OLSBA BOG Meeting 11.17.2026 Meeting via zoom, Meeting Minutes

Key Takeaways

- Quorum was achieved with 4 board members present; meeting was called to order at 7:01pm.
- Minutes from the October 20th, 2026 Regular Meeting were approved.
- Nickerson Landscaping snow plowing contract for the 26-27 season was approved with a 3% increase; a hold-harmless clause for equipment damage due to construction conditions will be pursued.
- A resident's offer to fund the purchase and installation of a ladder on the association raft was accepted; the Vice President is authorized to research costs.
- A resolution on Change Order Approval Authority under Clean Water Fund Project 645-C was adopted, capping individual change orders at $25,000 (jointly approved by the association president and WPCA chair) with a cumulative cap of 2% of the original contract price (~$228,722).
- A Future Use Sewer Laterals Policy was adopted, allowing residents with vacant or subdividable lots to elect a future-use lateral at their own expense.
- Construction and billing status was reviewed; Baltazar is currently focused on sewer work, with stormwater work not expected until 2027.
- Dime Bank has submitted the most mature private placement financing proposal at 6.75% fixed for 20 years (tax-exempt); two other banks are still in early stages.
- The Town of Old Lyme has not yet formally responded to the beach associations' demand to honor their contractual obligations; a meeting with the Town of New London is scheduled for December 11.
- Next meeting is scheduled for December 15th.

Discussed Topics

1-2. Call to Order and Agenda Adoption-Motion 2.1 “To adopt the agenda as published, including time allocations, with a target adjournment of 8:30pm.”

Quorum was confirmed and the meeting was called to order by John Cunningham at 7:01 pm.

- **Details**

- John: Confirmed quorum with 4 members; Jerry Vande Werken, Jack Thomas, Tim Larson, and Bob Palazzo (Mary Kate Reynolds was unavailable and Michael Vasile's attendance was uncertain initially.)
- Officers present: President-John Cunningham, Vice President-Paul Yellen, Secretary-Tracey Cappellucci
- Tim: Moved to adopt the agenda.
- Jerry: Seconded the motion.

- **Conclusion**
  - Agenda adopted unanimously.

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3. Approval of Minutes-**Motion 3.1**

Minutes as circulated from the October 20, 2026 Regular Meeting were presented for approval.

- **Details**
  - Tim: Moved to approve the minutes.
  - Jerry: Seconded the motion.
- **Conclusion**
  - Minutes approved unanimously.

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4. Treasurer's Report (Deferred)

John noted that Rob (Treasurer) was unable to attend and had reported about some bills being paid. No formal report was presented.

- **Details**
  - John: Rob indicated a couple of bills were being paid.
- **Conclusion**
  - Report deferred to next meeting

5a. Beach Operations – Nickerson Landscaping Snow Plowing Contract: **Motion #5.1:** "To approve the snow plowing contract with Nickerson Landscaping as presented, at a 3% increase over the prior contract."

Paul Yellen presented the renewed snow plowing contract with Nickerson Landscaping for the 26-27 season.

- **Details**
    - Paul: Contract is identical to last year with a 3% increase across the board; sand and salt pricing not yet fixed. Peter Nickerson is pleased with temporary patching on Billow Road but has some concern about gravel-patched roads.
    - Tim: Raised the idea of reducing the number of roads plowed during winter given construction disruption; Paul recommended maintaining all four roads for emergency access.
    - Bob: Asked whether competing bids were obtained; Paul explained other contractors declined to bid due to construction risks and potential equipment damage.
    - Jerry: Raised the question of whether a hold-harmless clause should be added to the contract to protect the association from liability for equipment damage caused by construction conditions.
    - Jack: Asked whether the existing contract language already covers this; Paul confirmed it does not specifically address road hazards.
    - Paul: Agreed to address the hold-harmless issue directly with Peter Nickerson.
    - Tim made motion 5.1 to approve the contract, seconded by Jerry
- **Conclusion**
    - Contract with Nickerson Landscaping approved unanimously.
    - Paul to follow up with Peter Nickerson regarding a hold-harmless clause for equipment damage due to construction conditions.

5b. Beach Operations – Raft Ladder Donation-**Motion #5.2:** "To authorize the Vice President to research installing a donated ladder on the Associations swim raft and report back to the board."

Paul presented a resident's offer to fund the purchase and installation of a ladder on the association raft.

- **Details**
    - Paul: Clarified that the resident is donating funds for the purchase and installation, not the ladder itself.
    - Tim: Moved to authorize the Vice President to research the purchase and installation of the ladder, seconded by Jerry

- **Conclusion**

- Motion approved unanimously; Vice President authorized to research costs and report back to the Board of Governors.

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6. Change Order Approval Authority **– Motion #6.1**: "To adopt the Resolution on Limits on Change Order Authority under Clean Water Fund Project 645-C as circulated." (See meeting Agenda with attachments to supporting documents)

Tim Larson presented the resolution to establish formal limits on change order authority under the Clean Water Fund Project, following a recommendation from the WPCA.

- **Details**
  - Tim: Explained the rationale — the existing May 2026 Notice to Proceed gave the president unlimited change order authority with no second approver and no board reporting. The new resolution adds structure and transparency.
  - Jerry: Requested that the full resolution details be recited for the record.
  - Tim: Restated the motion in full — the association president and WPCA chair jointly approve change orders up to $25,000 each, as recommended by Fuss & O'Neill, reported to both boards; cumulative cap of 2% of the original contract price (~$228,722); all change orders to appear on the next regular agenda; larger change orders return to the board for a vote.
  - Bob: Sought clarification on the 2% cumulative cap dollar amount and whether it applied per change order or cumulatively; John clarified it is cumulative, and that DEEP must approve any change order over $100,000.
  - John: Noted that written justification from Fuss & O'Neill will accompany each change order and be shared with the board.
- **Conclusion**
  - Resolution adopted unanimously

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7. Future Use Sewer Laterals Policy-**Motion #7.1**: "To adopt the Future Use Sewer Laterals Policy Statement as circulated, subject to review by Association Counsel, effective upon its adoption." (See meeting agenda for attached references)

John presented a formal policy for placing future-use sewer laterals on vacant lots and potentially subdividable parcels, following WPCA recommendations.

- **Details**

    - John: Explained this policy that covers all vacant lots and 3 single-parcel properties whose owners may wish to pursue future subdivision.
    - Jack T: Raised concerns about whether owners were getting something for free or whether costs were being passed to others; John clarified that no one receives anything for free and the cost does not materially increase the project budget ($16,000 on an $11.5M project).
    - Mike: Confirmed his understanding that this applies to vacant or potentially subdividable lots, not arbitrary additions; John confirmed 3 such cases involve single parcels.
    - Tim: Moved to adopt the Future Use Sewer Laterals Policy Statement as circulated, subject to review by Association Council, effective upon adoption.
    - Jerry: Seconded the motion.
- **Conclusion**
    - Policy adopted unanimously
    - Policy is retroactive to cover actions already taken during construction.

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8. Construction and Billing Status

John and Dede provided an update on construction progress and billing procedures.

- **Details**
    - John: Baltazar took a planned three-week hiatus but encountered blasting permit issues with the state DOT on Route 156, redirecting crews back to Sea Spray. Third round of pay applications received in October; Bob reviewed them. Plans to implement QuickBooks as a workflow management tool for billing review are pending.
    - Bob: Described his use of Excel to track pay applications; emphasized the need for better backup documentation, daily inspector reports tracking lineal feet of pipe installed, and clearer reconciliation between requisition periods.
    - John: Noted Fuss & O'Neill will provide a quarterly report in mid-December covering percent completion against plan; expressed preference for monthly reporting.
    - Dede: Highlighted the fluid nature of the construction schedule — Baltazar's last day on Sea Spray is tomorrow; they will return next Wednesday to begin work at the top of Saltaire and attempt the cut across Route 156. Weekly Tuesday calls with Baltazar and Fuss & O'Neill are ongoing.

    - Paul: Noted Baltazar is only halfway across Route 156 on Sea Spray as of today and has not yet worked on upper Sea Spray.
    - Jerry: Raised concern about whether Baltazar's shifting between the shared Route 156 project and the internal association project could result in schedule penalties; asked who is tracking compliance.
    - Dede: Confirmed Fuss & O'Neill is monitoring the schedule; Baltazar has a fixed-bid contract and is responsible for meeting end dates.
    - John: Clarified that any delay beyond the contract period is at Baltazar's expense unless justified by a DEEP-approved change order; the blasting permit issue involves DOT communication gaps, not a single party's fault.
    - Paul: Confirmed the proposed blasting area is near the South Lyme Post Office, far from association property.
- **Conclusion**
    - Billing review processes to be formalized; QuickBooks workflow to be implemented by January.
    - Fuss & O'Neill quarterly report expected mid-December.
    - Paul to join the Tuesday construction calls with Baltazar and Fuss & O'Neill.

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9. Stormwater Financing – Private Placement Update

John presented an overview of project money flows and the current status of private placement financing for the stormwater portion of the project.

- **Details**
    - John: Explained the money flow — Baltazar submits pay applications to Fuss & O'Neill, which packages them for DEEP review, then Treasury wires eligible costs to the association. (see meeting agenda for flow charts)
    - Dime Bank proposal: 6.75% fixed for 20 years (tax-exempt); also offered 6.55% for 15 years and 6.3% for 10 years. Single disbursement in January; 4.25% money market available for undeployed funds; no prepayment penalty; 60-day rate hold. Closing in January preserves tax-exempt status.
    - M&T Bank: 7.5%–8%, taxable, 10-year maximum term; no drawdown facility confirmed; conservative and less responsive.
    - Chelsea Groton Bank: Federal Home Loan Bank of Boston rate plus 2.5%, fixed for life or variable resets; drawdown facility available; bank fee upfront; tax-exempt status not yet confirmed.

    - **Refer to meeting agenda references with detailed slides attached**
    - Bob: Calculated that $3M at 6.75% over 20 years = ~$22,810/month, total cost ~$5,474,620. Asked about prepayment penalties (none) and drawdown facility (Dime does not offer drawdown; Chelsea Groton does).
    - Tim: Expressed preference for a local bank; asked whether board approval was needed tonight; John confirmed existing authority covers pursuing the deal, with a final proposal to come.
    - Jerry: Asked how the loan repayment would be assessed to members; John deferred, noting the WPCA defines benefit assessment policy and that debate is ongoing.
    - Mike: Asked about the hard deadline for financing; John Cunningham noted stormwater work is not expected in 2026, and Baltazar has agreed to flexibility on timing if needed.
    - Jack : Asked about first payment timing and amount; John noted the borrowed funds would cover initial payments and that exact figures are pending final terms.
- **Conclusion**
    - No board vote required at this time; John and Rob to continue developing the Dime Bank proposal and allow other banks to mature their offers.
    - Final proposal to be presented to the board before January closing.

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10. Town of Old Lyme and Town of New London Update

Jerry provided an update on the association's ongoing efforts to compel the Town of Old Lyme to honor its contractual obligations and on relations with the Town of New London.

- **Details**
    - Jerry: Recap of September 29th meeting with Old Colony, John Wolfson, Martha Shoemaker, and Old Lyme's council and bond council. Old Lyme has not yet provided a formal response despite multiple Board of Selectmen meetings. The Town of New London sent a default notice to the three beach associations and the town; the associations responded denying default. Old Lyme also denied default with what Jerry characterized as an unsatisfactory explanation.
    - Jerry: The associations emailed Martha Shoemaker demanding a meaningful response; she replied that selectmen are awaiting additional information from bond council. A meeting with the Town of New London is set for December 11;

Steve Humes and John Wolfson will attend in person. New London specifically requested Old Lyme not be present.

- Jerry: The December 11 meeting is expected to focus on preserving the option for excess gallonage in the New London agreement. New London's dispute is with Old Lyme, not the beach associations.
- Jerry: A pre-meeting among the three beach association representatives is being arranged for the following Monday or Tuesday to align on agenda and position for December 11.
- John: Noted some CSA members are pushing for aggressive litigation against Old Lyme and are exploring whether Clean Water Funds could cover legal fees.
- Tim: Cautioned against discussing litigation strategy in a public meeting; recommended executive session for any strategic discussions. Expressed confidence that Old Lyme will ultimately make the right decision.
- Jerry: Confirmed his approach has been to persuade Old Lyme that joining the shared project is in their best economic interest.

- **Conclusion**
  - No action required at this time; no additional legal fees requested.
  - Pre-meeting among three beach association representatives to be arranged for the week of December 8.
  - Any litigation strategy discussions to be held in executive session.

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11. Meeting Conduct and Agenda Preparation Policy (Deferred)

Jerry had previously proposed a formal policy for meeting preparation and conduct. The item was deferred again.

- **Details**
  - Jerry: Acknowledged his original written proposal was too lengthy and legalistic; committed to submitting a shorter, more practical policy document before the next meeting.
  - John: Agreed to defer the item to the December 15th meeting.
- **Conclusion**
  - Item deferred to December 15th meeting; Jerry to submit a revised, concise policy proposal.

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12. Professional Services Authorization Policy (Deferred)

A policy on who is authorized to communicate with attorneys, accountants, and insurance providers was deferred as Rob (Treasurer) was absent.

- **Details**
    - John: Item was also bumped from the October agenda; deferred again pending Rob's attendance.
- **Conclusion**
    - Item deferred to December 15th meeting.

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14. Member questions and comments

Jerry formally welcomed Michael Vasile to the Board of Governors.

- **Details**
    - Jerry: Thanked Michael for volunteering; noted this was his first meeting.
    - Tim: Concurred with the welcome
    - Mike: Expressed appreciation
- **Conclusion**
    - Michael Vasile welcomed to the board.
    - No other questions or comments

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15. Adjournment

- **Details**
    - John: Announced next meeting scheduled for December 15th; called for a motion to adjourn at 8:15
    - Tim: Moved to adjourn.
    - Mike: Seconded.
- **Conclusion**
    - Meeting adjourned unanimously.
