

**LEWES YACHT CLUB
GENERAL MEMBERSHIP MEETING
AUGUST 25, 2007**

Members present:

Bill Purnell	Don Bland	Nick Carter	Bob Edelen
Peggy Kernehan	Bill Miller	Bob Petterson	Jud Bennett
John Sarik	Ed Wyatt		

Members absent (explained):

Jason Burris	Dana Orton	Bill Reardon	Barbara Warnell
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Member absent:

Connie Miller

The meeting was called to order by Bill Purnell, Commodore at 4:03 p.m.

The members of the Board were introduced to the membership as well as the newly elected Board members.

Minutes: The minutes of the August 26, 2006 General Membership meeting were approved as presented. 1st Petterson, 2nd Edelen.

Treasurer's report (Bland): The report given covered to the end of July, 2007. The cash on hand is up \$70,000 over July, 2006. The individual department budgets are going well and the budgets are now completed earlier in the fiscal year. The Pool is doing very well with gate receipts up. The Sailing has a new chair this year as well as many new instructors. The Sailing added an Opti class this year and purchased 3 Optis. The dues collected are reported under the General account. The expenses in the clubhouse are down by 15% (thank you to Adrienne Hasting, Manager). The catered events are up with 4 weddings scheduled in September.

House (Adrienne Hasting): The banquet business had greatly increased. Reservations for 2008 are very strong. The regular clubhouse business is steady and equal to or a little better than 2006. 2007 should be a little better than 2006 by the end of the year. Adrienne would like more of the membership to support the special events in the Fall and through the Winter and Spring. Special events during the summer are well attended but more are always welcome. There is a need for a House Chairperson and an active committee. This has been lacking this year. This has been a good season in all areas. There was a robbery 3 weeks ago in the LYC office and store. There have also been other incidents of beer taken from the beer cooler and someone hiding in the building after hours. The police have been notified but there has been no progress in the investigation of the robbery. Measures have been taken at the clubhouse for better security including the office locked at all times, the beer cooler now locked, doors locked, extra checking of all windows and doors, and no one is left alone to lock up at night. EVERYONE must be vigilant, if you see anything that does not seem right, report it immediately.

B.Purnell: There was also a robbery at the marina early in the summer. There have also CDs stolen from cars. Security cameras will be installed next week with additional

installations soon. The clubhouse has greatly improved with upgraded food/wine/beer and therefore patronage is up.

Maintenance (E. Wyatt): The routine maintenance is on schedule and inspections completed. The entire building is repainted over the winter. The biggest problem is destruction by unattended kids. Two ping pong tables have been destroyed (\$700 each). The elevator has had to be serviced twice for damaged done by children unattended (\$350 each time). The camera will allow us to identify the children and the parents will be held accountable.

Grounds: No report

Marina (D. Valeria): The main purpose of the marina committee is to keep the marina safe and functional. It is now necessary to renovate the marina. It was built in the 1960s. It has been maintained by the dock masters, marina committee and the volunteers on Marina Day in the Spring. In the late 1990s, the North bulkhead was replaced and in 2005, the dock was made handicapped accessible. In 2005, a life expectancy survey was completed with categories of what needed attention immediately, 5 years and 10 years.

The committee contacted companies to find out who would be interested in working with LYC on concept designs. MUSTS that needed to be addressed were sand filtration, additional wet slips and repairs.

(A drawing was used by D. Valeria for explanation of the following plans.)

Three plans have been submitted to the committee:

- 1 Includes all of the "wish list": additional 40 wet slips, stops the sand filtration problem and repairs. The dry storage area would be eliminated with this plan and a new bulkhead would be necessary. The major problem with this plan would be approval from Lewes on a bulkhead close to Cedar Avenue. The dogleg bulkhead with a fixed pier will need DNREC and Army Corp approval. The engineering firm will handle all of the permits.
- 2 The other option will increase the wet slips by 20 and stop the sand filtration. This will not move the bulkhead next to Cedar Street.
- 3 Repair what we presently have which will not solve the sand filtration problem and will not increase the number of wet slips.

There was a great deal of discussion by the membership on this proposal.

M: You are talking lots of money, will the marina fees increase? Dues increase?

Valeria: It is too early to talk money as a plan has not been chosen. The committee needs to discuss the options, the engineering firm will begin to investigate the possibility of getting the permits approved, and then the engineering firm will come up with the preliminary costs. So far, we have not spent anything. Now we will need to pay the company to begin researching the permits.

Purnell: This project will be put to a membership referendum after a set number of informational meetings. The costs and the proposed way to finance the project will be known before the meetings are held.

M: The membership will pay for this?

Purnell: There are many ways to finance this project. An increase in slip fees, the increase in wet slips will bring in more fees, and borrowing money. This is very early information that has been brought to the board. An increase in dues or a special assessment could be used but it is too early to decide.

M: What is the waiting list?

Valeria: 135 for the wet slips, 34 for the dry. Slip fees by 2008 will have gone up 40% over the last 3 years. We cannot charge the "fair market value" because we are a sub par facility comparatively. LYC charges \$1265/\$875/or by the foot. Pilottown Village charges \$2500-3000 for outside slips and \$1800 inside.

M: The difference between the pool and clubhouse or the marina is that the pool/clubhouse can be enjoyed by all and the marina is used by a few. Any revenue from the marina should go to the general fund.

Valeria: Everyone can use the boat ramp. The marina is self supporting and gives back to the general fund.

M: Are the funds coming in at the level that they should be?

Purnell: The marina should be at 85% of the fair market value as the clubhouse dinners are 15% under local restaurants. The referendum will not pass unless the marina can carry their expenses.

M: Why can't there be a lottery for the slips or a term limit on the slips? This needs to be part of the referendum.

Valeria: People who got slips this year were on the waiting list for 14 years. Thoughts on how to allocate slips should be emailed or sent to me and I will take them to the committee. They would have to be part of the marina guidelines.

M: I don't want club resources to go to a few, this needs to be addressed before the referendum.

Valeria: I spend many hours as chair of the marina and I do not have a slip and will not live long enough to get one. Everyone on the committee does not have a slip; many are on the waiting list.

M; There is a club within a club. The "marina people" make the rules. You need to come up with a solution, be creative!

Purnell: I understand the point. A referendum will allow everyone to vote on a boat facility for now and into the future. There are a limited number of slips. The clubhouse and pool can be used by everyone while the ramp can be used by anyone.

Valeria: Individuals that rent the slips do not always use them all season. Slips not being used can be rented on a temporary basis. Some may be available for a season, a week, or by the day. The list is available in the spring.

M: What is the average gained by the temporary slip rent?

Valeria: It varies year to year. We probably could get an average over the last 5 years.

Sarik: A lottery could cause problems with assigning slips as not all slips are the same size. Also, members who have had slips could not depend on having one yearly and would need to scramble to find one.

M: The city has a lottery for the slips.

M: The money is very important. The firm will charge to work on the permits. You need to get a quote on those charges.

Valeria: The discussions with the firm include all of the cost process. The DNREC website gives the cost lists.

M: The referendum needs to be a secret ballot as does the elections.

Purnell: The Marina committee sets the rules and comes to the board for approval. The secret ballot is an issue. The corporate structure rules state that envelopes and ballots must match. This needs to be investigated for another option.

Valeria: The Marina Picnic is October 6. It is free. Bring a dish to share, BYOB and a chair. All seafood will be provided. The time will be announced.

Petterson: I object to the reference to “marina people”. I am a member of the marina committee and do not own a boat. There are many people who work on the marina who do not own a boat or have a slip. The volunteers do all of the work. The Bar committee have built many things for the clubhouse as well as the marina and sailing school when many do not sail or boat.

Pool (L. Carter): There is a brand new pool. It has the same concrete shell but everything else is new. It is running well. It sanitizes, it is safe and it is not leaking. The swim team was successful this year with a new coach. The new pavers around the pool allow for repairs with jack hammering concrete around the pool. The change to liquid chlorine lowered costs (\$5629 vs. \$13057).

J. Bennett: Pool activities are up: lap swimming, aquacize classes, etc. The pool will be open through September but will not be guarded at all times. The pool will be heated as necessary. The pool is not a public pool; it is a private pool and does not require guards. The pool will remain open with volunteers as the guards and managers are back in school. “Swim at your own risk”.

M: The pool managers were not on site at all times. The guards need to be monitored at all times.

M: When lifeguards are not there, the diving board should not be used.

Bennett: That can be done.

L. Carter: The pool committee works very hard and will review all of the facts and figures and look at where we want to go. The heaters were not turned on until June due to the construction. Everything is now plumbed correctly and will have a true test this fall.

Bennett: Vandalism by unattended children is a problem at the pool also. The dressing rooms have been trashed with wadded wet paper towels thrown up on the ceiling, crayon writing on the walls of the pool and general trash.

L. Carter: The bath houses will have some improvements done.

Purnell: The pool is now opened and closed by a professional company.

Sailing: The Optis were introduced this year. The sailing school did well this year. There were no regattas this year but may have one next year.

Membership (B. Miller): This has been a busy year for Membership. We have taken in 51 new member families. The acceptance rate of invitations to become members was up to 58%. The current Active Membership is 580 (5 over the limit), 64 Senior Memberships and 12 Life members. There are 7 members on Leave of Absence. The total membership is 663 families. The Waiting List is at 214. Bank deposits from Membership activities for this fiscal year now total \$851,621.

The Board approved the Committee's recommendation that the Initiation Fee be raised from \$600 to \$1000 and that all new members, including Legacy member, be required to pay this fee. The Committee recommended that the Active Member limit remain at 575. The split payment option for the annual bills has been discontinued. Responsibility for setting the dues and dining minimums each year now rests with the Finance Committee with input from the Membership Committee. The Board also approved a reduction in the Wait List fee from the current \$200 to \$100; the new fee will NOT be credited against the joining fees. All other fees remain unchanged.

The directory was updated and published again this year. The wording in the Membership Rules concerning due dates of all annual fees has been reworked to clarify that ALL fees are due by the end of the October in the year in which the bills were issued.

The New Member Orientation was again a great success, due in large part to the efforts of JoAnne Stephens and Linda Dickey. The newsletter was printed 10 of the past 12 months and was on line for 2 months (Feb. and March). The number of members receiving the newsletter online remains low at 12%. A membership survey has been developed for distribution to the membership with the annual bills.

If anyone knows Lisa and Bill Detwiler of Seven Fields, PA, please ask them to contact the Club, we have no current address.

Life Membership was granted to Richard Martin in recognition of his many contributions to LYC over his 25 plus years of membership.

Finance (N. Carter): The Finance Committee meets monthly at LYC the Tuesday before each Board meeting at 4 PM. All LYC members are encouraged to submit any and all suggestions and to attend the monthly meetings.

The Finance Committee had a busy year and met several challenges including but not limited to:

1. Refinancing the \$2 million loan at 7%, fixed for 15 years, amortized over 20 years with PNC Bank.
2. Creating the Capital Reserve Fund for future Capital Improvements, Debt Reduction and Emergency items.
3. Modifying the LYC By-laws regarding the use and funding of the CRF.
4. Prioritizing Committee's Capital Improvement Requests over the next 3 years.
5. Developing a long range plan for future funding requirements.
6. Organizing spreadsheet budgets for each department within LYC.

The Finance Committee continues to monitor each committee's budget on a monthly basis. We face future challenges of managing and allocating money for various LYC projects, such as the marina, security, additional storage, catering, equipment replacement and landscaping.

At this time, there will be no dues increase.

The Finance Committee is dedicated to the fiscal stability and the financial strength of the LYC and I would like to express my sincere appreciation to all those members who have been involved.

M: How much did the refinancing get us?

Purnell: The past loan was a floating rate. It is now a fixed rate which is better for the long-term of LYC. It did not save cash flow. Nick put it out for bids for refinancing. The committee worked very hard on this and met weekly for quite a while.

N. Carter: The loan is 7%, 15 year fixed.

M: The treasurer's report is difficult to read.

Youth: There is a new nominee for this chair position.

Burgees (Pettersson): There are 119 United States burgees and 33 International. There are 152 displayed on burgee boards. If you are going away, take a burgee with you and trade it at other clubs. It is a great way for an intro into other yacht clubs.

Old Business

Election report (Bland):

Vice Commodore: Martin 25,602
Miller 16,112

Directors: C. Miller 31,714
Reardon 27,314
O'Hanlon 22,214
Warnell 18,450
Pando 15,750

Voting: 662 eligible/442 voted 64% Largest voting since 1995

Members vote by number of stock but the stock can be split (50/50). Not all members have 100 shares of stock.

The new board members will begin in October.

Membership questions:

M: Does LYC have wifi available?

Purnell: No, but it has been suggested.

M: The amount in the safe when it was stolen is excessive. It was not attached. Only the necessary amount of cash should be kept on site.

Purnell: The amount stated included checks. The new safe will be a different type.

Wyatt: The safe will have a drop slot through the hallway. The old safe was not bolted to the floor due to its weight (300 lbs). The new one will be bolted and the office is locked.

Purnell: The amount of cash on hand is limited but necessary for the bar.

M: LYC is a business. Every department needs a SOP in place. This would allow for better safety.

Wyatt: Maintenance has a SOP

M: What was the information in the newsletter concerning launching watercraft from the beach?

Purnell: (Read the letter from the City of Lewes).

The meeting was adjourned at 5:40 pm (1st Sarik, 2nd Edelen).

Respectfully submitted:

Peggy Kernehan, Secretary