

**LEWES YACHT CLUB
BOARD MEETING
JANUARY 20, 2008**

Members present:

Bill Purnell	Jud Bennett	Don Bland	Nick Carter
Bob Edelen	Peggy Kernehan	Richard Martin	Connie Miller
Dana Orton	Bob Petterson	Bill Reardon	John Sarik
Ed Wyatt			

Member absent (explained):

Kathy O'Hanlon

The meeting was called to order by Bill Purnell, Commodore, at 10:03 a.m.

Minutes: The minutes were accepted as presented. 1st Petterson, 2nd Martin.

Treasurer's report (Bland): Copies of the annual audit were provided for the Board. LYC did not need to pay any additional taxes for 2007. The bonding for employees as requested by the board has been completed. The premium for the bonding will be \$31 per year.

The Clubhouse shows a profit for December due to the forfeiting of minimums at the end of the calendar year. \$22,119 was forfeited. 206 of the 541 members with minimums forfeited at least \$1.00. 118 members forfeited under \$100 (40 forfeited between \$100-200; 20 forfeited \$200-300; and 28 forfeited the entire minimum). The total forfeited in 2007 was \$1000 less than 2006.

The marina collected slip/dock rentals.

The Quarterdeck store sold \$1338 during December.

The General department shows waiting list fees.

The Pool collected swim team fees from members and non-members.

The treasurer's report was approved, 1st Petterson, 2nd Bennett.

House (Hasting): The new carpet is finished. A new vacuum has been purchased (under budget) as recommended by the carpet manufacturer. Reorganizing and cleaning out areas is being done as the dining room is being put back together. Pub nights are back and going strong with the biggest pub night ever on 1/8/08.

The Valentine's Day Dinner will be on Feb. 9, 2008. Bar opens at 5:00 with dinner seating at 6:00. It will be a full course dinner for two, including a complimentary glass of wine or champagne for \$65.00 (does not include gratuity). There will be entertainment/dancing. Quick notes will have the full menu.

On Thursday, 2/21/08, the very popular cooking class will be held. Last year, this was a huge success. We are limited to 30 people so get your reservations in early. Chef Lee will take you into the kitchen and show the preparation of 3 different courses and then we will serve you the meal you just learned to prepare. There will be limited complimentary wine to accompany the meal. The price is \$40 per person (gratuity included).

Martin: Can non-cooking guests be included for a dinner price?

Hasting: We will need to add it to the Quick notes.

Reservation lines will be opened on Jan. 26 for both events!

There is a private party scheduled on 2/23.

Members that need to pick dining cards (members new in 2006) can do so in the bar on Tuesdays or in the office when I am in. Please read the paper given with the card as it gives you explanations of how the card works and FAQs.

Daily Club Business was up 7% in December over 2006 and Banquet Business was up 90%.

Wyatt: A request was made for a private luncheon that falls on the 1st Thursday that the dining room should be opened. Can this be done?

Purnell: Adrienne has the responsibility to make that decision. The calendar for 2008 has not yet been set or given to the Board for approval.

Bennett: No private parties can be held during the regular dining hours in season.

Hasting: The House committee will be meeting next week to work on scheduling.

Marina (Valeria): D. Valeria made a presentation on the marina improvements.

The conceptual design used was provided by Andrews/Miller. It includes extending the west bulkhead and increasing the slips from 65 to 85. Andrews/Miller were contracted to get all information together and prepare for a meeting with agencies in a Dover hearing. When they updated the drawings, the additional number of slips was down to 10. At the Dover meeting, the main agencies addressing our marina improvements were DNREC, Army Corp., and Coastal Management. The Army Corp. was not in favor of the bulkhead, the Coastal Management was concerned on the affect on the water quality and would require a survey, DNREC would only allow an increase of 4 slips before putting LYC into another category of marinas. DNREC will require a pump out station unless LYC has written assurance from Pilottown marina and JB Walsh that they would handle any LYC requests for pumping out.

The committee is considering a "Replace in Kind" with a floating dock system. This would cause no problems with the Army Corp or Coastal Management. A repair and replace plan fixes the permit problems. The marina will need dredging and a pump out station (or arrangement with Pilottown or Walsh). They are considering with the Finance Committee a financing plan. They will be acquiring bids on the "Replace in Kind".

N. Carter: Have we gotten a bill from Andrew/Miller?

D. Valeria: We will not get a bill until we decide exactly what way we are going. The fee should not be more than \$7500.

N. Carter: Have you considered selling diesel gas?

D. Valeria: Yes, we considered it, but only 2 members use it.

Bennett: What about the slips that have silted in.

D. Valeria: The entire marina will be dredged.

Martin: There will additional costs from Service Energy for moving gas lines, etc.

D. Valeria: The other issue is that the riprap stops 3-4 feet from the end of the bulkhead. The sand at the end washed into marina. We will need to address this with the Army Corp when we complete our improvements, possibly adding more rocks.

Purnell: Do you have a timeline?

D. Valeria: Probably 3 months of construction. The dredging must be done from September through December 31. The boats will need to be moved away from the bulkhead so that the work can be started and then the boats may need to be removed before the usual end of the marina rental season.

Reardon: Where will the spoils be taken?

D. Valeria: The contractor will handle it.

Pool (L. Carter): The pool is closed and the committee has not met since November. Scott and Laurie renewed their Certified Pool Operator licenses by completing and passing the license test. Jud Bennett and Melissa will also complete the licensing renewal. It is a 3 year certification.

The stickers are on the doors to indicate the location and type of chemicals stored.

Forty have registered for swim team. The directions/forms/information are on the website. The steps will be replastered by April 15 so that the water can be recirculated around May 1.

Purnell: Will another coating of the poly sand be done on schedule?

L. Carter: I will check with Terrascapes on whether this should be done in the spring or fall.

N. Carter: The swim team is budgeted for 75 member/75 non-member. Are these numbers correct?

L. Carter: We now have 40 paid and most parents will wait until March to register.

N. Carter: What is the cover life expectation? Costs to replace/repair?

L. Carter: The life expectancy is 15-20 years. In 2007, it was \$13,000 to replace and \$6500 to repair. When it is taken off, it will be sent for repair. We need to check the shipping costs.

Sailing (C. Miller): I am trying to find out what instructors will be returning. All of the boats are put away.

Bennett: Are you working on getting the sailing school more competitive?

C. Miller: I want to but it depends on the instructors available.

Youth: No report

Grounds: No report

Maintenance (Wyatt): The dining room ceiling has been retaped and painted. Two Rinnias have been installed. Everyone has to remember that this system may take a little longer for the hot water to arrive but it uses less energy. The main stairway has had a protective coating put over the steps. We got bids for a light staining and protective coating as well as a price for a step runner (it was decided not to use a runner). The new carpeting has been installed in the dining room. A special thank you to Barbara Warnell who coordinated the removal, the new installation, and setting up the new warranty of the carpeting. The life span of the carpeting should be 12-15 years with replacement cost of \$10,500 at 2007 prices.

Membership (B. Miller): Deposits of \$61,500 have been made resulting from Membership activities. There are 221 names on the Waiting List.

To date, of the 30 invitations so far extended to join the Club, 14 have accepted, 5 have asked to be placed at the bottom of the Wait List, 1 declined and 10 have not responded. All of the invitations so far extended expire today, Jan. 20, 2008.

After approving the new members at today's meeting, our totals will be 568 Active memberships, 62 Senior memberships, 14 Life memberships with 22 memberships on Leave of Absence.

Motion: Approve the 10 memberships that have been presented and advertised. 1st Petterson, 2nd Martin; approved.

Motion: Nancy Grey, #770, a long time member of LYC died in December, 2007. She was a Senior member and had paid her dues in full for the coming year. Her estate should be reimbursed the \$450 dues that were paid. 1st Petterson, 2nd Martin; approved.

Purnell: Whether to reimburse an estate the individual's dues should be decided by the Board on a case by case basis.

Bennett: I agree that it should be handled on a case by case basis.

Martin: Case by case allows the Board to be viewed as having special treatment to specific members. Maybe we should set a prorated basis?

Purnell: We are early in the year (begins 10/1) and therefore should be considered for reimbursement.

The Membership Committee met on Monday, Dec. 31 to discuss the issue of all couples joining LYC. Each Board member has received an email outlining that discussion as well as the Membership Committee's recommendation to the Board.

RECOMMENDATIONS FOR THE BOARD OF DIRECTORS

- 1. The current policies and practices of the LYC concerning membership and the definition of what constitutes a "couple" for LYC membership shall remain unchanged.**
- 2. The appropriate guidelines for "Managing Member Complaints & Screening of New Member Applicants" are placed on the application for the Waiting List to assure that new members are aware of such guidelines.**

The following are the guidelines that pertain for those of you who may not remember them:

1. Conviction of nonviolent crime
2. Repeated convictions of nonviolent crime
3. Conviction of violent crime
4. Conviction of child abuse or molestation
5. Abuse of LYC staff or LYC regulations
6. Repeated abuse of LYC staff or LYC regulations

7. Physical confrontation on LYC ground
 8. Adverse notoriety that names LYC or involves LYC
3. **Add a requirement to the membership application form asking the new member(s) to attest that they are aware of all the requirements of membership as enumerated in the Membership Rules which are available on-line at our web site.**

Peggy Kernehan, secretary, read from the minutes of the 5/16/04 and 9/14/03 meetings for clarification of the discussions that took place to set policies dealing with the issue of “unmarried couples”.

Bennett: I am opposed to memberships given to unmarried couples. We are opening the membership up to “gaming the system” and getting 2 memberships for the price of 1.

B. Miller: The application form is the same as when I took over the Membership Committee. Both individuals must be listed on the application to join. As it takes, 5-6 years to get to the top of the list, if the couple is still together, they are probably as likely to stay together as a couple married. So far, there has not been an issue of “gaming the system” and this has been done for years. The Leave of Absence policy was changed as we did not want to pry into members’ private lives. We want to stay inclusive not exclusive. The Board has latitude to regulate according to behavior and performance.

Bennett: Why not do away with marriage? We need to make allowances for single members.

B. Miller: The committee will discuss “single memberships”.

N. Carter (read remarks of K. O’Hanlon): Whether the membership is a family, couple or single, we do not need to make social decisions.

Sarik: Asked for the notes from the previous minutes on “guest” policy.

B. Miller: We do not inquire what the relationships are but the policy has not been misused.

It was decided to vote on the recommendations as 3 separate motions.

Motion #1: Motion was made by R. Martin and seconded by B. Edelen. Vote: No (4) N. Carter, Orton, Bennett, C. Miller; Yes (8) Wyatt, Edelen, Martin, Sarik, Bland, Petterson, Reardon, Kernehan. The motion was approved.

Motion #2: Motion was made by C. Miller, seconded by N. Carter. The motion was unanimously approved.

Martin: The guidelines only state behavior at LYC but should include other areas.

B. Miller: There could be a sentence added.

Motion #3: Motion was made by C. Miller, seconded by Martin. The motion was unanimously approved.

Petterson: They are available on line, but are they available in hard copy?

B. Miller: Yes, if requested.

B. Miller: The application will now state that the applicant will need 2 sponsors when they are advertised for acceptance so that applicants can arrange for the sponsors ahead of time.

Finance (N. Carter): The Finance Committee met on Jan. 15, 2008. We reviewed the Capital Reserve Fund and discussed the 20 year Long Range Sinking Fund for projected future capital improvements with solicitation from all departments.

There was some discussion about the Consumer Price Index regarding dues and how we should factor in an inflation factor over time if wholesale prices and utilities continue to rise. The Finance Committee is making every effort to plan ahead for various known future capital expenditures; however, we must also consider building up the Capital Reserve Account should an unexpected situation deplete our Reserves. We discussed the level of our dues as they relate to other clubs and similar organizations and the current interest rate market as the rates seem to be falling and have become very attractive.

The Finance Committee continued to discuss new and different potential scenarios for the Marina improvement and Financing. At the request of the marina Committee, we re-worked the financing plan with regard to replacing the existing marina one-time slip used assessment, slip used fee increases over 5 years, maintenance savings, marina net income, etc. The Finance Committee and the Marina Committee continue to work closely together to improve the marina and achieve the best possible situation for all LYC members.

All LYC members are encouraged to submit suggestions and/or attend Finance Committee meetings.

Nick Carter then went over spreadsheets on the Capital Reserve Fund; page 1A which shows a 20 year Long Range Plan which helps for projecting dues in the future; and a marina financing sheet. The Marina operates at a profit. The Finance committee has developed 3 finance scenarios which were presented. The suggested increase in dues would be no more than \$100 but possibly as low as \$30.

Purnell: The slip rates are under market, the rental pricing should increase to market price after improvements.

N. Carter: When the marina improvements are done, the fees should increase accordingly.

Bennett: Have you considered a launching fee?

Valeria: There was a launching fee, but it was eliminated as part of the pool building package. One consideration would be a one time fee on the wet slip renters in 2007 and a 15% increase.

Burgeemeister (Petterson): The "Snowbirds" can take burgees south with them. Check with the burgee book to see where we already have burgees.

Old Business:

Purnell: All of the SOPs have been submitted. Thank you to all of the committees and chairs. All contain the safety procedures and training.

New Business:

Let Peggy Kernehan know if you will not be present for a meeting as we need to be sure that we have a quorum.

Membership:

C. Miller: The Polar Bear Plunge will be on Feb. 3 benefiting Delaware Special Olympics. Connie will be participating for the 16th time and would appreciate sponsors.

B. Warnell: Some members chose not to get married due to restrictions on retirement benefits and social security.

L. Carter: What happens when couples divorce?

B. Miller: One gets the old membership; the other gets offered a new membership.

D. Valeria: The Marina Transfer Day will be March 15. If members are interested in Temporary Seasonal dockage, contact the committee. Also, a projector system needs to be on the Capital Fund.

Bland: We need to see samples. L. Carter offered to bring one to the meeting. We also need new phones for conferencing.

The meeting was adjourned at 12:05 p.m. 1st C. Miller, 2nd Edelen; approved.

The next Board meeting will be February 17, 2008 at 10:00 a.m.

Respectfully submitted:

Peggy Kernehan