**BOARD MEETING – July 18, 2018**

**PRESENT:**

JOSEPH ASPELUND

GREGG BUNCH

Roger Crook

PAT DEGNAN

Robert fehon

MICHAEL ILARDI

~~GLen katz~~

MARK KEMPNER

~~STU KIPILMAN~~

JOANNE MACHALABA

BEVERLY NEMIROFF

kristen neu

russell nolan

RUSS PENCAK

KIM STECHER

Robert TORCIVIA

JOY WEINREICH

**ADMINISTRATION:**  ROBERT ROSSMEISSEL, Esq.

**ABSENT:** GLen katz and STU KIPILMAN

Michael Ilardi, President, called the meeting to order on Wednesday, July 18, 2018 at 8:00 p.m.

Kim Stecher Roll Call

Russ Pencak

**MOTION #1**: Motion to approve the minutes of the June 20, 2018 Board Meeting.

**2nd by Michael Ilardi**

Michael IlardiDoes any one have questions or changes to the minutes? **Motion Carried**

**LEGAL PRESENTATION/DOLAN & DOLAN**

* By Eileen Born, Esq. of Dolan & Dolan - Special Counsel to New Jersey Coalition of Lake Associations
* Specializes in Lake Association Law and Community Association Law
* We invited her here today to go over our structure with the POA and Country Club, and our events and programs.
* She has a lot of experience with COLA and goes to Lake Associations.
* She goes to Fred’s office on cases and they have a working relationship.
* She has worked for us in the past on some special water rights issues.
* Michael stated he explained to her how our programs are now. That we opened up pre-school, the different options we had about opening up the programs to people with a ratio, with a member sponsor and things that came up in our discussions.
* Eileen stated that she was happy to take any questions and should feel free to interrupt her.
* She came to talk about some issues that have come up and also come up with other Lake Associations.
* The idea is to share what the other lakes have experienced when faced with the issues WML is facing now as well as her opinion on not only what we can do but maybe in some ways what we should do.
* The COLA Association has a membership of about 120 lakes and Eileen represents about 65 lakes herself that range from large to small.
* Her understanding of the issue, based on WML’s formation documents, the POA and Country Club were formed for the benefit of the people who own property here.
* She expressed that she is very familiar with the Tripartite Agreement. It’s a little bit of an unusual development but not completely unique. It was formed by the National House and Farm Association (NHFA).
* NHFA formed another lake in NJ “Ramapo Mountain Lakes” that she represents and they have a nearly identical formation structure.
* The idea behind the structure was that the developer vested between the POA and the Country Club certain rights on how the place should be organized, who should be shareholders, and who should be responsible for the recreation and the facilities. That is all spelled out in the Tripartite Agreement.
* Tripartite Agreement is one of the documents we look at.
  + We have to look at the issues in steps.
  + 1st Step: Do you have the authority as an Association to open up WML’s facilities or some of our activities to members outside the community and under what terms can you do that?
  + Whenever you are looking for a Board to determine what authority they have to take a certain action, you look at kind of a hierarchy of documents and laws.
  + 1st one is the NJ Statute – you look at the corporation/non corporation statue and determine what the authority is.
    - It is a pretty broad authority/standard.
    - Not only allows you to do what is in the best interest of the community but also kind of allows you to extend that and do the list of things that are under the Powers clause or anything else that might be considered in the best interest of the community.
    - She thinks under the Statute that would mean okay, do we have the authority to extend our activities to non-members? You probably do under this Statute.
  + 2nd Step: Look at our formation Documents.
    - The hierarchy there is the recorded documents: 1) The Tripartite Agreement and the original restrictions, then our 2) Constitution & By-Laws which are pretty permanent documents that can be changed on the vote of the membership and then our 3) Rules and Regulations which are generally vested in the Board.
    - The Tripartite Agreement is kind of the heart of how WML was formed and speaks in several different areas to the purpose for the developer to transfer the property over to the POA and Country Club and was for the benefit of the property owners.
    - The agreement mentions several times that not only was it for the benefit of the property owners but certain rights vest in the property owners themselves and those rights are enforceable at law both vertically and horizontal. From the Board to the members but the members can enforce those rights among and between each other.
    - Looking at this document gives you a lot of direction maybe on more of what you ought to be doing.
    - If the idea behind the Tripartite Agreement is the benefit of the community is vested in the property owners then that is where the focus should be.
  + In general the facilities and activities here in the community are for the benefit and open to the people who live here with pretty significant exceptions.
  + The Clubhouse can be rented to members and non-members.
    - This is pretty typical by the way. Out of the lakes she represents ½ of them open up the rental of their Clubhouse to people outside of the community. Sometimes on a sponsor basis and sometimes members of the public. Some restrict it to non-profit or civil organizations but not to other people for private parties.
    - She does not know why WML’s Country Club was opened up but there might have been a history or purpose at the time the decision was made to open it up to non-members.
    - It is her understanding with the Gold Bar and Lounge that it is related to WML’s license.
  + Pre-School is the other major activity that has been opened up to non-members.
    - Decisions were made at different times as to why that should be done and what the authority was at the time.
    - In order to make those decisions what you ought to be doing is looking first at your authority.
    - You can say we have the authority to take action that would be to the benefit of the members.
    - She understood that WML could not fill the pre-school with population here in the community so it was opened to non-members to keep it going.
    - That decision could be justifiable if it’s something WML members want, and you want to be able to continue to offer that activity to your members. In order to do that it is not cost effective the way WML is doing it right now so to do that you have had to open it up to people outside the community.
    - Justification should not be because it’s a moneymaker but it was important to your members, allowed you to continue the activity and was in the best interest of your community members.
    - It is not necessarily an example that you can use and extend to every other activity WML has.
* More recently this issue came up with a Dance activity.
* You have to ask if it is an important activity to your members as a whole not individual members?
* The board has to remember that their fiduciary obligation is not to the individual members but to the membership as a whole. You never want to put an individual member over the membership as a whole.
* Eileen expressed that there are some down sides to offering WML’s facilities and activities to outsiders.
  + It’s a couple of things. No. 1 is the actual formation documents and the rights that individual property owners vested for a lack of better words the exclusivity of living in a community.
  + When you live in a community like this, you own your own property, lot and house and you have certain vested rights in the common properties of the community as well, that was acquired when you acquired title to your individual property. That is an important property right. This should be your first and foremost consideration – the individual rights of the members who live here.
  + Her primary concern is any erosion of the individual rights from the individual owners perspective.
  + Another problem is the “Precedent” setting problem.
    - WML has 3 examples now of activities that are opened to non-members.
    - There are specific events that are meant to be for non-members.
    - Almost every lake has specific events that are meant to be open to the rest of the community.
    - For the activities you get as a member and in order to maintain those property rights but also to maintain the documents in which WML was formed and not to erode them and have a problem where you may have set precedence that it will be difficult to undo later.
    - Eileen’s recommendation is to generally not open activities outside the community.
* Question: How you feel about a member bringing in/having a guest for a program? They pay a little higher fee than a member does and comes in. We have somewhat of a protection because we have a member who has a vested interest in the community as oppose to just opening up where we do not have control, not us as a Board but us as a member of the community have control of who signs up. With a guest program someone would have to set-up and sponsor that person saying that they would be a guest of theirs. There is some responsibility and someone we could go back to. There is some protection for us and our community by picking who is allowed to come and not just opening it up to anyone.
* Response: Guest option is generally a good option. You want to make someone responsible.
  + The member is subject to WML’s By-Laws, Rule & Regulations so if there is some sort of violation by the guest the responsibility will go back to the member and you have some level of control in the use of the facilities.
  + WML needs to make sure it is spelled out to members about their responsibility for any guests they are sponsoring and that any violations of the Rules would come back to the member.
  + Insurance is always an issue too. Make sure liability insurance covers members, guests and invitees (non-members) to WML’s properties.
  + WML does have an option to put something in their By-Laws that people would waive their right to sue the Association if injured on the Association’s property. It is part of the Statute and many people have implemented it in their By-Laws. If WML had this in their By-Laws it would only be enforceable to members of the community and not non-members, which might cause a problem.
* Board Member thought: With the Day Camp, a lot of people who grew up here come back when they have kids because they liked the Camp. The assumption now and the history is that they are going to camp with their neighbors and other members. They move here knowing that. If we change that and open it up to people with no connection to a member that would be unfair to people who know the history.
* Response:
  + Some activities have a natural life.
    - Pickle Ball has now become a rage.
    - Tennis is still popular in WML but the leagues have gone way down.
    - Some activities come in waves and you can’t be afraid to let it go of some activities if the population becomes such that you can’t sustain it. It is worth it to let it go. It’s case by case.
    - Eileen would not recommend it if the pre-school population dropped down.
    - If WML gets down to only having a handful of people they are serving, you have to give some serious thought to is this something that is for the benefit of the whole community or just the 4 or 5 people that we are serving with the activity.
* Stu Joseph: Early on you mentioned that making a profit should not be the reason to open it up. Is that anything different when you know that the membership is no longer optional but that you are obligated whether you are taking part in any or all activities or none of them and you don’t get to choose whether you want to be a member. In some cases I can argue that it would be great to have a part of the cost of this place being born by people outside the community. If you can defray some of your other costs that in itself seems like that would be to the benefit of all of the members provided you do not diminish the current value of what they are getting and diminish any opportunities they get. That was sort of in the back of our minds when we created the proposed guideline changes that we will be talking about tonight. I would like to get your thoughts about that.
* Response:
  + Being very blunt, Eileen does not agree. To her, that goes to the heart of what she thinks is a bad idea because once you start saying in order to subsidize our membership activities we’re going to have outsiders come in for that purpose. She can see where you can come to the conclusion that it is in the best interest of your membership but does not think in the long term.
  + In the long term it really has to be the democratic process of saying, as a membership, what do we want our dues to be and what kind of activities do we want to sustain with that?
* Stu Joseph: This is not on the dues side. POA is on the dues side.
  + The only things we are talking about are on the Country Club side, which is set up to be a for-profit corporation.
  + If it’s for-profit and all the profits are coming from only the members doing the activities, that might be a little bit of a different slant on it?
* Response:
  + It’s set up for a for-profit corporation not because it was intended to be a for-profit corporation. Eileen’s understanding is that NHFA set-up both the POA and Country Club as for-profits organizations only because there was no enabling mechanism to set-up for a homeowners association.
  + The idea even though they are structured under for-profit title the idea was not it’s purpose. The purpose is to manage the common facilities for the benefits of the membership not generate profit.
  + For example, you are not paying dividends on the stock or anything like that, right?
* Stu Joseph: The POA was non-profit and Country Club for-profit. Why would there be 2 organizations?
* Response:
  + Eileen does not know why it was set-up with 2 organizations and why there was a tripartite agreement.
  + When looking at the structure and deeds, it’s unique, but to her no reason for it.
  + She knows that from looking at the history of lake associations in NJ, sometimes they are set-up that way for discriminatory purposes. She does not know if NHFA had that. She thinks a lot of the developers did it to exclude some people from the Country Club.
  + Her understanding from reading about it she does not think that the fact it was set-up as a for-profit corporation truly meant that the purposes were truly meant that the purposes were to generate a profit for the benefit of the members. The purposes were to be a homeowners association and country club where people can come and use the facilities and the Board would hold those facilities for the benefit of the member.
* Question: You’re pretty adamant that generating a profit isn’t for the benefit of the members?
* Response: Yes.
  + Eileen does not think it is one of the purposes.
  + You’re not really generating a profit. By opening it up, your subsidizing the cost to the members.
* Camp Thought:
  + Camp has never been opened. It runs at a really close break even. Some years it makes money and some years it looses money.
  + If we were to open it up to non-members it could theoretically make enough money to put more money back in to have better events. Maybe even putting it back so it will be an overall lower cost to the members.
  + There will be a significant difference between non-members and members fee.
  + It will either lower the cost to members or provide additional value in services in the camp to these members.
* Response:
  + Eileen agrees that all of these are a balancing act.
  + You can do it but should you do it? What is the standard?
  + For Board members the standard is your fiduciary obligation to the membership and are you following the purposes clauses of the Statute and your own documents as well?
  + Every Lake is different, has it’s own personal history and has something that is unique to it’s community.
  + Eileen’s concern is once you start down that path of saying we are not going to be a self-funding organization, we are now opened up to the public in order to off-set our funding mechanism. She thinks it’s a slippery slope.
  + If one of the purposes is preserving the value for the people who live here, you are kind of selling the short term funding issue for the long-term erosion of what the community was set-up to be.
* Question: Didn’t that door get opened up once we allowed the rental of Country Club by non-members?
* Response: Eileen does not think it did.
  + The rental of the Country Club by non-members is something that a lot of Lakes do.
  + During the time of the conversion from summer residents to full-time residents, associations sold some of their property, maybe opened up some of their facilities probably not to make money but to stay afloat.
  + Not really sure whether that happened here or not.
  + Could you open everything up? Sure you could but what you’re struggling now with is we have these 3 activities we opened up and maybe there are other activities you are considering to open up to guests or a sponsorship and what way should we go.
  + Be careful in going in that direction.
* Question: If we were to do something, which may or may not be financially motivated, would that part opening it up on the Country Club side have any impact on our ability to continue to have mandatory dues on the POA side? That is critical and anything that jeopardizes our ability to collect and make it mandatory on the POA side, we wouldn’t do it.
* Response:
  + Eileen says she can’t really predict. It could be a remote possibility. There are a whole lot of cases out there that are based on remote possibilities.
  + There is a factor I use all the time when making the opposite argument.
  + For non-mandatory memberships people should have to pay some basic membership fee because they get something inside the mapped area that people outside do not get.
  + When I have a real problem making that argument is when the community has opened up their facilities to outside members who can buy a daily pass to come in and use the facilities or could be a sponsored membership.
  + She knows that out of the lakes that did that to stay afloat, voluntary membership is very hard to predict your budget.
  + It erodes that argument of your restrictive covenants and the chain of title gives the people inside the community something different from the other residents in Rockaway Township.
* Pat Degnan:
  + In regards to the Camp, at one point it was part of the POA making a decent profit and then the Board decided to move it over to Country Club. There anything that comes into Country Club can be spread out over anything that we need to do in regards to Country Club.
  + When it was exclusively in the POA budget as a separate budget we could not do any thing with that profit.
* Stu Joseph’s Response:
  + It was never part of POA. We managed it as if were that way.
  + The Tripartite Agreement called out for it to be part of Country Club so we stopped managing it as POA.
  + It was always a part of Country Club.
* Charlie Bogusat:
  + How do you know when you get to that point that you are the abyss of the slippery slope?
  + When do communities get onto the abyss?
  + I know that the mandatory dues structure is the “golden goose.”
  + Our community is very expensive to run.
  + There are people out there who would like to get out from being members and from paying dues.
  + Some people bought here because it was a lake community but less expensive to buy here than elsewhere.
  + How do you get a feel when you are stepping over the line?
* Response:
  + Honestly Eileen said you don’t think you do until it is too late.
  + When she looks back at the history of some lake communities, they were selling pieces of property. Then looking back on it now would they have made the same decision? Of course the answer is usually no.
  + The decisions you make in the moment you do not really know the impact that it is going to be.
  + Eileen says that she tends to be conservative and feels you have to really guard your land, facilities, programs and structure because if you nibble away at the edges you do not know what ‘s your turning point.
  + WML had a case back in the 80’s that said, is our document enforceable?
    - Even though the Tripartite Agreement was not recorded in the individual chain of titles, the Judge said this Tripartite Agreement is a little bit strange but that does not mean it is not effective.
    - Judge said he saw no infirmaty (??) to this club plan and recognized that there was no real structure set-up so WML’s developer set it up the way he set it up and there is nothing wrong with that. That was probably the turning point for WML.
    - Lake Mohawk and Highland Lakes had that issue.
    - It’s a turning point that now you can rely on mandatory dues structure which will allow us to be able to plan for our community, budget for our community and have that turning point.
  + Could the turning point come in the other direction?
  + Could you get a big enough group in this community who says it does not make any difference whatsoever if I live here or don’t live here. The people who are outside of our community can use our pre-school, use our Club House, go to the beaches, wherever that line is going to be drawn. Can that lead to someone challenging? I live here and don’t use any of that stuff and why am I paying dues and why is it my responsibility?
  + That’s why I say don’t give up any more than you need to.
* Country Club Rental
  + When we rent the ballroom out to someone from the outside, we’re getting a fee and it’s for their exclusive use of the ballroom for the day. Thinks that is different than inviting people into our programs/activities.
  + If we are inviting people into programs that’s a mix of members and non-members.
* Rob Torcivia’s Question:
  + You made a distinction between fundraisers and activities.
  + You said that almost every lake has activities that are open to the public.
  + Can you give me a little detail on what’s the difference between an activity and fundraiser?
* Response:
  + Eileen stated she was thinking of more a one-time activity/event like Festival Day.
  + Part of it was kind of a way to showcase the community and say why it’s great to live within the Association.
  + Fundraisers for a charitable event.
  + Hosting a candidate night for a municipal election.
  + That’s different for her than events that are for the benefit of the community.
  + Programs for the benefit of the community are specifically addressing the Tripartite Agreement and By-Laws.
  + It’s fine to have other charitable events but they are outside your purpose. They are community minded.
  + The purpose of the Board is to maintain the facilities and post events that are for the benefit of the membership.
* Rob Torcivia’s Questions/Concerns:
  + The other lakes that have open facilities/events like Comedy Night, and that kind of thing? Yes.
  + Our dues are about $700 now.
  + Our reserve study tells us that in order to start properly funding our reserve fund we need to raise that by close to $200 a year. We have a lot of people who cannot afford a jump like that and yet we have common properties that legally we are fiducially bound to maintain.
  + The concern is on one side if you raise the dues too fast will fight to get out of it that way if they can’t afford it. We don’t want to chase anyone out of their house.
  + On the other side if we do not maintain the common properties that is the most likely way to get sued as a POA.
  + How to maintain exclusivity while still allowing for any excess capacity to be profitable so that capacity is benefiting the community financially.
* Response: You’re hitting the nail on the head. It’s always a balancing act.
  + If you cannot maintain your facilities, not only is that a liability for you but also eventually that will erode your ability to attract people to your community.
  + If people are not buying in your community or you have foreclosures, and no one is coming in to pick up those properties, it’s a real problem.
  + Opening up too many events might have long term implications that will erode your underlying system that you do not want to do.
* Question: You see that as a great challenge than raising dues too quickly? Or should I say is it a greater challenge to let some of the common properties fall into disrepair or greater challenge to raise the dues quickly?
* Response:
  + If you raise the dues quickly people are obligated to pay it.
  + It’s not so much a legal problem as it is a political problem.
  + Dues, taxes, insurance etc. always go up.
  + If I were weighing the political problem versus not maintaining problem I would just have to stomach the political problem. You have to educate people.
  + One of the most important things you want to say to people is that when our facilities look great, are maintained and well taken care of it enhances the individual member’s properties values and for most their home is one of their most important assets.
  + People bought here with the understanding that it was an obligation.
  + You will always have people who will want to pay the minimum possible, not improve the facilities or maintenance in the facilities.
  + You will always have people who want to raise the dues and do all sorts of things.
* Joy Weinreich’s Comments:
  + I’m one of the old timers here and in speaking with Joe Gordon through the years, he was the one who wrote the Tripartite Agreement and our Constitution, he always told me that the rentals came through the bar and because we had to protect our license that’s why the rentals were permitted to go to outsiders.
  + If we lose our exclusivity, how do we make them pay their dues?
  + I heard it on Festival Day that we open this and we open that and we are not exclusive anymore so why should I pay my dues?
  + There are small groups in the community that are not happy and if they ever got together I think we’re in big trouble.
* Response:
  + That gets to the heart of what we are talking about.
  + Eileen does not see it as a real immanent problem for anyone because a group goes to court and says they rent out the Clubhouse she’s not sure that’s a winning argument.
  + If you’re not following your own rules, change your rules. They need to be enforced.
  + Board has taken on the fiduciary responsibility and does not have a choice to enforce.
* Mark Kempner’s Comments:
  + Ever since we did the Reserve Study a lot of Board Members are shaking like a leaf.
  + When the new Board came in 5 years ago, we had $1.5 million of uncollected dues that we were going to write-off.
  + Instead of writing them off, we designed a job for one of the employees in the office to collect the money and over those 5 years we collected over $1m of that which is money that went to fix all of this stuff. It was not necessarily dues.
  + Every year 10% of our dues don’t get collected. That’s another $150,000.
  + We do use liens; we do use our lawyers and its worked incredibly well.
  + We don’t always have to get money by jumping the dues $200. We can do other things, which we have been doing. 5 years ago we did not have the money. The money Laurie collected went to fixing up the community.
* Question: Are you charging late payment charges? Attorney fees?
* Response:
  + We always collect the dues and negotiate the late fees.
  + If we get liens on before they foreclose, we collect from that too.
* Eileen said that if we’re running 10% not paying we’re doing pretty good as most places are pushing 20%.
* Joe Aspelund’s Question:
  + Say we decided with a specific activity that we wanted to open to the public – would we partially protect ourselves if it was something that we didn’t just say okay, from this point forward Dance is open to the public. If we did it annually in making the decision to open it up to the public would that give us more protection if anyone tries to bring an action that they do not want to pay dues?
* Response:
  + If something is open to non-members, it can be reversed. Politically it may be a problem.
  + You make decisions like that by Resolutions.
  + Resolutions give you an opportunity to say: Do we have the authority to do what we are doing? Authority to open it up? Authority to close it? Authority to change it?
  + You say yes because the Tripartite Agreement says we manage this for the benefit of the community and our By-Laws allows us to do xy&z.
  + When you meet as a Board you come up with why you made that determination and that it was in the best interest of the community and how you are going to limit that decision.
  + Most of the time you can change policy as a Board.
* Barry Mendelsohn’s Question:
  + Earlier today you were talking about the Resolution that Stu was discussing about opening up certain activities to a certain percentage. Now I’m hearing that if we look at it as a Resolution, present it to the community and they vote on it, then that’s the route to go. Am I missing something?
* Response:
  + No. Eileen stated that she was talking about Resolutions in general.
  + Whatever decision you make, you do in the form of a Resolution of the Board in general.
  + Her recommendation is that all determinations be done by Resolutions.
  + Resolutions force the Board and Board’s attorney to look and say what’s our authority? Do we have the authority to do what we are doing? Puts one more check into the process.

**CORRESPONDENCE**

Letter signed by 15-20 people basically from Ellen Drive.

* Regarding a rental property on Ellen Drive that is unoccupied and a mess.
* It is a Township issue. We do not deal with people’s personal properties.
* They did not leave us a name or phone number for us to contact.
* They just copied us and sent it to the Township also.
* Hopefully the Township will rectify this.

Email from Papandrea regarding Drum Pool condition on Sunday, July 1, 2018 @ 10:15 a.m.

* They felt the pool was disgusting upon arrival, totally unacceptable and a possible health hazard.
* Without going into the whole letter, there was an issue with the pool.
* It is their opinion on how the Staff tended to it and since the Staff is not here to defend themselves we will not bad mouth them.
* Pool was closed and tended to and have not heard any other complaints.
* Beverly or Charlie who are not here right now can answer more.
* They suggested getting a professional pool company to come in and maintain the pools for the season. It was looked into and they are hard to get, as they are busy this time of year along with being very costly.
* The numbers are being worked on for the budget, which would have to be increased to include it.

**GOOD & WELFARE**

Barry Mendelsohn – 53 Oakland Avenue

* Festival Day – thought everyone did a great job.
* Everything seemed well coordinated, organized, a lot of food, a lot of happy people, a great crowd and a terrific fireworks display. The comment I heard was that they were a little short but well worth it.

Joy Weinreich -

* Stu Kipilman went through a 5-hr. surgery on Tuesday at Special Surgery in NYC. He came out of it fine.
* As of last night, they are only letting in 1 person for 15 minutes an hour until he sort of comes back to himself.
* He is still in ICU but all seems to be well.

**PRESIDENT’S REPORT**

Party sign-ups on the Beach are getting to be a lot more and a lot larger.

* Maybe there should be a staggered fee structure and charge a little bit of a fee because there are Security issues and more maintenance involved.
* It is getting more and more popular and there are costs to us.
* The bigger they get, they are taking over the Beach from members.
* Maybe it is something the Beach Committee should think about and bring before next season.

Thank Beverly for the 2 Committees that are unbelievable to deal with that she has in the summer: Camp & Beach.

* With the amount of staff they have and being short on the Lifeguard side, it’s just a lot to deal with.
* It is very much appreciated.
* Without someone putting that much time in I do not know where things would be.

Festival Day

* Would like to thank Ilene, Joy and Phyllis and the whole committee.
* Bar & Rental - Roger especially.
* Kristen and Dave did a lot of cleanup. Look out the window, when everyone else was tired sitting down they were cleaning the whole deck.
* For Office and Maintenance the week before and the week after is very, very busy.
* Rudy was the MC of Family Feud. Suggestion that you still need to watch the show.
* There was an issue with the rides.
  + The original ride company that we have been using for many years did not show up. They did not tell us but they put it out there they were not showing up and anyone was welcome to take it.
  + Valley Amusements who does the carnival in Denville showed up in their place and we had the same contract with them as the other company.
  + We took a bit of a hit because the other company did a lot more advertising and took credit cards at the booth.
  + Bar & Rental had to set up the POS system to sell tickets and bracelets with credit cards.
  + The ATM machine was fully stocked for the weekend.
* I don’t think Ilene heard any complaints, everybody was very happy and everything seemed to go smooth.

**OFFICE REPORT**

* July 2018 report distributed by email.

**SITE MANAGER’S REPORT**

* July 2018 report distributed by email.

**MAINTENANCE REPORT**

* July 2018 report distributed by email.
* Those guys worked and worked on Festival Day. They were amazing.

**TREASURER’S REPORT**

* July 2018 report distributed in packet.
* The Summary page shows that Country Club has $444,000 but that is not the case. There is quite a bit of Camp and Pre-School money in that total. Country Club does not have a lot of money to spend on anything.
* Asked about $1M in Chase. That much money in one bank is dangerous.
* Response: We have to keep moving the money around and just put some money in CD’s.
* We have a Merrill Lynch representative whom we have move money around for us.
  + July and August are very big spending months.
  + We moved out $150,000 from what was in there.
* Many simultaneous discussions about where to move the money.
* Kristen recalls this conversation the last couple of months. It’s important and obviously not being acted upon. There is no answer and if we were somewhere along in the process we’d be a little more confident as a Board. Can we make this a priority?
* Budget side
  + Stu Joseph promised that if everyone got him the budget info he would have the first draft today.
  + He only got about $250,000. That’s really good as our Dues will be extremely low!
  + We will have no Athletics, no Beach, no Furniture Renovation, no General & Administrative, we won’t be insured, we won’t do anything with the parking lots, we’ll be missing plaques and awards, we won’t have any security, we won’t be paying our real estate taxes, seniors will have to retire and not do anything, we’ll have no utilities, women’s club, youth activities, or special funds.
  + We will have Civic Affairs, Community Planning, House Operations, Lake/Lake Reclamation, we will have some Maintenance done and we will get communicated through our Newsletter. Thanks to those people.
  + You all heard the naughty and nice list. If you are on the naughty list please send me an email with your info.
* Nominating Committee spent money last year but did not have a line. They were budgeted $200 and it was put under Civic Affairs.
* Thank Roger, Phyllis and the office for the Ballroom Usage report.
* Equalization Fund – back in October we approved a Motion for $25,000 for the deck over the Dam but that notation was not made at the time. The Dam bills were getting paid out of 1) Budget first, 2) 1st Question 3) 2nd Question and then Equalization.
* The original question for the Dam was $100,000 from Equalization. Then $25,000 for the deck.
* The money we had for the Dam and deck looks like it’s $25,000 less until we went back and saw that the $25,000 was not allocated to the Dam/decking expense.
* $20,000 being held until the punch list is taken care of.
* We have approximately $65,000 left for the Dam. We have a $55,000 bill to pay. We will probably be short $10,000 for final payments.

**LEGAL COUNSEL’S REPORT**

* Eileen Born is an authority on lake communities and it was very gracious of her to come in. It was a great presentation.
  + She may have been a little perplexed with some of the questions of the for-profit nature being done by Country Club because she may not have been totally well versed in the two distinct entities of WML.
  + She mentioned they were both laid out as for-profit and I think the lake communities she represents are single non-profit entities. I think she was approaching it from that basis.
  + A good part of that conversation was confused for that reason.
  + Clubhouse has been rented out for-profit for the longest time.
  + She made some very good points about exclusivity that everyone is concerned about which is basically if you start to open them up to the public you are setting a precedent.
  + She mentioned liability for non-members.
  + She mentioned you might want to change the By-Laws for those things.
  + As far as just the non-profit aspect, I don’t think that’s necessarily a big a worry. Maybe she was just a little perplexed.
  + If you were really doing these things for a profit as a non-profit organization, which the POA is, which I think she may have been thinking the whole thing as, then you would be pushing the limits.
  + The POA is organized under IRS Code 501c-4.
  + In order for the POA to continue to be a non-profit entity you have to collect dues.
  + About the opening of classes and things like that, she made some very valuable comments which is maybe you do not want to go in that direction because of the exclusivity of the Club and because you are setting a precedent.
  + We can take time to review and I can discuss with Fred also but I do not think you have to worry about those things in a for-profit standpoint. You would have to worry about those things if you were doing them under the POA which also actually incidentally can do things where making some revenue but just can’t do things strictly for-profit.
  + It was a really good presentation.
  + The traditions of Lake communities. Do not want to go too far in opening things up.
* Readdress the Adverse Possession issue with some of WML POA Land.
  + Asked to revisit the statutory period of possession as is concerned and what can be done to interrupt that statutory period.
  + Let’s say there are some people out there who are on the road to adversely possessing some of that property.
  + In Superior Court we can do what is known as “Quieting the Title” which is a big step where we’re basically going and taking a legal action to reassert WML’s possession of the property. That is a pretty drastic step.
  + Most of the things we can do to interrupt the statutory period of adverse possession if it is happening are essentially the same as the things you would do to defeat the adverse possession.
  + If you know who those people are out there and fear they are on the road to adversely possessing the property you can do things like:
    - Discussing with them, letting them know it is okay and asking them to enter into a rental agreement with the POA for something like a $1 a month.
    - You can have them sign written permission for use of the land and get written acknowledgment by the users.
    - You can request they leave the property.
    - Confirm that users of the property have abandoned their use of the land and thereby lost their claims to adverse possession.
  + I do not really have all the facts on who’s out there and how long they have been out there. Because it’s woods the statutory period is 30-years.
  + Question: Can we put a generic notice in the Newsletter?
  + Cannot answer that question. Have to look into it; might have to know who the people are and contact them directly.
  + A notice in the Newsletter may not be sufficient for that.
  + If someone has a shed on POA property it’s adverse possession.
  + What is the fine line between the 20 and 30-year time?
  + Clearly a lot of that land is 30-year but have to look further into it.
  + Would you like us to look into it?
  + Are there potential sheds and fences on POA property? They are the bigger issues.
  + That could be potential adverse possession threats.
  + Question: 20 or 30-year period – same person or same property?
  + Response: There can be contiguous ownership, contiguous adverse possession. There are fine points to this also. What is contiguous? How do you loose that? When did you actually abandon? Did you go contiguously from one adverse possession to the next?
  + Question: Would it be advisable for us to survey the property so we can stake it out and know exactly?
  + Response: How much would that cost?
  + We are trying to do our due diligence to do notification to break this adverse possession.
  + Sheds, composts, etc. on POA property.
  + Legally they have to present all these elements: actual they are doing it, open and notorious - they are doing it in the open, exclusively using our property, continuous – yes, and hostile possession – don’t know if any of these people are hostile? They are in adverse possession of POA property.
    - Can we put something in Newsletter?
    - Can we send certified letters to them?
    - If we do the above, will we have “quieted the title”?
    - Response: Will look into both those things.
    - Question: For the ones we don’t know, can we do something like a generic letter to everyone?
    - Response: Good question. Will look into that also.
* Condominium and Homeowners Association Meeting
  + The condominiums statue you are concerned about does not apply to WML.
  + The Planned Real Estate Development Full Disclosure Act became effective Nov. 22, 1978.
  + If WML were started today, we would have to have registration under this Statute. Because we preceded it, no registration is needed.
    - We are registered as a not-for-profit corporation through The New Jersey Non-Profit Corporation Act, N.J.S.A. 15A:1-1.
    - Registration is a little outdated and needs to be updated.
* Issue of proxy ballot voting
  + Legislation has enacted some changes that govern this.
  + It is my understanding that WML has not done proxy ballot voting.
  + So many concerns about if the Association would start doing proxy voting.
  + Could one person be the proxy for 50 people?
  + Could non-members be the proxy for members?
  + Statue actually says after the changes “WML cannot prohibit an individual acting pursuant to a valid power of attorney or proxy from casting a vote.” That assumes there is a valid proxy.
  + Another prong to the Statute says “This notice of election shall include a proxy ballot and an absentee ballot, unless prohibited by the bylaws…)
  + There is really no case law that addresses the changes to the Statute yet.
  + I think we are very comfortable with the language in the Constitution Section 7: “It is established that voting shall be by a member or his or her spouse only.” This almost necessarily prohibits proxy voting which would be voting by someone else.
  + Question: On the same thing as proxy voting, if you have a valid Power of Attorney over one or two of those parties or their spouse, are we required to allow that person to vote? Do we/our Constitution allow for this?
  + Response: We did not look into the power of attorney side and have to go back to look into that. With a power of attorney you are that person.
* Keeping busy on other various researches, assignments and projects.

**COMMITTEE REPORTS**

Marketing Committee – Kristen Neu

* Established monthly meeting time, which will go into the newsletter and calendar.
* Did our first email that hopefully everyone in the room got.
* Created and published an email for Festival Day.
* It had about 65% open rate.
* Anyone who has an idea as to how to market our community in all ways i.e. whether to improve our real estate value, whether it is to do something for weddings or catering, event planning, whatever it may be, please come to a meeting and we will get a formulated plan for the rest of the year and prioritize what we want to get accomplished.
* Trying to do 2 emails a month.

Athletics – Pat Degnan

* Go over and look at the new tennis court/pickle ball court. It looks beautiful.
* We have a new following of people interested in pickle ball.

Lake Committee – Michael Ilardi

* Read in the Lake committee minutes about putting up a sign, “No Fishing”, on the docks we don’t want fishing on.
  + Joanne Machalaba went around and noted that the signs say what is needed and we do not need additional signs.
* Saw in the minutes about a sign that only boat owners allowed on docks.
  + It’s everyone’s docks and should not be limited.

Legal & By-Laws – Kristen Neu

* If you refer to the Board packet for the June minutes for Legal & By-Laws we discussed lost and abandoned property policy.
* When talking about the Development Credits, it came about in discussion that Rob took part in the survey of the property.
  + We found at least 3 different active hunting sites.
  + One was a tree stand with a motion-activated camera.
  + A hiker from our community put a laminated note on this tree stand that said you are on WML property please remove this or we will report you to NJ Game & Fish (whatever). It had been there for months. One day she found a girl in the tree with a rifle. She told the girl she was not supposed to be there and the girl refused to come down. She said her brother told her she had permission and could be there. Took a picture of the name, googled it and the kid does live in the area. We can now contact him to come and get it.
  + There were also Deer feeders within eyesight of our houses. They drop corn at a certain time of the day and the deer learn to come by at that time. It’s ambush hunting and way too close to our property line – within 100 ft. of the houses.
  + We found electrical cables over several trees.
  + We did not walk the whole lot, just a basic perimeter.
  + There is a lot of material and very actively hunted.
* This falls under our lost and abandoned property guideline which essentially gives 2 options:
  + If you do not know whose it is, you have to give notice publically and if you do know who it is you have to contact that person.
  + Our recommendation is to begin pursuing them by putting in the newsletter those that are not identifiable and get them off our property.
  + Do we have to identify non-POA residents? If non-POA residents, they are trespassing.
  + Attorney thinks that posting in our newsletter is sufficed but will look into it.

Festival Day / Bar & Rental - Roger Crook

* B&R had another great year.
* Kristen and Dave helped out a ton.
* Mike and Scott are there for Festival weekend helping out.
* We were up about $1,652 in revenue so the number this year was $16,269 up from $14,600 last year and $13,200 the year before that.
* If we go back to 2011/2012 we did $6,000 for the weekend.
* A lot of effort, a lot of work.
* Last year we did $925 on Friday, this year Friday we did $3,800.
* It is so dependent on the weather.

**OLD BUSINESS** None

**NEW BUSINESS**

Robert T. Torcivia Co-Chair, Planning

**MOTION #2**: Motion to accept the following Public Question and explanation to the Ballot:

Should the Country Club participate in the NJ Highlands Council Transfer of Development Credit Program (TDC)-to ensure that the approximately 150-acre woods will never be developed? Block 20001 Lot 00004. Once Development Credits are sold, the land is permanently deed restricted to remain undeveloped in perpetuity but will remain a part of White Meadow Lake.

Explanation:

The state has determined our lot to be worth 102 development credits at a fixed per credit value of $16,000 for a total of $1,636,000 pretax to be used for the benefit of Country Club. This would in no way effect our ownership of the land, nor would it allow any public access to our lot.

At present the TDC program is not funded, and there is no way to know when (or if) the funding will ever exist. However, if the funding does become available the board might have to complete the process before the next annual vote. A 2/3rds majority vote is necessary to give us the authority to participate should funding become available.

Once Development Credits are sold, the land is permanently deed restricted to remain undeveloped in perpetuity but will remain a part of White Meadow Lake.

**2nd by Michael Ilardi**

Discussion:

* Asked if this has to come up in the August meeting or by the August meeting?
* Response: Earlier is okay but not later than August.
* Putting something in the newsletter for August and possibly September for an informational meeting.
* Mark Kempner wondered whether you want to repeat what you say in the very bottom of the explanation in the question to say: “to ensure that the 150-acre woods will never be developed and will always remain a part of White Meadow Lake.”
* Rob Torcivia asked if everyone was okay with that? Heard an agreed.
* It was noted that it is nice to be clear that this Motion again does not allow others to own the land.
* It was expressed that it should state: “approximate 150-acre woods” because it is not exactly 150-acres.
* Rob read the Motion again with the changes as follows: “to ensure that the approximate 150-acre woods will never be developed and always remain a part of White Meadow Lake. Block 20001 Lot 00004.
* Noted to pull out “always” because that is not true.
* Kristen Neu noted to copy the whole last line and not chop it up.
* Motion as further revised not read for the record.
* Asked if there will be a map with the Ballot question? **Motion Carried**
* Michael Ilardi asked if we could wait until next month for the next motion so we can digest everything that was discussed tonight?
* Robert Torcivia thought it might be good to start a discussion on it tonight while it is fresh on everyone’s mind. By next month we will forget half of what she said. Let’s just talk about it so we can get some feedback. You can table it and not vote on it.
* Kristen Neu said they were looking for guidance and would not cry if it did not pass.

Robert T. Torcivia Co-Chair, Legal & By-Laws

**MOTION #3**: To accept administrative guideline section P subsection 8 as per attached.

**2nd by Michael Ilardi**

**Admin Guideline Section P. 8**

WML POA is exclusive to members and their guests. Therefore, this guideline section only applies to WML Country Club. The sections below referred to as Exclusivity Period, Discounts, and Majority are intended to enhance the benefit of living in WML

A. Exclusivity Period

When a WML (ongoing) activity/program or (one-time) event is opened to non-WML residents, there must be a period of time, no less than two weeks, where the activity or event is only available to WML residents in good standing and their immediate family members residing in WML

B. Discounts

For activities and events involving a fee, non-residents should be charged a higher amount. The discounted rate offered to WML members should be consistent with past practice or with other similar activities or events run by WML.

C. Majority

WML activities and events are intended to benefit WML residents. Ongoing activities that are opened up to non-residents must have at least 50% participation by WML residents. One-time events that are opened up to non-residents must have at least 35% participation by WML residents.

D. Exceptions

* + - * Women’s Club events that are fundraisers for the WML Scholarship program are exempt from the restrictions identified above.
      * Bar events and activities are exempt only to the extent necessary to comply with New Jersey’s rules and regulations regarding the Division of Alcohol and Beverage Control.
      * Festival Day is exempt from the restrictions identified above.
      * Clubhouse rentals are exempt from the “WML Majority” restriction identified above.
      * If the board determines that non-resident participation is no longer in the overall best interest of WML, the board can impose additional restrictions.
      * If the board determines that increased non-resident participation is in the overall best interest of WML, the board can relax the restrictions on a case-by-case basis.

Discussion:

* Can we change the word “residents” to “members”? We have people living here who are not members.
* You have to have your dues paid to go to Camp, get a boat slip, and to join the pre-school.
* We were trying to stay away from using member to show the separation that this is not a POA thing but Country Club.
* She talked a lot tonight about a balancing act and that was a very apropos thing of where we are right now.
* Exclusivity is expensive and a beautiful thing.
* We have to find a way to maintain the properties and she also said the most likely way to get sued is to not maintain your properties.
* The second part of what she said was not to give up exclusivity.
* She said that every lake she represents has events open to the public.
* Country Club is our section that does these house activities and that’s what we’re really talking about.
* The balancing act is very well represented here in what Stu came up with.
* Exclusivity is given for the first 2 weeks where only WML can buy tickets. If it sells out, it is then 100% exclusive WML.
* It will be a low probability of ever having an event that is flooded with non-members and a low probability with having to take a loss for an event that we can just break even on. We also have spare capacity that can generate some revenue to try and help us with some of our financial problems.
* Joe Gordon, our lawyer who drafted the Tripartite Agreement, always cautioned us about killing the “golden goose.”
* What Rob is saying now is nothing new. It’s been heard many times that comes up every so often.
* Rob talks about our facilities about being in dire need of repair.
* Charlie stated that if anyone in this room knows the state of our facilities it’s me because it’s my job.
* I point out that the Clubhouse needs windows, you may need a roof in 3 years on the old mansion part of the Clubhouse, the pipes have been replaced by now, the only sections of old plumbing is sections going out to the Gold Bar and that will be done when we redo the Gold Bar. The only remaining thing Russ will attest to are sections of the old wiring that are limited to certain rooms only.
* Questioning just how bad our facilities are?
* We are not really in dire straits for money to risk killing the “golden goose?”
* Noted that the Reserve Fund says we do not have the money. We may have to increase the dues for this.
* Exclusivity means you have first rights, first dibs. I know it really means nobody else but I think we are trying to maintain that by saying you first, you cheaper, you have the benefit of being a member of the POA.
* It was noted that it was not the dance instructor asking for more people for more money, it’s the members asking for the program to continue.
* Is it in the best interest of the 2400 people we represent that are not in dance for the 5 people who are interested in that class?
* We have to separate where it says activity and program. There is a vast difference with inviting a friend to a house activities dance or someone coming and using our camp.
* Kristen noted that it is already separated out in section A.
* Someone noted that they might agree to one-time events and not ongoing programs.
* Member and Non-member are two distinct classes.
* The intention for this was to leave a lot of room for the Committees who are running the events.
* On some events it may be a guest and some events you might not want to restrict it to a one for one.
* Activities and programs – Members should be able to invite a guest, not a non-member that is unaffiliated to anyone.
* Stated that they do not want to leave it up to Committee, but want it policy.
* We want to leave it up to Camp if they want to do something like this. This gives them the right but not the obligation to do it.
* Expressed that members should be able to invite guests to go to Camp. Someone who is not a guest should not be able to go. It’s a compromise.
* Charlie is right about the “golden goose.” You have to be very careful. We do want to make more money but do it in a way the community understands and is acceptable.
* Members inviting guests is very realistic and understandable to a community member versus just having outsiders to fill our quotas.
* Barry Mendelsohn: One of the things with raising the funds, a lot of the discussions were of children in some of these programs who wanted to have dance and are now short one season for whatever the demographics may be and did not want to shut down that one activity and reopen the next year perhaps if WML’s demographics changes. We just wanted to look at that as one avenue of a percentage. Yes, it’s too small with everyone from outside. We did discuss whether member, guest, or outsider. As far as what Charlie was saying just for raising funds was not the issue. The issue was that a child wants to go somewhere where all their friends are and therefore does not want to go to WML, goes somewhere else and we loose out on it. It is really benefiting our kids.
* Peter Shappe: Maybe some of you do not understand what money is. Maybe I am stupid. We are talking about a pittance. The difference between inviting outsiders into our programs and not, won’t pay for a piece of paneling. We’re not talking about raising $100,000 from inviting strangers in. You’re talking about nickels and dimes. If you’re talking about keeping the program alive, that‘s one thing, but you’re talking about raising money and that’s nickels and dimes. Unless you people are deaf, you did not hear what that attorney said. She’s the expert. She said don’t do it, it’s suicide. Not today but down the road you are cutting your throats. It will cost you the whole ancholota. Maybe you think you are doing something good but she is the expert. Just understand what you are dealing with. You are dealing with people who are already anti-WML POA. Anti-you people will get together as a click and bring a legal action against us as soon as you take action because they will say they no longer have restrictions, no longer have exclusivity and there are all these outsiders so why should we pay Dues. You never know what the Judge will rule. There may no longer be mandatory dues. I may be the one who leads that rebellion.
* 15 years ago Joy, Pat and Stu did a reserve study and the Board said what are you people crazy? We’re supposed to put away all this money we don’t have? Now it is 15 years later and we have done everything we had to do and we’re still only at $680 dues and we’re still here and we’re not shaking in our boots because we had a reserve study.
* Pat Degnan expressed that she has a real problem with this. She is torn. Understood the problem with the Nursery school. That to me was a service to our members. It was in danger of being closed and we were taking something away from our members. This year we voted as a Board to allow Women’s Club to change dance to be open. Once you cancel a class the kids go somewhere else and don’t come back. I am not happy with letting outsiders into all our activities. Definitely against allowing outsiders in our Camp. There are certain things I think we need to do on a case-to-case basis. Maybe this is not the total way we should do it. I remember Joe Gordon saying, “You shouldn’t do it, you shouldn’t do it, you shouldn’t do it.” I Iived through the whole era where you shouldn’t do certain things because you will jeopardize your dues structure. We are one of the lucky communities with a mandatory dues structure. I listen to many people in communities who do not have mandatory dues and are struggling just to get 1 or 2 things done a year. Wasn’t happy the Board did not accept the Reserve study and they decided to use surplus to lower the dues. I am never in favor of that. I would rather see the money go into the funds so that we have money to do some of the projects. The community voted on what we did each year. Voted for this in committee but after listening to Eileen I’m not sure how I will vote on this one.
* Cannot compare nursery school and dance to camp in filling their obligations.
* Expressed that nursery school should be based on guests of members.
* Russ Pencak: Make a Motion to table this Motion until next month.
* Kristen Neu: Talking only about Country Club. Other than Camp what Country Club event is exclusive to WML?
  + This isn’t opening up anything. This is telling you that it is already open and we’re putting restrictions on these openings. I think people are reacting to the thought that the committee is recommending we open everything. It’s already open. If it is such an issue that someone is convinced that it will compromise our dues ability to collect it’s not doing that. If someone wants to sue us yesterday because it’s not exclusive it’s already not exclusive. This is asking us to impose restrictions and if you don’t think they are strict enough the Board can make them stricter. If Camp chooses to open up and chooses to follow this, my recommendation would be, no it should be guests only and a maximum of 20 guests. We can make it as restrictive as possible. We do not have to go near a 50/50 or 35/65.
* Every member should have the right to invite a guest and guests cannot come without being invited by a member.
* Golf courses run events that make money.
* Motion to table. **No Vote/Tabled**

Russ Pencak 1st Vice-President

**MOTION #4**: Motion to table Motion #3.

**2nd by Gregg Bunch**

Discussion: None **Motion Carried**

* Michael Ilardi noted that August says budget only, but it does not have to be budget only. We just don’t want a full agenda to go along with the Budget.
* This can come back in September or October.

Michael Ilardi President, Planning

**MOTION #5**: Motion to spend up to $15,000 out of Equalization for the final payment on the Dam expenses.

**2nd by Mark Kempner**

Discussion:

* There is a $55,000 bill due now. We are holding back about $20,000 until the contractor finishes what we want done. With the expenses that are left we will be short approximately $10,000-$12,000 from the money that was allocated for the dam and the deck.
* Can we get some sort of statement on what we spent?
* We had $100,000 in the budget, $100,000 from Equalization, $25,000 for the deck, $75,000 from Sinking, $75,000 from Capital, $66,000 and I think $16,000 out of the Late Fee Account for engineering.
* Can we have a summary for this for the next meeting?

**Equalization Fund, Vote next month**

**GOOD & WELFARE**

Stu Joseph – 25 Old Middletown Road

* The tennis and pickle ball courts look great.
* Would like to make a suggestion that Athletics come up with some sort of guidelines for Pickle Ball that can be posted with regard to asking people who are playing Tennis on the Pickle Ball court to move over when someone wants to play pickle ball?

Michael Ilardi Motion to adjourn meeting at 11:05 p.m.

**2nd by Gregg Bunch**

Next Board Meeting is Wednesday, August 22nd @ 8:00 p.m.

Respectfully submitted,

Debra-Ann Chait

Recording Secretary

APPROVED BY: Michael Ilardi Michael Ilardi, President