially this year there is no way to do that. You think about things like COVID. It's just completely unpredictable. Like this year we are actually hoping to get a lot of rebates. I think they are going to be smaller than I hoped. When the school shut down. When camp was shut down. When the bar revenue was lower. There are all kinds of things where we are going back to the insurance company and say we weren't able to use this because the ballroom was shut down so we couldn't do any rentals.
- **Stu Joseph:**
- As far as that goes, that will not impact the POA budget because any rebates we get, it's a rebate on an item that closed on the Country Club side. It will reduce the Country Club offset and that's where that credit will go, back to Country Club.
- **Robert Torcivia:**
- I'm just saying from a point of view of answering Stu Kipilman's question in terms of trying to estimate this kind of thing. Our biggest concern for health insurance is that these insurance companies are getting really nailed this year and they have no idea what to expect next year. When there will be a vaccine or whatever else. So, they will pass that on.
- **Stu Kipilman:** I would go with 10% rather than 5%. Insurance companies are nightmares, unless you are out to market one against the other. The bottom line is it may be 10%.
- **Stu Joseph:** Joanne, can you make it \$60,500? You still have to vote on it.

519.03- 401K

- **Proposed \$10,000**
- **Joanne Machalaba:**
- It was based on 2020 spending.
- The only question I have Rob is how can we go about getting firmer numbers on this because we are almost 100% spent on insurance this year?

- **Robert Torcivia:**
- It's a real challenge because every year the price goes up but you do not know how much it will go up. The biggest variable is always workers comp and the problem with workers comp is that it is based on a root number that the State gives you and there are these variable that come off of that depending on what your workers are doing, and your own personal history of injury reporting. So, everything has to wait for the State to give us that core number and that plugs into all the formulas. The State sometimes doesn't give you that number until January. They are supposed to get it done in December but the State could care less whether or not we want it in October. Workers comp is a pretty significant part of our coverage and that part is always up in the air. Last year, just to give you an example, we actually came down on a lot of our lines. We had a lower number in 2020 than 2019 but then the State changed the statutes of limitations on abuse and molestation. They said that an insurance company even if they are no longer your insurance company and were covering you 5 years ago and you had an employee who was abusing kids for 5 years, well they are still liable for that. The insurance companies doubled the costs of A&M. That is also another big part of our insurance and it jumped a lot on that.
- It's very, very difficult to give you a solid number. I can tell you that in November/December it will be a lot more solid.
- There is no incentive for the insurance companies to push the State to get better at this because they also benefit from the fact that you can't get them to compete. If the State put out this number in June, we'd have 6-months to price different insurance companies against one another. They do not want to have that competition. They are happy enough to let the State do a lousy job which is what the State kind of does.
- **Stu Joseph:**
- Rob, when Joanne and I were looking at this we extrapolated 2020 by taking the last month's amount assuming it would be the same for the next 5-months. That got us to a 265 or 269 number but I can't remember exactly. Whatever it was we bumped it by 4% which rounded to 280. Is that reasonable?
- **Roger Crook:** A \$40,000 increase is 17% higher than last year.
- **Stu Joseph:** Not last year. Well, you're talking 2020?
 - o **Response:** Yes.
- Versus 2020 proposed, Roger, we're talking about 2020 projected actuals.
 - o **Response:** I see through the end of July we spent \$208,556. Is it quarterly or actually a monthly expenditure?
- There is a bunch we pay up front, either annually or semi-annually and there is a bunch we are paying monthly. So, all I did was take the monthly amount from July, extrapolated it onto the current spend for the year and we're way over the \$240,000. I did not want to leave it at that extrapolated number because insurance only goes up so we added 4% which got us to \$280,000. If you think it ought to be higher okay but I would be reluctant to make it any lower.
 - o **Response by Robert Torcivia:** I would too.
- I don't have a better way to do it. That was sharing how we did it.

Sub Total \$295,500

LAKE

521.01 – Lake Treatment Supplies & Alum

- **Proposed \$70,000**
- **Joanne Machalaba:**
- This is for the Alum and the Solitude Herbicide Treatment that is done.

521.02 – Miscellaneous

- **Proposed \$1,500**
- **Stu Kipilman:** What's covered under miscellaneous?
- **Decrease to \$500**
- **Michael Lynch:**
- That's where I put the dock fingers and we are going to put that back up under docks. With the two used docks we're are buying it would be \$4,700. We can reduce this to \$500.
- **Decrease to \$1,000 -Vote wins**
- **Joanne Machalaba:**
- I will tell you what goes here typically: the flock lock that we put up near the inlet stream and gets changed every few weeks. I would say keep this around the \$1,000 mark. Also, for what Kurt uses for the lake – the diffuser heads.

Sub Total \$78,005

LAKE RECLAMATION

522.07 – Miscellaneous

- **Proposed \$0**
- Why don't we remove this line? It's been gone for years now. Response: Okay.

522.15 – Environmental Attorney

- Should we put this at \$0 so we can remove the budget line?
- **Response:** No. Keep it. In case we have any issues, we need to have the line.

Sub Total \$28,305

MAINTENANCE

525.02 – Landscape Maintenance

- **Proposed: \$14,000**
- We will revisit this next month.

525.06 – Purchase Maintenance Equipment

- **Proposed \$7,500**
- We are buying a landscape trailer so it is easier for maintenance so when they go to a location it has multiple pieces of equipment on it so they don't have to make multiple trips back to the maintenance shed and also store and unstore the equipment.

525.11 – Community Maintenance Materials

- **Proposed \$7,000**
- **Decrease to \$5,000**
- We will revisit this next meeting.
- Do we have any maintenance material? Is there an explanation for the materials?
- **Steven Koenigsberg:**
- We were not at full staffing this year and anticipate next year we will be back in full staff with more people working at one time. We anticipate doing more work.
- **Stu Joseph:**
- We anticipated doing \$5,000 worth of materials last year regardless of what the actuals are. What extra work are we doing this year that we didn't anticipate for 2020?
- **Charlie Bogusat:** First of all, June and July expenditures are not all in there.
- **Stu Joseph:** We're not talking about actuals. Approved vs. Approved.
- **Charlie Bogusat:**
- We have the landscape ties at Beach 1 for \$400. Preschool insulation \$1,400. Paint Beach 2 handball court and then we still have 5-months of repairs to do around. If you look at the numbers we spent so far, we'll be up there. We already expended \$3,700.
- **Stu Joseph:**
- What happened in the prior years is that when we got the new garage, we spent a lot of money on doing a lot of things and then that trickled down. So, Charlies you said last year that we did not need as much and \$5,000 was okay. I was just questioning why we are going up by 40% from last year. Is there 40% more work you are doing? If it is, it is. If we are just guessing I don't know why we are guessing at anything other than what we had last year. If you say bump it %5 or 10% because the price of wood is going up, yes, there is no question. Jumping 40% is a big one.
- **Charlie Bogusat:**
- No, we are not guessing. I just listed some of the things we are going to be doing. It seems to be similar to what was planned for this year. It's just a big jump. Usually when there's a big jump in percentage like that there is an explanation. Stu, wood is going up.
- **Joanne Machalaba:** Bills are coming in but we're still half spent.
- **Stu Joseph:** I get that the materials you have to buy are going up but not 40%. The materials you are buying are 40% more than last year? It just seems high.
- **Charlie Bogusat:** Yes. A landscape tie costs you \$45 this year. I don't have the figure for what it cost last year.

Sub Total \$225,950

NEWSLETTER/COMMUNICATIONS

527.01 – Printing and Marketing Supplies

- **Proposed \$19,000**
- **Mark Kempner:** It seems each year we should be going down as more people go to online.
- **Michael Ilardi:** More people do not go online.
- **Steven Koenigsberg:** Are we adverse as a community to say we are not going to offer it printed anymore?
- **Michael Ilardi:** We are obligated to communicate monthly.
- **Steven Koenigsberg:** But we could say it's going to be the email and there will be copies in the office if you want to grab one. I guess that's what I am saying. Is that an option?
- **Michael Ilardi:** People would have to opt out of the hardcopy, which is listed in the newsletter every month.
- **Steven Koenigsberg:** Do they have to or can we say ...(interrupted)
- **Michael Ilardi:** We can't say that because then we are not communicating with them by mandating them to come pick something up.
- **Mark Kempner:** There is a way of negatively saying that if you do not respond ... (interrupted)
- **Michael Ilardi:** You have to say to opt in to get the hard copy. **Response:** Correct.
- **Stu Joseph:**
- This is a good discussion for Board policy not under the budget.
- There is a drop in the revenue because we did not charge the people advertising because we were not printing it.

527.03 – Postage

- **Proposed \$9,000**
- **Increase to \$10,000 – Vote wins**
- **Stu Joseph:**
- I'm wondering that this dropped by 10%. Is that a typo Joanne? For the physical postage itself, that should be \$10,000.
- **Michael Ilardi:**
- It definitely should not drop because it is only going up. Now we have to drive it to Sparta at lease during this time. It's ridiculous. We have to sort it by carrier route and deliver it to the postman. It would be more cost effective if people walked around and stuck it in people's doors.
- **Joanne Machalaba:** I have to check it.

Sub Total \$15,326

PARKING LOTS

Proposed \$1,000

PLAQUES AND AWARDS

Proposed \$1,000

SECURITY

531.01– Security Salary

- **Proposed \$52,000**
- **Increase to \$55,500**
- **Stu Kipilman:**
- I need to change this to \$55,000 based on the information I have now from this month's report.
- We average about \$4,000 a month. During the season we average about \$6,000 a month.
- Minimum wage is going up \$1 to \$12. Not everyone is getting the increase but the overall increase in hourly wage goes up 6% and another 4% for merit. That is 10% above. Based upon the numbers I was able to extrapolate from the August financials, I will spend \$50,826 this year. It will go up 10% based on merit and increase in minimum wage.

531.07– Miscellaneous

- **Proposed \$0**
- We can remove this line to.
- No. We spent something in 2018. We have to go one more year.

531.08– Patrol Boat Wages

- **Proposed \$0**
- Remove budget line. It is covered under security salary.
- **Michael Ilardi:**
- Stu and Scot, did we compensate for the phone charge? Is there much of an increase over the cell phone we are using now?
- **Scot Desort:** Who knows what we pay now for that security line? Michele or Ami?
 - o **Response** by Michele: No, I do not know that.
- It is probably nominal because. The phone was not a smart phone but the new one is.
- **Michael Ilardi:** Okay, we do not need to make an adjustment.

531.11– Internet Connection Fees

- **Proposed \$11,000**
- This is going up \$3,000 because we are increasing the upgrade of the software of the internet connection for the security cameras at Beach 1, 2 and 3, Maintenance, Clubhouse, and Pools.
- **Scot Desort:** The purpose is for the cameras. We increased the speed.

Sub Total \$79,773

533.0– REAL ESTATE TAXES

- **Proposed \$167,694**

SENIOR CITIZENS

Proposed \$14,000

UTILITIES

537.01 – Fuel/Oil/Gas

- **Proposed \$21,000**
- **Decrease to \$18,000 – Vote wins**
- **Stu Joseph:** It went up \$3,000. Was that done as an extrapolation of 2020?
- **Stu Kipilman:** In 7-months we spent \$9,138.
- **Michael Ilardi:**
- We're going back into the heating season again. Fuel and gas will not take into account air conditioning.
- We have the three heavy months at the beginning of the year and three heavy months at the end of the year.
- **Stu Joseph:**
- If you take off July and through June that's representative for half the year and double that point. We're probably back at \$18,000. I don't know why we jumped to \$21,000. Is there a reason we wouldn't think it would be close to \$18,000 as well? \$19,000 might make sense.
- **Robert Torcivia:** The price of oil and gas right now is extraordinarily low.
- **Roger Crook:** They don't change natural gas too much.
- **Michael Ilardi:**
- I would be comfortable with leaving at the \$18,000.
- New insulation and windows in the Clubhouse. And new insulation in the pre-school.
- **Mark Kempner:**
- There are other things we can do.
- How many times have we walked into the board room for a board meeting and it is freezing?
- We should be more frugal with how we manage our temperatures.
- I have no problem with putting it back at \$18,000.
- **Michael Ilardi:** We have to get people to not play with the thermostats even when they are locked.

Sub Total \$70,300

WOMEN'S CLUB

- **Sub Total \$12,705**

YOUTH ACTIVITIES

- **Sub Total \$1,010**

528.01 – PROPERTY RIGHTS – LEGAL FEES

- **Sub Total \$5**

SPECIAL FUNDS

Steven Koenigsberg:

- I agree we should put money into the funds. Last year we put in \$50,000 and \$30,000.
- Obviously, we can't plan for whether the tennis courts plan gets passed or not but I think it is a good idea to make sure this is well funded funds. Both of them for future projects, emergencies and so on. Is there are reason we wouldn't keep it at the \$50,000 and \$30,000?

Michael Ilardi:

- The theory behind it is that we doubled the Country Club Reserve Fund line and if you look at that section it went up by \$10,000. We didn't really want to hit this section and add to the dues. I put in \$100,000 and wanted to wait for the budget process to give my opinion on those two funds. Joanne put in \$20,000 to try to keep it in a similar fashion as last year.

Stu Kipilman:

- Joanne, do we have any idea what the 2020 surplus will be?
 - o **Response** by Stu Joseph:
 - o We did not look at that from an estimate. There is prior year's surplus just shy of \$400,000. Like \$385,000 or something in that neighborhood.
- I'm looking at that and how we'll fund the funds.
 - o **Response** by Stu Joseph:
 - o We can with the prior surplus. Some of it you are going to hang onto because you will anticipate some collection shortfalls. The rest of it is sitting in cash and you can't use it right now. When you feel comfortable that you got the right amount you can move some of that into those funds, but not yet.
 - o **Joanne Machalaba:** We can do that by _____ not by putting it in the 2021 budget? **Response:** Correct.
 - o **Michael Ilardi:** This is only for the contribution to the funds. We have other avenues to fund the funds.
 - o **Joanne Machalaba:** I would like to revisit this maybe in October or November with the Board as to where we stand with surplus and think about moving it into these funds. When we talk about the funds being depleted by the tennis courts there is other money that can be flowing into these funds.

Mark Kempner:

- I would like to suggest \$10,000 & \$10,000.
- Steve to your question. When we put questions to the community and say this will not raise your dues but we will be taking money from the budget and putting it into the funds and in theory we are raising dues. It's kind of like a tricky slippery slope. The money that goes into the funds is going to go for the tennis courts. Yet in the question we say we are not going to raise your dues by doing this. The more and more we put into these funds, the more and more we are not being true to our word that we are not raising dues.
 - o **Response by Steven Koenigsberg:** I think that depends on whether dues go up year after year. Last year versus next year.
- No. You're taking \$20,000 and putting it into the Capital Improvement Fund or Sinking Fund and then taking it out of those funds to fund a question. In the question you say we are not raising your dues. Well we are not raising next year but we raised them to get this money in there to pay for the project. Stu Joseph, tell me if I am wrong?
 - o **Stu Kipilman:** The project we are doing is not the tennis courts. The project we are doing is the front of the building.
- Any questions, these go into the Capital or Sinking Fund and we use it forever we see fit and if it is used for any question ...
 - o **Response** by Stu Joseph: It does not directly increase your dues. This directly increases your dues. The \$20,000 and \$20,000 has a direct impact on your dues. You could theoretically make it \$0 and \$0. So, taking out \$325,000, \$500,000 does not directly increase your dues but replenishing it does increase your dues.
- Okay, it's semantics.
- (Several people talking at once and conversations not clear.)
 - o **Stu Joseph:** The issue on why it is worded on all the Capital questions for projects is otherwise people would look at \$500,000, \$300,000 or whatever the number is and say oh my goodness my dues are going to go up so much for this and I don't want this project. In reality if there is a disconnect between the two the dues

don't go up because of that directly. Your dues in the past were already up and that is why you had this money. Prior dues had been increased but not current year's dues.

- **Pat Degnan:** To a little bit of history we did not always have the Capital Improvement and Sinking Funds as line items in our budget. It was only when we went through a period where we were very, very, very frugal in how we budgeted and many projects did not get done that we decided that it was important to fund the funds.
- **Stu Joseph:** An explanation that I want to provide to the board that I do not know how I will explain this, Joanne earlier said that there is approximately \$700,000 that Country Club owes the POA and that's from not transferring the money when you saw the intercompany offsets lines. Country Club has not had enough money. If it ever gets to the point where Country Club can have that substantial profitability and be able to pay off the \$700,000 debt to the POA that money goes into the surplus. That surplus money could then be funneled into the Capital Improvement and Sinking Funds. So, if you could get Country Club to be profitable there is the potential to have that profit to pay off the debt and increase these two funds. Keep that in mind if you want to let Country Club go into debt.

Robert Torcivia:

- I have been working with the tennis folks trying to get that second question in motion so that we can pass it or fail it tonight and they can see if they want to put it on the ballot. They decided they do not want a second question. I don't know what they will do with the first one but it more a less looks like ... (interrupted)
- **Stu Kipilman:**
- It's not their decision that they do not want another one. It's our decision.
- I want to make a motion to have it.

Stu Joseph: Let's finish the budget first.

542.01 – Capital Improvement Fund

- **Proposed \$20,000 – Vote stays**
- **Decrease to \$10,000**
- Mark Kempner: I would like to suggest \$10,000.

542.02 – Sinking Fund

- **Proposed \$20,000 – Vote stays**
- **Decrease to \$10,000**
- Mark Kempner: I would like to suggest \$10,000.

542.03 – Collections Reserve Fund

- **Proposed \$0**

542.04 – Country Club Reserve Fund

- **Proposed \$100,000**
- **Michael Ilardi:**
- This is basically for an estimate that we got from a contractor for the building on what we need to get done. It is strictly a ballpark number. Then it was the renovation of the outside of the building-stucco and woodwork. We had an estimate from a mason to repair the four chimneys on the building. Those two combined would be \$100,000. It could be a big chunk of it. Country Club could add money to it if it needed to.
- This is phase 2 of the 3-phase project we started last year with the windows by funding this fund to have money in Country Club to pay for the Country Club expenses.
- This is for the exterior of the Clubhouse to hopefully get done in 2021.

Sub Total \$140,000

TOTAL: \$1,809,724 – this is \$100,000 more than this year.

Dues: \$753

Joanne Machalaba:

- Laurie gave me the numbers. We have two homes being built, should be finished before next year and I counted them as homes. There are a couple that will become homes next year. We will get a little more money next year from those properties. I will clean this up a bit and sent it back out to you. Thank you all for your patience.

Pat Degnan:

- Joanne, the \$385,000 that you said we had prior to 2020 in surplus so we could put some of that money into our funds now basically.
 - o **Response** by Stu Joseph: We could do it this year. Yes.
 - o **Response** by Joanne Machalaba: I'd like to come back to the Board in the October timeframe and look at that.
 - o **Response** by Michael Ilardi: We're not doing it tonight. I think Pat just wants to know it will be visited this year.
- We could visit it this year and then when we find out what the end of the 2020 money is there maybe additional surplus.

Mark Kempner:

- Mike, quick question. I forgot procedurally if there is a good & welfare at the beginning of the September 1st Annual meeting?
- **Response** by Michael Ilardi: The Good & Welfare at the 1st Annual meeting is at the end of the meeting, not at the beginning of the meeting. Same with the 2nd Annual meeting.

Michael Ilardi:

- Stu Joseph thank you for your contribution. Thank you to everyone else that worked on your individual budgets.

Mark Kempner:

- Scot, do you know how many people viewed tonight?
- **Response** by Scot Desort: I think the peak was somewhere around 30 non-board members.
- **Response** by Robert Torcivia: I saw like 48 at one point. (included board members)

Pat Degnan: How many homeowners do we actually have now?

- **Response** by Joanne Machalaba: 2,392 with 43 lots.
- **Stu Joseph:** Those are the billable homes and lots?
- **Response** by Joanne Machalaba: Yes.

Michael Ilardi:

- This is the end of the budget and this is what will be presented in the September newsletter and going out to the 1st Annual meeting. Thank you everyone.
- We are now going to go back to do a motion for a second question.
- Rob, our attorney, sent an email with wording for a second question that you were going to present.
- Stu you can do yours and Rob if you want to chime in.

Discussion for motion for 2nd question on the ballot:

Attorney:

- Rob Torcivia and I had a little back and forth about this. I think might require some discussion yet. I don't know how much of an appetite there is for that. It would not be too late for us to do the second motion at the September meeting. I just want you to know up front.
- What I put together is basically the Constitution allows for the community to put on the ballot a ballot question that was rejected by the Board.
- So, earlier tonight the Board rejected the question, paraphrasing, should the property owner's association spend X amount to replace 6 courts? That rejected question is the question that the residents have an opportunity to put on the ballot.
- So, what I did is I drafted a motion stating that and I need to fill in the blanks for money for the costs exactly is the question is for the lower cost option which basically, paraphrased, Should the property owner's association spend X, the lower amount, to replace 3 of the existing courts? Then there is a footnote in the motion that says "In the case that multiple ballot questions concerning the tennis courts shall ultimately be approved and put to the community at the 2nd Annual Meeting and that more than any one of these questions shall be approved by the community then the above question, question for the 3 courts, becomes moot. That makes it so that if both questions get on the ballot and the community approves both, then the higher value replacement wins and the lower value replacement becomes moot. The reason that I wrote it that way, Rob Torcivia kind of took me to task for this, is because the Constitution permits the residents only to put exactly the question we rejected on the ballot. So the way Rob wanted to do it and the way we discussed doing it earlier was a question that basically says if the residents get that larger replacement cost onto the ballot then we create the ballot question of should the POA spend X to replace 3, Should the POA spend X to replace 6 or should the POA do nothing. I thought that because the Constitution only allows the

residents to put on the ballot yes or no. Should the POA spend X dollars to replace 6 courts then we had to do it as a two-question thing.

- This is why there still needs to be some discussion here.
- Robert Torcivia, I think you wanted to go the route of if the reject question is on the ballot, we have a 3-prong question saying what I just explained. That's the discussion we have to have and I hope everything I just said makes sense.
- Anybody please ask me questions and I will try to clarify as much as I can.

Steven Koenigsberg: Don't we need $\frac{3}{4}$ for each to pass?

- o **Response:** No, $\frac{2}{3}$.

Attorney:

- That was another point of contention that Rob brought up. Rob also thought that say we pass this second motion for the lower cost option and say the residents get the motion for the question with the higher cost option on the ballot and say we turn that into a ballot question of A, B or C. Rob wanted to interpret that so if the residents vote for A – the higher cost option or B – the lower cost option then that's a yes vote period. There is still stuff to be discussed here is what I am saying. If we do it Rob's way and both questions get on the ballot then it will be the 3-pronged question and I was suggesting that I put this question on the ballot as a stand-alone question – the lower cost option. If the residents somehow get the earlier ballot question onto the ballot – the higher cost option, with $\frac{2}{3}$ approval, then the lower cost option becomes moot.

Steven Koenigsberg:

- What you just said only makes sense if it is an A, B or C. But it is not an A, B or C.
- It's question #1 – yes or no to do 6 courts.
- It's question #2 – yes or no to do 3 courts.
- Yes, on question #1 can also vote yes on question #2.

Attorney: Steve, that's exactly how I understand it. That is my understanding of it.

Michael Ilardi:

- Right. And what Rob was saying in his footnote is if they both pass the higher 6-court option will supersede the lower 3-court option. If they both get $\frac{2}{3}$ because if people want the tennis courts, they will vote yes on both. Some people because they don't want to take a chance that both of them will fail.
- If they both pass, we need to have a mechanism in there to say which one will supersede.

Robert Torcivia:

- I understand it now Rob. I just didn't understand it when you first emailed me.
- It makes perfect sense the way you explained it the second time.

Michael Ilardi:

- There will be 2 questions. The question we proposed that did not pass and the community will possibly request to go on the ballot. So, if that one goes on the ballot for 6 courts at \$500,000 (just for round numbers) and Stu Kipilman brings his motion to us tonight for let's say \$350,000 for 3 courts then that motion goes to the community.
- That's 2 separate questions but they will have a footnote that if they both pass the bigger project supersedes the lower project.

Stu Kipilman:

- Why can't you put that you can just vote for one?

Robert Torcivia:

- If you can only vote for 1 then no will win because you have to have $\frac{2}{3}$. If you have 30% of the people who vote yes for the bigger one and 40% of the people who vote yes for the smaller one, you still do not have $\frac{2}{3}$ but most of the people did vote yes.

Michael Ilardi:

- At this point we can't change the motion that already failed from the Board earlier tonight. That motion is done. What's written on that paper now is the only thing that can be presented in September.

Attorney:

- Rob's explanation makes sense.
- Mike, what you just said there is the reason why I did it the way I did it. I think it is the only thing we can do.

Michael Ilardi:

- Right now, that \$500,000 question is out there.
- This happened many years ago. I didn't attend the 1st Annual meeting. A question came up very late in the meeting and once it was brought up to the Board and the Board turned it down, it was available to be voted on by the public. There was no turning back. There is no turning back on that half million dollar question now. It's available to the

public to put on the ballot as it was presented tonight. Any crazy question presented to the Board, and you can get people to support it, it gets on the ballot.

- The only way to do it now is to bring that second question in. Is it possible to say that if the second question passes it supersedes the other tennis court question? If we present that motion for the second question tonight and the explanation in that motion will say if this motion passed it will supersede any other questions on the ballot if this one wins.
- The bigger project does not have to be the winner or the one that supersedes.

Attorney:

- Joanne, to verify what Mike is saying, and to address what I see is your puzzled look, I'll say the reason that it works that way is because the constitution only mandates that if the residents want to get a rejected question on the ballot it has to be worded exactly as such. We can still put a question on the ballot for the residents to choose to vote an option over the other option.

Joanne Machalaba:

- So, I understand the question we have is now available.
- We are going to make a motion for a different question and, in that question, it is going to say that if both get 2/3 vote the lower cost option is going to supersede the higher cost option.
 - o **Response** by Michael Ilardi:
 - o We have the option to do that.
 - o We can write this question any way we want.
- Of course we can. It is the intent of the community to vote for what they want.
- So, I would like a question that says here's \$500,000 or \$300,000, can you tell us what you want.
 - o **Response** by Michael Ilardi:
 - o If you do that and they both get 2/3 something has to say something is going to supersede the other.
 - o **Response** by Steven Koenigsberg:
 - o Mike, Joanne wants one question where it's A, B or C but we are not allowed to do that.
- That is not what I am saying. I'm saying put 2 questions out there.
- If the community doesn't want the higher priced one, they will not vote for it. Right? I would think
 - o **Response** by Steven Koenigsberg:
 - o People who support tennis will vote yes on both.
 - o **Response** by Michael Ilardi:
 - o Right, and if they both pass, we have to have a mechanism in place to say which one is going to supersede the other.
- Lawyer Rob, could we count votes and whichever one got the greatest votes?
 - o **Response** by Attorney:
 - o You could technically put something in that says whichever question gets the higher number of votes is the option we will go with.
- To me that would be fairer.

Mark Kempner:

- I think the fairest is if the higher cost option gets 2/3 of the votes and even if the lower cost option get 2/3 votes, and the community wants the higher cost option, then that is what we should give them.
- **Response:** If they both get the same votes, it's a tie.

Robert Torcivia:

- If a 100 people vote and 70 of them vote for both, what do you do?
- **Response** by Mark Kempner: You take the higher one.
- **Response** by Steven Koenigsberg: We have to have verbiage.
- **Response** by Michael Ilardi: You can also say we take the lower cost one.

Robert Torcivia:

- If you wanted the lower number, you would vote no for the higher number and yes for the lower number.
- If you voted yes on both, what you are doing is trying to do is make sure No doesn't win.
- The intention of your vote is that you would rather have the better number so you voted yes on both.
- (several people at once and conversation and comments not clear)

Joanne Machalaba:

- We have to have some sort of verbiage.
- Let's just put both questions out there.
- If you want the lower one, vote for the lower one.
- If you want the tennis courts you will vote for both.

- If you don't want them you will vote no.

Steven Koenigsberg:

- If everyone who supports the tennis courts votes yes on both we have can have a tie.
- (several people talking at once and not all comments captured)

Stu Kipilman:

- I don't see that. Put out 2 questions – one for \$300,000 and one for \$600,000 and one for \$500,000 and one for \$350,000 and they will vote for one. There might be some people who will vote for two. Would you vote for both? I wouldn't vote for both.

Michael Ilardi:

- A lot of people will vote for both.

Steven Koenigsberg:

- Hang on. We are giving people the ability to vote for both. We have to plan for the potential that both pass with 2/3. The bottom line is that we need to have verbiage. The only way to avoid this is if we have one question but we are not allowed to have one question because we already had a motion that did not pass.

Attorney:

- One final thing I will say. We have to remember that the board rejected the motion with the question with higher expense and we are talking like it is assumed that it is going to be on the ballot when I have to say I think it's probably very likely that it will not be on the ballot.
- **Responses:**
- I think you're wrong. They'll be there. If no one shows up at the meeting and you have 25 tennis people show up it will get on the ballot. They will be there.

Robert Torcivia:

- At the end of the budget I was trying to tell you I was corresponding back and forth with a few people from tennis while the budget was going on because Mike had said that we would have to have this discussion. I was trying to draft a motion with them and the feedback I got from them, and it was only 3 or 4 of them, and I think they were communicating amongst themselves with the 40 or so people on their list. The feedback I got was that they are resolved to wait until next year. So, Rob may be right. It may be entirely possible that we end up with one, and only if we approve it.

Steven Koenigsberg:

- Since we already have one motion fail, are we allowed to make a motion and I am going to assume the motion will fail, but just making the motion so we have the option to adding it in September? Are we going to make a motion that offers both options? Therefore, in September someone can say I want to re-nominate that motion which has an A option, B option or no option. Can we do a motion like that?
 - o **Response** by Attorney:
 - o Steve, you can put a motion forward that asks any question to be put on the ballot and that question can be should we spend this or should we spend this. You can do that.
- So why don't we do that so that therefore in September if someone wants, not they have to, re-nominate this motion which is spend \$500,000 for 6 and max out at \$325,000 for 3 or nothing. That way we only have one question on the ballot and therefore we do not have this issue where we can have a tie.
 - o **Response** by Robert Torcivia: The problem Steve is that you need 2/3 majority. It's not that simple ... (interrupted)
- I know that. I'm just trying to avoid the potential where there is tie of 2/3 for A and B.
 - o **Response** by Robert Torcivia: I understand. Rob's solution fixes that so we do not have a problem. You're trying to solve a problem that does not exist. If you have alternative you will never get 2/3 on anyone of those 3.
 - o **Michael Ilardi:** The community can still bring the \$500,000 question and have that on the ballot along with our choice question.
- But why would they if they already had it on the ballot? Do you know what I am saying?
 - o **Michael Ilardi:** I'm not saying they would but then it's a possibility and then we will have a \$500,000 question and then a question for A, B or C. This will split the vote and no one will get 2/3.
- I guess my question is why would anyone only nominate the \$500,000 when it already on the ... don't get me wrong I'm not suggesting any of them to be on the ballot. I'm trying to avoid the potential of there being a tie.

Michael Ilardi:

- It's a half a million dollar project that is getting rushed. I know it's been we are going to do, we are going to it, we are going to do it and this is going to be the year and we had that one very informative meeting with no follow-ups to get the other numbers of what 3 courts will be, the cost to renovate the area if rip up 3 courts and only replace 3 courts,

and do we add parking? We don't have those numbers and I can't comfortably vote for something while I have a whole list of questions I want answered.

- I was looking forward to having this vendor out at the tennis courts and that was what was discussed doing.
- Then COVID hit and I heard nothing about the tennis courts until the ballot question was brought last week.
- Since March nothing was discussed. The tennis people did not say anything to me that they are still working on it. Maybe they were working on it and had plans to do this. Maybe it was done in Athletics. I didn't see it in the minutes, not that I read every set of minutes verbatim so maybe I missed it. I do look over them. This is a huge project and it's disappointing if it has to wait another year. I think we have to get enough information to support it and be confident in what the project is. We are spending \$300,000 to \$500,000.
- The bar renovation was talked about 10 years ago.
- The deck that was done in 2006 or 2007. I have information from 1986 about money being put aside for putting a deck on the building.
- It's disappointing it has to wait a year but it should not be rushed down people's throats.
 - o **Response** by Pat Degnan: I don't think it is being rushed because ever since I became the Athletic committee, they have been talking about redoing the tennis courts and every year the amount keeps going up and up and up. We tried different materials to see if we could get it to work better so this is not something that has been thrown out at the last minute. This something we have discussed for at least 6 years.
- Yes, but this post-tension project is since March. I looked at one in Whippany that looks fantastic and they did a beautiful job. There has not been enough information presented, to me personally, to get enough questions answered for me to be in full support of spending it. I have no problem spending a half million dollars when I know what I am getting and know what my other options are. If 3 courts are going to cost \$400,000, I would not support that when I can get 6 for \$500,000. Other people might to save \$100,000 but I want enough information if 3 courts will cost me \$300,000 versus \$500,000-\$525,000. Right now, they are playing basically on 4 courts. One is 100% unusable and the other one is probably 75% unusable. You usually see only 4 courts being used and you don't see people waiting at the picnic table twiddling their thumbs waiting to get a court.
- I know people play tennis, I have friends who play tennis and I am not against the tennis. It's a huge project to spend this much money on and have a question rushed. It's happened once before when I was on the Board. A question got rushed and, in my opinion, the project could have gone a much better way if it were pushed off a year and other options were considered.
 - o **Responses:** Agree.
- I don't think we need to come up with another question. If they bring that question up, we are going to have to campaign against it if we feel we do not have enough information to support it.
- I'm not comfortable with the \$300,000 for 3 courts without having enough information and dog and pony show besides a phone call at the clubhouse with 12 people attending. That's my opinion.
- **Steven Koenigsberg:**
- Does anybody, and I not making a motion, does anyone have a motion they want to make?

Stu Kipilman: Yes.

Question: Should the POA spend up to \$350,000 to replace 3 tennis courts including fencing, net posts, nets & permit fees? Money to come from the Capital improvement fund (\$150,000) & Sinking Fund (\$200,000).

- **Response** by Steven Koenigsberg:
- I think your motion needs to account for the other side that is not being renovated. Maybe make a note that it will be demoed.
 - o **Response** by Roger Crook: We have no idea how much that will cost though.
- (several people talking at once and comments are not clear)
- You can't debate 3 without demoing the other 3.
 - o **Response** by Roger Crook:
 - o Absolutely.
 - o \$5,000 we'd all be good with it. If it's \$50,000 that might change our votes.

Stu Joseph: Stu, you also need an explanation that is also voted on for the ballot.

Stu Kipilman: **EXPLANATION:**

- We are going to replace the 6 existing courts with 3 new courts. Patching & repaving the numerous depressions that collect water & further damage the courts has become more costly & less effective each year. The committee believes

that replacing these courts will add value to the homeowners and accommodate our players. If this motion passes & gets 2/3 votes, it supersedes any other tennis court motion. The other 3 courts will be demoed.

- **Response** by Steven Koenigsberg:
- If they both get 2/3's this motion comes first? **Response:** You got it.

Stu Kipilman

Board Member, Athletics Committee

MOTION #6:

Motion to obtain POA Board approval for the following ballot question and explanation to be put to the community at the second annual meeting:

Question:

Should the POA spend up to \$350,000 to replace 3 tennis courts including fencing, net posts, nets & permit fees? Money to come from the Capital improvement fund (\$150,000) & Sinking Fund (\$200,000). If this motion passes & gets 2/3 votes, it supersedes any other tennis court motion. The other 3 courts will be demoed.

EXPLANATION:

We are going to replace the 6 existing courts with 3 new courts. Patching & repaving the numerous depressions that collect water & further damage the courts has become more costly & less effective each year.

2nd by Mark Kempner

DEFEATED

- **Stu Joseph:** If this motion gets voted down, there is no way a tennis person will bring it up in September.
 - **Response** by Michael Ilardi: Anyone can bring it up.
- You realize you will not get support for this in September.
- **Stu Kipilman:** Maybe, maybe not.
- **Stu Joseph:**
- Forcing them to have half the number of courts they currently have is against what the committee has been looking at all along. You're totally going against the committee. I know you are going against it for the dollar amount and I understand that. I thought what you were trying to do is provide an option to the community where some of the courts could be replaced. You're totally eliminating the possibility that all the courts will be replaced.
 - **Response** by Steven Koenigsberg: Only if they both get the same amount of votes.
 - **Response** by Michael Ilardi: No. Only if they both pass and get 2/3 vote.
- **Stu Joseph:**
- And because of that you are not going to get any of the tennis players who understand this to vote in favor of it because they want the full 6. They are all going to vote no on this one, vote yes on the other one, both of them will fail and none of the tennis courts get voted on.
- Non-tennis players are going to want to spend the money? I don't ... (interrupted)

Michael Ilardi:

- The other option here with the motion on the floor is if the Board votes this Motion down then neither motion is automatically on the ballot. Then after a big discussion with Athletics and the tennis people that it is best to wait a year, let's get a lot more information, and have meetings. My suggestion back in March was to invite the Board to a dog and pony show, besides the first meeting we had, with the vendor out here and take a field trip to see another project. All that can be done, then we can have an agreement on a question to present. We would be much more in favor of it as a group and have much more success for passing.
- Right now, we are looking to have a question not pass because it is being rushed. Stu is not against doing some of the project. Stu is not even doing the full project. If we had full details like the cost to demo it, he might say it doesn't make sense to spend \$375,000 to do 3 courts because it costs this much to demo this and this much to do that.
- It would be a lot more comfortable for people to have a lot more information on the big picture.
- If this question does not pass, we have no ballot question that the Board is passing.
- If we educate the tennis people and they only want to bring the one question for a half million there may be a lot of campaigning to not spend that much money. It could lose and if they lose that it's hard to come back with that same question again when it was already voted down.
- We may not have the support because we don't have the education and enough information to support it

Steven Koenigsberg:

- How many courts do we need?

Bob Fehon:

- We don't have a proposal for 3 courts. I don't know how a motion can be made without a proposal.
- We were playing with the numbers, and the reason we couldn't come back with another motion is we were going back and forth as to what we thought his numbers would be. He provided some numbers at one point as a cost per court but it did change just as much as last week. He gave us a new proposal for \$450,000 when it was \$432,000 for the 6. We don't know the actual number for the 3 or 4 courts or whatever you are trying to do here to make the motion smaller. We don't have a bid so we don't know how you can make a motion without a bid to do the project.
- I agree with Mike Ilardi. I apologize that we did not get more information and now we know we could have done that work.

Michael Ilardi:

- My hope is we can a lot more information and bring this back again. That would be my hope.
- That was one of the options that I think the committee would want is to say if you are not up for the giant project here is another option.
- Right now, you have basically 4 courts for the last two years. Going forward right now you have 4 courts. So have an option to have 3 or 4 courts to be replaced. If you don't think the committee will go for a half a million maybe they will go for this... and we don't even have that information because it was not gathered in time for this meeting.

Steven Koenigsberg:

- Just a comment though. Going off of Stu's motion, let's say we approved it tonight, and I don't think it will, we're basically approving the potential to spend money. If then we ended up working with the contractor and he says 3 courts are going to cost more than a grand we haven't committed to a contract. We can go back and say that it doesn't make sense and push it off. If they pass it, we have the ability to spend up to that amount of money on 3 courts.

Michael Ilardi:

- Once we encumber that money on that question, we have to go back to the community. We just can't say we aren't doing the project.

Steven Koenigsberg: Only if we are going to spend more money.

Stu Kipilman:

- If we have this question and it is not approved, you now have a month before the next meeting to get the information.

Steven Koenigsberg: Yes, but you can't change the motion.

Stu Kipilman:

- Yes, but his point might be right and it gives us time to research. The other way it does not give us any time.

Mark Kempner:

- If you pass this motion with the verbiage that is the motion that goes next month. You can't change the verbiage.

Michael Ilardi: We don't have to present this motion if it fails tonight.

Joanne Machalaba:

- If this lower cost motion goes to the ballot, the community could still bring up the higher cost motion.
- I hear you Mike. I think having a little more information would have definitely been helpful here.
- That being said we have been talking about these courts for so long. I know we have courts and would not call them all usable. I feel bad that we can't try to put this to the community at spend levels so they could respond and we take the next month to get the facts on the details.

Steven Koenigsberg:

- I think the challenge is if we, and again I don't think either pass, if we, and I get what Stu's intention is, to have a motion passed tonight so we have the option of reoffering or someone reoffering it next month. I think the question ends up being that Stu's motion of \$350,000 for 3 and between now and next month we could talk to the vendor and he will say 3 courts will cost \$425,000. Well we can't change the motion from \$350,000 to \$425,000.

Joanne Machalaba:

- The committee won't bring that one forward then. They'll bring the higher one.

Stu Kipilman:

- It makes sense. No one ever presented it about the 3 courts. They poo-pooed it and said it makes sense to go with 6 courts. I'm saying I don't know if it makes sense. I want to know that it makes sense to do it. If we could save \$125,000, I would rather have that in our pocket and put in into the Clubhouse rather than the tennis courts.

Joanne Machalaba:

- I was at that meeting and the Board members at that meeting kind of said wow it made sense to go with 6 than something lower. We don't have the numbers to actually support that here. Should ... If we vote in favor of the second motion for a lower price, the community could still take either one.

Michael Ilardi:

- We can revote this tonight.

Steven Koenigsberg:

- I think Stu is making this motion with the intention of it failing so we have the option in September.

Michael Ilardi:

- That's how I look at it. I wouldn't support this motion because I don't think there is enough information to support it. It is presented as an option so the guys spend the next 3 weeks on lockdown getting all the answers for us.

Joanne Machalaba:

- How do we feel about the statement on this motion about this motion superseding the other one?
- Are we good with that? That is complicated for me.

Michael Ilardi:

- I know the motion is not going to pass here and I'd like to get enough information for next month to support one or the other and have one of them on the ballot.

Steven Koenigsberg:

- But it makes sense if they both end up on the ballot, we need one to specify if they both pass with the right number of votes which one actually gets utilized? We can't just arbitrarily say it's the higher number. The first motion didn't have a caveat.

Joanne Machalaba: I don't think it needs a caveat and should not have a caveat.

Steven Koenigsberg:

- What happens if they both pass with the same amount of votes?
- I'm just taking it to the worst case.
- If 100 people vote for both and that meets the threshold, we need something to define which one gets taken. If one had more votes that's easy.

Robert Torcivia: Very unlikely.

Joanne Machalaba: I would think if they both pass with 2/3 which I think is highly unlikely, the Constitution doesn't provide guidance on this but I would think the Board would say well the community voted for both and maybe we make the decision.

Attorney:

- That's why I said in my second motion that I injected that language in there.
- When Stu Joseph was discussing it earlier, I agree with you Joanne that nothing in the words of the document gives us any guidance on this. Stu Joseph seems to think, and this is something about institutional memory, where if both passed and he said this earlier this evening the one with the higher value automatically supersedes the lower value. I don't really know what the basis is for that is.

Stu Joseph:

- It wasn't institutional. In one case you are promising 3 courts and the other you promise 6 is that by building 6 you also built your 3. That's what my rationale was. Nothing about the past institutional and I don't want to pretend I have institutional knowledge from White Meadow Lake that refers to this at all.

Joanne Machalaba:

- If we got 2/3 in favor of the higher amount, that would allow us to do the higher amount.

Steven Koenigsberg:

- What if you have 2/3 votes for both and have 1 more vote for the lower amount?
 - o **Response:** It doesn't matter. It's the 2/3's. It's pass or fail.

Mark Kempner:

- Stu's explanation is perfect. The lower number gets taken care of if the higher number passes.
- (several people talking at once and comments not clear to capture)

Stu Kipilman:

- All the people want tennis courts and they all voted for the tennis courts so the bottom line is they all voted for 2/3's and so with my note it supersedes everything else. It gets 2/3's, passes and supersedes the other one.

Joanne Machalaba: I would rather the community vote both motions the same way.

Stu Kipilman: I don't agree with you. From my perspective I want the lower amount.

Steven Koenigsberg:

- Stu made a motion, it has his verbiage, and we have to vote on it. We don't get to tell him what his motion is.

Michael Ilardi:

- Right, but we can discuss it and he may want to change it after discussion and if he chooses not to that's fine.

Steven Koenigsberg: He's already made it clear he doesn't want to change it.

Michael Ilardi:

- I understand that but people change their mind during discussion even when they were set in stone in the very beginning.
- I brought up in the past and this is another example of ballot questions that should come to the Board before this meeting because this is what happens. It's happened before and it's happening now. We end up screwed because something is presented that we are locked into and can't change when we can hash this out amongst ourselves in a meeting. Not even a Board meeting. Just a group or committee to go over a ballot question. I recommend that get done.

Robert Torcivia: We should have a special meeting for ballot questions.

Michael Ilardi: So, we know what is getting presented and the Board could have their input.

Steven Koenigsberg:

- I agree with that 100% and in Stu's defense he did raise his questions via email about a week ago and let everyone know this was going to be an issue he was going to have. He did not sandbag anyone.

Joanne Machalaba:

- It is possible to put a third motion on the table.

Roger Crook:

- While Bob is doing that, is there any way to find out how many tennis courts we need?
- What do we need for the next 5-7 years? If we need 5, we should look at 5.
- If for some reason we only need 2 courts, we shouldn't pay for 4.
- But no one here has said whether we have cameras on the courts and can look at the actual usage.
- I've driven by and haven't seen anyone playing but I am not driving by all the time.

Beverly Nemiroff:

- We only need 4. I used to play there.

Michael Ilardi:

- I recommended we keep a log, how many people are playing, what days, what hours, to justify when you want to do the tennis project you have to have enough ammunition to say this is why and we don't have any of that information.
- There are more people playing basketball at the A-Field than people playing tennis.

Stu Kipilman:

- Denville only has 2 or 3.
- I believe that if we put 3 courts in there, people will adjust to it and it won't be a problem. You get adjusted to what you have.
- 3 state-of-the-art courts would be very nice.

Mark Kempner:

- It will be up to the tennis people to decide.

Michael Ilardi:

- The boat people want to have another 30 pontoon docks out there and they don't have it.
- The Board votes on checks and balances.
- It's not what each group wants.
- The tennis people want 6 courts so on Sunday morning when they have their tournaments, they can play all the time and not have to sit and wait.
- 85-90% of the time the court is empty.
- You have to weigh that option.

Pat Degnan:

- The main reason they are not using our courts is because they are going to other places to use courts due to the condition of our courts.

GOOD & WELFARE

Steven Koenigsberg:

- Not to rehash too much, I want to thank Mike Ilardi on his response to the email today. I think it was 100% appropriate and really appreciated how he represented the POA in that respect.
- For our Beaches and Security committees, if there is going to be school starting in September the kids will only be going to school for 2 days a week. If they go to high school, they are going 2 half days a week.
- I just want to make a note to our Board, Beach, Lake and Security committees that high school kids are either out of school Tuesday, Wednesday, Thursday or Friday by 12:30. I expect September to be a warm month and we will have a

lot of kids all over our facilities. I do not know if there is an option to extend lifeguards in the afternoons or weekends in September and I just want the Board to be prepared for that.

- If you remember what April, May and June looked like when we didn't have lifeguards and we had people on our beaches.
- Finally, when it comes to tennis, I brought it up to the Athletics committee and I don't know if it is still an option, but COVID has kind of put a damper on it. Copeland Middle School is looking to expand their sports. The Principal is looking, and Glen and I met with him, to expand their tennis and there was the potential that he was looking into the school board to approve budget money for tennis but then COVID happened and it kind of all dropped dead. There was the potential that if we were open to being the home court for the Copeland Middle School teams, we could get money out of Rockaway Township, if we were open to that. Obviously, they don't play on weekends and only after school during the week but we can't re-address that with them until after the whole COVID affair is over. He was very open to that when we spoke to him a year ago.

Michael Ilardi Motion to adjourn meeting at 1:24 a.m.
2nd by

Next Meeting – 1st Annual Meeting, Wednesday, September 9, 2020 @ 8:00 p.m. via Zoom
Board Meeting, Wednesday, September 16, 2020 @ 8:00 p.m. via Zoom

Respectfully submitted,

Debra-Ann Chait
Recording Secretary

APPROVED BY: Michael Ilardi
Michael Ilardi, President