



Old Lyme Shores Beach Association

Annual Spring Meeting

Saturday, June 17, 2023 – 10:00am
Old Lyme Middle School Auditorium



Agenda

- I. Welcome
 - a. Introductions
 - b. Friends We Have Lost
 - c. Approval of Minutes – Fall Meeting (September 24, 2022)
 - d. Overview
- II. Financials
 - a. 2022/2023 Budget vs Actuals
 - b. 2023/2024 Budget Presentation – VOTE
- III. Nominating Committee – VOTE
 - a. BOG Positions
 - b. Officers and Annual Appointments
- IV. Beach Maintenance
- V. Beach Actions
 - a. July 4th Activities
- VI. Guards and Traffic Safety
- VII. Sewer Project Update
- VIII. Roads and Storm Drainage
- IX. Resident Comments
- X. Adjournment



Friends We Have Lost

Curtiss Clemens, Sr.

Anne Condon

Eleanor Curtin

Bill DiRoberts

Bruce Dooley

Connie Gardiner

Connie Gray

Mary Finley

Wilson Flynn

Charles Galetta

Debbie Begg McKinney

Michele Paulding

Anthony Troiano

Mary Katherine Tuohy

James Tyler

Thomas Yourell



Financials



Old Lyme Shores Beach Association

Budget vs. Actuals: FY 2023 - FY23 P&L

July 2022 - June 2023

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income	\$127,576.98	\$120,200.00	\$7,376.98	106.14 %
GROSS PROFIT	\$127,576.98	\$120,200.00	\$7,376.98	106.14 %
Expenses				
Beach Cleaning / Maintenance	24,406.62	41,500.00	-17,093.38	58.81 %
Capital Projects Reserve	9,176.63	10,000.00	-823.37	91.77 %
Insurance	15,887.00	19,000.00	-3,113.00	83.62 %
Legal & Professional Services	22,460.00	22,500.00	-40.00	99.82 %
Miscellaneous	4,446.71	3,300.00	1,146.71	134.75 %
Payroll Expenses	33,399.24	38,500.00	-5,100.76	86.75 %
Taxes	56.40	100.00	-43.60	56.40 %
Utilities	4,968.65	5,300.00	-331.35	93.75 %
Water Pollution Control Authority	25,000.00	25,000.00	0.00	100.00 %
Total Expenses	\$139,801.25	\$165,200.00	\$ -25,398.75	84.63 %
NET OPERATING INCOME	\$ -12,224.27	\$ -45,000.00	\$32,775.73	27.17 %
NET INCOME	\$ -12,224.27	\$ -45,000.00	\$32,775.73	27.17 %

Old Lyme Shores Beach Association

Balance Sheet

As of June 30, 2023



	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Business Checking	0.00
Capital One	111,712.16
Citizens Bank 8837	35,144.42
WPCA - 2232599145	0.00
Total Bank Accounts	\$146,856.58
Other Current Assets	
Due from Affiliate	853.45
Payroll Refunds	0.02
Undeposited Funds	0.00
Total Other Current Assets	\$853.47
Total Current Assets	\$147,710.05
TOTAL ASSETS	\$147,710.05
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Buy a Brick Account	426.04
Direct Deposit Payable	1,269.35
Payroll Liabilities	
CT Income Tax	0.00
CT Unemployment Tax	23.38
Federal Taxes (941/943/944)	211.73
Federal Taxes (941/944)	0.00
Federal Unemployment (940)	0.00
Total Payroll Liabilities	235.11
Total Other Current Liabilities	\$1,930.50
Total Current Liabilities	\$1,930.50
Total Liabilities	\$1,930.50
Equity	
Opening Balance Equity	0.00
Retained Earnings	158,003.82
Net Income	-12,224.27
Total Equity	\$145,779.55
TOTAL LIABILITIES AND EQUITY	\$147,710.05



Old Lyme Shores Beach Association Proposed Budget for Y/E June 30, 2024

Income	
Taxes - Members	152,000.00
Town Subsidy	4,000.00
Total Income	<u>156,000.00</u>
 Expenses	
Beach Cleaning / Maintenance	44,820.00
Capital Projects	12,500.00
Insurance	15,000.00
Professional Fees:	
Legal and Accounting	57,500.00
Engineering	10,000.00
Hosting/IT	4,000.00
Miscellaneous	4,500.00
Payroll Expenses	
Personnel / consultants	3,000.00
Taxes	3,690.51
Wages	35,147.74
Taxes	100.00
Utilities	5,724.00
Water Pollution Control Authority	25,000.00
Total Expenses	<u>220,982.25</u>
Net Income	<u><u>(64,982.25)</u></u>



Nominating Committee



Nominating Committee

Governors

MaryKate Reynolds

Kathi Stickle

Al Roy

Lou Riccelli

John Mandracchia

BOG Term Expires

6/30/2024

6/30/2024

6/30/2025

6/30/2025

6/30/2025



Nominating Committee

Officers

Position

BOG Term Expires

Bryan Even

President, 1 year term

6/30/2024***

Tom Annulli

Vice President

6/30/2025

Norman Yester

Treasurer, Tax Collector

Annual Appointment

Joanne Gilland

Secretary

Annual Appointment

*** Vote Required. Term of President expires 6/30/2023



Beach Maintenance



Beach Actions



Beach Actions

The Beach Actions identified during the Fall Meeting were discussed and presented at each of our BOG Meetings

- Boat Storage...rack added at Sea Spray
- Boat Registration...Guards will assist, stickers available today, register on website
- Signage...multiple signs replaced, posts are next
- Tax Collection...issue with delinquencies
- Website...simplify, updated, authentication in future
- Insurance...compete to lower premiums
- Storm Drains...cleared and cleaned in May
- Radar Signs...ready for installation



Guards and Traffic Safety



Guards

- Chris Bird remains the head guard this summer
- All guards are from within our beach community
- Guard locations
 - Gates on the open streets, beach, and jetty
- Guards will be utilized from July 4th weekend through Labor Day Weekend and as needed in June (weather permitting)
- Guards will also continue to provide REC activities on weekdays and Beach Movies on Friday nights
 - Movie schedule will be posted on our website and the bulletin boards



Roads and Traffic

- One or two roads will be open each weekend and will follow a consistent rotation
- Open and closed roads will be posted on our website and the bulletin boards
- We will be employing radar speed detectors on each road this summer in addition to our traffic barriers
- Guards will, on occasion, provide a flyer to residents, guests, and commercial vehicles to draw their attention to our speed limit, traffic safety, and to remind them that our roadways are our walkways
- Please drive slowly and safely



Priorities

- Guards will maintain a record of visitors and guests
- Assignment of guards to a position that they are comfortable with
- Issues that are concerning
 - Turning back any people and vehicles at the gates that are not residents or guests
 - Dealing with someone or several people on the beach that are breaking any rules or making it unsafe or uncomfortable for others
 - Difficult situations are difficult, many times it involves an individual(s) being unreasonable
 - Eating and drinking on the beach
 - Traffic and safety on our roadways
- We all should be more aware of our surrounding and our community given recent issues of theft, vandalism, and damage to property



Sewer Project Update



Meeting with DEEP

- Met with DEEP on March 10, 2023
 - Miami Beach, Old Colony Beach, and Town of Old Lyme
 - Representatives from State of CT finance and Treasury
 - Senator Martha Marx and Congressman Devin Carney
- DEEP announced possibility of increasing grant portion of the project from 25% to 50%
- Approximately \$17M additional grant in form of a forgivable loan
- Not a done deal
- If approved certain “rules” or conditions will be attached to this additional grant which are at this point unknown



Meeting with DEEP

- Senator Martha Marx pursuing an additional \$26M for the project in the form of legislation
 - Looking for co-sponsors and support
 - If successful in passing this legislation
 - A fund would be established
 - Applications for funding required
 - No guarantee or commitment of approval
 - Final approval by Bond Commission and the Governor
- If the additional roughly \$17M is approved, unclear how those funds will be distributed
 - May be directed to the “shared infrastructure”
 - May be distributed to the individual beaches based on the percent of EDU’s
 - Determined by percent of EDU’s
 - OLS percent of EDU’s is 21.1% today
- Actual project cost remains uncertain. Would require an additional round of RFP’s
- Many concerns related to inflation, escalation of costs related to materials and labor, contractors' assessment of their risks, timing, change orders



OLS Request for Release From Consent Order

- OLS position and basis for request to be removed from Unified Consent Order
 - Project is not economically feasible, unaffordable
 - Issued a Request for Proposals twice, both times proposals far exceeded our referendum
 - Cost Sharing Agreement has serious issues
 - Organization, leadership, alignment, strategy for operation and maintenance once completed
 - Our Beach Associations are not a municipality with a public works department
 - Lack of critical technical skills necessary to build, own and operate a sewer system
- OLS requested a Modified Consent Order to address OLS individually and specifically
 - Presented outline of a plan to address any pollution that may be present
 - Perform testing to determine if there is actual pollution that OLS is creating
 - Baseline the performance of our resident's on-site wastewater systems
 - Baseline the performance of our storm drainage infrastructure
 - Consider a more frequent schedule for pump outs of certain systems
 - Develop a plan that would provide an "early warning" if issues develop
 - Consider upgrades to existing systems



DEEP Response

- Our request was immediately denied
- Inquired about a new referendum that may demonstrate a lack of support for the project
 - DEEP response to a failure to perform under the Unified Consent Order...
 - DEEP has a number of enforcement mechanisms ranging from fines escalating to litigation
- We remain party to the Cost Sharing Agreement
 - Miami Beach, Old Colony and eventually, the Town of Old Lyme
- DEEP understands that the economic climate has changed drastically
- The project hinges on additional funding
 - Economic Feasibility



What Has Happened Since the March 10th Meeting

- DEEP is now taking a much more conservative position regarding additional funding
 - Rules and conditions remain uncertain
 - Timing is unclear
- We have met with CSA members to discuss substantial changes to the Cost Sharing Agreement
 - Main issues being addressed include
 - Assignment or distribution of additional funding of \$17M
 - May be decided by DEEP
 - May be based on percent of EDU's
 - OLS has 192 EDU's or 21.1% of project total
- Standard definition of "EDU" (or at least a better understanding of differences)
- Decision making process on significant issues as well as routine issues and actions
- Town of Old Lyme officially entering the agreement
- Potential addition of other beach communities to the sewer system once it is operational
- Developing a better understanding of implementation and connections as well as Operations and Maintenance of an operational system



Current Actions

- Developing a financial model of multiple scenarios for OLS residents
 - Lots of variables including
 - Issuing new round of RFPs to refresh current cost and pricing
 - Design changes with internal infrastructure as well as the shared infrastructure
 - Design changes by other beaches will impact total cost
 - Amount of grant funding, 25% vs 50%
 - Escalation of costs beyond previous proposals
 - Impact of continued inflation throughout construction...or continued pause of project
 - Contingency and change orders
 - Project management
 - Long-term operating and management
- We will not support any additional expenditures related to the sewer project until there is clarity on the availability of additional funding
- We will continue to develop a plan and pricing for the repair and improvements related to our roads and storm drainage system
- OLS as well as the other beach communities have extended Interim Funding Obligation (IFO) loans by one year



Bottom Line

- OLS does not have a lot of flexibility, leverage or options
- We are “boxed in” as a result of our decisions and actions since 2012
- Decisions and agreements entered between 2012 and 2020 include
 - Original Consent Order...2012
 - Cost Sharing Agreement...2016
 - Revised Unified Consent Order...2018
 - Intermunicipal Agreement with East Lyme...2018
 - Waste Water Treatment Agreement with New London...2018
- These documents, agreements and orders were entered into and executed willingly based on an Association vote in 2012
- We are left with very few options
- Deep has several enforcement mechanisms to compel us to perform, regardless of cost



What's Next

- If nothing else changes between now and the end of the year...
- Our Interim Funding Obligation will become a permanent loan obligation
 - “Walk Away” cost is approximately \$4,575
 - Pay off lump sum
 - Enter low interest 20-year loan agreement
- **But we can't “Walk Away”**
- OLS is bound by the Unified Consent Order to perform unless it is suspended, modified or withdrawn
- We can vote as an association on a new Referendum or Resolution
 - Formally announcing our support for or against the project



Roads and Storm Drainage



Roads and Storm Drainage

- Roads and Storm Drainage System have not been seriously addressed in many years, beyond issues requiring immediate attention
- Road conditions have deteriorated...more rapidly since installation of deep-water lines
- Plan was to move into sewer project once water project was completed
- Short term
 - Patch worst areas, planned for this summer
- Longer term options
 - More extensive repair work and paving
 - Complete regrading and paving of the roads
 - Will require repair and replacement of traffic and street signage and posts



Roads and Storm Drainage (continued)

- Storm Drainage Repairs
 - **If we are going to pave the roads, we are going to need to complete the work on the storm drainage system first**
 - We have Fuss and O'Neill design work as a baseline
 - Consider changes to plan, as well as materials
 - Sheffield Brook
 - Pursue additional funding from DEEP
 - Issue RFP's, expect reasonable number of proposals
- More detailed options and associated costs will be presented during the 2023 Fall Meeting
- We have met with several bankers/lenders



Resident Comments
Limited to 3 minutes

Adjournment