

STATE OF RHODE ISLAND
WASHINGTON, SC.

SUPERIOR COURT

BONNET SHORES BEACH CLUB
CONDOMINIUM ASSOCIATION, INC.

V.

C. A. No. WC-2020-0316

THE BONNET SHORES FIRE DISTRICT, by and
through PAUL FARLEY, MICHAEL VENDETTI,
JANICE McCLANAGHAN, MARLENE BELLINI,
ANITA LANGER, CHRISTOPHER MANNIX and
CAROL O'DONNELL, as Members of THE BONNET
SHORES FIRE DISTRICT COUNCIL

CONSENT DECREE

The plaintiff, Bonnet Shores Beach Club Condominium Association, Inc., is a Rhode Island non-profit corporation (hereinafter "BSBC") which manages cabanas and other units in Narragansett, Rhode Island. The defendant Bonnet Shores Fire District (hereinafter "BSFD") was created by an act of the Rhode Island legislature in 1930. Pursuant to that and subsequent legislative acts, the BSFD was permitted to tax real estate in order to raise money. The parties own adjacent beaches in Narragansett and have had dealings over the years with regard to the cleaning of an estuary adjacent to the Fire District's beach, the use by BSBC members of Fire District parking areas for the annual July 4th celebration and on Sundays during the summer months, and the use by the BSBC of the BSFD Community Center.

The BSFD provides trash and recyclables removal as part of its services to taxpayers. On or about May 20, 2015, the BSFD revised its trash ordinance to make trash and recyclables removal optional for the BSBC, and took the position that it was not required to provide trash and recyclables removal for commercial property owned by the BSBC. In its Complaint, BSBC alleged that, because there was no provision in the District Charter that distinguished between

the taxation of BSBC residential property and its commercial property, the BSFD breached its contract to provide trash and recyclables removal services to the BSBC, which allowed it to enjoy an unjust financial benefit. The BSBC later amended its Complaint by adding a count seeking declaration under RIGL §9-30-2 that the trash ordinance was arbitrary and capricious, invalid and unenforceable and that the BSFD be ordered to provide trash and recyclables removal for the BSBC forthwith and at no additional expense.

After extensive settlement discussions, the parties have agreed to accept the terms set forth in Exhibit "A". The settlement proposal was approved by the Bonnet Shores Fire District Executive Committee on April 4, 2023 (Exhibit "B") and in Executive Session by the Board of Directors of the BSBC on April 17, 2023, (Exhibit "C"). This Consent Decree shall survive the dismissal of the above-entitled matter as an independent contract.

ENTER:

BY ORDER:

Judge

Clerk

Presented by:

/s/ Michael W. Garland
Michael W. Garland #6394
mgarland@harwoodgarland.com
Harwood & Garland, LLC
9 Thurber Boulevard, Suite D
Smithfield, RI 02917
(401) 723-9655

EXHIBIT "A"

SETTLEMENT AGREEMENT

The Bonnet Shores Beach Club Condominium Association, Inc. (hereinafter the "Beach Club") agrees to the following:

- 1.) The Beach Club will clean out the estuary as needed free of charge. (N.B. The Beach Club does not have the equipment that would be needed to clean the culvert, but our equipment will allow us to clean out the southern end of the estuary on a regular basis.)
- 2.) The Beach Club will allow the Fire District to use of 250 linear feet of the eastern-most end of our beach free of charge, provided that the Fire District agrees never to claim that property in adverse possession.
- 3.) The Beach Club will make an annual donation of \$500.00 to the Fire District's Kids' Camp.
- 4.) The Beach Club will abandon the lawsuit.

The Bonnet Shores Fire District (hereinafter the "Fire District") agrees to the following:

- 1.) The Fire District will provide free trash removal for the live-in units from May 15 to October 15 every year.
 - A.) The Fire District will pick up that trash behind the live-in units as the gate is 1,198 feet from the live-in units.
 - B. The Beach Club understands that If the Fire District ever stops picking up trash in the District, then the live-in trash removal will also be discontinued.
- 2.) The Fire District will allow BSBC guest / overflow parking at the Community Center free of charge on July 4th and on Fireworks Day or its Rain Date.
- 3.) The Fire District will allow BSBC guest / overflow parking at the Community Center free of charge on the Sundays between July 1st and Labor Day.
 - A.) If a party is booked at the Community Center on any of these Sundays, the Fire District will notify the Beach Club 7 days in advance and the Beach Club will make other arrangements.
- 4.) The Fire District will allow 12 meetings per year in the Community Center free of charge.

- 5.) According to the current contract between the Beach Club and the Fire District, the Beach Club will continue to rake Kelly Beach at the agreed-upon rate of \$6,500.00 per year until the contract expires in June of 2026. The Beach Club will extend the contract for two years (until June of 2028) at the rate of \$10,000.00 per year.

EXHIBIT "B"

**Bonnet Shores Fire District
Executive Committee Meeting
April 4, 2023**

Attendees:

Tom Dickinson (District Council Attorney)
Council members: Carol O'Donnell Chair
Marlene Bellini Vice Chair
Steve Danuszar
Anthony DeAngelis
William Degizzo

Meeting was called to order at 5:55 pm

Vice Chair Marlene Bellini made a motion to appoint Carol O'Donnell Secretary Pro Tem. Seconded by Steve. Motion carries 5-0.

The council was presented with possible settlement terms from the BSBC, due to their Lawsuit concerning trash removal.

Discussion entailed with FD Attorney Dickinson- slight modifications to the settlement were made, Council voted unanimously, with a roll call, 5-0 to approve the settlement with modifications.

Attorney Dickinson was instructed to reach out to BSBC attorney and move for settlement.

Carol asked for a motion to adjourn the meeting and seal the minutes. Marlene made the motion and Anthony seconded.

Meeting adjourned at 6:30pm

EXHIBIT "C"

During discussion at a Charter Commission meeting in the Fall of 2022, the Commission (through Bob Patterson) agreed that the BSBCCA live-in owners are indeed residents for at least 60 days and all such owners should be allowed to vote.

Also at issue is the procedure by which the Charter can be changed. It is our understanding that 1.) any change must first be approved by the General Assembly and 2.) that change must then be sent back to the voters in the Fire District for their approval.

But the question here is who will be allowed to participate in the vote whereby the Fire District will approve or reject that change proposed by the General Assembly? At a Charter Commission meeting in the Fall of 2022, the Commission's then-attorney William J. Conley, opined that the owners of the Beach Club would not be allowed to vote because they shouldn't have been allowed to vote in the first place because voting in this country is not based on land ownership. This is a major sticking point for us because we want to be able to participate in the vote that will determine if we will be able to vote in future District elections.

Noting that a RI legislator told Kevin Lynch that she would be introducing legislation next week that would give each unit at the Beach Club one vote in Fire District elections, Kevin stated that there would be a hearing on the matter. It was agreed that Louise Healy would represent the Beach Club at such a hearing and would speak in favor of the compromise of one vote per unit.

It was agreed that Louise would contact Attorney Michael Garland in the morning regarding the lawsuit settlement and a consent decree. It was further agreed that she task him with representing us regarding the voting issue if legal representation were to be needed.

Discussion of RISP investigation

Mark noted that he had received an update just today from the RISP. Their investigation has concluded thus far that former Business Manager Jennifer Campbell is responsible for some \$60K in fraudulent credit card charges and that former General Manager Michael Rennell is responsible for some \$15K.

It was noted that in addition to the fraudulent credit card charges, there are also questionable season memberships attached to Michael Rennell's bathhouse unit. He was allowed four unit memberships, two for family that his contract provided, and two below-the-line memberships that he could purchase. However, there were 15 or 16 memberships attached to his unit in 2022.

V.P. Bill stressed that is it important that no one on this Board discuss any of this with anyone. At this point, it is assumed that neither Jennifer nor Michael are aware of the RISP investigation and we want to keep it that way.

Discussion of Comps

President Kevin noted that the Board had repeatedly asked the former GM to curtail comps to no avail. Kevin opined that the Managers should receive free food and that the employees should receive a discount --- all while they are working. He understands that if a Bistro customer gets a bad meal, s/he should be comped. Other than that, he is opposed to comping anyone.

F&B Manager Jay noted that comps are commonly given in the food industry. If someone is a consistent customer at a bar, s/he is usually comped the first drink. If someone is a consistent customer at a restaurant, s/he might be comped a drink or a dessert.

A lengthy discussion ensued, with Kevin opposed to comps, with Jay in favor of comps, and with the Board divided. One Board member stated that he is always comped his first drink at a Narragansett restaurant and that he used to be comped his first drink at a now-closed Narragansett pub.

It was noted that the Pit bartenders commonly comp (wealthy) big spenders, often comping drinks for an extended length of time when someone offers a very generous tip at the beginning of the evening. One Board member noted witnessing such activity.

Jay offered a policy that is commonly used in the industry of allowing the Pit bartenders to comp a fixed amount of comps per shift. Kevin was still opposed, noting that it is unfair to other owners, that the former administration fired bartenders for such activity, that comping is out of control in the Pit. He also warned of dire consequences if someone who had been comped were to get into a car accident with injury resulting.

GM Mark suggested that he and Jay discuss this and try to come to a compromise suggestion. Comping is part of the industry culture and he and Jay opine that it will occur no matter what we say or do. He and Jay want to effect a policy that will try to control it. They will report back to the Board at the next meeting on May 22.

Respectfully submitted,
Louise B. Healy, BSBCC Secretary

The Bonnet Shores Beach Club Condominium Association is litigating with the Bonnet Shores Fire District for reimbursement of the past 10 years of trash removal.

A settlement has been proposed:

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