

WCYC Board of Governors Meeting
February 20, 2016
Approved Meeting Minutes

Call to Order – Ken Shefcik

Attendees

Present in Club Room:

- Board Members: David May, Tom Bell;
Tom W. - WCYCMS

On Phone:

- Board Members: Mike Harwell, Paul Tuhy, Ken Shefcik, Curt Grimm, Sandy Burt; Geoff O'Connell

Not in attendance:

- Board Member: Cate Poole

Guests

- Members: Ted Maslin (on the phone)

1. Member Issues – Opportunity for non-board members who are attending the meeting to raise issues. (10 minutes)

Ted Maslin mentions that he is listening in.

2. Secretary – Curt (email of 2/4)

- a. Review & approval of draft regular meeting from the January 16, 2016 BOG Meeting.

Motion to approve by Sandy, seconded by Mike and approved by all.

- b. Status of 2015 Annual meeting minutes – difficulty getting Gary Chehames (2104-2015 Secretary) to complete them. What action should be taken to compel completion?

Gary indicates that as long as he gets the minutes in before the next Annual Meeting everything should be fine. Mike says that given the importance of those Minutes because of the Bylaw changes, they should have come out in a timely manner. Discussion of when draft minutes have been completed in the past suggests that they are usually prepared within a month or so. Paul says he can give Gary a call and

see if he can convince Gary to complete the minutes. If this does not work then Ken will send a letter. Sandy says she can call him and she feels that sending a formal letter is not appropriate. Others agree with this approach. Mike says he does not want this to continue.

Motion by Mike to have Sandy call Gary and if that does not work, then have Ken send a formal letter, seconded by Ken and approved by all. Sandy suggests we think about making an audio recording of future meetings.

3. Treasurers Report – Dave May

a. Current Budget Status (Dave's email of 2/13)

Nothing to add to the last status report except that we could amend the budget because of the increase in the number of dues paying members from 91 to 93. This would not include the three non-dues paying members.

b. Options for member payments instead of sending in a check

- i. Pay Pal – perhaps easiest method. It includes 2.9% charge plus 30 cents per payment. This would raise dues for members using this method by \$2.80.
- ii. Meredith Village Savings Bank option – there are a number of fees involved to allow people to use their credit cards and it is probably not worth it.
- iii. Club Express – Cate likes this approach, but it would require hefty initial setup plus charges.

David says that payments seem to be coming in, including about 25% via members' bank's online payment service. Mike asks how this issue became an agenda item. David says Cate was exploring how to pay by credit card and she and David were tasked to come up with options. Straw vote to drop this issue; no one opposes.

4. Marina Ops – Tom Bell (Tom Email 2/19)

a. Marine Services Contract Review Motions:

- i. Nonmember valet rate @ 1.5X member rate

Tom W feels the demand could be there to increase the number of nonmember valet users from 10 to 20. Some of these boats could possibly even be kept at Rte 109 property. **Motion** by Tom to increase the number of valet boats allowed to 20, seconded by David. Sandy asks why we need that number. Tom responds that it is a way to boost revenue and visibility and Ken says that the contract calls for us to set a number. Motion approved by all.

Motion by Tom to raise fees for nonmember valet users by 1.5X the member rate (from \$40 per foot to \$60 per foot), seconded by David. Member valet fees would remain the same. Motion approved by all.

ii. Nonmember valet & mooring longevity rule change

Current Rule says nonmembers can only use the services for one year. **Motion** by Ken to change the Rule to allow the BOG to make a decision annually to set the Rule regarding length of time nonmembers can use the valet and mooring services, seconded by Tom. Sandy thinks we should keep the Rule at one year to incentivize people to join the Club. David says it makes more sense to allow nonmembers to continue until the mooring field and valet lot are filled. Tom says he will follow up with nonmembers who have used the services to encourage them to join, but also, if the Rule is changed, to re-enlist on a first come first serve basis as nonmembers. Mike says we started allowing nonmembers as a marketing technique to get new members. If the objective is to maximize revenue, Mike agrees with Tom. He suggests we figure out what our objective is. He feels we dilute the value of membership by allowing nonmembers to continue using the services.

Tom W feels that Marine Service is a way to bring new customers. One year does not allow these customers to realize the advantages of Marine Service, but working with that customer through the winter increases their recognition of the value of that service.

Ken believes that our mooring permits are dependent on membership. Tom W says that any registration may be used to secure mooring permits.

Sandy agrees with Mike that allowing nonmembers to continue dilutes the membership. Ken sees value in Tom W's idea to require

nonmembers to use MS to store their boats between year one and two. Paul thinks we should extend the service and decide on an annual basis. Curt thinks a second year makes sense, but that should be it. Geoff also feels it should not be open ended.

Amended motion by Ken to change the maximum from one year to two years, seconded by Curt. Ken yes, Geoff yes, Curt yes, Mike no, Paul yes, David yes, Tom yes, Sandy no. Vote carries six to two.

iii. Post Labor Day on-site technician change

Current contract calls for a technician to be on hand on weekends through Columbus Day. Tom W feels this is an inefficient use of labor resources. Tom W proposes to have technicians available during the week, but have weekend technicians available on an on-call basis. The change would be for Saturdays only, technicians would remain available Monday through Friday. **Motion** by Tom to amend the contract to say that an on-duty technician does not need to be on premises on Saturday after Labor Day, seconded by Mike and approved by all.

iv. Contractor control of all subcontractors on-site

WCYCMS should have the authority to oversee and vet other subcontractors providing marine services. **Motion** by Mike that we amend Club rules to stipulate that marine services contractors must coordinate through WCYCMS, seconded by Tom. Sandy asks if we are talking about notification or actual control of subcontractors. Tom W says he is just asking that we allow him to coordinate the work of subcontractors.

Amended motion by Mike that WCYCMS be notified of and control over all marine service subcontractors, seconded by Tom and approved by all.

v. Labor for island shuttle service.

Difficult to staff for this position when it is not clear when or how many shuttles will be needed. The two Toms are still working on this, but wanted to let the BOG know.

vi. Contractor boat sales

Tom W says people have asked if he could assist them (members and nonmembers) in selling their boats. He requests that the contract reflect some flexibility to facilitate boat sales. He is not proposing that boats for sale are stored on Club premises. Ken suggests that the two Toms develop a changed clause and present it at a future meeting.

vii. WCYC / WCYCMS revenue split.

Keep current revenue splits with WCYCMS the same for the coming year. Also WCYCMS will monitor storage expenses over the coming year to see if an adjustment is needed. **Motion** by Ken to adjust rent for the period of May through November to the sum of \$3,500.00 in monthly installment of \$500.00, seconded by Tom and approved by all.

Sandy suggests we raise the rent MS pays. Tom says we should monitor revenue and expenses over the coming year (including MS's first Spring launch) and discuss adjustments after the coming year. Sandy worries that the Club also needs new revenue because what we are doing is not sustainable. Others indicate the situation is not so grave.

5. Marketing – Paul Tuhy (Paul's email of 2/17) – no discussion

Ted Maslin suggests that the Club host a monthly Chamber of Commerce meeting to let Chamber members get familiar with the Club.

6. Membership – Mike Harwell (Mike email of 2/17) – no discussion

7. Technology – Cate Poole – no activity

8. Social – Sandy Burt – no activity

9. New Business:

a. Transfer of Boat Spaces – item 1 on the meeting addendum

Ken suggests we drop this due to lack of support.

b. Fixed Dues Income – item 2 on the meeting addendum

Ken suggests

c. Dockage billings for slips 1 & 2 – item 3 on the meeting addendum

Curt presents the issue outlined in item #3 in Addendum 1. Mike and others feel the price is fair given the value of those slips compared to other slips around the lake. Curt notes that all of the slips at WCYC, covered and uncovered, are good value compared to other slips around the lake and this excuse should not be used to rate these two slips at an unusable capacity. **Motion** by Curt to reduce the stated capacity of Slips 1 and 2 to 25 feet, seconded by Tom. Mike suggests since Tom determines slip capacity, he should come back with a recommendation. Others agree and the issue is tabled for the time being.

10. Email vote taken earlier in the month to approve terms of Installment Membership Sales Agreement (see Addendum 2) was unanimously approved.

11. Next Meeting – March 19, 2016

12. Adjournment – Motion to adjourn by Tom at 10:03 AM, seconded by Sandy and approved by all.

2015-2016 Special Committees (Carry Forward)

- **Long Range Strategic Plan** (no status)
- **Sailing Capitol of the Lake** (establish committee)
- **Marketing Committee** (establish committee)

Addendum 1 for WCYC BOG meeting February 20, 2016

TRANSFER OF BOATS SPACES

Consider opening up the right to transfer a boat space with real property to all members and not just island property owners. This is in keeping with providing the same club benefits to all members. The benefit is currently a rule and should become a right under the bylaws, which will require approval by at the Annual Meeting.

The current rule is stated as follows:

3.8 Transfer of Boat Space:

3.8.1 Boat spaces at the Club are not transferable with the sale of a membership share. Exception: Memberships that were purchased by holders of real property on Lake Winnepesaukee Islands for the purpose of guaranteed access to their property may transfer their right to a boat space provided that:

3.8.2 The membership must be sold through the Club to the new buyer of the Island Property at the current share price.

3.8.3 The transfer of a boat space under this rule does not necessarily entitle the new owner to occupy the same boat slip previously occupied by the seller. If the new owner has a larger boat, access to a boat space is not guaranteed.

3.8.4 If the new owner of the property is a current Club member and has already been assigned a boat space, the new owner is not entitled to an additional boat space.

Comments by Board Members:

Dave May: As a member on the wait list, this change has the potential to increase the time for members on the waitlist to get a slip. It would circumvent the waitlist. This benefit to island property owners has value. It would seem the club is not benefitting from giving this value. All members should have equal rights and opportunity. If I understand right, if I had a slip in the future, when I sell my condo, the buyer could join and get my slip? It seems the waitlist process for docks has more to it than meets the eye.

Cate Poole: It would helpful if the new rule proposal was spelled out. That said, I am assuming that the proposal means WCYC members who sell their house and have a boat slip can transfer a boat slip to the new owners of their house with a fully paid WCYC membership. QUESTIONS: 1) Can you please tell us how this rule change suggestion came about? 2) Was there a situation that recently came up that warranted this discussion? 3) Does this rule change present an unfair advantage to members involved in real estate transactions over those who are on a waiting list? 4) Would a more fair approach be to eliminate the island owner exception versus adding another elite group status to procuring a coveted boat slip?

Mike Harwell: I think it is fair to provide the benefit to all members. In my experience on the Board there has only been one instance where an island property purchase invoked the rule. I doubt it would be much more frequent with mainland property, so the overall impact should be small on boat slip availability.

2. FIXED DUES INCOME

The proposal is that the board set the income level we expect from dues and divide that annually by the number of dues paying members to arrive at the dues amount. Last year we obviously thought we needed \$75,000, this year we are collecting \$4,500 less and providing more services (trash, island shuttle, extra mooring access boat, etc.). The decrease in membership will have little effect on the cost those added benefits. Setting this year's dues income at the same level as last, would produce dues for 2016-2017 at \$825 (\$75,000 divided by 91 members = \$824.18). 91 members equals 94 expected members less 3 non-paying members.

Dave May: Maybe for 2017. Don't think we could do it for 2016. We should also evaluate any out of the ordinary expenses in any given year too. That could have an impact on fees. For history, when we took the loan for the docks, did we raise the dock fees to cover some of the principal and interest on the loan?

Cate Poole: I would like the board to consider maintaining or REDUCING the annual dues and work within the budget we have for that income. **We must stop expecting the members to bear the burden of our financial decisions.** We are losing members (due to various factors including aging) and can expect to lose more if we keep increasing fees. I would suggest that until we have a well-conceived plan for attracting and keeping new members that we freeze WCYC annual dues and fees and adjust the annual budget as needed.

In addition, I see no reason why our income from WCYC Marine cannot be used to supplement our budget. What else is that income to be used for? I thought we were working on a partnership with WCYC Marine that would be beneficial to us BOTH. **Perhaps we need to define that in more detail as a Board.** I believe our partnership with WCYC Marine can be highly successful, but I also want to make sure the best interests of the WCYC remain in the forefront of our financial decisions and are articulated as such in regards to financial suggestions. I truly believe we **all** have the best interests of the WCYC at heart, but we may not all agree on what those best interests are.

Lastly, as I have said before, I think the Board should be very judicious in developing the annual budget and identify items that are "need to have" versus "want to have." I also think the Board should always be looking for ways to cut costs versus always increasing the budget because it is assumed costs always go up. They don't. Some cost can go down and I believe our new treasurer, WCYC Marine and other interested parties have found ways to **cut** costs.

I believe we are facing a steady decline in membership over the next several years. I also expect we will be redeeming four shares every year for the foreseeable future. Our only firewall against an unsustainable membership base is the number of boats slips we have. The slippery slope is not taking funds from our WCYC Marine income, but adopting a policy of ever increasing dues and fees to offset declining membership and a budget we control.

Instead of soaking the existing membership for more money, let's put our energies into developing a solid plan for getting **new** members.

Mike Harwell: The Board should develop a viable expense budget, subtract estimated revenues from sources other than dues, and then divide the expected number of members into the net balance to produce the dues required. The result can be modified to generate a desired net profit. Predicting membership levels may be difficult. We appear to be in a transition period with older members leaving and some level of uncertainty about the attraction of new members. Right now we have 96 members with 3 awaiting redemption. I have one prospective member that seems likely to join.

3. DOCKAGE BILLINGS FOR SLIPS 1 & 2

Hi Ken -- I would like to bring up the issue of the dock fees assessed to Slip #1 and #2. These slips are each invoiced at a premium per foot rate because of the roof, and that is OK and not the issue. The problem is that these slips are each charged for 30 foot boats. This has long seemed unfair to both the Sutherlands and the Ciolfis for several reasons. First, it would be very hard, but perhaps not impossible, to maneuver a 30 foot boat into those slips. More important, however, is the fact that the total distance from dock to dock under the roof is 18 feet. This means that boats with beams great than 8'6" cannot really be parked in those slips (and two boats of that beam in the slip only leaves a foot between them). Most modern boats of 24 feet and longer have beams greater than 8'6", many greater than 9 feet.

It does not seem right that we are charged for boat space that we cannot use. I would like to see if we could come to some fair compromise and have the slips assessed for something like 25 feet. Thanks, Curt

Addendum 2

Wolfeboro Corinthian Yacht Club Membership Sales Agreement

This Sales Agreement is entered into between the Wolfeboro Corinthian Yacht Club, Incorporated (hereinafter the WCYC) and _____ (hereinafter the Buyer), for the purpose of providing one membership share to the Buyer in exchange for the WCYC current share purchase price of \$15,450.00 plus a service fee of \$900, subject to the following terms and conditions:

- 1) The Buyer agrees to pay WCYC \$5,450.00 upon signing this agreement, and then a second payment of \$5,450.00 twelve months later, and then a third payment of \$5,450.00 twenty-four months later. The cost basis of the share will be \$15,450. In addition to the initial payment, the Buyer shall also pay the current annual WCYC yearly dues prorated for the number of months in the first year of membership plus any special assessments.
- 2) WCYC shall issue a share certificate to the Buyer when such initial payment is received, and said membership share shall immediately afford the Buyer full voting and membership privileges and responsibilities as set forth in the WCYC By-laws and Articles of Incorporation. Such privileges and responsibilities will continue to remain in force provided the Buyer completes the second and third payments. However, if the second or third payments are not paid when due, the Buyer expressly agrees that the membership share shall become void and that all membership privileges shall be discontinued.
- 3) Furthermore, should the Buyer not complete said second or third payments for any reason whatsoever, a \$3,000.00 Sales Agreement non-completion charge, plus any amounts owed for unpaid dues, services rendered, fuel and, if applicable, special assessments shall be first deducted from all previous purchase payments and the balance, if any, will be returned to the Buyer, and such \$3,000 Sales Agreement non-completion charge shall be paid over to the treasury of the WCYC as agreed upon liquidated damages.
- 4) In entering this Sales Agreement, the Buyer acknowledges that s/he has read the WCYC Bylaws and Club Rules.

Buyer: _____ Date: _____
Signature

Print Name

WCYC: _____ Date: _____
Signature

Print Name