

OLSBA Board of Governors Meeting - January 21, 2026

Meeting Information

Date: January 21, 2026

Time: 7:04 PM - 8:58 PM EST

Format: Virtual (Zoom)

Attendees: 30 participants total, including 20 residents

Board Members Present

- Paul Yellen (President)
- Jack Thomas (Board Member,)
- Jerry VandeWerken (Board Member)
- Mary Kate Reynolds (Board Member)
- Bob Palazzo (Board Member)
- Jay Moynihan (Board Member)
- John Cunningham (Vice President)
- Tracy Cappellucci (Secretary)
- Rob Cappellucci (Treasurer and Tax Collector)

Special Attendees

- Norbert Church (Legal Counsel)
- Multiple residents

Detailed Discussion Topics

1. December 17, 2025 Meeting Minutes Approval

Motion: Jack Thomas

Second: Bob Palazzo

Discussion Points:

- Paul Yellen noted that "Lyme" was misspelled as "LIME" in several places throughout the minutes
- The AI transcription program continued to make this error despite previous corrections
- Minutes were otherwise thorough and covered the lengthy December meeting comprehensively

Vote Result: Unanimously approved by voice vote (5-0)

2. Beach Use Application - Alexandra Barlow Wedding

Applicant: Alexandra Barlow (granddaughter of Bruce Barlow, property owner on Brightwater Road)

Event Details:

- Date: October 3, 2026
- Expected attendance: 50-60 people
- Time window requested: 12:00 PM to 11:00 PM (11-hour window)
- Setup includes chairs and alcohol service

Discussion Points:

- Jerry VandeWerken asked about written criteria for beach use obligations
- Paul confirmed criteria exist but are outdated and need updating

- Jerry suggested approving with stipulation that applicant agrees to any policy updates
- Bob Palazzo raised concern about glass on the beach and potential broken glass in sand
- Jack Thomas suggested requiring professional beach cleaning after the event to ensure thorough cleanup
- Paul noted the event is in off-season (October), minimizing impact on other beach users

Conditions of Approval:

1. Certificate of insurance required
2. No glass permitted on beach
3. Proper cleanup required (potentially professional beach cleaning service)
4. Compliance with any updated beach use policies

Motion to approve request of beach use: Jay Moynihan

Second: Mary Kate Reynolds

Vote Result: Unanimously approved (5-0)

3. Defibrillator Purchase Research

Presenter: Mary Kate Reynolds

Cost Analysis:

- Device cost: \$1,400 - \$3,000 (depending on model/brand)
- Battery replacement: \$200 (every 4 years)
- Pad replacement: \$189 (every 2 years)
- Protective case for weather elements: Additional cost
- Total estimated cost: \$4,000 - \$5,000 all-in

Key Information:

- Anyone can use the device - it provides step-by-step instructions
- Training is still recommended even though device is user-friendly
- Many beaches have defibrillators available
- Two brands were recommended by the vendor
- National company consulted for initial information

Discussion Points:

- Paul mentioned Common Sense EMS in Old Saybrook as a local vendor option
- Procedures needed for: placement location, daily setup/storage, who manages it
- Jay Moynihan raised liability concerns: What if device is needed but unavailable? What if treatment doesn't go well? Does having one increase association liability?
- Paul noted Old Colony Beach has one in a secure case by their security shed
- Paul will check with Doug at Old Colony Beach about their procedures and experience

Next Steps:

- Research liability issues with insurance company or legal counsel
- Develop procedures for placement and daily management
- Contact local vendor (Common Sense EMS) for pricing
- Include in next year's budget (2026-2027)

Decision: Topic tabled for further research

4. WPCA Update and Revised Bond Resolution

Background:

- Original supplemental bond resolution passed in May 2025 included four parties: Old Lyme Shores, Old Colony Beach, Miami Beach, and Town of Old Lyme
- Town of Old Lyme overwhelmingly voted down their participation in December 2025
- Original resolution contained precondition requiring all four parties to participate

- With town's withdrawal, the resolution became inaccurate according to bond counsel

The Revised Resolution written by Bond Council:

- Single change: Removes "Town of Old Lyme" from the document
- All other terms, conditions, and financial arrangements remain identical
- Language now structured to allow town to rejoin later without requiring another amendment
- If town rejoins (for shared or individual portion), no new resolution needed per bond council
 - Email to Paul from Danielle Braun:** "Hi Paul, To confirm, if the town passes a new bond resolution and then participated in any way in the financing/project, this development would not trigger the need for a new OLS resolution. To recap for the group, Shipman's standard bond resolution does not require any "conditions" relating to other parties' actions (ex. The other beach association resolutions and OLS prior resolution, do not contain such conditions). However, OLS leadership did request we add this conditional language as they believed it would be the only way the supplemental resolution would pass. Another option to avoid potential future hurdles would be to remove all of the conditional language-although it seems like the facts currently support the fact that the other two beach associations are proceeding with the project."

Critical Timeline Issues:

- Bids expire January 31, 2026
- DEEP cannot issue IFOs (Instructions for Occupancy) for construction with town referenced in resolution
- IFOs required for Old Colony Beach to serve as primary conduit for paying contractors
- Meeting scheduled for January 31, 2026, at 10:00 AM at the middle school
- Only 10 days' notice to residents - acknowledged as short but unavoidable

Financial Implications:

- \$15 million in forgivable loans at stake
- Old Lyme Shores' share: \$4,515,000
- Per-home impact: Approximately \$24,000 per property (193 homes)
- Failure to approve by January 31 means losing this funding
- Other beach associations would also lose their portions of the \$15 million

Extensive Discussion Points:

Jack Thomas's Concerns:

- Questioned if town will be forced back into project by state
- Worried about needing another amendment if town rejoins
- Suggested language like "at least 3 participants" to avoid future amendments
- Ultimately supported moving forward to avoid delays

Norbert Church's Legal Clarification:

- Original May 2025 resolution had precondition requiring town's involvement
- Town's withdrawal meant precondition not met
- Sufficient funding exists for three parties to proceed without town
- Shared project costs now divided among three beach associations instead of four
- Revised language is "open-ended" to allow town to rejoin without new resolution
- Confirmed need to remove precondition to move forward

John Cunningham's Technical Explanation:

- DEEP's requirement drives the change, not bond counsel's preference

- DEEP cannot issue IFOs with town referenced in resolution
- IFOs enable construction funding through Connecticut Treasury
- Three parties have sufficient bond envelope for construction
- Bureaucratic requirement prevents moving forward with current language

Jay Moynihan's DEEP Update:

- Had conversation with DEEP earlier that day (January 21)
- DEEP's objective: everything wrapped up by January 31, not waiting for vote
- Jay requested 30-day period (similar to April-May process) for public education
- DEEP showed "muted enthusiasm" for extension - focused on January 31 deadline
- DEEP stated failure to approve would "kill the project"
- DEEP unwilling to extend deadline or provide more time
- DEEP acknowledged lower turnout likely compared to May meeting
- Jay emphasized this situation not created by Old Lyme Shores - result of town's decision
- DEEP acknowledged this but remained insistent on January 31 deadline

Cost and Financial Details Discussion:

- Current authorization: \$22.7 million total for project
- Section 8 of bond resolution: \$18.7 million specifically for sewer
- Remaining \$4 million: Currently unallocated
- Fuss & O'Neill worksheet (December 22): Total project cost \$18.236 million
- Includes only 5% contingency
- Market adjustments will be needed (especially for concrete)
- \$15 million forgivable loan applied to shared project upfront
- 25% Clean Water Fund monies still available
- Net cost appears within acceptable range despite gross cost increases
- More definitive numbers needed as project progresses

Paul asks for a motion to approve the amended resolution

Motion: Jack T

Second: Jerry V

Discussion Continues:

Resident Questions and Comments:

Mark Bernacki:

- Asked about cost per homeowner moving from 4 to 3 parties
- Concerned about approaching \$18.7 million cap in bond resolution
- Jay responded with detailed financial breakdown

Paul Gramal:

- Clarified bids are separate from \$15 million forgivable loan distribution
- Emphasized losing \$4.5 million (\$24,000 per home) if vote fails
- Urged quick action to send ballots to membership

John M:

- Agreed with Jack Thomas that 10 days is too short
- No education provided until this meeting
- Asked if bid extensions were requested
- Jay explained DEEP showed no interest in extensions
- John M called state's approach "heavy-handed" for community acting in good faith
- Suggested approach may be counterproductive long-term

Voting Procedures Discussion:

- Secret ballot voting (same as May)
- Photo ID required
- One vote per property
- Proxy votes allowed with specific requirements
- Proxy must be notarized (can be done out of state)
- Proxy must be delivered to designated person by meeting time
- Proxy holder must be physically present at meeting
- Proxies cannot be emailed or mailed to Beach Association
- Original notarized proxy with raised seal required (not scanned/faxed copy)
- Quorum: 20 people (per association bylaws)
- Majority vote needed: 11 votes minimum

Proxy Recipients Offered:

- Paul Yellen - 15 Billow Road, Old Lyme, CT
- Judeen Wrinn - 49 Billow Road, Old Lyme, CT
- Tracey & Rob Cappellucci – 40 Sea Spray Road, Old Lyme, CT
- Addresses to be included in email to residents

Meeting Conduct Plans:

- Call meeting to order
- Select moderator (Paul offered to serve)
- Opportunity for questions from floor (as required by counsel)
- Call the vote
- No Zoom option (school doesn't have capability)
- Vote counting by Paul, Norbert Church, and one person selected from audience
- No professional accounting firm (unlike May meeting)

Communication Plan:

- Email package sent immediately after board meeting (night of January 21)
- Hard copy mailed next morning (January 22)
- Package includes: cover letter, proxy instructions, proxy form, revised bond resolution
- Residents can print email version and get notarized
- Overnight delivery services (FedEx, etc.) recommended for tight timeline

Legal and Procedural Clarifications:

Norbert Church's Input:

- Bids expire January 31 - that's the "magic" in the deadline
- Amended language allows town to rejoin later without new resolution
- Language now "open-ended" for possible town involvement
- If vote fails, association returns to May 2025 resolution requiring town's involvement
- Failure to move forward puts association in same position as town
- May trigger enforcement action by Attorney General's office

Administrative Consent Order Context:

- Three beaches have combined administrative consent order (since 2018)
- Town has separate administrative order (different from consent order)
- DEEP sent letter to town after December vote failure
- Town will be put under consent order
- DEEP reminded Jay Moynihan during call that beaches have consent order requiring compliance
- All relevant documents available on website for download

Consequences of Vote Failure:

- Loss of \$4.5 million in forgivable loans for Old Lyme Shores
- Loss of remaining \$10.5 million for other beach associations
- Other associations "not going to be particularly pleased"
- Project potentially killed
- Possible Attorney General enforcement action
- Return to original resolution requiring town participation (which isn't happening)

Time to vote on the motion on the floor: vote to approve the amended resolution**Motion:** Jack Thomas**Second:** Jerry Vanderwerken**Vote Result:** Unanimously approved (5-0)**Action:** Email package sent to all residents immediately after meeting; hard copies mailed January 22**5. Treasurer's Report and Financial Update****Presenter:** Rob Cappellucci**Balance Sheet Highlights:**

- Cash balance: \$252,000 as of December 31, 2025
- \$130,000 moved to Citizens Bank CD on January 3, 2026 at 3.5% interest rate
- CD term: One year
- Change will be reflected in next month's report

Association Taxes Receivable:

- Six property owners with unpaid taxes as of meeting date
- Seven or eight unpaid as of December 31 snapshot
- Total unpaid amount: Just under \$4,000

Status of Six Unpaid Accounts:

1. One check not yet received but on its way (homeowner contacted)
2. One on payment plan
3. One outstanding, being pursued
4. Three requiring lien process (three consecutive years unpaid)

Other Financial Items:

- Due from WPCA: \$783 bounced check issue from previous month - check now received, receivable will clear in January
- Accounts payable increased significantly due to Shipman & Goodwin legal services
- Other assets unchanged
- Overall balance sheet very healthy

Shipman & Goodwin Legal Services Detail:

- Original invoice: \$35,700 for services dating back to 2024
- \$10,000 payment made in November/early December
- Remaining balance: \$25,700 now on books
- Full liability now reflected in financial statements
- Received breakdown by year from accounting office (as of January 20)
- Fees pertain to fiscal years 2023, 2024, and 2025
- Impact on legal fees line item affects prior years, not current year
- Cash impact affects current year
- Payment plan established for \$25,700 balance
- Current services being paid as rendered

Budget vs. Actual:

- December expenses: Approximately \$5,500 on accrual basis
- Snow plowing: Bill for December services
- Electricity, grounds maintenance, IT (QuickBooks subscriptions)
- Insurance: Quarterly payments (3 of 4 made for fiscal year)
- Recreation and entertainment: Over budget due to 4th of July celebration
- All other line items on target with budget

Unpaid Taxes - Detailed Discussion:**Jerry VandeWerken's Questions:**

- Asked about dollar amount of liability: Just under \$4,000
- Clarified that lien doesn't get association paid immediately
- Lien provides security for debt still owed
- Payment occurs when property sells or refinances

Jack Thomas's Explanation:

- Lien filed against real estate specifically
- Proceeding against property to get paid
- Unlikely anyone loses house over \$500, but process must be followed
- Not general creditor situation - specific lien against property
- Must file lien and inform property owners of intent to move forward
- Some owners may not realize these are real estate taxes (not HOA fees)

Rob Cappellucci's Response:

- Three accounts are historical issues
- No response to multiple emails and communications
- May not have contact numbers for some - would require door knocking
- Registered letter, return receipt requested suggested
- Won't force real estate transaction for \$1,500 amounts
- Small percentage of overall tax roll
- Interest being charged and collected at 1.5% per month

Bob Palazzo's Question:

- Asked if these are old bills with current payments being made
- Rob clarified: Three consecutive years unpaid (not just old bills)

Paul Yellen's Clarification:

- These are actual taxes, not HOA fees or assessments
- Special taxing district granted through Connecticut statute
- Association actually collects taxes (not HOA dues)
- Same as town property taxes - town would lien for non-payment too
- Not being heavy-handed - following legal process
- Doing what law permits to collect taxes

Additional Legal Context:

- Statute gives specific time period to file lien
- Once filed, lien valid for 15 years
- At 15 years, must start foreclosure or lose lien
- Property sales typically trigger payment before foreclosure needed
- Bank foreclosures also trigger lien payment
- Association has statutory authority to lien for unpaid taxes (similar to town)
- Interest accrues at 1.5% per month on unpaid taxes

Next Steps:

- Paul and Rob to develop plan for addressing unpaid taxes
- Registered letters, return receipt requested
- Proceed with lien filing process

Motion to Accept Treasurer Report: Bob Palazzo

Second: Mary Kate Reynolds

Vote Result: Unanimously approved (5-0)

6. Attorney Norbert Church Contract Extension

Presenter: Jay Moynihan

Previous Appropriations:

- Initial appropriation: \$5,000 for preliminary sewer project work
- Second appropriation: \$6,000 for CSA review work
- Total appropriated to date: \$11,000

Work Completed:

- Review of New London Agreement
- Review of East Lyme Agreements
- Informational presentation to WPCA on roles and responsibilities
- Assistance with bond resolution preparation
- Attendance at various DEEP meetings
- Active involvement in association meeting preparation

Invoice Status:

- Only one invoice submitted to date
- Unclear what further action needed
- Some tasks still outstanding (New London Agreement, East Lyme Agreement)
- Additional work emerged beyond original scope

Decision: Item tabled for further discussion

Reason: Uncertainty about what additional appropriation or action needed at this time

7. Budget Preparation for 2026-2027**Direction from Paul Yellen:**

- Rob Cappellucci to begin budget preparation process
- Work with Julia and finance committee
- Include funding for defibrillator purchase
- Include specific funding for Sheffield Brook Engineering
- Jack Thomas and Paul Yellen to develop Sheffield Brook budget numbers
- Goal: Avoid being caught unaware when Old Colony bills arrive

Action Items:

- Rob: Start budget process with finance committee
- Jack and Paul: Develop Sheffield Brook engineering cost estimates

8. Bill Approvals**Bills Presented:**

1. Nickerson Landscaping: \$1,800 for snow removal (December services)
2. Paul Yellen: \$156 for stamps (Old Lyme Post Office)
3. Paul Yellen: \$31.87 for envelopes (Staples)
4. Paul Yellen: \$304 for printing (Staples)

Notes on Printing/Envelope Costs:

- Paul applied for tax-exempt account with Staples
- Received \$100 discount on printing
- No tax charged on purchases

Note on Nickerson Invoice:

- Paul requested more detailed invoices with dates of service
- Will follow up with phone call to Peter Nickerson

Motion to approve bills to be paid: Jack T

Second: Bob Palazzo

Vote Result: Unanimously approved (5-0)

9. Payment of Invoices Prior to Board Approval

Background: Discussion from December meeting about paying bills between board meetings

Jack Thomas's Position:

- Suggested getting bills presented more timely
- Prefers board involvement in bill payment
- Doesn't favor giving spending authority under certain amount
- Wants to avoid situation where someone has unilateral spending authority

Rob Cappellucci's Suggestions:

- Could cap spending amount for between-meeting payments
- Could allow payment if within approved budget line item
- Example: Nickerson budgeted at \$5,000 - if under \$5,000, allow payment
- Holding payment creates problems with vendors
- 30-day wait is difficult for small local vendors

Paul Yellen's Perspective:

- Small local vendors depend on timely payment
- Nickerson and Soup Campbell are small, local companies
- Explains to vendors: bills paid third Wednesday of month
- Some vendors compare to town process (town doesn't present all bills to Board of Selectmen)
- Creates challenging position for association
- Bills still come to Board of Governors for information
- Already have this arrangement for Connecticut Water and Eversource

Historical Context:

- Previous administrations used president/vice president/treasurer approval
- Led to problems - board didn't know what was being paid

Bob Palazzo's Input:

- 30 days is standard for plowing services
- Most people don't pay after every storm
- Once monthly billing is sufficient and standard

Decision: No changes made to current process

Result: Bills continue to require Board of Governors approval before payment

10. Sheffield Brook Update

- No new updates, table to next meeting

11. Any additional items added to the agenda

- None

12. Public Comments

Mark Bernacki (Former New Britain Town Clerk):

- Strongly recommends placing liens on properties

- Not foreclosing - just putting instrument on land records
- Ensures obligation paid when property sells
- Title searchers will find lien during due diligence
- Association recovers: initial taxes + 1.5% monthly interest + recording fee
- Once satisfied, association provides release to property owner
- Owner responsible for recording release with Old Lyme Town Clerk
- Removes blemish from record for clean sale
- In New Britain, done once annually (not monthly)
- Can pick specific month (January, February, etc.) for annual lien filing
- Lien sent to town clerk's office for recording

13. Adjournment

Motion to adjourn: Mary Kate

Second: Jack

Vote Results: Unanimous adjournment at 8:58pm