

OBSC Fall General Membership Meeting

09/03/2022

The meeting was called to order and roll call was taken. Board members in attendance were Don Rica (President), John Wagner (Vice President), Cathy Lentini (Treasurer), Kathy O'Brien (Secretary), Greg Canniff (Building & Grounds), Barbara Ring (Beach) and Kathy Friedman (Marina). Don Rica asked for a moment of silence to honor workers on Labor Day and lead everyone in the Pledge of Allegiance.

Barbara Ring thanked and introduced Lifeguards Joe (Captain) and Kyle who spoke about the past season and highlighted the "border problem" with Monterey residents setting up their beach chairs, tents, and blankets on our beach. Kathy O'Brien asked for approval of the Memorial Day General Membership minutes that were sent to all members. Darlene Pereksta (207 OBB) made a motion to approve, and Eileen Lissack (28 OBB) seconded; motion was carried by vote of membership.

Trustees Reports: Don Rica held his President's report/comments until the end of other Trustees' reports.

Membership: John Wagner advised that one house was still in arrears re: dues. He also stated that we were "a little short on renters' badge fees" because some houses did not rent as many weeks, but we made up for it in initiation fees, and that badge fees will go up approx. 10% next year. He advised of the garbage and recycled pick-up schedule: 9/6 - garbage; 9/12 – garbage and recycle; 9/19 – garbage; 9/26 – garbage and recycle, and so on ... garbage every Monday and every other week for recycle.

Treasurer: Cathy Lentini advised that, for the past six to seven months, she has been attempting to reconcile the Club's cancelled checks and monthly statements from the past three years. She reviewed the past three years because tax returns were not filed for 2019, 2020 and 2021. The records do not reconcile. She does not have documentation for the following: \$4,975 in ATM cash withdrawals without explanation; \$3,000+ paid to an AmEx account without explanation (the Club does not have an AmEx account); approximately \$9,500 paid to Serafin Contracting without explanation. She spoke to a CPA regarding a forensic audit, and he said that she had done the "heavy lifting" and, at best, it appears that there was "questionable bookkeeping" done by past Trustees. Cathy Lentini reached out to some

past Trustees Tom Hungrige, Mike Serafin and Roxanne Rica for input and received the following responses: Mike Serafin directed her to past Secretaries and Trustees; Roxanne Rica (a past Secretary) advised that she did not have any Club documents. The one bucket that was given to this Board by the previous Board was not helpful. Cathy L. will reach out to all past Board members from 2019 – 2021 and keep the membership updated as to any responses she receives.

Larry Freidman (212 OBB) asked for clarification. He confirmed that approximately \$16,000 of Club funds over the past three years is unaccounted for. He asked why prior Trustees would be making cash ATM withdrawals out of Club funds. He inquired whether the current Board was continuing the practice. Cathy L. advised that the current Board was not.

Susan Lambariello (48 OBB) advised that she would check her records/emails to see if she had any relevant documents. She stated that Mike Serafin had a “helper” named “Tony” who she would pay cash. She stated that she kept a “separate file” regarding Mike, and she thought she had put that in the bucket that went to the new Board. She said, if she didn’t, it was a mistake, but not done with malice. Don Rica (250 OBB) asked what the threshold is for generating an IRS 1099 form. Any person who is paid more than \$600 per year should receive a 1099 form from the Club. This was not being done by the prior Board.

Darlene Pereksta (207 OBB) asked Susan why it’s only now that she is going to look for emails/documents when this Board asked for them when they took office nine months ago and there was another request for all emails/documents made at the Memorial Day General Membership meeting (which Susan and other former Board members attended). Darlene stated that, if documents are now going to be produced, the long delay resulted in a lot of Cathy L.’s time being wasted. Don Rica (250 OBB) stated that it wasn’t a waste of time and asked that Susan now “work with” Cathy.

Cathy L. proceeded to discuss the proposed budget (previously sent via email to the membership) and some of the reasons for the proposed \$100 increase in annual dues – property taxes for the marina increased as did insurance cost “across the board “for Travelers Directors and Officers policy.

Kieran Keaveney (24 OBB) questioned what the “real” shortfall in the proposed budget is – he believes it’s \$14,000. There was a discussion as to why the current income does not reflect all income anticipated.

Ryan DeLea(217 OBB) asked whether the Club had fidelity bond coverage that would cover any misappropriation of funds by former trustees. President Don Rica said they would look into it and get back to the membership.

Susan Lambariello (48 OBB) stated that there used to be a bond for \$50,000 that would cover misappropriation, “unless someone let it fall off.” Cathy L. advised that she was never told or given any information about a bond.

Tim Bellars (not a member) suggested that, in the future, the Club should prepare an “August-to-August” budget to give a more accurate picture at the September general membership meetings. Treasurer will take it under advisement.

Sal Bursese (44 OBB) asked if marina fees could be increased to make up shortfall in budget. Kathy Friedman advised that, over the course of the last two years, our slip fees were raised substantially, and, if we raised them anymore, we would not be competitive. Greg Canniff advised that the Board has challenged the new tax assessment on the marina and is waiting to hear the outcome. Toms River increased the assessment significantly in part because our shed is considered a building and our marina is considered a business. The representative from Toms River that inspected the property saw the “Marina Office” sign placed on the shed by the former Board. Greg has since taken down the sign.

Cathy L. also advised there is a “carry over” of approximately \$24,000; we can vote to dip into that or increase annual dues.

Susan Lambariello (48 OBB) stated that she did not care about the proposed \$100 dues increase, but stated that, in the past the Club has kept \$25,000 in “Savings”.

John Lanza (52 OBB) asked why the proposed budget included \$10,000 for “professional fees.” Cathy L. responded that she did not know how much accounting fees would be needed to settle the three years of unpaid taxes, etc.

Cathy L. advised she no longer uses the Quickbook system but needs to continue to pay for it (approx. \$100 annually) in order to access the information that was in it for the years the tax returns were not filed. Kieran Keaveney (24 OBB) stated that he believed the Club should keep the Quickbook system and offered his help. Barbara Ring (133 OBB) suggested that Kieran meet with Cathy L.

Ed Coogan (19 OBB) stated that income is still coming in for this year as was clarified in the documents Cathy L. sent to the membership before the meeting. There was a question (speaker unknown) regarding the increase in the total amount of guest fees anticipated and it was explained that a house (McDonough's) was added and there was an extra week of rental income expected.

Mike Cavanaugh (236 OBB) liked the idea of an "August-to-August" budget. He stated that there was enough worry that we have "a lot to clean up," therefore, a dues increase was warranted. He moved to approve the proposed \$100 dues increase. Diane Felle (117 OBB) seconded as did Ryan Delea (217 OBB) who also suggested that, in the future, the Club's budget include a line item (10% of income?) as "Reserves." The motion to increase dues by \$100 was carried by a show of hands.

Marina: Kathy Friedman stated that the marina had a successful year (took in \$34,900) and "is in good shape." No major repairs were/are needed. She advised that boats must be removed by December 1st.

Beach: Barbara Ring advised that there were no injury/drowning incidents this season. We have an ongoing problem regarding our northern beach border. Members/guests of Monterey Beach Club were rude to our fifteen-year-old badge checker. Captain Joe has had to repeatedly get involved in policing the border by asking people from Monterey to move. Barbara R. has communicated with Monterey's President to address the issue. There was discussion regarding the high density of other beaches due to overbuilding vs. our beach due to our deed restriction which limits the size of our homes.

Tim Bellars (not a member) suggested that our President meet with Monterey's President and their Lifeguard Captain to try to amicably settle the issue before taking things to "the next step" (although he admitted he did not know what the "next step" would be). Barbara advised that she had already met with them and tried to resolve it amicably.

John Lanza (52 OBB) suggested installing 4"x4" posts to define the border. Barbara is looking into perhaps installing pilings with a rope barrier but needs CAFRA permit extension first. Ed Coogan (19 OBB) stated that, in the past, we hired a security guard to monitor the beach.

Barbara R. advised that our last CAFRA permit was filed in 2017 but was done without an engineer and our "walkway" (mobi mat) which Toms River installed is "non-compliant" per NJDEP. She is looking into what the ramifications are; she needs to extend our CAFRA permit by October 4th.

Barbara also advised that we are now obtaining a beach survey for the CAFRA permit extension (which will also help resolve the Monterey border issue) at the cost of \$3,000 to \$4,000. Mike Serafin (116 OBB) advised that we had a beach survey done in 2017 for “everything” and it cost \$1,800. Barbara R. advised that this Board did not receive a copy of that survey; the last survey in the records provided to this Board was done in 2004. Barbara R. advised that this Board has not received any documentation from the prior Board that supported the 2017 CAFRA permit.

Darlene Pereksta (207 OBB) stated that, now, in addition to the “missing” financial documents, this Board was not provided with other Club documents (i.e., 2017 survey). Darlene asked once again if all former Board members in the room would agree to hand over any and all Club documents/files/emails that they have. Erin McGourty (40 OBB) stated that the bookkeeping irregularities/missing financial documents occurred under Matt Giordano’s (former owner of 229 OBB) term as Treasurer, not Susan’s. Darlene clarified that some of the bookkeeping irregularities/missing financial documents occurred in 2019 under Susan’s term. Susan stated she was not asked for documents, etc. Darlene repeated that, at the Memorial Day general membership meeting, all prior Board members were asked to turn over everything they had. Nancy Cardinale (211 OBB) asked “how far back should they go?” Barbara R. responded, “At least as far back as 2017” since that’s when the CAFRA permit was submitted. Ed Coogan (19 OBB) reminded the Board that publication costs need to be included in the budget for the CAFRA permit.

Building & Grounds: Greg Canniff reported that there are two current house builds: Janke (249 OBB)(which will start up again after Labor Day) and DeSimone (233 OBB). He assured membership that everyone must follow the rules and regulations.

Greg C. advised that road repairs (estimated at \$1,862 + tax) are necessary due to road splitting. Bob Felle (117 OBB) stated it should be done before the winter as the cold weather will make it worse.

Greg C. advised that the concrete stanchions of some benches are crumbling/splitting and need replacement. He stated that Monterey has a surplus of composite benches and is willing to sell us some for \$200-\$300 each. He is also looking to replace some wooden bench boards with other material. Instead of memorial names engraved into the concrete, name plaques would be affixed to the composite benches. Geraldine Helseth (265 OBB) stated that plaques are a good idea and asked that the Board investigate addressing the loss of sand under the bulkhead by the bay. Nancy Cardinale (211

OBB) asked whose responsibility is it to maintain/replace the benches. Darlene Pereksta (207 OBB) asked how many benches the Club now has – Greg C. responded “sixteen.” Darlene asked how many were “memorial benches” – Greg C. responded “twelve.” Darlene asked if the cost of replacement of a broken “memorial bench” should be borne by the Club in perpetuity or if the member donating the memorial bench should be asked to repair/replace it. Tim Bellars (not a member) responded that his grandparents’ names were on benches that his family donated, and he did not want them removed. Kieran Keaveney (24 OBB) stated that when his family donated a bench, they “didn’t buy a time share.” Darlene clarified that she was not suggesting removing names from existing benches, but rather considering the donation for the life of the bench and asking the donor if they wish to replace/repair it. Don Rica stated that the Board’s intention was to contact each donor whose bench needed replacement or repair to see if they would be willing to replace or repair it. Tim Bellars (not a member) stated that, if contacted, his family would probably “make it right.” Geraldine Helseth (265 OBB) stated that she wanted to keep the current number of benches.

Greg C. next addressed “the elephant in the room” - the rooftop deck at 47 OBB. Greg C. advised that the Club’s insurance company provided coverage for a lawyer to represent the Board regarding several issues regarding the deck. He stated that he couldn’t comment on the issue any further, that the wheels of justice turn very slowly, and that the membership will be advised as things progress.

Greg C. advised that he anticipates spending considerably less (approx. \$9,000) than was budgeted for Building & Grounds issues. As members complained about the aesthetics of the barrels, Greg purchased a “SLOW” sign that he displayed to the membership. It cost \$158 and he asked if we wanted to replace the barrels with three more signs. A motion to purchase was made (Bob Felle, 117 OBB) and seconded (Bill Reinhold, 129 OBB) but the issue was tabled (by Don Rica) after a member (Dennis Bellars, 31 OBB) indicated he didn’t like the look of the sign and others questioned whether the signs could be easily stolen.

President’s report: Don Rica stated that, regarding new projects, the Board is not just there to fine members after they break the rules, but rather to help each member navigate the rules. Therefore, he encouraged those building/renovating to seek Board advice before doing so.

New Business:

Issue of signs vs. barrels was raised again by Michael O'Sullivan (121 OBB). Again, Don Rica said the issue was tabled due to time constraints and would be revisited.

Dennis Bellars (31 OBB) offered native daisy seedlings to anyone who wanted to come to his house and dig them up.

Dennis Bellars (31 OBB), as Chairman of the Nominating Committee reported the following election results: 67 electronic votes were cast; 3 mail-in ballots were received; total of 70 votes were counted; all incumbents won reelection. Dennis thanked the current Board for their hard work; he said it was a "miracle" given the "toxic environment." He said that two people on the ocean block considered running but decided not to run "under these circumstances." Don Rica, on behalf of himself and others who got reelected, thanked the membership.

Motion to adjourn the meeting was made by Susan Lambriello (48 OBB), seconded by Darlene Pereksta (207 OBB) and passed by a majority of members present.