

GIANTS NECK BEACH ASSOCIATION- BOARD OF GOVERNORS

Budget Presentation – Sunday, May 26
HELEN LENA CLUBHOUSE — 6:00 PM
31 WEST PATTAGANSETT RD NIAN TIC CT

Present: Laurie Corona, Lisa Doggart, Paul Formica, Mary Ann Heenehan, Wick Mallory, Lou Piscatelli, Gerry van Noordennen, Louise Wilcox.

The meeting was called to order at 9:04 am.

BUDGET PROPOSAL FOR 2024/2025

Irene Makiaris presented the proposed budget in a PowerPoint presentation.

The budget committee submitted the proposed budget to the BOG. Louise Wilcox, Joan Malone, Phyllis Berger, Rich Sullivan, John Makiaris.

Of note under expenses:

Association Cottage – Flood insurance for association cottage went up 30%. There is a slight increase in the Town of East Lyme real estate taxes.

There is an increase in the cost in cleaning the beaches.

The beautification committee added a line item for storm damage.

The clubhouse line item has increased due to increased clean crew expenses. Wifi has also been added to the clubhouse expenses.

The Court Committee budget has decreased \$2,200 because social activities are self-funded.

The website line item has increased by \$3,100 due to adding texting and a possible new feature of paying taxes online.

The zoning budget has increased due to having a paid zoning official. BOG budget has gone up because insurance will go up an estimated 35%. Increase in legal, increase in security, contingency.

Of note under current Capital Fund:

Beach - Several years of unspent money in the beach account is being returned to the general fund for \$15,000.

As of May 6, 2024, there was \$243,451 in the capital account. A buffer is being considered to increase the safety net.

Digitizing - \$2,500 has been proposed toward an ongoing upgrade for digitizing at an estimated .10 per copy.

Lakeshore Drive Erosion – create a runoff area for when the water sheets off the road. The rough plan is to create a trench filled with rock and create a berm. The cost will be \$10,000 based on rough estimates.

Pond Fencing – The fencing has outlived its useful life. The proposal is to purchase and install fencing along the pond, which should limit the amount of geese in the pond by deterring them from nesting there.

Beach Cleaning – The East Lyme Giving Garden will clean the beach. Replenishing the beach would cost \$10,000 but since that line item hasn't been used in recent years, it is proposed to repurpose \$15,000 to use elsewhere in the budget.

The BOG hopes that interest in a new capital account will offset the BOG emergency fund.

Paul noted that two new committees have been added to address longer-term potential problems and consider putting dollars aside now for what might happen in the future.

Lou said the GNBA should start planning for things that it knows will happen. He said there will be a large unanticipated expense due to weather and the GNBA should save for it. The GNBA may want a higher mil rate to save for a rainy day.

Pickleball resurfacing should happen every 5 years, and the GNBA needs to start putting aside money to pay for it.

Laurie Corona discussed that digitalizing records will make it easier to pass all information, especially asset information, from one Board to the next. In 2008, the Board created an asset list for the clubhouse, rental cottage, and other assets. Useful life was included on applicable items. Ex: The clubhouse roof was estimated to have a 25-year life span and should be replaced in 2020. This information was not passed along, year to year. Laurie had copies of these documents and provided them to Lou Piscatelli. Gerry van Noordennen noted that the BOG is looking for immediate feedback if there are any red flags in the capital improvement list.

PUBLIC COMMENT

Andrew Young said he is unclear if the presentation is the proposal for the annual meeting. Paul answered that it was but may be revised based on people's reaction to this idea.

Joan Malone noted that the June 15 meeting is a no-discussion meeting. Gerry agreed that the discussion needs to happen at the June 5 BOG meeting.

Mike Heenehan asked what the mil rate is for last FY. The answer is 1.6.

It was noted that there is \$3,000 left in the current budget to add woodchips and cover concrete to the playground. There will also be \$3,000 next year in the operating expense budget.

DISCUSSION

Jim Beaulieu stated that there is no mention of where the money is going in the capital expenses. Last year there was \$58,000 allocated to something that's not clear. The charter states that capital budget expenses need to be approved by the association for specific approved projects.

Paul thinks Jim is referring to the upgrades to the clubhouse which never went to a vote.

Jim thinks the money was never approved but it was taken. Jim is referring to the \$60,000.

Louise Wilcox stated that there are two steps. One is to determine what the transfer will be every year. Last year it was \$60,000, which doesn't mean it was voted for use, rather it just transfers to the capital account.

Jim thinks it's illegal and goes against the organization's charter. It's null and void. "Available capital funds for new projects" is out of our realm. There cannot be capital funds available waiting for a project.

Paul thinks maybe it should be called a reserve fund. Jim says that money should not be available for spending. Paul said the finance committee will look into this more closely.

Jim brought a proposed resolution to the meeting (attached). Paul stated that motions are not to be made today. Resolutions go to the board.

Mario Harris stated that there have been one or two mil rate reductions over the last few years and feels we need to build reserves.

Andrew Young stated that the BOG mil rate is on top of the City's mil rate. As the City's mil rate goes up, the GNBA should reconsider its mil rate. Mil rate indicates lack of capital invested. If the board decides to add a capital investment, then the mil rate will go way up.

Louise Wilcox commented on the history that she knows. At one point the mil rate went up quite a bit to fund the expenses for the pond. Once that was over the board wanted to give a little relief and bring mil rate down. One thing being done differently this year is returning \$45,000 that had been earmarked for projects and no longer earmarking it, so it is available for other projects.

Paul noted that in 1999 the mil rate was 1.6. There has been a variety of increases and decreases in the mil rate throughout history.

Costa Lukelis stated that the capital budget did increase this budget period and we can increase it even more and keep the mil rate the same. Mil rate only makes sense when

you look at the assessment of the property. Keeping the mil rate where it is and increasing capital is a win-win.

Jim Beaulieu stated that there is a cap on the capital reserve fund of \$100,000. This money is reserved for emergencies.

BOARD COMMENTS

Wick commented that if anyone is interested in an absentee ballot, get a request to him. Lou thanked Costa for joining the budget committee as chair.

The meeting adjourned at 10:25.

Respectfully submitted,

Annah Perch

Acting Recording Secretary

Attached: Resolution proposed by Jim Beaulieu

Resolution ; Giants Neck Beach Association.

Annual budget info meeting May 26, 2024

Where as the Charter and Bylaws of the Giants Neck Beach Association Does not grant to the Board of Governors any authority to spend or transfer Association monies without an authorizing vote by the Association members.

Where as the Giants Neck Board Of Governors at the 2023-2024 Annual budget Meeting did motion, second, and call a vote to tax the Association \$58,000 Without any prior association vote authorizing the Details of this Capital Expense As required by the Charter.

Where as "NO MOTION OR , VOTE IS IN ORDER THAT CONFLICTS WITH THE CHARTER, BYLAW, OR STANDING RULES OR RESOLUTION OF THE ASSEMBLY , AND IF SUCH A MOTION IS ADOPTED IT IS NULL AND VOID." (Robert's Rules of Order Revised 1951 pages 54, 80, 201.

I offer the following resolution:

That it be resolved that , all remaining Capital Project monies from fully closed Capital Projects as well as the \$58,000 Capital dollars taken without required Charter review be returned to the general fund , or the reserve fund as is common past practice for Giants Neck Beach Budget surpluses.

James Beaulieu
Giants Neck Resident
May 26, 2024