

Lake Parsippany Board of Directors Meeting
January 13, 2020

Not a quorum of membership, therefore all business and voting will be performed by the Board in accordance with the bylaws.

A regular meeting of the Board of Directors of the Lake Parsippany Property Owners Association was called to order by Bill Sempier at the LPPOA Clubhouse at 730 PM.

| Directors | Present | Absent |
|----------------------------------|---------|--------|
| Bill Sempier, President | X | |
| Marilyn Ammirata, Secretary | X | |
| Sebastian Ostolaza, Treasurer | X | |
| Dan Nazzaro, Financial Secretary | X | |
| Brian Kavinski, District 1 | X | |
| Chrissy To, District 1 | X | |
| Mary Ellen Iradi, District 3 | X | |
| Tony Suprum, District 3 | X | |
| Don Phelps | X | |
| Diana Giradelli | X | |

Minutes from the December meeting as electronically submitted, were reviewed and motion to approve by Sebastian, seconded by Dan. All approved by the board.

MEMBERSHIP/SALES REPORT

NOTHING TO REPORT-No changes since September

TREASURER REPORT

Sebastian provided the following report prior to the meeting:

Current Assets

Checking/Savings

10000-Chase-1280 \$64,069.33

10001-Union Bank-1486 0

10003-Merrill Lynch WCMA-07R59 \$158,161.59

10004-Attorney Escrow \$230.00

Total Checking/Savings as of December 31, 2019-\$222,460.92

Checking/Savings 2018

10000-Chase-1280 \$5894.05

10001-Union Bank-1486 \$\$13,792.75

10003-Merrill Lynch WCMA-07R59 \$231,856.71

10004-Attorney Escrow \$54,855.00

Total Checking/Savings as of December 31, 2018-\$306,398.51

CORRESPONDANCE

Bill reported just general emails with questions regarding membership.

January 2020 Presidents Report:

Introduced Eileen Born, Esq., legal counsel, who is here to help address some questions and concerns.

Welcome and Happy New Year

Reminder that there will be a time where the members can address the board, however, we ask that you refrain from interruption of the business that needs to be conducted. If you choose to disrupt the meeting you will be asked to leave.

When we get to the member portion, we will do our best to accommodate everyone but the meeting will be adjourned at 9:30. We will limit each person to 2 minutes and they will not be able to be addressed again until everyone else has had a chance.

I would like to thank Sebastian for all of the work and time he has put in over the last few months to get the web site ready for membership sales and working with the bookkeepers to get all the required information for financials set up.

I would like to introduce Eileen Born from our legal counsel she will be addressing some of the questions from the membership later this evening.

I am involved on ongoing discussion with our legal team to insure we remain in compliance with the court decision and state laws.

Obtained the most current list of property owners in the Original purchase tract. Noted all property transfers since last list was created. Invoices are nearly completed and should be going out soon. Our bookkeeper is going through multiple sources of information to create one list showing payments from all properties dating back to 2017.

Our state dam inspection took place in December and there were only a few minor issues that will need to be addressed. Primarily missing rip rap in spots along the dike across the street.

The sealing of the main spillway is completed as is the replacement of the spillway gates. Rip rap replacement along the main dam was completed. During the project the asphalt cap (walkway) was damaged. I'm working to get this repaved in the spring.

I'm looking to get estimates for benches around the lake. Don assisted me with getting information on a vendor they use where he works. Looking to get commercial grade recycled material no maintenance benches.

Other estimates include having a survey performed to insure all common areas are accessible to all members. Having hot water heater installed on the clubhouse.

All of these items were in the approved 2020 budget.

Our bylaws are being revised by our legal team to bring them into compliance and should be ready for board review in the next few weeks.

I have asked Tony to review the Rules and regulations. He started looking at the fishing related rules so I asked if he would be interested to get a group together to do them all.

The notification for District 5 members has been completed reviewed by the board. This should be going out soon.

PROJECT TRACKING-Not discussed this meeting

BEACH MANAGER REPORT

None

CLUB HOUSE MANAGER REPORT

Judy reported a \$3100.00 deposit made for December.

\$33,000.00 for the year, minus_____

All club dates have been submitted

MAINTENANCE

No report submitted.

WATER QUALITY

No report.

NEWS AND VIEWS

Articles due by the 15th.

SECURITY

Brian still working on towing contract.

Signage should cost about \$1200.00

Will work with security detail which would need to go around the lake to verify members.

ACTIVITIES

Open House will be announced in the February News and Views.

WEBSITE

Sebastian working on updating for membership.

CLUBS

- **Ladies Club**- Annual dinner will be on Saturday
- **Men's Club**- No report
- **Fishing Club**-Tony reported that the trout stocking application has been mailed to the NJ Division of Fish and Game. They are looking to stock 360-38- trout, of varying size. Still needs to get price verification.
- **Sailing**-Season has ended
- **Kayak Club**- Season has ended
- **Swim Club**- No report

- **Book Club**-No report
- **Hub Lakes**-Won first dart match on Friday, looking for coaches for various activities.
- **Garden Club**- No report
- **Welcoming Committee**-

OLD BUSINESS

None

NEW BUSINESS

None

AD HOC Committee

None required

MEMBERSHIP PORTION

Impossible to document in these minutes everything that was brought up and expressed by the room full of members, in this report are included names of people who came and brief concerns/complaints and thoughts they shared with the board.

Bill asked that all members with questions please sign in. All questions will be answered. This is still a growing process and we are still in transition, so there will be questions we may not have an answer for yet. We will do our best and if we can't answer, we will get back to you.

- Lisa Butler-Welcome and thank you for participating.
- Debbie Orme-When is Open House, is date changed? Clarification of Open house date. We were looking to change the date because previous years the date was tied into when payments were due. Membership dues now due earlier
- John O'Keefe-With regards to the repairs of the dams, who pays for them. Bill advised that in 1982 town and LPPOA made formal S8 Agreement that permits town to put storm water into the lake. As part of this agreement, they were to replace spillway, improve the dyke here and the main dam. The town maintains them. If repairs are needed, it goes to us. If there were a dam breach, that would come to LPPOA and town share responsibility to maintain.
- Howard Renn-Sharing a concern for many...we understand we lost the court case, why do we have to pay for the last 3 years when we had no membership rights. Eileen responded that LPPOA could not assess anything past 2017, in 2018 and 2019 people voluntarily paid in order to pay the basic bills. Two reasons that 18 and 19 are going to be addressed: Fairness that others paid, and secondly, over the course of the years, LPPOA had to go into reserves to take care of basic needs of the lake. Eileen also said that once capital reserves are rebuilt and all needs covered. Howard Renn-Feels that he is paying for our liquor license. Eileen described 2 membership options, we don't want membership privileges, what is the basic fee. You can wave your rights to all membership options and have the option to just pay the basic \$115 for lake water quality, inspections, regulatory required expenses, and basic maintenance. Court agreed with this.

- Linda Slyker-Owns 2 houses, feels this is unfair that she has to pay twice. Also said she reviewed our budget that addressed the association maintaining our roads, which she said was in our budget. This is untrue. Also concerned that she cannot walk on common grounds. Also questioned that she can't access boat ramp. Also feels that she shouldn't have to pay for last 3 years since she was not allowed on the common ground. Eileen again explained that the \$115 is just payment for the basic maintenance of the property.
- Gavalyas- Now that this is a private lake...are many clubs outsiders? Specifically the dragon boat club. Why do we pay for them to enjoy the lake? Eileen explained that all these years, outside people were permitted in and their membership helped pay bills. This is a transition year, we don't know yet what is going to happen and we will have to see what happens this year to re-establish whether outside people wanted to join. Also explained that everyone is a full member at \$315.00.
- Gavalyas-also stating that EA should allow voting rights.
- Gavalyas-wants proof that property value will go up with this additional funding.
- Garafola- Here for 59 years, never bothered with the lake, now retired senior citizen, difficult paying \$115.00 to pay for something we don't use or want, being forced into something.
- Cucchiara- What is the association prepared to do for Handicapped members. Great question and something that we wanted to look into in the past but was cost prohibitive. Now, with the potential of additional funding, we can and need to address handicap access. Also concerned with drain water quality. When S8 Agreement was penned, there was no accommodation for that. LPPOA bears the responsibility for testing and maintenance.
- Mary Purscyki-Never had this situation before. Taxation without representation. Feels that if assessments are paid, they have the right to vote. Accusing attorney of the person being responsible for having community pay this extra amount. Feels residents cannot afford. Says that many people can't sleep at night. Accused the board of being greedy charging back amount of easement assessments on the advice of the attorney. Accusing Board of not having a conscience. Why aren't you all looking at the S7 agreement? Bill said we don't have access to them. Sick and tired of hearing that no tax money is going to this lake community.
- Sagena-\$115 this year, but noticed from the last budget, membership was \$400+ now only \$115. Bill again reiterated that the \$115.00 going for basic lake maintenance. Difference between prior year's membership and the current membership, is that because of the additional easement assessment being charged? Will we see additional charges next year? Other lake communities go up annually, will Lake Parsippany? Eileen explained that this is untrue. Previous memberships were paying for everyone to benefit Lake Parsippany, with the higher membership fees. Now with the \$115.00 the burden of covering costs for everyone not paying will be lifted. Each year, there will be a budget, everyone can see that budget. Eileen went on to explain rationale. Property owner has no problem paying \$115.00, but Eileen again explained that this is why we are offering 2 levels, and this was considered reasonable by the courts. Ms Sagena-also questioned who controls where the \$115.00 goes? Eileen said nobody wants to see this fee go up. Again, the use of \$115.00 was explained. Also explained that the Board makes the decision and must perform as a non-profit corporation and must operate in accordance with NJ

nonprofit law. Additionally, the Board is performing as it must, and has a fiduciary responsibility to come up with a budget and assessment. Ms Sagena also asked that it was unfair that she is paying even though she lives quite a distance from the lake. Eileen explained that the decision was made by the courts. Property getting billed for the \$115 is 1) contained in the original tract, and lake rights had been granted to everyone who lives in this community (property in the original map). PREDFA says that full members should be voters, so the fee is \$315, if you don't want full rights, you can opt to pay the \$115.

- Revankar-Always supported the lake with the exception of last year. Quite a few questions: Per family-how many badges will be provided. Is there a restriction on the easement? Yes, according to Eileen, you have the right to use the property but LPPOA can impose limitations. Can basic rights of walking and picnicking on lake property be given with the basic EA? Eileen again explained basic vs full member rights. Bill asked whether you are a basic or full member, you will receive 4 badges. There will be a property survey to make sure all common areas are available to everybody. If you are a basic member you can sit on the property, enjoy the grounds etc. Second question: Can we legally prevent basic member from voting? It was again explained that you can get full voting rights if you are a full member. We are not denying anyone the opportunity to be a potential voter. Additional question: Membership fee is not a tax, we cannot back asses. She said she was 'thrown off' the property in 2017 and feels she should not pay the EA fee for that year. Bill asked for clarification...
- O'Keefe-Question for board and lawyer. With my basic fee, does it give me the right to vote? Eileen responded No, and again explained that Mr. O'Keefe's interpretation of the ruling is incorrect. Mr. O'Keefe said the 2 tier system is only for recreational purposes. Attorney explained that he is not reading the ruling in the context of what it says. Mr O'Keefe also again stated...Anyone who pays the \$115.00 has the right to vote. Attorney again explained it is the option of the members to opt out of the full membership and the voting rights associated with the full membership.
- Desai-Have we thought about this huge bill will be coming in for those who did not pay previous bills. Many fearful of a lien on their home, and or their credit rating will be ruined. Eileen stated that any collections do not go to a collection company, only to the attorney and not reported to the credit agencies. A lien is recorded in Morris County clerk's office. Board is offering payment plans, if people can't pay the whole amount in full, they are encouraged to reach out to the Board. Mr. Desai asking if this will be communicated to the property owner going forward. Going forward, there will be late charges...
- Desai-can we reach out to local troops to help build benches. Bill explained that we needed something that doesn't require maintenance. Eagle Scout help is greatly appreciated. Bill will reach out to Mr Desai.
- Revette-Addressing Eileen, states she is tearing the lake apart. To be fair to people who couldn't go on the lake, walk on the lake in 2017, 2018 and 2019, shouldn't have to pay this huge lump sum. Eileen explained that LPPOA could not put any easement in place while the court case was pending. The past EA pose a huge financial hardship. Also asked what type of badges are they getting? And how many? Answered, if families need more than 4 badges, can they get them? Also asked if we would consider a financial compromise.

- Kamal-Posed the following questions: are we are supposed to be neighbors? Is this how we treat our neighbors? Is accounting transparent? Is it available for the members to see? Do we think we are being fair? If so, why are we taking away the voting rights? If we want payment, why don't we allow for voting? By taking away the voting rights, it seems that we are hiding something. Eileen again explained: Regarding access to financial documents, the Board had to hire an accounting firm to handle bookkeeping. There are laws that document what specific kinds of documents people are permitted to see, and Eileen is working with the board on developing that policy. Once that is done, the appropriate documents can be made available. Eileen then explained that the board is not taking away voting rights. The board has the authority to offer the \$115.00 amount which is not voting. Bill again stated that keeping the fee of \$115.00 is our intent, but if something unforeseen happens, it may need
- O'Keefe, M-To Eileen...Why do we opt out of voting with the lower rate. Additionally, if eagle scouts help with benches, and we have to do maintenance, then we should use them for benches.
- O'Keefe, M-Suggested we become a co-op since we may get discounts.
- Slyger-are outside LP people allowed to join the lake? Why should we pay so much if you can't budget your money? Bill responded, in the past years, our membership/year is about 400. More than 1/3 of those are non-residents. Feels the lake is green is smells nasty. Is it dead fish? Nasty.
- Dasota-If membership is \$115, does that include attorney fees? Or is that paid by the association. Why are we paying to cover your salary, Ms Born? Eileen answered questions about litigation and explained that our insurance covered that. All of these years of litigation, nothing was paid by the association. Costs for attorney, hopefully, won't be needed, in the future, if there is no more litigation. Also asked Eileen what your hourly fees are....Eileen said if any costs are incurred in the future, it's because of law suits.
- DaSota- feels that we should have asked the community for financial assist? Offered to help out with fund raisers? Eileen felt that it was a great option. "You guys" went about this the wrong way. Very angry. Feels this is all "BS". Get together, not by charging, but by asking for our help.
- Lubkoesky-Again asking how much money we are paying the attorney with 'our money'Sebastian reported that in our proposed 2020 budget, we have allocated \$15,000.00. Asking how much we are going to pay 'this lady'....answer is how much we have paid. Sebastian reported that according to the printed budget, last year, we paid \$5000.00
- Lubkoesky-doesn't use this lake. Why are we sending checks to Atlanta, Ga? Seems Fishy? Bill explained Cedar Crest Management Company was being used, and their main bank was in Atlanta, Ga. We are now using our local bank and Sanderson for accounting firm.
- Lubkoesky-asked a question on our website, and got no response? Not sure why this happened? Bill responds to all emails within 24-48 hours
- Mary Pursckyi-Who is going to handle liens and how much are they going to get paid to do that? Eileen explained that now Dolan and Dolan will handle fees, Attorneys fees will be charged on delinquent account. Mary accused Eileen of potential to make so much money from people who don't have it. Eileen again explained back fees are required to build up depleted funds that the association had to use to maintain the lake.

Asked Eileen if she follows the NJ common property interest act and Mary Puruskyi suggested she needed to review it.

Mary Purusycki feels that the issue is lack of voting rights. Eileen again, for the 8th time, explained the fees and difference between the two levels. Mrs Pursycki feels that the board 'baited and switched us' by misleading home buyers that there is no easement fee.

- Renn-who are 'you guys' using for accounting, or other services we send out. It was explained that we first off, offer business to our neighbors, but seek out assistance with those companies that would benefit us, and specifically with the accounting firm, those with experience dealing with lake associations. Eileen also explained that we have an obligation to disclose the vendors we use. Eileen also answered this persons concern about transparency by encouraging all of these members to come to a monthly Board meeting. Participation is essential in finding out how this is all run. Rights regarding voting matters also again discussed. Involvement is the best way to know what's going on.
- Orme-Assuring the board that there are a lot of our community members who are very happy to have the option of only having to pay \$115.00 and not having to have to pay the entire full membership. Encouraged the board to not let a 'handful of angry loud voices' here tonight lead us to believe that there are 2000 other people out there who feel the same way. Debbie asked the group to think about this...What happens if everybody doesn't want to pay? That then means that other's obligation to pay the assessment, it would have to increase. Also asked for other ideas to get people to pay, any reasonable ideas to raise money would be appreciated.
- Desai-encouraged the Board to keep in mind that putting a lien on a house puts a significant psychological trauma. Again, upset about the 3 year back log of easement assessments. Eileen again explained what steps could be taken to help out with this, that we are more than willing to work with people.
- Anil-Bought home in 2005 because there were no association fees. Now upset of this additional 'burden' of \$115.00 per year. Again Eileen responded about the mandatory assessment. She explained that the courts have heard these situations before, however, the courts look at lake rights were granted in the title, which should give people some idea that there may eventually be a fee for it.
- Anil-concerned about safety for those walking around the lake and wonder if we could do something about this. Bill explained that conversations about this have taken place at the township. They would like to put sidewalks around the entire town, however hasn't because of the law that the homeowner is responsible to maintain the sidewalk/walkway in front of their property. For cost and safety consideration, we would be unable to maintain these walkways. However, one of the things the survey will reveal, is to see if there is room on LPPOA property for walkways/paths (not township property) that we could close during inclement weather. These conversations have been had and will be again. Additionally, to do the survey, it would cost us \$20-25,000.00.
- Revett-Why can't we get the state or town, when there are oil spills to pay...does the town pay us to clean up? Bill explained, No, we don't get paid as we don't do the cleanup, the town does. However, following this type of event, a lot of testing is done by the association to ensure water quality.

- Revette-Do you ever test the sand or the bottom of the lake? No, we do not do soil sampling, it is not required by the state health codes.
Asked Eileen..how much do you charge for lifting a lien or when an account is sent to you? Eileen said to remove a lien currently is \$40.00 for Morris County and the attorney fee is 1/3 the amount of what's due. No part of these fees come from the association.
- Alfonso-Understands what is happening and is interested in resolution of the dispute, feels that the way this came about was wrong. Feels that we have to be transparent, listen to all recommendations. Asking Board to reconsider 2017-2019 EA assessment, Voting rights, consider costs for seniors and how do we communicate 'common interest'. Mr Alfonso is interested to help, understanding that this is 'our lake'. Feels that if the approach changes, we can fix things.
- Therriault-Question..."so this is the Board. Why do you think the people who pay \$115.00 don't deserve the right to vote?" This was explained repeatedly. Feels they are the majority. An audience member, who neglected to identify himself, shouted out and said, "*can I answer that...because they feel if we vote it'll outnumber them and they won't get their way.*" Eileen said, this is untrue at this point, right now, the Board is trying to budget for things going forward. Person got loud and aggressive. Eileen said if the entire budget was spread evenly amongst all of the 2200 property owners, the lowest fee will not be \$115.00. Dan briefly explained the income last week with the expenses last and Bill reiterated that additional reserve money was pulled out years before. Questioned repeatedly, why don't we have the right to vote? Continued to get loud and abusive. Dan explained in October of 2016 was the only time enough members got together to discuss lake matters. Sebastian tried again to explain that if it's just one fee, it will have to be higher. Again asked 'why don't we have the right to vote'.
- Falde-Understands point about everyone paying one amount, it will be higher but reiterated that this whole thing was forced on everyone, why can't we start fresh and forget the last 3 years.
- Gearhart-Had a mortgage for 30 years, never heard anything about an easement or assessment. Also stated that "tonight we saluted a flag, because we are all free people, to live and do as we want, and this board or a single judge does not have the right to take our freedom away from us." The easement doesn't bother me, what bothers me is taking my freedom of choice away. Accused the Board of being crooked and taking his money.
- Purcyski-"Wars were fought over freedom and the issue of taxation without representation and you people are all bringing it back". In the 2020 budget, how much of the revenue in the assessment column goes for expenses v the amount on the rec membership column.
Total for EA is \$370,000. And the recreational column is \$55,000.00 (which only reflects the extra \$200.00 that will be collected for FULL memberships) will be used for the beach use. Again voicing concerns that there are no voting rights.
- Additional comment supporting the easement, however, the 3 year back log and voting rights are still an issue.
- Also concerns about not being notified what happened to her previously paid 2017 EA. Judge ordered escrow being held by Dolan and Dolan.

At 1010PM Bill called for a closing of this membership portion.

Bill called for a motion to close meeting and go into an executive session...all in favor.

Board Members only got together to address the issues brought up by the meeting, especially the issue with the 3 years past easement assessment. Discussion and initial thought was that the **Board will waive 2018 and 2019 Assessments for those who have not paid those years, if the remaining invoice is paid in full, including arrears, no later than 3/31/2020.**

Executive meeting ended, returning to regular board meeting.

There being no further business, motion to adjourn at 11:10 PM.

Respectfully submitted

Marilyn Ammirata

Secretary

LPPOA