

Draft Meeting Minutes of the OLSBA BOG

Regular Meeting - December 17, 2025

Meeting Details

Date: December 17, 2025

Time: 7:00PM

Location: Virtual Meeting (OLSBA Secretary's Personal Meeting Room)

Attendees: 26 participants total, including Board members and community members

Board Members Present

- Jerry VandeWerken (Board Member)
- Jay Moynihan (Board Member)
- Mary Kate Reynolds (Board Member)
- Jack Thomas (Board Member)
- Tim Larson (Board Member)
- Bob Palazzo (Board Member - joined late)

Officers Present

- Paul Yellen (President)
- John Cunningham (Vice President)
- Rob Cappellucci (Treasurer)
- Tracy Cappellucci (Secretary)

Committee Members Present

- Judeen Wren (Nominations Committee)

1. Call to Order and Attendance (7:04 PM)

President Paul Yellen called the meeting to order at 7:04 PM. A quorum was established with 4 Board of Governors members present (quorum requires 4 members). Tim Larson joined the meeting at 7:25 PM after experiencing technical difficulties.

2. Approval of Minutes

November 19th Meeting Minutes

- Motion to accept: Jay Moynihan
- Second: Jerry VandeWerken
- Vote: Unanimous approval (Jerry, Jay, Mary Kate, Jack)

December 3rd Special Meeting Minutes

- Motion to accept (as prepared and edited): Jerry VandeWerken
- Second: Mary Kate Reynolds
- Vote: Unanimous approval (Jerry, Jay, Mary Kate, Jack)

3. Snow Plowing Contract - Nickerson Landscaping

Background: Nickerson Landscaping has an ongoing contract for snow plowing and sanding services during winter months.

Contract Details:

- Requested 3% increase from last year's rates
- Sand and salt costs to be determined separately based on local supplier and town pricing
- Nickerson had already plowed and sanded roads after recent snowfall on Sunday morning

- Roads reported to be in good condition after service

Motion: Accept 3% increase for snow plowing services

- Motion: Jack Thomas
- Second: Jerry VandeWerken
- Vote: Unanimous approval (Jerry, Jay, Mary Kate, Jack, Tim Larson)

4. Treasurer's Report (Rob Cappellucci)

Financial Overview - November 2024

Cash Position:

- Current cash balance: \$266,000
- 7 homeowners still owe association taxes
- Collection rate: approximately 99.5%
- Interest continues to be levied on outstanding balances
- No significant collectability issues expected (excluding properties being considered for liens)

November Expenditures: Total of \$3,537

- Bill Campbell's final mowing invoice for ball field
- Utility costs (typical and consistent month-over-month)
- Software and technology fees (QuickBooks)
- Final security bill (one unpaid bill plus reissued check for lost payment)

Accounts Payable Status:

- All bills as of November 30th have been paid
- Items on approval list for current meeting to be paid later in the week
- \$10,000 represents first installment on Shipman & Goodwin invoice

Shipman & Goodwin Invoice Discussion

Background: Mark Bernacki questioned the accounting treatment of the Shipman & Goodwin invoice at the previous meeting.

Invoice Details:

- Total invoice amount: \$35,700
- Services: Bond counsel services for shared sewer system and internal systems
- Time period: March 2023 through April 2024 (when Jay Moynihan requested invoice)
- Engagement letter dated April 11, 2021, signed by then-president Matt Merritt and WPCA chair Joe Halloran

Engagement Letter Scope:

- 7 different closings identified in the agreement
- Shared IFO services: \$25,000
- 3 internal IFOs (one per association): \$15,000 each
- 3 internal PLOs upon project completion: \$15,000 each
- Total quoted fees in engagement letter: \$115,000 (to be shared ratably among 3 associations)

Payment Arrangement:

- Outstanding prior year expenditures to be paid over two-year period (fiscal years 2026 and 2027)
- Current year expenditures to be paid as invoiced going forward
- First payment of \$10,000 made December 1st (confirmed received by Shipman)
- Shipman & Goodwin has agreed to this payment schedule

Accounting Treatment Recommendation:

- Rob Cappellucci recommended adjusting the \$35,700 across fiscal years 23, 24, and 25

- This approach puts expenses in the correct periods rather than burdening fiscal year 2026 with the entire amount
- Danielle Braun (Shipman) was asked to provide time history to support the allocation
- Financials will be adjusted in December and presented at January meeting

Discussion Points:

- Jerry VandeWerken asked whether the engagement letter described a specific completed project
- Concern raised about ongoing conversations with bond counsel potentially incurring additional time not covered by prior engagement
- Jay Moynihan explained that Shipman had been accumulating invoices expecting construction to start earlier, planning to incorporate costs into final loan document
- Shipman was not sending invoices because they anticipated folding them into the construction project financing

Motion: Accept Treasurer's report including recommendation on Shipman invoice accounting

- Motion: Jerry VandeWerken
- Second: Jay Moynihan
- Vote: Unanimous approval (Jerry, Jay, Mary Kate, Jack, Tim)

Tax-Exempt Property Analysis

Background: A resident questioned why the association doesn't extend the same tax exemptions that the Town of Old Lyme provides to certain property owners.

Analysis Results:

- 8 properties identified with town exemptions
- Total assessed value of exemptions: \$246,000
- 4 exemption categories identified:
 - Veterans exemptions
 - Disabled veterans exemptions (as defined by specific act)
 - Age-based exemptions
 - Income-based exemptions
- Impact on association: \$467 in lost tax revenue (using 1.8 mill rate)

Discussion:

- Jay Moynihan suggested this should be voted on at the annual association meeting (similar to Massachusetts town meeting procedures)
- Exemptions would be affirmed annually as part of the warrant before the beginning of each fiscal year
- Tim Larson asked about collection rate (confirmed at 99.5%) and expressed support for the \$500 cost
- Paul Yellen noted this would require advance notice to members before the annual meeting

Follow-up Actions:

- Item to be added to annual meeting agenda
- Advance notice to be sent to members explaining the proposal
- Paul Yellen to follow up with assessor's office regarding verification procedures
- Discussion about whether association needs to verify qualifications or can rely on town's verification

Public Comment: Resident noted that the whole association must vote (not just Board of Governors) and someone would need to review exemption applications to verify income levels and Veterans DD Form 214 documentation.

5. Bills for Approval

Bills Presented:

- Bill Campbell: \$775 (final mowing)
- Terry Donovan: \$65 (shutting off water services at end of Brightwater)
- Cirma (liability insurance): \$2,513
- Cirma (workers' comp): \$353

Motion: Approve payment of bills as presented

- Motion: Jerry VandeWerken
- Second: Mary Kate Reynolds
- Vote: Unanimous approval (Jerry, Jay, Mary Kate, Jack, Tim)

Discussion on Item 4B: Rob Cappellucci confirmed he was not aware of any debts or bills incurred by either BOG or WPCA beyond what was presented. The only questioned item was the Shipman invoice, which was already known and now being addressed.

6. Nominations Committee Report (Judeen Wren)

Committee Composition:

- Judeen Wren
- Sarah Fay
- Steve Potter
- Jack Reynolds
- Rob Cappellucci
- Paul Yellen (ex-officio member)

Committee Learning Process:

- All committee members are new to this particular committee
- Three members are new to any OLS committee
- Committee learned in fall that they should be helping and supporting all committees with openings
- Met several times to understand their role and ensure proper fulfillment of duties

Committee Documentation Update

Process:

- Paul Yellen updated the committee document with tremendous help
- Committee made minor edits (shown in red) based on conversations with Paul
- Goal: Send document to current committee members with explanatory letter

Purpose of Outreach:

- Thank committee members for their work
- Verify document accuracy
- Confirm committee descriptions match members' understanding
- Verify member names are correct
- Gather additional information:
 - Does the committee have a designated leader?
 - Should there be a lead person?
 - Would a single point of contact with a board member/officer be helpful?

Survey Tool Implementation

Research and Testing:

- Committee researched free survey tools to handle information efficiently
- Selected SurveyMonkey (free, basic version)

- Tested by Judeen Wren, Sarah Fay, and Steve Potter
- Basic functionality deemed sufficient for needs

Survey Distribution:

- Same survey sent separately to each committee (to allow sorting by committee)
- Responses will be assembled and brought back to Board of Governors
- All feedback will be provided to the board

Timeline: Survey to be sent in January (avoiding holiday interference)

Board of Governors Elections - 2026

Positions Up for Election:

- Board of Governors: Bob Palazzo, Jack Thomas (filled short-term position)
- Officers: Secretary, Treasurer, Vice President, President

Committee Responsibilities:

- Track vacancies for Board of Governors and WPCA
- Solicit candidates in advance
- Conduct interviews
- Provide input to Board of Governors
- WPCA takes responsibility for WPCA members but can call upon Nominations Committee for assistance

Committee Role Discussion

Key Question: What is the actual role of the nominations/recruitment committee?

Two Perspectives:

1. Simply verify minimum qualifications and bylaws requirements
2. Conduct deeper vetting including background, motivation, and interest assessment

Committee's Position (Judeen Wren):

- Committee believes they should NOT be nominating
- Should gather more information about candidates beyond basic charter requirements
- Should collect background information related to the position
- Should submit comprehensive information when presenting candidates to Board of Governors

Board Discussion:

- Mary Kate Reynolds emphasized the importance of recruiting volunteers throughout the year rather than scrambling before annual meeting
- Noted difficulty in getting volunteers for committees, board, and WPCA positions
- Appreciated committee's year-round approach to talking with potential candidates
- Agreed that vetting and bringing candidates to the table is extremely helpful
- Suggested certain committees are higher priority than others

Paul Yellen's Comments:

- Discussed Connecticut FOI (Freedom of Information) implications
- If committees are formally voted on and approved by Board of Governors, they become official groups subject to FOI regulations
- This would require public meetings, warnings, and accessibility for all activities (even informal gatherings like working on beach drainage)
- Expressed concern about cumbersomeness of running committees under FOI requirements
- Indicated preference not to have Board of Governors vote on all committee members to avoid FOI complications
- Clarified no intention to keep committee activities secret from members

Jerry VandeWerken's Feedback:

- Praised the committee's work
- Expressed support for the survey tool to update and verify information
- Agreed the approach would be helpful

Conclusion: Board expressed support for committee's approach. Paul Yellen and Judeen Wren to discuss implementation details in the next day or two.

7. Sheffield Brook Status (Jack Thomas)

Updates:

- New permit for discharge has been issued but not yet reviewed by Jack Thomas
- At least one pipe was flowing water as of a few days ago
- Paul Yellen met with residents on Sea Spray Road whose properties back up to Sheffield Brook
- Residents have been cleaning brush and working to keep water flowing properly

Outstanding Issues:

- Mr. Whalen from Old Colony raised concerns about riprap behind a blue house
- Jack Thomas had discussion with Bill Campbell about the issue
- Mr. Whalen has not provided a quote for cleaning out the riprap

Conclusion: Board will continue monitoring the situation.

8. Infrastructure Project

Internal Sewer Project Bid Recommendation

Background:

- Bids opened October 8, 2025
- 120-day bid validity period expires circa February 8, 2026

Recommendation Details:

- Fuss & O'Neill (F&O) recommendation dated November 3, 2025
- Recommended bidder: Baltazar Contractors Incorporated
- Bid evaluation and reference checks conducted by F&O
- Difference between low bidder and next bidder: approximately \$3.2 million

Recommended Bid Components:

- Base bid
- Bid Alternative 1: Storm drainage
- Bid Alternative 4: Cold reclaimed sub-base and 4-inch HMA pavement
- Total recommended amount: \$11,436,115

Paving Options Discussion:

- Four paving alternatives were included in the bid
- Recommended option is better quality than the lowest option
- Difference between lowest and recommended paving option: approximately \$100,000
- Kurt Mailman presented this recommendation at October 9th joint meeting

Formal Motion (Reviewed by Legal Counsel):

Move that the Board of Governors concur with the November 3rd, 2025 recommendation of Fuss and O'Neill, and herein votes to recommend to the Connecticut Department of Energy and Environmental Protection (DEEP) that based on the bid evaluation and reference checks conducted by F&O, the Board of Governors believes Baltazar Contractors Incorporated is the lowest responsive responsible bidder based on the bids opened on 10-8-2025 for the Old Lyme Shores Beach Association Internal Sewer and Association Improvement Project. The

recommendation of the Board of Governors is for the base bid plus storm drainage (Bid Alternative No.1) and cold reclaimed sub-base and 4-inch HMA pavement (Bid Alternative No. 4) for \$11,436,115, and that the President of the Old Lyme Shores Beach Association is authorized to convey this recommendation to DEEP.

Clarifications:

- This is similar to the December 8th letter indicating preparation to move forward
- This is NOT a final signed contract with Baltazar
- Final contract document will come later in the process
- This extends the action taken at the December 3rd special meeting

Motion: As stated above

- Motion: James Moynihan
- Second: Mary Kate Reynolds
- Vote: Unanimous approval (Bob, Jerry, Jay, Mary Kate, Jack, Tim)

Attorney Church's Comment: Jay Moynihan noted (paraphrasing) that Attorney Church considered this "one of the great motions he has ever read in his career."

Follow-up Action: Paul Yellen to send form letter to DEEP confirming the Board's recommendation.

Stormwater Project Discussion

Current Status:

- Stormwater component (Bid Alternative 1) included in the motion to DEEP
- Recommendation is to include it now so DEEP can review and potentially authorize
- Gives OLSBA time between January and DEEP's response (expected by end of January/beginning of February) to develop stormwater plan

Planning Meeting:

- WPCA setting up meeting with Fuss & O'Neill
- Attendees: Bob Palazzo, Jay Moynihan, Marty Merritt
- Challenge: Person who wrote the stormwater report has retired; F&O determining who should meet with the group
- Original stormwater work included in 2019 report
- Alternative project scopes may be available that are less expensive and less extensive

Permitting Requirements:

- Once stormwater decision is made, permits must be filed with Army Corps of Engineers and DEEP
- Permit process objective: 180 days (can take longer)
- Must be tied to an engineering plan
- Any deviation from original plan needs to be reviewed

Cost Considerations:

- Bid difference between October 2021 and October 2025: over \$1 million increase
- With contingencies, costs could run higher
- Bond authorization passed in May: \$22.7 million total
 - \$18.7 million specifically designated for sewer
 - \$4 million generically implied for stormwater (not specifically earmarked)

Funding Discussion (Tim Larson's Questions):

- Tim asked how the project would be paid for
- Clarified that motion is not authorizing a contract, just recommending to DEEP

- Bond authorization of \$18.7 million for sewer (\$13 million from May 24th vote, \$9.7 million from 2012)
- Clean Water Funds commitment needed from state before notice to proceed can be given to contractor
- Clean Water Funds approval process: approximately 6+ weeks after notice to award

Stormwater Financing Challenges:

- Bob Palazzo noted the need to determine what portion of paving is OLSBA's responsibility (undisturbed areas)
- If 80% of road is disturbed by sewer work, OLSBA may be responsible for remaining 20%
- Stormwater financing is an open question
- In municipal context, would typically use interim financing bonds or cash flow
- Unclear if private financing is available for beach association for 20-30 year terms
- Rob Cappellucci agreed to explore options with contacts familiar with municipal financing

State Funding for Stormwater:

- State indicates up to 45% of stormwater cost potentially available in Clean Water Funds
- Likely needs to be a nexus between construction timing (roads being opened for sewer work) and stormwater installation

Construction Sequencing:

- Bob Palazzo suggested contractor would likely concentrate on sewer lines first, then storm drainage
- Might work by street: complete sewer lines and drainage on one street before moving to next
- Would allow for temporary patching as work progresses

Timeline Considerations:

- Recommendation: Approve and send to DEEP now while bids are still valid
- Gives approximately 4-6 weeks to better understand stormwater options
- WPCA and team to meet with F&O (hopefully next week) to discuss scope alternatives
- Will develop recommendations for Board of Governors on how to proceed

Bob Palazzo's Note on Costs: Some major cost components (diesel fuel, oil for asphalt) have decreased since October, which might offset other increases.

Town of Old Lyme Vote Results

Vote Outcome:

- Town voted against moving forward with the shared infrastructure project
- Vote: 925 against, 363 in favor
- Opposition was very active in getting out the "no" vote
- Extensive use of signs and social media by opposition

Current Status:

- Town is in a dilemma regarding next steps
- Martha Shoemaker (First Selectwoman) waiting to meet with DEEP to discuss ramifications
- Miami Beach voting on Saturday, December 20th on their participation

Paul Yellen's Comments:

- These developments are totally out of Old Lime Shores' control
- OLSBA is doing due diligence to move forward
- Documentation of progress demonstrates compliance with DEEP consent order
- DEEP and AG's office cannot claim OLSBA is dragging feet or not making progress

Potential Two-Party Scenario Discussion

Jerry VandeWerken's Proposal:

- Assuming Miami Beach votes no, explore whether Old Lyme Shores and Old Colony could proceed together
- Request state allocate full \$15 million forgivable loan plus 25% Clean Water Funds
- Estimated total shared project cost: \$22-24 million (depending on market rate adjustment)
- If capped at \$24 million with state funding, unreimbursable amount split 50-50 with Old Colony might fit within OLSBA's bond resolution
- Would require member approval to modify bond resolution for two-party approach

Benefits of Two-Party Approach:

- Locks in \$15 million forgivable loan and 25% Clean Water Funds
- Brings unreimbursable amount to manageable number
- OLSBA and Old Colony would own the shared system
- Could set terms for Miami Beach and Town to buy in later at higher price
- Potential to retire some internal debt if others buy in later
- Complies with consent order requirements
- State could then pressure Miami Beach and Town to participate

John Cunningham's Analysis:

- Math is straightforward: sum of OLSBA's \$22.7 million and Old Colony's bond authorization
- If total internal and shared projects fit within combined bond envelope, DEEP could force them to proceed
- Would increase OLSBA's costs (e.g., if share was \$1 million, might become \$2 million)
- Could still fit under bond resolution
- Make it palatable by noting ownership of shared system and potential for others to buy in at premium later

Challenges Identified:

- Would need all 4 parties to agree to abandon existing Cost Sharing Agreement (CSA)
- Old Colony might prefer to lean on Miami Beach and Town to pay their committed share
- Would require rewriting CSA between Old Colony and Old Lime Shores
- Need to determine buyback terms for Town and Miami Beach

State Funding Considerations:

- Jerry suggested requesting state put a cap on unreimbursable amount for OLSBA and Old Colony
- Jay Moynihan expressed skepticism that state would commit more money now (would have done so before bond resolutions if willing)
- However, acknowledged worth exploring with state
- State may have different internal perspectives (not monolithic)

Jay Moynihan's Recommendations:

- Wait for Miami Beach vote on Saturday
- Meet with DEEP after vote to understand their position
- Assess whether DEEP wants to continue with two parties
- Understand DEEP's plans for \$15 million forgivable loan
- Then react in ways that serve OLSBA's best interests
- Document concerns and explore all options including two-party approach

Timing Concerns:

- Shared project bids extended only until end of January
- Need to act while bids are still valid
- Risk of significant cost increases if bids expire (doubled between 2021 and 2025)

Attorney General Contact Discussion

Tim Larson's Position:

- Important to have attorney contact Attorney General to determine OLSBA's legal standing
- Need to understand obligations of non-participating entities (Town, potentially Miami Beach)
- OLSBA has done everything required under consent order
- Worked with state agency and municipality in good faith
- Should go on offensive rather than waiting
- Need definitive answers and paper trail of documentation
- Shows OLSBA is on forefront, asking questions, not fooling around

Paul Yellen's Response:

- OLSBA's documentation of progress demonstrates compliance to DEEP and AG's office
- Doing everything possible to meet consent order
- AG's office cannot claim OLSBA is dragging feet
- Other two players (Town, Miami Beach) are out of OLSBA's control
- Suggests taking a vote to authorize the president to reach out to our attorney and then as needed reach out to the AG's office.

Motion: Authorization for the President to be able to reach out to OLSBA's attorney, and then, as needed reach out to the AG's office.

- Motion: Jay Moynihan
- Second: Tim Larson
- Vote: Unanimous approval (Jerry, Jay, Mary Kate, Jack, Tim, Bob)

9. Informational Signs

Paul briefly mentioned the previously approved informational signs.

- **Details**
 - **Paul:** Confirmed the signs were included in the budget and approved.
 - **Rob:** Noted a deposit check might be needed for SignPro.
- **Conclusion**
 - Paul will proceed with SignPro to implement the signs.

10. Board Member Conduct

Tim Larson raised concerns about a letter sent to Paul Yellen.

- **Details**
 - **Tim:** Expressed concern about a board member personally admonishing Paul for his vote or activities.
 - **Paul:** Acknowledged receiving negative communications but suggested not responding and moving forward.
 - **Paul:** Announced he will not be a candidate for president in the upcoming June election.
- **Conclusion**
 - No formal action was taken on this matter.

10. Public Comments

- None
- Paul states he will not be a candidate for President in June

11. Adjournment

Motion: Meeting Adjournment at 9:07pm

- Motion: Tim Larson
- Second: Bob Palazzo

- Vote: Unanimous Approval (Jerry, Mary Kate, Tim, Jay, Bob, Jack)