

# SPECIAL MEMBERSHIP MEETING MAY 8, 2020 VIA ZOOM

Questions and Answers from Membership

Topic: Approving \$33,000 to Engage an  
Engineering Firm and take the first step in  
building our New Clubhouse

Background/General

Funding

Experts

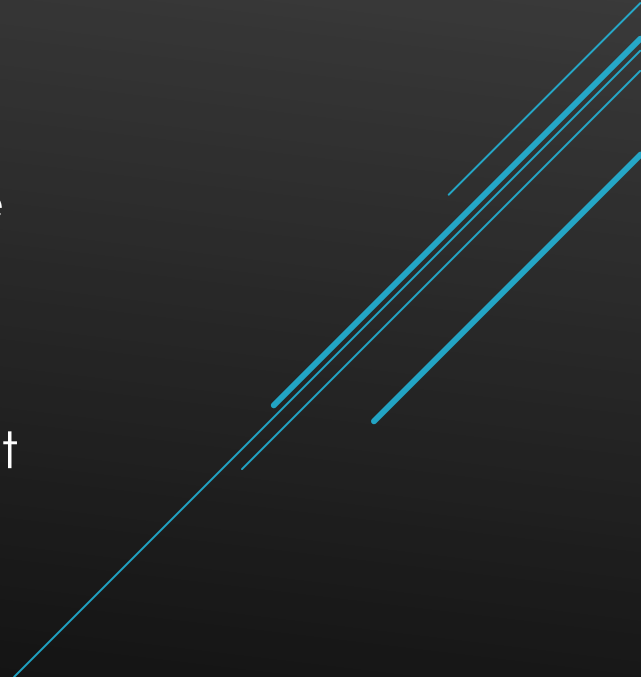
Engineering Firm  
Selection

New Clubhouse  
Layout/Design

Next Steps/Follow Up

## SIX CATEGORIES OF QUESTIONS

# TAKE AWAYS

- ▶ The current Clubhouse is deemed Substantially Damaged and must be remediated by October 29, 2021.
  - ▶ OB3 Membership has overwhelmingly endorsed building a New Clubhouse that will provide for Summer activities and also house our machinery and equipment and consolidate our Club Office.
  - ▶ We are about halfway there with funding. The rest will come from the eventual sale of the current Club Office, revenues from Rental Badge price increases, \$100 Member assessments in 2021 and 2022, and fundraising.
  - ▶ Step One: Engineering and the CAFRA permit will inform our options regarding size and placement of the new building. This will take about one year to complete, so we must get started now!
  - ▶ Your YES vote is needed for us to take this First Step!
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BACKGROUND/GENERAL



WHAT ON EARTH IS THIS ALL ABOUT? DO YOU HAVE ANY IDEA HOW MANY HOMEOWNERS ARE NOT ONLINE AT ALL TO EVEN RECEIVE THIS MESSAGE? WAS A WRITTEN FORM SENT TO THOSE MEMBERS AND AWAY FOR THEM TO VOTE IN A TIMELY LEGAL WAY? HAVE WE AS MEMBERS VOTED FOR THIS NEWEST PROCEDURE? I HAVE NOT EVER BEEN NOTIFIED. I BELIEVE THIS WOULD BE BEST TO BRING UP AT SPRING MEETING WITH PROPER NOTIFICATION AND OPPORTUNITY TO VOTE ELECTRONICALLY AND BALLOT TO ALLOW ALL TO PROCEED PROPERLY. I AM ALL FOR GOING FORWARD AND A FEW WEEKS BEFORE OUR MEETING WON'T DELAY THE PROCESS, IT WILL MAKE IT OUR OCEAN BEACH FAIR FOR ALL WAY. PLEASE CONSIDER BEFORE ATTORNEYS ARE NEEDED BECAUSE THOSE UNINFORMED DECIDE TO GO ANOTHER ROUTE. WE DON'T NEED CONTROVERSY. PEACE PLEASE, HEARING RUMBLES NOT GOOD.

- ▶ **We do not know when we will have the Spring Meeting, and we need to maintain momentum on the New Clubhouse project, being mindful that we have an October 2021 deadline from Toms River to remove the existing clubhouse. The engineering work must start NOW as it can take as much as one year to complete. The proposal includes these services:**
  - ▶ **Field Survey and Topography**
  - ▶ **Survey Mapping**
  - ▶ **Engineering Design & Reports**
  - ▶ **Plan Preparation**
  - ▶ **Regulatory Agency Applications and Management**
- ▶ **We have gone out to bid and selected an engineering firm that will charge \$33,000 for these services, an amount which requires membership approval by vote, even though we already have these funds in the New Clubhouse account. Our records indicate that the vast majority of OB3 homeowners have internet access and email addresses. In fact, thanks to our implementation of online voting in 2018, an unprecedented number of OB3 homeowners --- roughly half --- now actively participate in the voting process. Even without the pandemic, we would have used online voting for this issue today, and we will continue to do so going forward to ensure maximum membership participation. For those who do not vote online, we provide information and ballots via US mail, as we did on April 23<sup>rd</sup> for the issue at hand today. We want every member notified and participating, including you. Our records indicate that you received your email notification when it was sent in late April, and that it was opened 5 times.**

DO YOU REALLY THINK IT'S A  
GOOD IDEA TO HOLD A  
MEETING DURING A PANDEMIC  
SHUTDOWN? NOT EVERYBODY  
HAS ACCESS TO "ZOOM".  
DOESN'T LOOK LEGIT.

- ▶ Governor Murphy has issued an executive order allowing non-profits like OB3 to convene meetings remotely. Zoom is free for participants and has become among the most widely used methods to convene meetings remotely during the pandemic. This is a very effective way to get Members' questions answered so they can cast an informed vote.

WHO ARE THE EXPERTS [ON THE  
CLUBHOUSE COMMITTEE] AND  
WHAT ARE THEIR  
CREDENTIALS?

- ▶ The New Clubhouse Committee is made up of skilled professionals, including a licensed engineer and a licensed architect.

I AM STILL CONCERNED ABOUT THIS  
"LETTER" THAT STATED THE  
CLUBHOUSE WAS  
SUBSTANTIALLY DAMAGED?  
ORIGINALLY, I THOUGHT OB3  
RECEIVED A LETTER THAT THE  
CLUBHOUSE WAS **NOT** SUBSTANTIALLY  
DAMAGED. THEN, ALL OF A  
SUDDEN, A LETTER APPEARS  
THAT IT IS. CAN WE PROVE THAT THE  
CLUBHOUSE WAS  
SUBSTANTIALLY DAMAGED?

- Please visit our website at [oceanbeach3.org](http://oceanbeach3.org). Click on News, then click New Clubhouse. There you will find a lot of helpful information, including the Presentation that we delivered at a Special Meeting on September 28, 2019. In that Presentation on Slide 33 you will see a copy of the letter from Toms River, dated June 13, 2014, notifying us of its determination that the current clubhouse was "substantially damaged by flood on October 29, 2012".



ARE THERE ANY PHOTOS  
OF THE CLUBHOUSE RIGHT  
AFTER SUPER STORM  
SANDY TO SHOW THE  
DAMAGE?

- ▶ We are not aware of any photos that show the damage after Sandy.

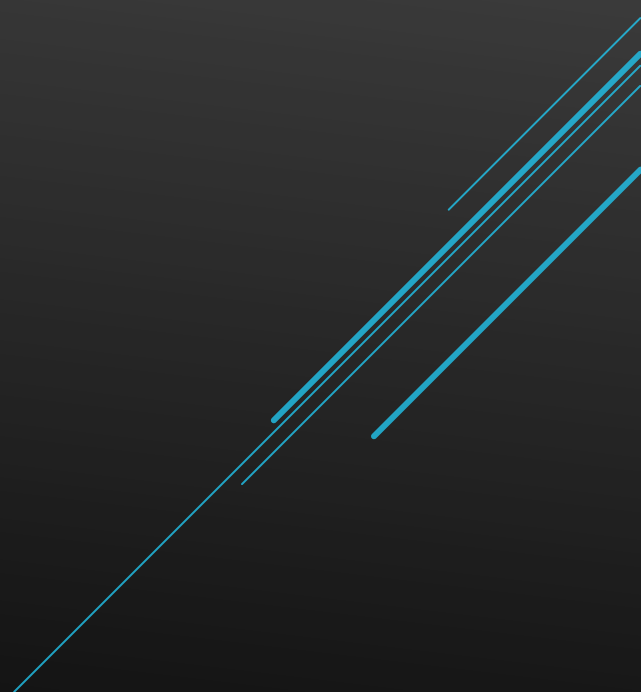
FUNDING



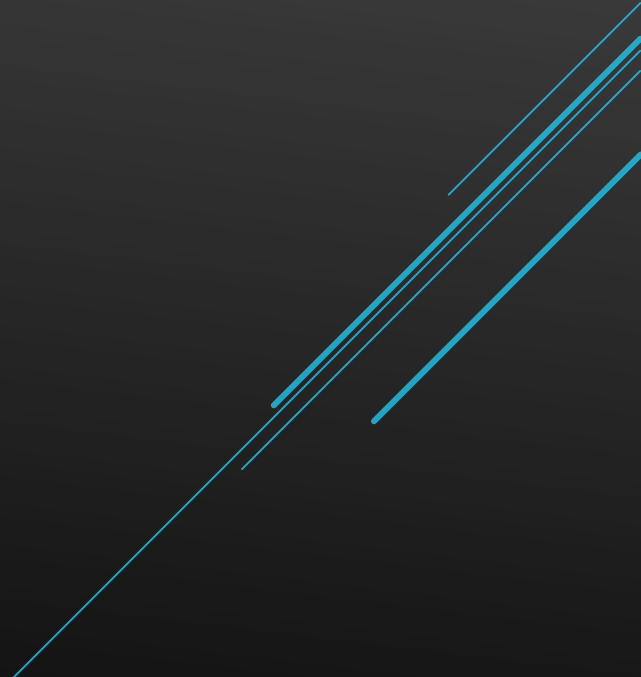
IN THE SEPTEMBER PRESENTATION, YOU OUTLINED ANTICIPATED OR PROJECTED FUNDING SOURCES FOR THE NEW CLUBHOUSE INCLUDING THE SALE OF CLUB OWNED PROPERTY, AN ASSESSMENT OF THE MEMBERS AND FUNDS FROM THE FUNDRAISING COMMITTEE. WOULD YOU PLEASE PROVIDE CURRENT INFORMATION ON HOW MUCH WAS RAISED FROM EACH REVENUE SOURCE? AND ALSO, THE CURRENT BALANCE AVAILABLE IN THE NEW CH RESERVE ACCOUNT?

- ▶ We anticipate the cost of the project to be between \$750,000 - \$1,000,000. We have approximately \$500,000 in the Clubhouse Reserve Account, sourced from the sale of one OB3 parking lot, fundraising, 2020 Dues & Assessments, and surplus from 2019. Another \$200,000 will be collected from 2021 and 2022 Dues & Assessments. Approximately \$300,000 will be raised when we sell the current Club office. Starting in 2020, we will have an extra \$50,000/year coming in from increases in Rental Badge fees. We can also generate money from fundraising activities, but we need Volunteers to help with that endeavor. If you are interested in fundraising, please contact the Club office.

IF THE BEACH IS CLOSED FOR THE 2020 SEASON DUE TO THE CORONA VIRUS PANDEMIC, THE \$50,000 ASSUMED INCREASE IN REVENUE FOR THE NEW CLUBHOUSE (AS PER THE SEPTEMBER 2019 MEETING) WILL NOT BE COLLECTED. THIS WILL CREATE A FINANCIAL PROBLEM. HOW WILL THIS BE RESOLVED?

- ▶ We assume you mean the projected \$50,000 we can raise from increased Rental Badge fees. It is unlikely that the beaches will be completely closed this year, but we don't know for sure yet. We do know from the rental agency that there have been no cancellations to date, and this is projected to be the best Season for rentals since Sandy. If, however, we were not able to raise these Rental Badge funds this year, then we would need to rely on fundraising to cover any shortages. Fortunately, we will have plenty of time to do so.
- 
- Several parallel teal lines of varying lengths and orientations are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.

WHAT HAPPENED TO THE FIRST AMOUNT OF MONEY THAT WAS APPROVED TO GET STARTED, IT'S NOT SHOWN ON THE E-MAIL.

- ▶ We assume you are referring to the \$100 assessment included in the 2020 Budget specifically dedicated to the Clubhouse Reserve fund. We do plan to use these funds to engage the engineer. However, according to the bylaws, we still need membership approval for expenditures over \$10,000.
- 
- A series of parallel teal lines of varying lengths and orientations, located in the bottom right corner of the slide, creating a modern, abstract graphic element.

ONCE ALL FUNDS ARE RAISED FOR THE NEW CLUBHOUSE, WILL THE MEMBERSHIP DUES GO BACK DOWN TO THE \$611 INSTEAD OF \$711/YEAR?

- ▶ Annual membership dues and assessments are determined each year based on anticipated revenue and expenses. As for the New Clubhouse, the membership has agreed to a \$100/year assessment for 2020, 2021, and 2022. We don't expect to need any further assessments from members for the New Clubhouse.

EXPERTS






## WILL YOU NEED TO ENGAGE AN ARCHITECT AS WELL?


- ▶ Yes, once the Engineering reports are received and the NJ Department of Environmental Protection (DEP) Coastal Area Facility Review Act (CAFRA) permit is approved --- THIS CAN TAKE AS LONG AS ONE YEAR --- we will have a clear determination as to the exact size and location of the physical building that can be built. When it is time to engage an architect, we will go out to bid as we recently did for the engineer.



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## WHAT LAW FIRM IS THE COMMITTEE USING FOR THE CLUBHOUSE PROJECT?

- ▶ We plan to engage the services of Novus, York & Jacobus, based on their reputation and expertise regarding Toms River Land Use Ordinances, Toms River Planning Board procedures, and DEP and CAFRA regulations.

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I UNDERSTAND  
THERE ARE 3 RFP'S  
OUT FOR THE  
ENGINEERS, BUT  
DID THAT SAME  
PROCESS HAPPEN  
FOR THE  
ARCHITECTS (DID  
THIS HAPPEN LAST  
YEAR BEFORE I  
LIVED HERE)?

- ▶ We issued five RFP's. When the time comes to select an architect, we will go out to bid again. It's not time yet.

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THE NEW CLUBHOUSE COMMITTEE INCLUDES A PROFESSIONAL ENGINEER AND A BUILDING CONTRACTOR. IN THE INTEREST OF AVOIDING EVEN THE APPEARANCE OF A CONFLICT OF INTEREST, WOULD YOU PLEASE ASSURE THE MEMBERS THAT NEITHER OF THEIR FIRMS ARE ELIGIBLE TO BID ON ANY ASPECTS OF THE NEW CLUBHOUSE PROJECT? IT'S IMPORTANT THAT ALL MEMBERS OF THE COMMITTEE AND THE BOARD WHO ARE WRITING AND/OR EVALUATING THE RFPS AND SPECIFICATIONS BE INELIGIBLE TO BID, AND THEREFORE PROFIT, ON ANY ASPECT OF THIS ENTIRE PROJECT.

- ▶ The Committee includes a professional engineer but not a building contractor. We also have a professional architect. Both of them continue to give freely of their time and resources on a volunteer basis and have recused themselves from bidding or providing paid services to this project. We are deeply grateful to them for their very valuable contributions.

# ENGINEERING FIRM SELECTION



We issued five RFPs. Four were responsive.

I SEE THAT THE COMMITTEE RECEIVED FOUR (4)  
RESPONSES TO THEIR RFP. HOW MANY COMPANIES  
WERE INVITED TO BID?

- ▶ Two firms bid within \$100 of each other: Gravatt \$33,000 and T&M \$32,900. The other two were too high or too low, and were eliminated: Insite \$46,960 and Najarian \$11,900.

WHAT IS THE RANGE OF COSTS/BIDS SUBMITTED BY THE 4 RESPONDING BIDDERS? (WHAT WAS THE HIGH BID AND WHAT WAS THE LOW BID?)

- ▶ The lowest bid was unreasonably low, and we anticipated that there would be many “additional services” needed later, which makes it difficult to control costs. On the other hand, Gravatt was willing to incorporate some services into their bid for which the others would have charged extra.

DID THE COMMITTEE SELECT THE LOWEST BID? IF NOT, WHY NOT?

- ▶ The same criteria were applied for all bidders. We issued the same RFP to all of them.

YOU MENTIONED THE FOLLOWING CRITERIA IN EVALUATING AND SELECTING THE WINNING PROPOSAL:

EXTENSIVE EXPERIENCE

LOCAL KNOWLEDGE

PRICE

ACCEPTANCE OF PREVIOUS SURVEYS

DOCUMENTATION

ABILITY TO NAVIGATE THE COMPLICATED NJDEP COASTAL AREA FACILITY REVIEW ACT OF 1973 (CAFRA) AND TOMS RIVER TOWNSHIP ORDINANCES.

ARE THESE THE EVALUATION CRITERIA APPLIED TO ALL 4 BIDS? IF NOT, WHAT OTHER CRITERIA WERE EVALUATED?



- For the most part, we weighted the criteria equally, though we did give some extra points for having local experience and having performed work in coastal areas.

WERE EACH OF THESE CRITERIA WEIGHTED EQUALLY OR WERE SOME GIVE GREATER CONSIDERATION THAN OTHERS? IF THEY WERE WEIGHTED DIFFERENTLY, PLEASE SHARE THE RELATIVE WEIGHTS FOR EACH.

- ▶ As with all construction proposals, there may be additional services required. If so, the work will only be performed with the written permission of the Board of Trustees, and will be billed at the contractual rates included in the proposal. Any amount over \$10,000 would also have to be approved by the membership. We selected an engineering firm that included services for which others charged extra.

IS THE \$33,000 THE TOTAL TO BE PAID TO  
GRAVATT CONSULTING FOR THEIR SERVICES?

- ▶ \$11,000 - Initial Payment/Retainer at Time of Signing Agreement
- ▶ \$11,000 - Paid approximately 30 days later, upon work being approved by Board of Trustees
- ▶ \$11,000 – Paid at completion of the work, upon approval of Board of Trustees

Typically, there are no performance penalties associated with this type of contract, as much of the work will depend on the engineer's ability to supply the required information in a timely manner.

WHAT ARE THE PAYMENT TERMS IN THIS PROPOSED CONTRACT? ARE THERE PROGRESS PAYMENTS? IS THERE A PERFORMANCE PENALTY IF AN AGREED UPON COMPLETION DATE IS NOT MET? IF NOT, WHY NOT?

- ▶ One RFP response was eliminated because a sitting Board member is an employee of the firm. The rest have no affiliation with any Board member or Committee member.

AS A NOT-FOR-PROFIT, IT IS OF THE UTMOST IMPORTANCE THAT OB3 AVOID EVEN THE SLIGHTEST APPEARANCE OF A CONFLICT OF INTEREST. WITH THAT IN MIND, ARE THERE ANY PERSONAL OR PROFESSIONAL RELATIONSHIPS BETWEEN THE 4 BIDDERS, AND ESPECIALLY THE COMPANY THE COMMITTEE RECOMMENDED, AND ANY MEMBERS OF THE NEW CLUBHOUSE COMMITTEE? IF SO, PLEASE DESCRIBE.

# NEW CLUBHOUSE LAYOUT



ARE THERE ANY PLANS OR  
PROPOSALS YOU CAN  
EMAIL THE MEMBERS? JUST  
TO GET AN IDEA OF WHAT  
IT WILL ALL POSSIBLY LOOK  
LIKE?

- ▶ We are not yet at the design stage. When we are, we will solicit membership opinions. Be assured, the community will be involved in this project.

IS IT NECESSARY TO HAVE  
THE CLUBHOUSE THAT BIG?  
IT SEEMS LIKE IT IS GOING  
TO COST THE MEMBERS A  
LOT OF MONEY ON TOP OF  
WHAT WE'RE ALREADY  
PAYING.

- ▶ The new clubhouse size has not yet been determined; however, we anticipate it will not be much larger than the current one. It will be designed to accommodate the existing maintenance garage, life-saving equipment, and the Club office. We have never enjoyed this type of consolidation into one location. It will help reduce Club costs, even providing for the protection of our machinery and equipment from the elements during the off-season between September and May.

HAVE THERE BEEN ANY MORE  
DRAWINGS OF THE CLUBHOUSE  
BEEN PRESENTED? I ASSUME WE  
WILL SEE THEM ON THE ZOOM  
CALL ON MAY 8TH.

- ▶ It is too soon for drawings. That will be the next step after we receive the engineering reports and DEP CAFRA permits, which can take as long as one year.



WILL OWNERS STILL HAVE  
THE CHANCE TO VOTE ON  
A DESIGN FOR THE  
CLUBHOUSE?

- ▶ When we are at the design stage, we will present options to the membership.

WILL HOMES ALONG ROUTE 35  
SOUTH HAVE ANY ADDITIONAL  
SAY, AS WE ARE THE ONES  
IMPACTED THE MOST?

- ▶ The Toms River Township Planning Board requires that all homeowners within 200 feet of the clubhouse be notified by certified mail/return receipt when the Planning Board meeting will take place. Anyone can attend that meeting and make comments. This meeting will not be scheduled until after the DEP CAFRA permits are approved (could take one year) and the new clubhouse design with all engineering reports are submitted for review, most likely sometime in 2021.

WILL YOU BE RAISING  
THE EXISTING OR  
DEMOLISHING AND  
REBUILDING?

- ▶ The existing clubhouse will be demolished. A new, raised one, will be built per Toms River's current building codes.

ARE YOU GOING TO  
ADHERE TO THE 4 FOOT  
ABOVE BASE FLOOD  
ELEVATION?

- ▶ Yes, we are utilizing the maximum elevation available, which is 4 feet above the base flood elevation (BFE)

CAN THE CLUBHOUSE AND  
PARKING LOT LOCATIONS BE  
SWAPPED? WITH THE WAY IT IS  
LAID OUT RIGHT NOW THE KIDS  
WOULD HAVE TO GO  
THROUGH THE PARKING LOT TO  
GET TO THE PLAYGROUND  
FROM THE CLUBHOUSE. IN MY  
OPINION, THAT WOULDN'T BE  
VERY SAFE FOR THE KIDS.

- ▶ The safety of our membership and, especially, our children comes first, and this subject is being carefully studied. Once we have the Engineering reports and DEP CAFRA permit approvals, we will then address how the playground can be best incorporated into the overall design of the area.

# WILL THE NEW PARKING LOT STILL BE JUST DAY PARKING?

- ▶ This will be determined at a later date, after we have the engineering reports.

IS THERE ANYTHING  
GOING TO BE DONE  
WITH THE REMAINDER  
OF THE OLD  
PLAYGROUND?

- ▶ There are no plans to move the existing old playground equipment.

HAS THE BOARD EXHAUSTED THE  
POSSIBILITY OF MOVING THE  
CLUBHOUSE MORE NORTH, AND  
FURTHER SETBACK FROM THE  
WATER? PERHAPS NEAR THE AREA  
WHERE THE NEW TREES WERE  
PLANTED AND NEAR THE "CORRAL"  
PLEASE DON'T TELL ME IT HAS TO  
STAY IN THE SAME "FOOTPRINT"  
WHEN WE'VE ALSO HEARD THAT IT  
HAS TO MOVE 50 FEET. (NOW  
MAYBE 20 FEET) CAN'T SEEM TO GET  
A CONCRETE ANSWER ON THAT  
EITHER.

► We will know the  
answer once we are  
issued the DEP CAFRA  
permit.



WHAT WILL HAPPEN TO  
THE OB3 OFFICE, IS IT  
STILL PLANNING TO  
MOVE INTO THE  
CLUBHOUSE?

- ▶ The Club office will eventually be situated in the New Clubhouse, so we will be able to sell the current office to help fund the New Clubhouse.

NEXT STEPS/FOLLOW UP

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- ▶ Thank you for your kind words. We have received so much positive feedback, like yours, from the Community, which is excited by the prospect of having a New Clubhouse that will draw more members and enhanced community spirit.
- ▶ Count on us to keep you informed of milestone progress and be sure to visit the New Clubhouse page on our website at [oceanbeach3.org](http://oceanbeach3.org), under the News tab.
- ▶ This Q&A session will be published on the website shortly.
- ▶ We will open up online voting at the conclusion of this meeting --- look for an email with a link to vote. **We ask you to vote YES** to engage the engineers so we can get this project underway with no more delays.
- ▶ We will report the voting results on Monday.

I APPLAUD THE NEW CLUBHOUSE COMMITTEE FOR THEIR DEDICATION AND COMMITMENT. THANK YOU FOR SHARING YOUR KNOWLEDGE AND EXPERTISE WITH THE CLUB! SINCE THE COMMITTEE MEETS BIWEEKLY, IS IT POSSIBLE TO SHARE THEIR MEETING MINUTES WITH THE MEMBERS? DETAILS OF DELIBERATIONS ARE NOT NECESSARY – YOU COULD SIMPLY INCLUDE WHO ATTENDED, TOPICS DISCUSSED, ANY RESOLUTIONS OR RECOMMENDATIONS, AND ACTION ITEMS. WHAT IF YOU SEND A MONTHLY OR BIMONTHLY EMAIL TO MEMBERS WITH AN UPDATE CONTAINING THIS INFORMATION?

ADJOURN AT 5:55 PM  
YOU MAY NOW CHAT IN  
QUESTIONS

