

Friends of Victory Lakes Association

Membership Meeting Minutes

June 9, 2021

Meeting began at 7:06pm (54 Member Sign-Ins)

1. Pledge of Allegiance led by Kelly
2. Motion to approve meeting minutes - Irene Berry & John Tomchik
3. Roberts Rule of Order review - Kelly
4. Dam Restoration Loan Payment Details - Terry
 - Dam loan amount \$800,000
 - Actual cost of dam \$805,215
 - 2019 - back interest due \$48,000 - paid
 - First loan payment due July 2020 \$27,000 - paid
 - January 2021 - payment due; unable to pay (DEP let us combine with July 2021 payment) \$58,587.09
 - Payment Terms: \$22k every 6 months plus interest
 - Payments Made: 1st payment and initial interest paid
 - Current amount due: \$58,587.09
 - Loan Length: 20 years
5. Treasurers Update - Terry
 - Account Balances:
 - PNC Operating Bank acct - \$3,128.82
 - PayPal acct - \$11,317.09 (where most dues are paid)
 - Total = \$14,445.91
 - *Paid Large Expenses/Income*
 - 2021 Newsletter (Bellia Printing) - \$474.52
 - USPS Bulk Mailing - \$117.12
 - Liberty Insurance (Ruch Bldg) - \$1,215.25
 - Energy Insurance (Lake property) - \$1,479.70
 - Utilities for Ruch and beaches
 - Security for Ruch
 - Quickbooks fee (\$480/year) & everyday office expenses
 - *Upcoming/Past Due Large Expenses/Income*
 - NJ DEP Loan Repayment (2 pays)
 - Past due 7/24/2021 - \$(58,587.09)
 - 2021 Membership Income - \$TBD
6. FVLA Membership Statistics - Kelly
 - 2020: \$17,394 membership dues - 109 paid members
 - 2019: \$11,093 - 83 members (rates @ 75% of original)
 - Total population 10/17 tax maps - 392 unique homeowners
 - 27 Lakefront houses in Upper Victory Lake
 - 8 vacant lots in 2017

- 23 Lakefront houses Sunset Lake
 - Lower Victory Lake not part of FVLA
- 7. Community Deeded Assessment - Special Topics
 - Brief FVLA history – In 2004, residents formed FVLA because the dam needed repair; the state threatened to pull old wooden boards and flood the lower lakes. Lakes passed from Jimmy Irish to the Lehman’s and was left to the daughter upon his passing. The association bought the lakes from the Lehman’s daughter. The charter members donated money to buy the lakes and get the association started. This was done to avoid the lakes from being drained; even if the lakes are drained, you still need money to fix the dam in order to get the lakes filled back up. Back then, there were 253 members and they paid in advance leaving the association with a surplus. We were established as a 501(c)3 non-profit organization. The goals were to save the lakes, help with the wildlife and the community. The association worked with the township, who co-signed a 2%, 20-year loan to fix the dams. Since then, there have been multiple board changes. It is all volunteer work. The original board set up an assessment fee within the by-laws based on an ordinance adopted by township council that stated if we default on the dam loan, the township will do an assessment to seek payment for the loan. The dam finished in 2019. We have tried to do fundraisers and we just have not made enough money; not without fault and not without trying.
 - Financials history summary – Terry
 - Starting in 2005, we raised 82K in 2004 by charter members and all the associate members in the neighborhood
 - Purchased the lakes for \$58,500, close to \$60,000 with other fees; leaving a balance of \$23,000
 - Starting in 2006, for 2 years dues were paid at 100% then reduced by 50% for 10 years due to the recession, not raising or holding enough money; 1 million spent, of which the loan covered \$800,000
 - Dam repair and engineering fees
 - 5/6/16 – DEP put stop work order, which lasted for 1 year (engineer, DEP, and the state had to come to terms)
 - Fundraisers: benches, Santa breakfasts, Jam on the Dam
 - Made \$15,000
 - Deeded assessment FAQ – Kelly/Lindsey
 - Ordinance, assessment, and a copy of an original deed is posted on website (fvlaonline.com)
 - Membership section has all member minutes from all meetings to 2018 (prior are in paper format)
 - Lake rights given by Jimmy Irish to all the areas and lots
 - After original deed, the transfer piece may read something like “and includes all rights of prior owners” (which includes lake rights)
 - This has been brought to our attention by someone in the legal field
 - Apology on abrupt announcement – but the announcement needed to be made ASAP
 - Why was I not told about the loan agreement when I bought my house and/or how

come this is the first time I'm hearing of this?

- We understand people's frustration with this decision, as many new residents and perhaps some who have been here for many years were unaware of this arrangement. The current board has no control over decisions that were made in the past, and we ask that you please keep this in mind, as we are volunteers whose only goal is to improve and upkeep our lakes and our community. As I was not a part of the board, and either are any of the current members, I've researched how this process was handled. When the township was discussing this ordinance it was presented at two different council meetings for the initial hearing and then approval at the next meeting. Once approved it was advertised in the newspaper. I'm not positive, but I'm assuming the previous board had announced this to the community members at the time. Unfortunately, there wasn't internet like there is today, advanced technology, or social media. This may be the reason many long-time residents were unaware. The current board has done their best to keep the community in the loop by sending out yearly newsletters, all which included the status of the dam loan repayment and meeting dates. We have also used Facebook to advertise for our upcoming meetings along with updating the sign on Lakeside Drive. Past membership meeting notes are also available on our website explaining our current predicament dating back to 2018. At each meeting we openly discuss all expenditures. We are doing our best as a board to keep everyone informed and at the end [of this meeting] would be happy to take suggestions on how we can continue to improve in this area. We are also hoping to work with a real estate agent to ensure all homeowners are aware of this responsibility when they purchase in our area.
- Why would the FVLA take out a loan that they couldn't pay?
 - The arrangement was made in 2004 when the FVLA was originally created by the previous board members and the township. The board's main priority at the time was ensuring that the lakes were not drained. The hope at the time was that the community would come together and pay dues to help cover the cost of the dam loan repayment and upkeep of the lakes. Many residents put up money equaling thousands of dollars to help ensure the lakes were not drained and some are still paying members today. However, this was not enough money for the dam repair. The previous board worked tirelessly to secure a loan to help with costs. The township supported the community by co-signing for this loan. With the agreement, it was declared that if we defaulted, the township could do an assessment and charge for repayment. Essentially, it is the same as the roads needing to be fixed in our town and residents paying for it in their taxes, except because the lakes are private, it only accounts for this area. The previous board was unaware of the total dam costs at the time as they increased as time went on. The FVLA began in 2004, with many iterations of dam reconstruction plans. The dam repair was not finalized until 2019. As each year passed,

new fees occurred. At the time the loan was agreed upon, the previous board had no way of knowing how high the cost would become. They were under the impression that the dam loan would be easy to repay with continued membership and support from residents and had the best intent at the time.

- What exactly happens if the loan is not paid?
 - The township WILL come in and assess homes and require residents to pay a non-optional payment.
- Letting the township come in and assess our homes seems like an acceptable option, why is the FVLA choosing this alternative route?
 - The fee charged by the township will not include REQUIRED dam maintenance, general maintenance, and grounds keeping. Membership will still be necessary to pay these additional costs. As a board, we're in agreement that it is unfair that many residents who use the facilities do not pay for their upkeep. We are unable to police the lake areas due to lack of volunteers and are frustrated with the consistent vandalism and complaints. The board wants FVLA properties to be a safe and welcoming place for all residents. We are hopeful that if everyone pays, this will deter vandalism and increase community involvement. Although a hard decision, we feel as though it is best for the community at this time and only have everyone's best interest in mind.
- What are the consequences if the FVLA doesn't pursue this route?
 - When the FVLA was formed, it wasn't just to fix the dam, the FVLA's mission and responsibilities was also to preserve and maintain the lakes and unite the community. The FVLA will need to rely on optional membership for the funds to continue the upkeep of the grounds, community, and other financials. Although we'd hope more people would step up, experience has shown us that membership continues to dwindle and there are less volunteers due to people's frustration with the status of the lakes and some of its guests. We are not confident that we can continue our mission without these changes. This is not to discredit our many supporters that we have, however not everyone has the time to focus on the community, which we more than understand. If the FVLA dissolves, there will be no one to ensure that our properties remain tax exempt. If there is no one to keep up with these extra responsibilities, the very large area of land could begin to be taxed by the township. Inability to pay these taxes can result in a land sale which will result in the selling of the lakes with possible subdivision. This could mean the lake areas can be fenced off, built on, or whatever use the new owner chooses. This includes fencing of the lake, even from lake front properties. Finally – if the township doesn't decide to sell the land, they could decide to drain the lakes or make the lakes public.
- What is your legal right to make this change?
 - The FVLA discovered this option through networking while desperately searching for options to ensure we can repay the dam loan, upkeep, and

improve our community. As this was very difficult, we were sure to research thoroughly before making this decision. We've looked into grants, further fundraising efforts, and much more. We welcome any volunteers to help with this process as well. Many have mentioned an HOA and the FVLA not being able to make this change. The FVLA is not an HOA and therefore, their rules do not apply. This is a unique set of circumstances set forth in multiple case laws, advice from a lawyer, and most recently a representative from Collings Lakes who was directly involved through the entire process including working side by side with the lawyer. I'm going to present to you a fact – not a threat, as we do not wish to pursue this avenue. A class action lawsuit was pursued against Collings Lakes in which residents involved lost due to the language in the deeds and existing case laws. The lawyer fees were added into the association dues and now residents are paying more for their dues than originally would have been charged.

- What if I don't use the lake beach or lakes at all?
 - One of the things that makes our area a desirable place to live is its recreational areas, privacy, and small tight-knit community. All monies to be collected through dues will be used for dam loan repayment and to maintain the area which increases property values for all. Many lake communities have been faced with the difficult decision of collecting dues from residents to ensure that their communities remain a desirable place to live and to keep property values up.
- I'm unhappy with the condition of the lake and lake properties, what does the association plan to do about it?
 - Any upgrades or maintenance requires finances. We currently have limited to little funds due to the dam loan, lack of membership payments, and need for continual maintenance and repairs. Once the changes are in order and we have steady monies coming in, we have many goals and aspirations for our community. We also welcome ideas and volunteers to help in this area. With the new changes we are planning to have the grounds maintained on a regular schedule not allowing for overgrowth. We'd love to revisit our options to treat the excessive growth of lily pads that continuously are overtaking our lakes. Any fundraising efforts will go directly towards upgrades rather than bills, maintenance, and repairs. Our goals include upgrading our lake beach to include new sand, a new floating dock, a fishing pier off the dam, and having our lake tested and approved for swimming which includes a lifeguard on summer weekends. We'd also like to utilize security systems for lake properties and host more community events that would be free to residents including community kick ball and gatherings.
- Will the association be taking actions such as hiring a lifeguard or someone on duty to ensure that children are not rowdy and accompanied by adults during their time at the lake?
 - Currently, as it stands, our lake beach is not approved for swimming. It needs to be inspected each year and a lifeguard must be present.

Unfortunately, we have not had the funds due to lack of membership and the cost of the dam loan repayment. We have many plans to address these concerns, however they all require funds.

- Are memberships given out as part of the yearly invoices to each home?
 - Yes – Similar to previous years, once you pay your invoice you will be given membership tags. Membership tags distinguish people from within the community from outsiders and therefore we will continue to use them.
- Do we have to purchase additional tags for guests?
 - No – If you are a paid up member and would like to bring a couple friends or family with you to the lake properties or give them access to the lake we only ask that you accompany them.
- Previously we had to pay back dues to join the association?
 - The FVLA has been in existence since 2004. The current board has decided unanimously that we would like to start fresh and change this previous policy allowing residents for a fresh start.
- What will be the costs?
 - Our current rates and possible dues can be found below. At this time, the FVLA is in charge of these fees and can guarantee an increase of no more than 100 dollars per tier. We will have final numbers available soon and send out invoices.

| Proposed Maximum | Current: | Possibility |
|-------------------|----------|-------------|
| Within community: | 130 | 230 |
| Lake view: | 200 | 300 |
| Lake Front: | 280 | 380 |

- When will the first invoice be due?
 - The dam loan repayment is due July 24th. We have a 30-day grace period after that date. Currently, the bill will be due August 24th however, we are in the process of requesting an extension with the loan holders due to recent changes and guarantee of repayment. We understand that this is short notice and not everyone has money sitting around and will do our best to ensure we provide options and time to pay the dues. We are hopeful that we will be able to make an arrangement in order to receive sufficient funds and prevent default. If you are able to pay in advance, this would be greatly appreciated and we can credit any overages for your next annual payment.
- Will there be a senior discount?
 - We are looking into this further and will have an update prior to the due date of the first invoice.
- Will there be payment plans?

- We are looking into this for the future and will ensure we make this process as easy as we can for all residents. At this time, our bill is due in a little over a month, two months if we count the grace period. We'd ask that if you can afford to pay your payments in full right away that you please do so.
- Will the association still be offering seasonal memberships and guest passes?
 - Seasonal memberships and guest passes will continue to be offered. Continued allowance of this can be a future membership meeting discussion if opposed.
- See below for open floor questions.

8. Dam Loan Repayment -

- Ordinance O:12-2006 / Resolution R269-2004 – May 15, 2006
- Township of Monroe is co-guarantor / co-applicant of loan
- If loan defaults, Township of Monroe can issue a special assessment against property owners within the FVLA community (Sch A & B)
- The lake currently owned by the Association will be open to all property owners that are affected by the Special Assessment Ordinance.

9. Rate Comparisons – Kelly

- **Collings Lakes** **Medford Lakes**
- Tier 1: \$166.44 / 653.31 \$425 (no dam payments)
- Tier 2: \$132.81 / 507.81
- Tier 3: \$ 99.35 / 378.78 **Lower Victory Lakes**
- \$400 (pending dam payments)
- **Timber Lakes**
- General Dues: \$260 / Dam: \$168

10. Upcoming Fundraisers, Dates & Volunteer Opportunities – Kelly

- 06/09/2021 7 PM - FVLA Membership Meeting (FVLA George Ruch Community Center)
- 06/12/2021 10 AM – 1 PM - Model Railroad Train Exhibit (2389 Sunnyhill Ave)
- 07/24/2021 7 PM - Movie Night (FVLA Magnolia Park)
- 08/07/2021 1 PM – 8 PM - Jam on the Dam (FVLA Sunset Beach)
- 09/15/2021 7 PM - FVLA Membership Meeting (FVLA George Ruch Community Center)
- TBD - Community Cleanup Day (County) (Various Locations)
- 11/17/2021 7 PM - FVLA Membership Meeting (FVLA George Ruch Community Center)
- 12/04/2021 TBD - Holiday Event (FVLA George Ruch Community Center)

11. George Ruch FVLA Community Center - Kelly

- Hall rental available for various functions (e.g. birthday parties, baby/bridal showers) – fvlaonline.com/hall
 - Pricing reviewed

12. If you have more questions, please email us with your specific questions. FAQ's to be added to the website.

13. Additional Positions Open and Volunteers Needed

14. Motion to Close – John Tomchik and Barb Reynolds

Floor open to questions

Mike – Looking at the class action posted on FVLA page, the court order was to assess the properties for the dam payment based on property size, location to the lake, value of home; once that payment was decided, it gave residents rights to the lakes; are we planning to do that?

FVLA – Dam fees on top of membership fees. Because we still have other expenses (utilities, groundskeeping, attempting to go back to the state for the lily pads, etc), so we need membership dues for these expenses. We plan to break it down on invoice (dam fee, dues). The dam fee will be based on property location.

Mark – You say you are a 501c3, have you explored other avenues? Also, if the township co-signed the loan, why did you close down access to people were not members of FVLA?

FVLA – Yes, we are constantly looking for grants (one for \$500 from Walmart). We needed twp to get loan, the state would not lend us the money without the twp. We got township approval for the ordinance so state would know they are getting their money back. We thought we would be able to pay but then dues income dwindled; we did not know it would come to this. Still private community belonging to FVLA; it does not go to the township unless we default on the loan.

Norma – Would dues be more than current rates?

FVLA – We do not plan to charge more than \$100 a year.

Norma – I did not join because they would have to pay past dues on the property according to previous FVLA mailings; and to use the lake, you have to pay per head for visiting family/friends.

FVLA – We do not plan to continue these rules.

John Tomchik – How many members will Whitehall gardens be? It says something about them having to pay \$100. And there are also going to be some buildings on Coles Mills (some apartments or something), will they be members too?

FVLA – I don't know anything about the Coles Mills Road property. We have seasonal and daily rates. We do offer seasonal memberships. Whitehall gardens were offered seasonal memberships when they buy a home; agreement made to offer at a discounted rate as an income opportunity. We have not received any money yet; ideally we will end up with \$16K income; though this will be collected over several years as new houses are built.

Norma – if son comes, does he have to pay day rate to use lake?

FVLA – No, but we want to set guidelines, needs to be further discussed (open discussion). As long as you, the paying member, are with them, its ok.

Bill – My understanding is, if we pay dues, that's it, there are no more dues required and you can use the lake.

FVLA - Yes, once you have paid the dues, you are able to use the lake and considered members.

Desiree – Have you looked into grants since covid started, state and county had different grant programs for small business available? We could possibly qualify for them.

FVLA – We do look into different grants. If you have any information, please forward it to us. We will look to drop the rate if we can get money from other sources. If anyone would like to help us look for grants, we would love that. We have looked in the past and continue to look.

Tim Corcoran – Back when Diamond material used wrong supplies or when it was not inspected correctly, were back payments requested?

FVLA – We had a stop work order, and there were negotiations. There had to be ground injections, costing roughly \$18K. When it came time to pay, Terry and Herb sat down with them and went over monies and we ended up paying \$0 of that, just the original loan. Did not pay for extra materials and engineering fees.

Dave – The lakefront properties are within 1 foot of the high water line, so property line ends 1 foot from the high water line. So technically everyone back here is lakeview. I have my deed from 1963.

FVLA – please come talk to us.

Greg – Where are the details for warranty? Will you still honor easement?

FVLA – Unsure of the warranty information but can refer to the contract. This information was shared with Greg at a previous date and we can review.. We are not looking to change or dishonor anything for prior easements.

Mariana – Will you provide copies of everything on the assessment on FVLA website? Will you provide the names of lawyer you got advice from and the lawyer that will be representing you?

FVLA – Yes, everything will be on the website. We have not signed paperwork yet. Greg Shivers will represent us; you can talk with them at your expense.

Kathy – How long for the loan to be paid? Once the loan is paid off, will the dues go down?

FVLA – 20 years. Yes, we will only charge for the dam loan while we have the loan. If we don't have to pay any more, this will not be included in dues.

Becca – If you are only taking money to restart payments, what happens if you default again?

FVLA – We are planning not to default, which is why we started this. If we default, the township takes over. Same as what would happen if we defaulted now.

Katie – What happens if only half pay and the other doesn't pay? Then it would go to the township anyway, right?

FVLA – At that point, the attorneys would get involved. This is why we retained a lawyer.

Tim – Could you ask for donations?

FVLA – We have been. We ask for advertisers for our newsletter and we are looking for them for Jam and the Dam. We are looking to do flyers and have been for years. We could also use help.

Norma – Of the \$800,000 loan, how much has been paid?

FVLA – A payment of \$29,000 and the first interest payment of \$48,000. The loan payment is \$22,000 plus interest every 6 months.

17th Street – Has the shop contributed anything?

FVLA – Sell passes for free, donated pizza and given discounted pizza. We could solicit again.

Michael – I have a procedural question, who makes the decision for twp to come in and assess? Will there be a vote?

FVLA – If we can't pay the loan, we default, if we default, it goes to the twp. The way the bylaws are set up, the charter members have voting rights. We have been talking with them.

Norma – What office does the assessment?

FVLA – I am not quite certain, I know the procedure but not the particulars. It would be an office outside of Gloucester County.

Melanie – Have we talked with Autumn Lake Winery to see about fundraisers? Or with someone else who had a license?

FVLA – They were not ready when we spoke with them before. We will reach out again. We once did a designer purse bingo with someone else's license. We can not get gambling license, turned down twice from the state. All fundraisers are posted on the website and Facebook page, in the newsletter and up on the board.

Rebecca – If the loan is defaulted and goes to the twp, the twp decides to do assess and give everyone a fee, they can then do what they want with the lake. They do not have to maintain it, it could become public or drained. But if the twp assesses, there's no ending to that and they could keep that assessment.

?? – If new owners come in, will this happen to them?

FVLA – Yes, they will have to pay and should be made aware when you sell your house.

Barb – Who is responsible for notifying the next homeowner of dues?

FVLA – The current homeowner is responsible to do so

Norma – Have you tried a GoFundMe page?

FVLA – Yes, we have and made about \$300. There is also an AmazonSmile and we are open to any fundraising ideas. We will look to do one again.

Scott – I have been here 2 years and this is the first communication from FVLA; would've been nice to know this long ago. Communication has to be improved; maybe if I had known this 2 years ago, I would have signed up to avoid the twp coming in.

FVLA – Our regular communication is our annual newsletter. We have the FB page, we are trying to be able to hook up with realtors for MLS listings to inform potential new homeowners. We are hoping to get the communication board on Magnolia park sanded so we can use that as communication as well. Open to any ideas you have.

Mike – did newsletter go out to 392 homeowners?

FVLA – Yes, actually 500 went out via bulk mail.

Mike – Have you considered going door to door for discussions?

FVLA – No, we have tried to reach to everyone for community involvement. To go door to door takes hours but we are volunteers with full time jobs and families. If we had more community involvement, we might be able to do it. We would love to assign Block Captain volunteers; they would hand deliver newsletters for their block.

Mike – Are we planning to do a vote motion?

FVLA – We are discussing with lawyer. We will have votes for things that are optional.

Mariana – will you have another meeting after talking to lawyer?

FVLA – Next membership is in September and if we need to have another meeting, we will discuss that.

Jerry – We also have Community cleanup funds, and sometimes we get stuff for that.

FVLA – Terry has reached out to the county and the township; we used to get \$500 if we had 30 members but they did not offer it during COVID. We still want help cleaning up. We will notify when/if date is available.