

OPEN GENERAL SHAREHOLDERS MEETING MINUTES

FEBRUARY 9, 2023 1:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE –

Director Mecca opened the meeting, Our President's niece Susan lost her battle with cancer today and passed peacefully with her loved ones by her side. Nick has been with his family through this difficult time. Last year Susan's sister also passed from cancer. Please remember Nick and his family in your prayers. Frank Bracco, Vice President had back surgery and as we speak he is having the staples removed. We all wish him a quick recovery. Add them to our list of prayers. Thank you.

Due to the limited attendance of our Board members today's meeting will be informal and we want to ensure that all Clubs and Committees have the opportunity to present to our community, therefore, we would like to limit the question and answer period to a minimum. That is why there was no sign up sheet upon entering the meeting; at the end of our meeting we will take questions from the floor. If you have any complaints, we ask that you kindly meet with the Board.

ROLL CALL- Nicholas Recanati, President, excused absence; Frank Bracco, Vice President, excused absence; Marie Persichilli, Secretary, here; Cathy Stanton, Treasurer, here; Steve Jakalow, here; Ray Mecca, here.

MOTION to approve and accept the December 2023 Open Meeting Minutes- December Open Meeting Minutes are approved with one correction, Secretary Persichilli omitted adding her name to roll call and was present at the December meeting.

Secretary Persichilli introduces Cathy Stanton as our newly appointed Board Treasurer. Cathy is doing an excellent job and the community is fortunate that she has graciously accepted the position of Treasurer. I am handing the microphone over to Cathy so that she can introduce herself and inform everyone about our current financial status. Welcome Cathy and God bless you.

Cathy Stanton, Treasurer opens reading the following:

Good afternoon all.

I am supposed to be making a speech about me right now. But first, I want to talk about all of you. I want you to see what I see when I look out into this audience and all around this association. I would ask that you each look to your right and then to your left and then front and back to see the crowd of people who are your neighbors and friends. People you can have fun with and people who support you as well. A place where you can go on a trip and see a play without any ado. A place where you can party with a great DJ and dance and laugh the time away. Fun dinners and events set up for your enjoyment. A great pool for good times in the summer. Bocce games on a summer night attended by large groups of neighbors and friends where we cheer each other on and hang out like a bunch of high school kids except that now we are all old kids. Repeat same in the morning. Shuffleboard, painting class, reading club, bingo, Atlantic City bus rides, mahjong, darts, skee ball, corn hole, pool games, café kitchen, etc. and etc.

All these special benefits are run by volunteers who give their time and energy because they care. I can see those volunteers in this audience as well as volunteers who have retired after years of service. I see a great community. I see a community I call home and people I care deeply about.

I ran for this board to bring harmony and happiness to all and to do my part to keep us in a good financial position so that we may sustain and enjoy what we all have. This is for the same reasons that I now accept the position of Treasurer. When I ran for the Board I purposely picked a two year position. It seemed that that would be plenty of time to get things straightened out. I just wanted to be a simple director and felt that we could get the job done.

I thought about being Treasurer only when we needed a new one. I have good credentials. I worked for a plaintiff attorney for over 16 years and handled all the books. I paid all bills; I kept all ledgers; I sat in on all audits. I did all reconciliation statements. I deposited settlement monies into the Attorney Trust Account and disbursed all client settlement proceeds from that account. I prepared all settlement figures and settlement distribution agreements. I ensured that all clients' medical bills and other unpaid expenses were satisfied from settlement proceeds. I also transferred all attorney fees and expense reimbursements from this account into the Business account. The Business account was used for operating expenses and payroll. I transferred attorney income from the Business account into the Attorney Personal account. I handled his personal accounting as well and paid his personal bills. I handled all personal injury protection (PIP) claims on behalf of the clients and worked with the carriers to ensure that all bills were paid that all claims remained open. I did the payroll and submitted the payroll taxes to the appropriate agencies. I did it all, except for the 1099 forms. Our accountants did that.

I had to be aware of all expenses and when they became due as we were operating mostly on income from lawsuit settlements. We did other common legal work but the bulk of our service was with lawsuits. This income is not attained on a normal, regular or timely basis. It comes in when cases are settled so an estimated settlement time frame and a strict budget must be kept.

I worked the old fashioned way. It was on paper with spreadsheets and handwritten checks. This firm was located in a bank building and most deposits and clearances were done in person with a bank officer assigned to our accounts.

I worked next for a defense firm. Payments came in on a regular basis. We represented insurance companies in defense of lawsuits. We also performed other common legal services such as estate work, Wills and real estate.

I did the real estate work from beginning to end including title work and contract negotiations and worked with the mortgage companies and banks as to all numbers. I ensured that all outstanding bills were satisfied and credits were given when indicated. I prepared all closing checks. I prepared the HUD 1 Settlement statement as well as all closing documents such as Deeds, Affidavits of Title and Mortgages as needed. I recorded said documents with the clerk's office. I withdrew all recorded liens as they were satisfied. I obtained and filed all mortgage satisfaction documents. I oversaw the bookkeeping at this firm and did it myself from time to time. I once had to reconstruct an entire business account when it was destroyed. I retired from this firm after 23 years, ending my working days.

My main job in both firms was to perform legal work, mostly regarding personal injury and workers compensation matters.

I have given the idea of being Treasurer great thought as I am already in the second half of my term and I like to finish what I begin and move on. I had liked the idea of two years of service. With that being said I just want you to know that I will give you my very best and if it is your wish I will stay for the long haul and will run for the board again. I have come to realize that there is a lot to learn when you are a director and the lessons do not ever end. So, I will be here to serve you for as long as I am wanted and for as long as I am able.

I have just one request to make and that is that we all take a deep breath and let go of this us vs them idea which has developed. Please give each other and this community a chance to let kindness and friendship and happiness flourish again.

Thank you for your ongoing support and for your friendship.

By Cathy Stanton

Date February 8, 2024

Secretary Persichilli thanks Cathy for her presentation and dedication to the community.

DIRECTORS REPORTS:

Steve Jakalow- Announces to the community that there is an electric piano available for free if anyone is interested, please contact Joe Styler. I am in the process of getting contracts for our pool maintenance. We are planning on doing it like last year, 101 days which starts Memorial Day ends Labor Day, but we are exploring adding 6 days, an extra week after Labor Day and we will advise you of the additional costs and the Board's decisions. Have a great afternoon. Thank you.

Ray Mecca- Discusses snow. 5 inches before Berkeley and Turfmasters will go out to do any cleanings. Calling the office is not going to change the required 5 inches. We are doing something a little different this year; we are going to put our snow fund into a separate account. We currently have \$50,000 from 2023; we will be possibly adding \$40,000 for 2024. So far this year, we spent \$1,040 on the salting we had on the campus property. This will provide leftover balances for the following year and hope to avoid any further snow assessments. The funds in this account will not be used for anything other than snow removal. Thank you.

2022 year end final audit reports, 2023 year end financials and the 2024 Operating budget reports were all available in the library prior to this meeting. Debi and Jackie have also provided copies today. All these reports are in the February Gazette which is received by all Carefree households.

Cathy Stanton, Treasurer- We are doing great and this is going to be a good year. It is not because I am Treasurer because I have only been on the job for 2 weeks. I have taken a crash course, so please bear with me, I may not be able to answer all your questions but I will be able to do so by the next meeting. We have \$549,632.98 in our Merrill Lynch Reserves of which \$200,000 is a restricted fund. We will be transferring \$149,999 in our Reserves in a short time. Nancy Engkilterra, Bingo Chair is not here to give you the Bingo figures, in December with only 3 weeks of Bingo we took in \$3,266.00. Which is great for only 3 weeks. In January we took in \$3,759.00 that was also for 3 weeks. The 2022 Audit is finished. 2023 year end financials are completed and copies are available in the Gazette and in the back of the room. Everyone has the 2024 Operating Budget. We are all squared away with our financials. I just signed on 2 weeks ago after giving it a lot of thought because I will be serving 10 ½ more months and I didn't want to take on this position for a short time so I had to decide whether or not I wanted to do another 3 years. If you all want me, I will be here. Thank you.

Marie Persichilli, Secretary- I only want to bring one thing to your attention, on January 8, 2024 Governor Murphy signed into law that Capital Reserves Studies are mandatory along with the proper funding. This will be explained in the March Gazette and at our next meeting we will have a better handle on all the details and provide more information. As you all know, we ordered our new Capital Reserve Study in December 2023 and received the final report in January 2024 so we are a head of the

game and in compliance with the new law. Throughout the last few years, we have had many discussions regarding the Capital Reserve Study and replenishing the funds at that point the mandatory replacement amount was only based on what was required by our 2019 by-laws, however, moving forward we will not have a choice. It will not be a board decision, it is not going to be a community decision it is a legal requirement. We must fund the Capital Reserve fund. The Board is currently reviewing our Falcon Capital Reserve Study and found that we need a few tweaks which will be done by the Falcon engineers, once that is updated and complete, and the report is in final status, the reserve study will be available for your view by making an appointment in the office. You will see the 30 year projected funding plan for the maintenance of our community property which should avoid any future special assessments as long as we properly fund the reserves. This is not an option, this is mandatory. We will keep the community advised and remember the study is a public document which we welcome you all to view. Thank you.

CLUBS AND COMMITTEES: All clubs and committees gave updates about the current and upcoming activities, events and signups. Please refer to our bulletin boards and our Gazette for dates and events.

- Ed Pruzinskis needs volunteers to be umpires for Bocce, please contact him if you are interested. His phone number is in the Gazette.
- Donna Edminister, By-law Chair reported that all the updated Radburn regulations have been submitted to the Board and she is waiting for the Board to review the changes. She is currently working on making the by-laws more comprehensible and looking for anyone that is interested in helping her committee to please contact her.
- Trisha Monto Autore- Ladies darts needs 2 new players, if interested please contact her.
- John Stanton, Freecare-We are looking for more volunteers, membership has dropped from 35 to 22 so if you are handy and would like to help please call me. Thank you.
- Fran Newsome, Galavanders- presented a check to the community in the amount of \$3,444.00 raised from the breakfast and the bus-trips.
- Joan Quinzer, Gazette- A Calendar meeting is being scheduled for all the clubs not for activities. Please ensure that all activities dates and times are submitted for publication in the Gazette. A May flea market is scheduled all details will be in the upcoming Gazettes. Thank you.
- Barbara Balasiano, on behalf of Saul Balasiano, President, Network of Neighbors- The club thanks all for raising enough plastic for the community to receive its first bench. We are currently working towards a second bench, but this time it will be more difficult because we will need 1,000 pounds instead of 500. Call out for volunteers and better participation for their monthly meetings. A check was presented to the community for \$4,777.00.
- Joe Palmerson, Neighborhood Watch- Please see the Gazette for upcoming functions. Saturday February 17, 2024 at 1:00pm classes will be given by Berkeley First Aid Squad in our auditorium. Susan Pruzinskis discussed upcoming AARP safe driving class. The next Neighborhood Watch meeting is scheduled for April 25th at 1:00pm.
- Barbara Tupper, Election Chair- presented her recent changes of the Carefree voting registration procedures from voting alphabetically, (last name) to voting by your home address. This procedural change will be effective for the upcoming election.
- Mary Puleo, Social Club-See the Gazette and bulletin boards for upcoming events.
- Sue Pruzinskis, Woman's Club- Check the Gazette for tickets for our upcoming events and the upcoming St. Patrick's Day party and do not forget the Easter candy for the Salvation Army.

Shareholders questions - Director Mecca asks for a quick show of hands of persons that have questions. Please one person at a time and if your question has already been addressed please refrain from asking it again so we don't have to address it over and over again. If we are unable to address your concerns the Board is always open on Mondays. Thank you.

- Shareholder asks questions about the budget- Is the budget based on the 1600+ properties and is our budget based on that amount? *Correct.* Are all 1614 properties paid up to date? *92% of our Shareholders have already paid.* Shareholder concerned about passing a budget on funds that are not collectible and will meet with the Board to further discuss his concerns.
- Can you put a monthly expense and income report in the Gazette? *We will be publishing them in every monthly Gazette.*
- Question about the status of the vacant land and could this be addressed at the next meeting? *At this point we have nothing to report.*
- The pending lawsuit? *The Board is not at liberty to discuss the pending lawsuit; you all know there is a lawsuit. It has been going on for a while, it is not a secret. If you are interested, the lawsuit filing is a public record, it can be researched by the assigned docket number on the Ocean County Court website. The Board cannot comment on the lawsuit. Our community insurance is covering the legal representation, not your HOA dues or assessment.*
- Statements in the Gazette refer to Merrill Lynch, is that the reserve fund? *Yes.*
- What is the Reserve fund used for and what can it not be used for? *First of all the reserve fund cannot be used for a lawsuit. So forget what is on that postcard. The reserve fund is used for the capital improvements listed in the Falcon Capital Reserve Study and cannot be used for anything other than that.*
- Shareholder reported on Capital Reserves and our community financial information published in our February 2024 Gazette. Her presentation reinforced the financial report presented at the meeting by Cathy Stanton, Treasurer.
- What are the dues? *The quarterly dues are \$150 (\$600 year) and two additional payments of \$183 (\$366 total) which is for the Special Assessment. A special thank you to all our wonderful volunteers that help to keep our dues down.*
- Shareholder thanks the Board for working very hard in getting our community in compliance and realizes that it was wrong to keep our dues low in the past.
- There is a rumor circulating around about repaving our parking lot-we don't have the funds to do this. *The parking lot is listed in our Capital Reserve Study and when the re-paving of the parking lot is due, the funds in our Capital Reserve Account should cover the cost.*
- What is the Kerico case? *Kerico case goes back to 2017 and has nothing to do with the pending lawsuit it was a "flipper" that purchased property from a Sheriff's sale and did not comply with the Carefree rules.*

Meeting is adjourned

Minutes prepared by Marie Persichilli, Secretary

Carefree Board of Directors

February 14, 2024