

VAIL'S GROVE COOPERATIVE, INC.
BOARD OF DIRECTORS MEETING

FEBRUARY 20, 2008

CALL TO ORDER:

Chairperson Waltzer called the meeting to order at 7:47 pm and asked all in attendance to stand for the Pledge of Allegiance.

ATTENDANCE:

Victoria Desidero, Secretary, took attendance.

Present: Ronnie Waltzer, Mary Rubini, Tom Duffy, Victoria Desidero, Peggy Boyle, Bob Gregory, Ray Harting, Jim Andes.

Absent: Ellen Mytych, Fred Witte, Simone Havel

ACCEPTANCE OF MINUTES:

Peggy Boyle asked for additions to the January minutes. In the Real Estate section, she would like to add the input she had regarding the Scully house and their loss of view after the construction at 3 Vail's Lake Shore Drive. She also would like in the minutes that the Board members would receive the same "neighbor" letter that goes to stockholders when any renovation is going to be voted on at a meeting. In addition, she would like added that Richie Vail, architect on the project, was at the meeting. Peggy would additionally like added that her request was turned down to have the Board not vote for a month regarding the Errico project. She would like more of what she had said at the meeting to be included in the minutes. In the third paragraph of the WWTP paragraph, she wants in the minutes about the DEP's concerns about future development and that the Grove would be sure to reassure them that we would not allow new development on vacant property and that we would adhere to our Coop policy regarding expansions. Peggy also wants added the comments from Fred Witte regarding the break-in that occurred on Vail's Lake Shore Drive, that the wall was spray painted and TV was stolen and that Public Safety be asked to follow up before the next meeting. Bob Gregory would like everything that everyone says to be reported in the minutes. He is planning to talk to Cindy Battreall, Office Manager, regarding format issues in the minutes. The Board discussed that the minutes need to be expanded to ensure that they can be referred back to in years to come and a reader can understand the entire discussion by reading the minutes.

Victoria Desidero made motion to accept minutes as amended. Ray Harting seconded. Motion unanimous.

COMMENTS & CONCERNS OF STOCKHOLDER:

Jim Burns spoke regarding the letter he received from the Board of Directors dated January 22, 2008 concerning his current lease description. He did not agree with the Board's recent determination that his original 1999 lease description is still currently in effect.

He said the description was too vague and that there are numbers and verbiage that do not match. He states that he submitted, in good faith, a "legal survey" on July 20, 2005, and was under the impression that the Board (which survey was in fact received 2/8/06 but was never voted on) voted to approve that survey in which he received a North Salem variance based on that new lease description. In September 2007 Mr. Duffy met with Mr. Burns and stated that he would review all the data with Mr. Burns when his research was completed. Mr. Burns wants to know if a new survey was done and by whom. The referenced letter of July 2000 stated that for acquiring additional shares, there would be a charge for those shares. The shares were never paid for. Mr. Burns stated that he never received a request for that money and that he would be happy to give us a check tonight. He wants minutes of the Jan. 16, 2008 meeting and the record of voting regarding this issue. His attorney would also like a copy of the Feb. 15, 2006, July 20, 2005, and these evening's minutes. He also requested a copy of the notice of monies owed for additional shares. Ronnie Waltzer addressed this issue. The problem originated because there were issues about use of the property: road to beach, Koestlers Garden, which is all Coop property. The Board had previously asked Mr. Duffy to review the records. One of the things explained by the Coop's legal counsel is that no survey supersedes the description on our Proprietary lease and on all of those descriptions is the word "approximate." When the file was reviewed, it appeared that property that Mr. Burns believed belonged to him was not on the lease description. It became imperative that we establish right-of-ways and determine how to resolve this situation. Ronnie suggests that she, Mr. Burns, Mr. Duffy and Mr. Becker get together to try to work out these issues. Tom Duffy stated that the second piece of property that we agreed to sell was to help Mr. Burns finalize the building of a garage. He wanted to lease more shares and the board approved. None of those shares were ever issued because Mr. Burns never purchased them. Mr. Burns's shares are, therefore, the same as they were when he purchased his home. In 2001, the office secretary sent him a letter and Mr. Burns never responded. No additional land became his. The second problematic portion from 2005 says that the survey submitted by Mr. Burns (on 2/08/06) includes Koestler's Garden and goes to Lake Shore Drive, which in fact it does not. Ronnie again suggests that she, Tom Duffy, Mr. Burns and Mr. Becker sit down and discuss this. Mr. Burns appreciates the Boards time. Mrs. Waltzer thanked Mr. Burns for bringing his concerns to the Board.

COMMITTEE REPORTS:

CHAIRPERSON:

Ronnie Waltzer stated that in the Executive Session we discussed that the Executive Session being kept at a half hour in not enough time for business to be discussed. The Executive Session will be from 7:00 until 8:00 and the regular Board meeting will be at 8 pm. Ronnie pointed out the Aesthetics committee enjoyed time picking colors.

The Town Board of Southeast voted last night to have a public hearing regarding the \$1200 fee for the new WWTP on March 1st at the new Town Hall on Route 22. Everyone is encouraged to attend. Peggy Boyle stated that the North Salem Public Hearing would be on February 26 at the library. Ronnie stated that we would publicize both of these hearings. There is a deadline of

March 3rd to get all papers in and Michael Rights said that the date should be no problem. These papers – our application – need to go to the EFC – Environmental Facilities Corporation.

PRESIDENT:

In the executive session, three stockholders in arrears were discussed. Two of the stockholders will receive a phone call from the office and if they do not respond, they will be sent again to Legal for collection. The third Stockholder is presently with Legal for collection.

SECRETARY:

Victoria Desidero reported that Cindy has spoken to Verizon and has made some changes to our phone service, which will result in us saving about \$20 a month. We needed to purchase a new FAX machine because the old one was not repairable. Cindy has also been working on the problems with the outgoing telephone message system. We changed some settings and there appears to still be some problems with the message being cut off. Cindy will follow up again. We are up to 34 people registered on the website. Bulletin Board is now on the site and if stockholders want to post anything, they should contact office. There is also a new page called “Ask Cindy.” The next page to be worked on will be the Realtors page with info for realtors and prospective homebuyers.

TREASURER:

Ray Harting has a technical correction to make. Our independent auditor, who was approved again this year, is now with the firm of Resnick & Newman. Ray made a motion for the board to approve Resnick & Newman as our Independent Auditor. Michael Ritter would still be the individual working on Vail’s Grove. Victoria Desidero seconded. Mr. Gregory asked for Ray Harting to check to be sure that they have professional liability insurance. Ray will check on this. Motion unanimous.

REAL ESTATE:

Tom Duffy would like the Board to visit the possibility of setting a fee schedule for various items submitted to his committee. The Real Estate Committee spends a lot of time on certain applications and then the project does not happen. Tom suggests perhaps \$300 –350 for a major renovation: \$25-30 for a shed, etc. He suggested putting the money in an earmarked account, perhaps for future stonework or aesthetics. Tom will present a proposal at the next meeting. Bob Gregory will work with Tom on this proposal and suggests that this fee not be refundable.

Ronnie stated that Mr. Becker is still working on the flip-tax issue. Peggy Boyle says that her other coop charges \$40 a share for flip tax. Ronnie said that perhaps a percentage of the sales price would be the fee. Tom Duffy would like to be able to vote on this and inform stockholders that it is coming. When it is ratified in September at the annual meeting, this will take effect. We should inform people in advance so that they know about it prior to it taking effect. Peggy Boyle will get more information from her coop board in the Bronx about their flip-tax program.

Tom Duffy stated that unregistered vehicles are not to be on leased property, per the rules and regulations, as long as there is a designated area for these vehicles to be stored. Only registered vehicles can be on their leased property. He would like this issue resolved at the next Board meeting. Mr. Duffy would like May 15 to be the deadline for these vehicles to be removed prior to improper fee letters being sent out. He would like the Board to think about this until next month and decide if we should allow one boat or one trailer per leased property.

Tom Duffy suggested that for each three-year term that a Board member serves, they should be able to use the pavilion one time for free. After discussion, Tom Duffy made a motion to allow each Board member a free use of the Pavilion after they have served three years. They must use this during the next three-year period and this does not accrue. Ray Harting seconded.

In Favor: Jim Andes, Tom Duffy, Mary Rubini, Peggy Boyle, Bob Gregory
Not in favor: Ray Harting
Abstain: Victoria Desidero
Motion passed.

MEMBERSHIP:

No Report

PUBLIC SAFETY:

Ronnie has spoken to Margaret Flannery, who has been in touch with the State Police about training for Neighborhood Watch. They have not been able to set up a date as yet. Margaret will be forwarding her information regarding cameras. Peggy Boyle asked if anything is happening with the burglary on Vail's Lake Shore Drive. Cindy will call the Stockholder to find out the status of the investigation. Mr. Gregory said that when something is reported to the police, we should write to Albany to get information using the case number assigned to the case.

BUILDINGS & GROUNDS:

Jack Waltzer reported about a major problem at the Duffy residence at 67 Vail's Lake Shore Drive. The shareholder has a great amount of water coming from a clean out. They will try to blow out the existing pipe as a first step. If that does not do the job, we will need to put a new drainage basin at the top of the hill, by 72 Vail's Lake Shore Drive, cut the road and lay new pipe near Jay Couillard's driveway and lay the pipe to the lake because that is the spot that has the pitch. If we need to do this pipe replacement it could cost \$10-15,000. This is not an isolated situation and at the last heavy rain it was a terrible problem. Most of this work cannot be started until the ground hardens. Mr. Waltzer stated that he had said at the start of the year that our budget would have a deficit.

The wainscoting is mostly up, capping and coving and staining still needs to be completed.

Mr. Waltzer will try to rent a hot tar machine in the spring to repair many of the cracks in the roads that happen during the winter months. He does not think we should do blacktopping until we know what kind of work will be required after the sewer pipes are put down. We will continue to patch where needed.

In addition, there is a water problem at O'Loughlins house at 1 Vail Blvd, which needs to be addressed.

We still need to get a lawn mowing contract bid process going and we probably will not mow as often as in the past.

PUMPHOUSE:

We had to replace the chlorine pump. We bought two new ones for \$450 each, rather than repairing the old one for \$300. Now we have one on hand just in case. We have received our Water Operation Certificate from Putnam County. This is something new that costs \$500 a year. This year we will have some extra lab costs because we need to do radiological testing in 2008. Jack reported that he has received a response from Pat McGuinness to take the water operator licensing course at Westchester Community College and that he would be reimbursed for all costs. He will receive a Class C license, which you need to sign the monthly water reports. Jack will begin to train him on the operations of the pump house. Jack said we could still use more people to take the course and get licensed.

PLEC:

We will test the lake water on a monthly basis during the warm weather months.

Jack reported that Tony Hay called him after reading Mr. Waltzer comments in the newspaper and hoped that no one at the Grove is mad at him. Jack stated that is not the issue. Mr. Hay said he would go back to the Putnam County Board of Legislatures for more money after we have a better determination of the numbers.

SUNSHINE:

Sue Enos reported about the passing of Elma Reynolds. Jim Kiernan is home after knee surgery. Meghan Cassidy is home after ankle surgery. Joan Myers is home after being in the hospital with pneumonia. Sue asks for us to keep all of our friends and neighbors in our prayers.

WWTP:

Peggy Boyle stated that this past month has been a whirlwind of activities. After the last Board meeting, Peggy and Tom Duffy were invited to a DEP meeting in Valhalla and at that meeting; DEP said they would not be giving us another dime. DEP also stated that they might be open to being less rigid regarding minimal development on existing structures such as 3 bedroom cottages turning into 3 bedroom houses; adding a bathroom or small bedroom. There will be no new development allowed on vacant land. Peggy and Tom tried to encourage DEP to build the plant big enough to cover the highest of our peak water usage days, such as Labor Day. This sufficient capacity of the WWTP will ensure that we do not incur any fines. Monday, Feb 23rd, there will be a follow-up DEP meeting in the Pavilion – it is not an open meeting. Peggy and Tom are invited to the meeting. Stearns & Wheler re-did their figures and we need to make sure that DEP is comfortable with the new figures that S&W has come up with. Peggy made sure to show the DEP the house on Poyle and Orchard which represents a three bedroom house replacing a three bedroom cottage; the new house reflecting the ability to house more people and therefore increased water usage. Supervisor Greenwood asked Peggy to organize a meeting to discuss with the Peach Lake Coalition the fact that the 800 figure was not viable given DEP not earmarking additional funds to the sewer district. He felt we needed to circulate a new petition, reflecting the typical household cost to be \$1200; which was the original figure. An emergency meeting was held which all the lake community boards very well attended and leadership to discuss the new petition and to seize the opportunity to get more financing from EFC at lower rates is critical. All communities were in agreement to circulate the new petition. Peggy, Sharon

Scott, Tom Duffy, Mr. Becker, and Jim Andes (and Charlie Voelkl in NWCC) went around Northern Westchester Country Club and got the signatures needed. Paul Greenwood was present

To answer any questions. Peggy commented about how good the letter was that Ronnie Waltzer sent out to the Grove to inform them about the change in costs. Tom Duffy agreed. Peggy stated that Paul Greenwood is working very hard with us on this project. Peggy made a motion to approve the petition to form a sewer district at the \$1200 per household a year figure. Tom Duffy seconds. Victoria Desidero asked about the repercussions about the site not being built large enough, other than fines. Tom Duffy said that when they went into the meeting at Valhalla, Hahn had originally put in 210,000 to 300,000 gallons. S&W said we only need 150,000 gallons. There is a standard that you should have 450 gallons per house. We argued that they need more gallons. S&W is now in agreement with us and will propose 195,000 in the meeting on Monday. This would be enough for every house having three bedrooms. Tom and Peggy think that this amount would be sufficient. These amounts include the commercial properties involved.

Unanimous.

Petitions are complete and they will be submitted. The tax assessors will look them over. Both of the public hearings (North Salem and Southeast) are being scheduled.

Peggy reported that yesterday was a great day, when Westchester County released the \$10 million for the formation of the sewer district. Peggy was not happy that the article in paper also reported about Bob Bondi not releasing more money from Putnam. She would have preferred that the article to be on the positive side. Peggy said that, according to the new figures developed by Stearns and Wheler we do not need the \$2 million from Putnam. Sarah Cwilka, the engineer from S&W is working very well with us on this and we need to let them do their engineering work for the time being. Tom Duffy said that after March 3rd, Paul Greenwood would submit all his work to the State Comptroller for them to be sure that the \$1200 is affordable. Additionally, they are waiting for a letter from the Dep't of Health stating that we need this district formed as soon as possible. When the comptroller approves, the sewer district will be formed and S&W will be able to start getting bids and design the plant. The \$10 million cannot be used yet. Mike Rights and Paul Greenwood are working very well together. Peggy thinks we can see something happening by the end of this year. Tom thinks we can see something happening by Sept/Oct. Ray Harting stated that Paul Greenwood is really doing a great job because in the past, this part of Westchester is usually not recognized. Getting the \$10 million is a great feat. Peggy emphasized that the enormous efforts of local people, especially this past year have kept the Peach Lake Sewer Project on the high priority list for Westchester. The Autumn celebration with the great turnout of local people coupled with the candidates and now elected officials, fostered then and continues to encourage interest and support from the officials of both towns/counties.

AESTHETICS:

Ronnie Waltzer said it would be a good way to defray our costs, if people would donate their excess plants when they are thinning out their gardens.

BEACH:

No Report

RECREATION/CONCESSION:

Mary Rubini reported about the lovely Valentine Party. After the party, Recreation time was held at the Pavilion. We have purchased a ping-pong table.

COMMUNITY/SOCIAL:

No Report

PAVILION:

Jim Andes made motion to approve use of Pavilion by Mary Rubini on March 22. Victoria Desidero seconded. Unanimous.

Jim Andes made motion to approve use of Pavilion by John Myers on June 28th, Victoria Desidero seconded. Unanimous.

Jim Andes made motion to approve application from John and Jean Lee for use of Pavilion on August 23. Victoria Desidero seconded. Unanimous.

Jim Andes made motion to approve application for use by St. Lawrence O'Toole (Tolan) on June 6. Victoria Desidero seconded. Unanimous.

Tom Duffy made motion to give former Board members who have served 12 years or more (4 terms) a free rental of the Pavilion as a way of thanking them for their service. This use is not transferable. Ray Harting seconded. Vote taken. Ray Harting voted No. All others voted yes. Motion passed 6-1.

LEGAL:

No Report

INSURANCE:

Mr. Gregory stated that we need to review our policy in reference to security guards. The State Fund auditor suggests they should be on the payroll as employees, not individual contractors. These security guards do not have their own liability/workers comp insurance.

COMMUNITY LIAISON:

Mr. Gregory stated that all the people coming to the various meetings are the best examples of Community Liaisons.

OMBUDSMAN:

No report.

NEW BUSINESS:

Victoria Desidero made a motion to accept the proposal regarding Purchasing Requirements, subject to Mr. Becker reviewing per Mr. Gregory's suggestion. Ray Harting seconded. Mr. Gregory asked what is meant by "signed" envelope. Jack Waltzer said that the contractor should seal the envelope and sign over the seal. Mr. Gregory asked for "proof of insurance" to be added to the area about "references". Mr. Gregory also wants added "late and/or incomplete bids are not accepted." Mr. Harting said he did not think this was necessary due to previous requirements stated in guidelines for bid submission. Mr. Gregory stated that he thinks this document was very well done. Vote taken. Jim Andes abstains. All others in favor. Motion passed. Victoria thanked Jack Waltzer for starting this process. Ronnie thanked Victoria for taking hold of this process.

Ronnie presented a Conflict of Interest packet that Peggy presented for the Board to review. Ronnie said this will be sent to Mr. Becker for his review and it will be presented again at the next meeting.

Ray Harting made a motion to adjourn meeting. Tom Duffy seconded. Meeting adjourned at 9:50 pm.