

July 26, 2021
(hand submitted at the July 26 BOG meeting)

Dear Board of Governors,

This Grievance is being submitted in accordance with Section 7.0 of the BVIA Bylaws.

First let me thank the Board for continuing to volunteer their services. I would like to also note that when in person, all have been very friendly and neighborly, and it is evident that the Board members care deeply about the BVIA. This Grievance is not about any individual member of the Board and has nothing to do with any personal interactions and therefore should not be taken personally by any member. This Grievance is about the Business aspects of the BVIA and how a historic pattern of over control and misinterpretation of the spirit of our Bylaws is negatively impacting the community and needs to be addressed. While some of it may appear pointed at Board members, it is because the Board is the entity that made these business decisions. Again, this is not personal, my grievance is towards what I perceive to be business practices and decisions in need of improvement. I am open to respectful dialogue and look forward to helping find solutions and compromise.

Times have changed, members want to volunteer, they want to make positive differences in the community, they want to be involved in the decision-making process, and they want to reduce their member liabilities. If we want to remain successful than the Board members need to invite and welcome input from others and stop assuming that no one cares, or that because of their legacy status they know better than all the individual members. The Board continually asks for volunteers and many, such as me do volunteer, and would like to volunteer in the future if in fact their efforts are respected. No one likes being taken advantage of or given responsibilities with no authority, or to be thrown under the bus for having a new idea. There is a historic pattern of volunteer disenchanted and only those in the "know" appear to remain as repeat volunteers. This needs to change. Many members, from all generations, legacy and non-legacy want to voice their opinions and volunteer if someone is willing to listen and possibly make a change. Yes, I understand that this requires more work on the part of the Board members, but it is a necessity. Fortunately, there are many members that are willing to step up and put in the added effort to better the Association and to ensure compliance with the spirit and requirements of the Bylaws.

Great progress was made last year when the Association voted to create the Website and when a number of volunteers where able to pull off the creation of this website. I thank the Board for sticking with the process and working to find solutions to the barriers that existed. However, as the Board is aware, this was not an easy task and included many fits and starts and significant tension and aggravation. While it may be convenient to try and throw the original lead website developer under the bus, the truth is that it was not until a "moderator" was appointed to serve as a go between the volunteer website committee and the Board stepping down from direct control and participation, that any real progress was able to be made. I commend the Board for recognizing that it needed to step back and let the volunteers do their work versus trying to control the process, especially when in the end they have the final approval regardless. If not, the website would still not exist today. This needs to be done for more things.

A perfect example of where the Board members need to step back and appoint a moderator is with the Beautification Committee. The Beautification Committee put a lot of hard work into generating ideas for consideration by the Association. Ironically, three members of the Board actively participated in the Beautification Committee and during the conduct of the development of the report, and during the meetings appeared be in support and in general agreement with the ideas (at least in the face of the

remaining committee members). Note: the Report served to identify ideas and per the Boards request tried to put a conservative ball-park number for each idea to give members a worst case scenario perspective. This then allows Members to judge potential cost benefits. The report did not establish any capital plan or propose spending exorbitant amounts of money. Clearly no one on the Beautification committee thought spending funds on a Board Walk was fiscally responsible but was simply trying to address the stated needs of many handi-cap and elderly living in the neighborhood that have difficulty accessing the beach. It was through this collaborative process that the Committee was able to identify use of beach mats at a cost of maybe a few thousand that could accomplish the same goal. Many would view this as preferable to spending funds on chain link fence replacements. This is the type of open dialogue that is required, not miscommunications and misunderstandings.

During the 2021 Annual Meeting, the Association members voted to accept the report with the goal of developing a future Capital Plan. Since that time, however, it feels like the Board for some reason is trying to stifle any progress on beautification even going so far to hide from the Association the spending of over \$4,000 to make replacements to the existing chain link fence. This makes no sense, and we are deeply disappointed in the Board's actions. This was not an "emergency" repair or identified "maintenance" item and several members requested that the Board wait until the Annual meeting for a vote by the Association. In response, it appears as if the Board simply put a rush on the work and did not follow what should be established procedures and practices to diligently identify, budget, allocate, solicit proposals, and award a contract. This is confirmed by the Boards very own meeting minutes. Why? In addition, I rang the door bell at the June 21st Board meeting to see if I could listen in on the Boards annual meeting and hear what was happening, in particular with respect to the fence yet no one answered the door to let me in. Subsequently, however, I was told by someone that they in fact attended the meeting that several other members attended the June 21st meeting. Unfortunately, the June 21st meeting minutes do not reflect this? Why?

Today, I received a copy of a letter sent by four of the BVIA's five Board members at their own cost. An upsetting item in the letter is an implication that a Concerned Group (a/k/a The Beautification Committee) is looking to spend all of the BVIA surplus funds. This is simply not correct. Furthermore, the a/k/a reference is downright inflammatory as it implies some kind of collusion. What is even more confusing is that three of the four Board members writing the letter should understand all of this since they were/are in fact members of the Beautification Committee. What is also possibly of coincidence is that these members all have prime spots directly to the water unlike the majority of the BVIA members. While it is understandable that persons naturally have certain biases due to their location, care should be taken so as not to use their position of power to control and shape the narrative to the detriment of the Association as a whole. I am not being accusatory, we are all human, but each of us should be aware of our own biases and try and seek compromise. It is the right of the Association to investigate and consider ideas and determine what monies should be collected and how they should be spent. It is the right of the Association to be able to develop a capital improvement plan and the role of the Board to administer on behalf of the Association.

The Beautification committee conducted significant research to develop ideas for consideration by the Association with the goal of developing an approved Capital Improvement Plan to be voted on the Association members. The Beautification Committee has no authority. Any proposed improvements would require administrative approval by the Board, preferably with the Association's approval of specific improvements at the annual meeting. Yet the Board, with all of this power, appears to be on a defensive in allowing a capital plan to be discussed or developed. Why? At the request of the Association, the Board had set aside \$10,000 back in 2018 for capital improvements/beautification and that is when the Beautification Committee was created. Since that time, it is my understanding that some of those funds went to replacing buoys and boat racks at the discretion of the Board (which is more of a maintenance item as already

identified in the budget) and that is why only \$8,400 remains. Yet, here we are still in 2021 with no capital improvement plan despite many volunteers looking to assist in developing a reasonable capital improvement plan for approval by the Association. The position of several Association members is that without any goal to make any capital improvements and having already encumbered funds for storms and for a whole year of operating and maintenance expenses, why is the Board holding all of these excess funds for their discretionary spend? These funds should either be encumbered for a special purpose or should be returned to Members.

Furthermore, with respect to BVIA finances the facts are:

- True annual costs are on the order of \$50,000 annually,
- BVIA has annually been setting dues to cover \$55,000 annually (10% excess in annual revenues),
- BVIA also receives income on interest earned from late dues, but receives no interest income on surplus funds.
- BVIA has been increasing its surplus funds every year even though the annual budget does not increase.
- Currently, over \$180,000 in funds is available, which is 3.6 times in excess of revenue requirements (And this is even after previous Boards unnecessarily depleted over \$25,000 in funds in 2011/2012 for Hurricane Sandy and Irene by unilaterally deciding to create a sand berm at the beach to protect the prime spot homes facing the water. This not only proved to be a waste of money but also proved to be in violation of environmental regulations.).
- In 2021 the Association voted to encumber \$30,000 for storm emergencies.
- BVIA carries insurance to cover storm damages, so that \$30,000 should never even have to be spent.
- Normally, only one-year of operating reserves is required (the Association however can go more than three years with paying any dues).
- BVIA is essentially earning zero interest and benefit dollars on these surplus funds.
- BVIA has no debt; and no capital improvement plan or program approved by the Association exists.
- BVIA has not conducted a true Financial Audit, only a simple review done by an account based on the information provided by the Board.

I understand that it costs significant dollars to conduct a true financial audit annually, but to simply have an accountant rubber stamp the treasurer's records is in contradiction with the Bylaws and not a good practice as evident from previous missed payments to the Town of Milford. A true audit should be conducted at least periodically. In addition, to also have more than \$100,000 of fully unencumbered funds earning no interest and available to the discretion of the Board is not fiscally beneficial to the Association Members.

Thank you for hearing this grievance. It is my understanding that per the Bylaws, this grievance must be addressed by the Board. I do want to note that I was rushed in preparing this for tonight's meeting as I only became aware of the four Board member's letter this morning. As such, please ignore typos, run on sentences, and any inadvertently brusque comments.

Sincerely,

Isabella Schroeder

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