

**UPPER GREENWOOD LAKE PROPERTY OWNERS ASSOCIATION
BOARD OF TRUSTEES Regular Meeting Minutes
October 12, 2021**

Attendance

Becker, Heather	P	Jones, Jim	P	Zemsky, Eric	P
Culhane, Margie	P	Klimek, Kylie	E		
Decina, Dennis	P	Manzo, Rene	P	Open seat	
Donoghue, Paul	E	Morrison, Debra	E	Open seat	
Engleman, Lauren	P	Quirk, Andrew	P	Open seat	
Grayson, Doug	P	Sarnowski, Karen	E	Open seat	
Gianniotis, Terry	P	Zielinski, Gary	P	Open seat	

P = Present E = Excused A = Absent R* = Remote – non-voting/quorum

Attorney Present – James Romer Y/N

With a quorum present, the meeting was called to order at 8:06 by Dennis Decina.

A motion was made at 8:07pm to approve the September 2021 Regular Meeting and Executive Session Minutes by Doug Grayson, seconded by Terry Gianniotis. 7 In Favor, 0 Opposed, 3 Abstained.

Correspondence:

1. 17 Emerson - septic survey received
2. 195 Point Breeze – report of tree in the lake
3. 126 Point Breeze – dead tree on Parklands
4. 10 Parlin Court – obstructions on Dover Road
5. 17 Emerson – dead tree removal request by PO, estimate included
6. 109 Point Breeze – requested tree remediation completed
7. 689 Lakeshore – diseased tree on Parklands
8. 52 Landing Road – letter expressing concerns about the drawdown
9. 111 Racetrack – hazardous trees on parklands
10. Riverside – report of possible improper discharge into the stream

The board discussed whether to establish a tree planting program for replacing lost trees and to help with erosion control and habitat preservation.

A motion was made at 8:31pm to enter Executive Session by Andrew Quirk, seconded by Doug Grayson. 10 In Favor, 0 Opposed, 0 Abstained

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The Board left Executive Session at 9:00pm

A motion was made at 9:02pm to approve the September 2021 Financials by Andrew Quirk, seconded by Doug Grayson. 6 In Favor, 0 Opposed, 4 Abstained

A motion was made at 9:05pm to approve a one-time allocation of excess funds in the amount of \$5,000 to cover the remaining three months of Clubhouse expenses by Doug Grayson, seconded by Heather Becker. 10 In Favor, 0 Opposed, 0 Abstained

A motion was made at 9:19pm to approve the Easement Budget for 2022 by Heather Becker, seconded by Eric Zemsky. 10 In Favor, 0 Opposed, 0 Abstained

A motion was made at 9:25pm to use the excess funds from the bathymetric survey to pay for the drone survey of the shoreline up to \$3,600 by Eric Zemsky, seconded by Andrew Quirk. 10 In Favor, 0 Opposed, 0 Abstained

Membership Secretary Report:

Current Membership as of September 2021 (compared to 2020 numbers in parentheses)

POA – 714 (648)

Double Docks – 10 (12)

Tenants – 19 (12)

Specials – 11 (9)

Total POA – 754 (681)

Total Easement – 1515(1488) – Easement Only - 761 (807)

We gained another 3 POA memberships this month and are 99 POA memberships over our budget goal of 655 (includes Tenants, Specials & Double Docks), which is great! It's been a banner year and the office never really "slowed down" this summer until the beach closed.

Unpaid members have received notifications and most have paid. There are a few that we will ask for legal correspondence to address the situation.

Evaluating our POA numbers versus Easement is interesting in that total Easement paid percentage-wise has not changed all that much. Most of this is in all likelihood due to

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new ownership of properties that in the past were easement only members and are now full POA memberships. Regardless, it was a great year for POA membership and allowed us to exceed our projected budget even with only 3% of projected revenues from Clubhouse rentals as of the end of September.

Also of note, we had a very high collection of late fees this year for an unknown reason. Final notices for delinquent Easement payments did not go out as scheduled but will be out in the next week and accounts will be moved to collections for anyone in three years of arrears. We plan to move larger accounts to legal collections now that the courts are more operational and records can be secured (albeit maybe at a slower pace than pre-covid, we shall see). As has been noted in the past, due to Covid we were very vocal about people reaching out to us if they are having financial difficulties and anyone that had, has been accommodated, therefore we need to move forward with these delinquent accounts.

We have continued to receive past due amounts, sometimes on large amounts that have been due for some time. Many properties that are significantly delinquent have been sold during this great real estate boom year and we have collected those amounts. But, as has been said all along, eventually all of the past due amounts will be collected and we will no longer see these great waves of extra collections. This year's amount has reached \$85,175 and we will see where we are at year's end.

Treasurer's Report:

Overview:

Not having a treasurer, as a past treasurer, below are my comments on our September 2021 financials. We need to find a treasurer. We continue to have funds at risk due to exceeding FDIC insurance limits. We've had this issue for several years, across multiple treasurers. It's not just the treasurer's issue, we are all fiduciaries, and the entire board is exposed if there were to be an issue. September 2021 Easement and POA financial statements are below.

Report for September 2021

Easement: We've received 75% of the annual easement fees and an additional \$85K in easement fees from past years, putting us at 93.7% of budget for collections for the year. Allowable spend for discretionary budget items is at 75% of budget. This is the first

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time in the last several years where past years collections have not brought us up to 100%. It is expected that as easement payments for delinquent properties catch up, we will continue to receive less and less in late payments every year. In past years, prior year past due easement collections have made up for any shortfall in current year easement fees received. As has been predicted for the past several years, as we collect most of the collectible past due amounts, the amount collected for past due accounts will decrease each year. We are seeing this happen this year. Going forward, this makes the collection of current easement payments due in a timely manner even more critical. Expense-wise, weed control is at 135% of allowable spend. We will need to move contingency funds to cover weed treatments, which is what the contingency fund was created for. We can vote to move funds at the December meeting, when final costs are known. The board should look at starting to pay off the dredging loan to the state of NJ. We have approximately \$800 thousand due on the loan and are paying 2% interest. We are not earning 2% on our investments. Starting and even accelerating payments on the loan would save the association money. A through cash analysis would need to be done to develop an accelerated payment schedule.

POA: We are at 115% of the budgeted POA members including tenants, specials, and double docks with 99 paid memberships more than we budgeted for, an additional \$27,225. From this we need to deduct the budgeted clubhouse rental income that we did not receive of \$13,600, leaving an excess income of \$13,625. We've spent very little of the clubhouse payroll, currently just over \$5,047 unspent, and have not spent \$2,800 of the steward payroll. If we don't expect to spend the unused payroll and add the \$7,847 back to the \$13,625, we are \$21,472 surplus revenue. This assumes that all other expenses come in at or under projections. The projected surplus income will allow us to repave the clubhouse parking lot, which the board approved at the July meeting, to which we allocated \$8,000, leaving \$13,472 surplus income. Clubhouse maintenance is at 126% spend of their annual budget. This is a serious concern. We will need to very carefully manage club house maintenance expenses, especially since we don't expect to receive any significant clubhouse rental income this year. After reviewing the clubhouse expenses, we identified \$4,005 for the installation of the new HVAC filter system and a new heat pump. These should be treated as capital items. That would reduce the clubhouse maintenance expense spend to \$13,381 for the year which would be 97% of budget with three months still remaining. I recommend the board approve a onetime allocation of excess funds in the amount of \$5,000 to cover the remaining three months of clubhouse expenses. There is just over \$26K in the clubhouse capital improvement

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fund and there is an additional \$30K yet to be funded from this year. We should reevaluate the remaining asset life and replacement costs to properly schedule and budget future capital improvements. Yet again, the beach payroll has gone over for the year. It is at 110% of budget, an overage of just over \$4K. Beach payroll will need to be managed better next year. Beach expense is at 53%, under by \$6,700. Beach wanted to buy some supplies for next year, I suggest they be allowed to spend the net difference of up to \$2,700 this year. Committee chairs, please remain diligent with your spending, and keep expenses within the allowable spend limits. If you have any questions, please let me know.

Committee Reports:

A) Activities:

The Board would like to extend thanks to Danielle and Doug Grayson for making the Fall Fest at the Clubhouse such a success. It was a popular and well-attended event.

B) Beach: no report

C) Boathouse: no report

D) Clubhouse: no report

E) Dam: no report

F) Bylaws, Rules & Regulations:

Counsel has reviewed the concept of being able to change Rules & Regulations to have more stringent PFD requirements for all paddle boarders and children. Chris Miller's comments: "The issue is not whether these additional safety regulations can be enacted. They can be reasonably justified as protecting the health and safety of those using the lake. The issue, if there is one, is enforcement. For example, if the state's boating safety rules don't require minors to always wear a flotation device on a power boat, then if the security team feels they need to summon the marine police or some other authorities to help remove a violator, those authorities probably won't take action against conduct that isn't banned by state or local laws. Another enforcement problem is what to do about violators after the fact. For members, you have the hammer of suspending membership status. Not so much for easement holders though, because there is no mechanism for suspending or terminating easement rights."

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G) Docks:

- (1) Assigned PO waiting for something near to home
 - (3) Assigned and in process, there are some additional which I am pushing to build and they are struggling with contractors.
 - (3) Lakefront in process
 - (1) Off lake assigned new spot
- Dealing with issues: Door Dock, Dock in disrepair, Dock taken, Docks to be built and assigned previously, Dock missing & found (follow-up, follow-up, follow-up)

- (24) Current Applicants – (4) are new since last month
- (6) Lakefront to be Assigned
 - (1) Repair to be done
 - (1) Lakeside – To be processed
 - (15) Applicants off the lake
 - (1) Repair of lakefront dock included in Lakefront above

There are not enough spots for all of these applicants. Currently looking at approx. five spots.

We are looking at possibly doing Dock Plates ourselves. We will do a couple to see how they come out and if it is worth the time it takes and the cost.

H) Dredging: no report

I) Easement:

- As mentioned at the past two meetings, it's time to prepare the 2022 Easement budget for the November meeting. I've received very little feedback. The easement committee makes the following recommendations for 2022 easement budget:
 - Raise Utilities 4%/\$300, Insurance 3%/\$1,000, and Real Estate Taxes 4%/\$1,500 to reflect expected increases. Per counsel, as these are non-discretionary items, an individual line-item vote is not required.
 - Reduce Environmental \$5,000. Environmental budget was increased in 2021 by \$7,000, \$5,000 of which was for a commercial geese cull. That did not take place due to the public's request. The \$5K is needed to offset other increases and new items.

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- Increase accounting for a new auditor 25%/\$900. The POA approved their portion of the increase at the August POA meeting.
- Increase Payroll 13.5%/\$5,400 to be able to provide a competitive employment package and retain key personnel. The POA approved their portion of the increase at the August POA meeting.
- New line item for new software system to replace the antiquated and non-integrated existing QuickBooks, Approach Database, and website with a modern hosted integrated system with a self-service portal for the easement holders and POA members. \$12,600. The POA approved their portion of the increase at the August POA meeting.
- The POA members approved their portion of the new integrated membership, billing and website software we would like to implement in 2022. The easement holders will get to vote on their portion, assuming the board votes to add this to the budget. We currently have 2,015 properties in the easement. This means that easement portion of the software would be \$12,600 or \$6.25 per easement holder. We need to increase office payroll to cover the compensation package to retain key staff we put in place. I recommend keeping the majority of the budget line items where they are, with minor increases as was done for the POA for real estate taxes, utilities, and insurance. If the board is in favor of all the above, the 2022 easement fee, if approved at the annual easement budget meeting would be \$227.56. A detailed budget breakdown will be provided under separate cover.

J) Entertainment: no report

K) Environmental:

1. A meeting with the Township Administrator took place to discuss the soil sample results from Parklands. It was decided to contact NJDEP who then provided us with the case # 21-09-17-1231-16. NJDEP are in the process of referring it to the correct bureau. The test results and background information were provided to the agency.
2. Kathy Straubel handed out information on Environmental topics to attendees at the Vendor Fair. She is working on our next cleanup which is set for Nov. 14th at 9.00am.
3. The snake expert at NJ Fish and Wildlife is not available for public lectures, nor is the Bald Eagle biologist, so other guests will be considered.

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4. The Township has received \$86,250 from the Highlands Council to fund the second phase of the WIP. The final report is not expected until early 2023 and will detail how UGL can improve stormwater drain pollution and other Lake Management improvements.

5. A meeting with Professor Wu, Montclair State University, took place about requesting grant money from the NJDEP to monitor lake nutrient loading, HAB, septic leachate, and wildlife impact on water quality. The State recently passed S3618 and money is potentially available.

6. A clean up of two UGLPOA islands took place on October 9th.

7. The Committee sent a response to the resident who wrote about declining fish weights.

8. The Committee received a letter opposing the planned drawdown and reiterated the fact that the Environmental Committee voted against the drawdown this year and had recommended that the Board adhere to its previously stated four-year schedule.

L) Insurance: no report

M) Legal: CONFIDENTIAL – for executive session

N) Master Plan: no report

O) Parklands:

Bulkheads: Working on approximately six open bulkhead applications with property-specific details and making site visits.

Encroachments:

P) Publicity & Public Relations:

Committee negotiated with TOPS software to get a better rate than the standard per house rate (TOPS charges per house in the community), and it looks like we will be able to get the middle tier (which provides online payment and a Board of Trustees portal among other upgrades) for the entry tier price (which is where we were budgeted).

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Committee still trying to work with a community volunteer to get some additional equipment set up in the office. Committee exploring options for redesign of website.

Q) Security: no report

R) Stumps: no report

S) Weeds:

Had reports of algae with blue green color, which may have been Cyanobacteria. Not all produce cyanotoxins.

Often when you get a fall lake turnover, when nutrient rich water from the lake bottom is circulated to the top layers, it can stimulate algae to grow. This is usually short lived and replaced by more desirable algae that prefer cooler temps. This does not need to be treated.

Had complaints of increased weeds in beach cove and Yardville cove. Weeds were treated with effect. This was followed by complaints of treating weeds and not having enough of them in relation to fish habitat.

Hydro raking was investigated and won't be a viable option in Audubon cove. Dredging will likely be most effective. Would like to get feedback from the dredging committee about whether this is a viable plan.

There is a question about what type of catch basin precedes the outflow pipe in Audubon, if any, to prevent grits and nutrients from entering the cove.

T) Ad Hoc Committees:

West Milford Lakes Association: Andrew Quirk, representative Princeton Hydro reported on the progress and plans for the WIP. UGLPOA's representative inquired about insurance policies to cover accidental septic, sump pump, or engine discharges into the Lake when home or boat owners do not have funds to re-imburse the costs of a clean-up.

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NJCOLA:

The Coalition issued instructions on routine maintenance and winter storage of automated external defibrillators (AEDs).

UGL Environmental Management Task Force (UEMTF): no report

A motion to adjourn was made at 9:39pm by Heather Becker, seconded by Rene Manzo. 9 In Favor, 0 Opposed, 0 Abstained.

Respectfully submitted,
Margie Culhane, Secretary