

**Regular Meeting of the Board of Directors of the Erie Yacht Club
June 21, 2010**

Officers Present: Commodore Tom Trost, V/C Gerry Urbaniak, R/C Dave Heitzenrater, F/C Matt Niemic and Secretary/Treasurer Karen Imig

Directors Present: Doug Boldt, Bob Nelson, P/C Dave Amatangelo, John Orlando, Dave Sanner and Conrad Stachelek

Directors Absent: Eugene Ware

Guests Present: GM Mike Lynch; P/C John Murosky from 8:03-8:11 p.m.

The Commodore called the Regular meeting to order at 6:30 PM.

Agenda: The Commodore called for any changes and approval of the Agenda. Doug Boldt added "Item B. EYC License Plate" under "Unfinished Business" and John Orlando added "A. Sailing Prohibition Issue" under "VII. Executive Session." V/C Urbaniak moved to accept the Agenda and Doug Boldt seconded it. The agenda, as amended, was unanimously approved.

Acceptance of Minutes of May 13, 2010 Board Meeting: V/C Urbaniak made a motion to accept the minutes from the last Board meeting; second by Bob Nelson. It carried unanimously

Secretary's Report: On a motion by John Orlando with a second by Dave Sanner, the Board unanimously voted to remove the following members from their one year probation: Andrew Beck (JF), Romeo Corvino (A), Brandon Sieber (J), and Keith Smith (A). On a motion by Doug Boldt with a second by F/C Matt Niemic, the Board unanimously reinstated Kevin Lyons, who had resigned in good standing in December 2006 to *Junior Family* membership. On a motion by V/C Urbaniak with a second by F/C Matt Niemic, the Board unanimously reinstated David Hartz, who had resigned in good standing in 2008, to Associate Membership. On a motion by Gene Ware with a second by P/C Amatangelo, the Board unanimously transferred Nancy Potter from *Regular to Senior*, effective June 30. On a motion by P/C Dave Amatangelo with a second by Dave Sanner, the Board unanimously transferred Jon Swanson from *Regular to Non-Resident*, effective June 30. The Secretary's Report also noted that we had received the following correspondence: 1) Letter from Alex Schuler regarding in incident regarding her dog and the dog of another member. 2) Email from David McBrier commending the Board on the installation of the playground.

Mike Lynch added that he has received two other complaints regarding dogs not on leashes. The Board asked the Secretary to send a letter to Mrs. Schuler advising her that they had discussed the dog situation with the member in question and did not anticipate any further

incidents. They also asked the Secretary to remind Mrs. Schuler that dogs must be on a leash at all times. In addition, they asked the Secretary to draft a letter that can be sent to members when a complaint comes in about their dogs not being on a leash on the Club property.

Treasurer's Report: The Secretary-Treasurer reported that the following members were billed a \$25.00 service fee and sent a reminder letter on June 16, 2010 because their April charges were 45 days in arrears: M. Kathleen Allison, P/C John Ashby, William Bowser, Dan Claxton, Brian Dougherty, Thomas Finley, Robert Heibel, Frank Jarecki, Christian Kramer, Thomas Kubinski and P/C Richard Vicary. Total indebtedness for April charges was \$1,855.55. Late fees totaled \$300. Both P/C Vicary and Christian Kramer were also sent courtesy warning letters regarding their charging privileges because they had been late either two times in a row or three times in a twelve month period.

Cash on Hand as of June 17, 2010:

	<i>Current Month</i>	<i>Last Month</i>
Funds in PNC Operating Sweep		
a) Operating Reserve	\$ 50,000.00	\$ 50,000.00
b) Funds available	261,217.21*	531,221.88
Funds in M-L Capital		
a) Capital reserve	100,000.00	100,000.00
b) Funds available	61,174.39	82,039.85
Basin Reserve Fund (PNC)	222,202.65*	28,460.15*
Petty Cash	2,000.00	2,000.00
Pull Tab Bank	3,000.00	3,000.00
Total Cash on Hand	\$699,594.25	\$950,301.58

*We transferred \$251,850 in assessment fees, including pre-paid assessments, from Operating account into Basin Reserve. GM Mike Lynch added that the G-H Dock renovation had been completely paid for by the EYC with no additional money borrowed from PNC.

Monthly Pull Tab Machine Revenue:

May 2010 Profit: \$1,055
 Y-T-D Revenue for Fiscal 10: \$6,198
 Grand Total Profit: \$96,459

The balance sheet and income statements for May and Mike Lynch's monthly financial critique including Mark Eller's worksheets were presented. Both are filed with the original packet. In his financial critique, GM Mike Lynch stated that this was a great way to start our season. All departments within the operation performed very well with each area either exceeding revenue projections or trimming costs. The Lounge and Galley performed so well that they covered the expenses of the Clubhouse operations for the month and even turned a profit. That is unheard of in May. Year to date, overall revenues are up \$26,000.00 while expenses have been trimmed by \$7,000.00. All this shows the Club at a current loss of <\$129,896.00>, which is \$33,021.00 ahead of our budget goal.

General Manager's Report: GM Mike Lynch presented his report, which is filed with the monthly Board packet. In it, he reported the following: 1) He included a report from the gas well engineers.

This has been forwarded to PHB Energy who will assess our capacity and make a proposal if we have sufficient capacity to support a turbine. He will contact the engineers and ask them to clarify their findings and possibly meet with the Board. 2) The May bills went out June 2 to all members with e-mails. This was over 1,100. On the first day we received a number of calls with questions and a few requests for paper bills. At this point we will monitor the late fee list to see if some new names show up as they may not realize they received an e-mail bill. He received only one negative comment and all the rest were positive. 3) Second and third shift security seems to be working well this year and we may have turned the tide on minors drinking at the Lighthouse. He was able to get members' children to send texts to friends advising them to stay away. Chris, our Sailing Director, even made announcements at Prep. A side benefit of enforcing the age rules for members' children will be the increase in Junior Family Applications. 4) Our health insurance rates will increase by 16% this year. We will be able to offset some of that increase by raising our deductible plan and by managing the number who qualify. While the increase is large, it was anticipated in the budget. In the last 5 years we've been successful in reducing our premium costs by over \$150,000.00.

Officers' Reports:

Fleet Captain's Report: F/C Niemic submitted his report, which is filed with the monthly Board packet. In it, he reported the following: 1) *Ravine Drive*: The annual Ravine Drive cleanup was held May 15th with the help of Harborcreek Youth Services. Since the cleanup has been going on for a number of years there is less trash to pick up on the hill so we were able to clean up a lot more of the Club property. Some potholes are showing up along the road. These will be addressed soon. Negotiations on upgrades to the road are ongoing; 2) *Dock Master*: The Electrical Inspector did a random check for stray electrical currents in the Basin in our ongoing efforts to keep our yacht basin safe and beautiful. Bill Vogel said this year was one of our better years for having most of the boats in by Opening Day. His crew continues their many daily maintenance and upkeep duties as well as helping with the basin reconstruction. Our 2nd and 3rd shift guards stationed at the Gatehouse and patrolling the grounds have been very effective in controlling the problem of unwanted guests on our property; 3) *Basin Reconstruction*: G & H Dock construction is in its final phase and should be complete in a couple of weeks. Many boats are already in their slips; 4) *Reyburn Junior Sailing School*: The season is ready to kick off on June 29th with nice newer chase boats and a new 420 on the way. Many of the instructors are going through Level 1 training this week and most of the classes are full; 5) *EYC Racing Fleet*: Racing has been fun and competitive with great food from Elizabeth and the EYC Catering Staff at the after Race Series Parties on the Deck. The Race Committee has been working hard to keep the Flagship up and running as it seems to have a mind of its own; 6) *Grounds Committee*: The playground has been completed and enjoyed by many already. The rubber mulch around the playground is providing a soft landing for the young acrobats. Some park benches have been delivered and will be installed soon for parents and grandparents to have a comfortable place from which to watch. The new light pole has been installed at the launch ramp and is ready for the nighttime boaters. Restrooms at the Light House Pavilion continue to be discussed and an economical and handsome design is in the works. Also in discussion are some upgrades to our building at the Fuel Dock and upgrades to the grass island just inside the Entry Gate that include a lighted Flag Pole. The heavy ropes used to wrap the concrete foundations to the light poles in the main parking lot are wearing out and may need to be replaced. An events schedule sign has been installed at the Light House. This should help to eliminate any confusion or misunderstandings as to who has reserved the Light House Pavilion area for private parties as well as notify the members about Club functions. F/C Niemic added that member Mickey McMahan had painted the picnic shelter roof to match the roof at the Lighthouse.

Rear Commodore's Report: R/C Heitzenrater submitted his report and it is filed with the original Board packet. In it, he reported the following: 1) *Dock Committee:* The committee continues to meet to address slip assignment and reassignments as requests continue to be received. Such requests are attempted to be honored by the Committee when possible; however, slip holders are reminded that not all requests can be met. To date, all applications for slips have been filled with 3 slip vacancies among the 382 slips currently in our basin.

The committee met on June 15 and made several decisions concerning the docks:

- a) The wording of **Dock Rule # 14** was updated as follows: **“An EYC Member not assigned a slip may use slip or guest dock facilities overnight on a first come first served basis. This offer is limited to 5 overnight dates annually with a fee of 50% of the normal transient’s linear foot per night rate. The member must register at the fuel dock upon arrival for assignment of a slip or guest dock space. Prior reservations will not be accepted. Space availability and assignment is under the sole discretion of the Dock Master. “**
- b) The wording of **Dock Rule #19** was updated as follows: **“Regular Members' boats requiring haul outs other than those related to Winter storage may use the lift without charge for one such occasion per season between celebrated Memorial Day and Labor Day providing arrangements are made in advance with the Dock Master.”**
- c) Metal plates are to be fabricated and placed over the roller assemblies at pilings on the new floating docks as part of the Basin Renovation project. The plates will cover the open spaces, eliminating a hazard for our members and their children.
- d) Commercially available polyethylene or fiberglass steps are added to the approved list of items permitted on the new docks provided they allow reasonable boat access to all parties sharing the pier. In cases of dispute, reasonable access will be determined by the Dock Committee.
- e) Standardized and approved padding for our new slips and pilings are being considered by the Committee. A test product is being field-tested for both sail and power boats by Past Commodores David Amatangelo and Peter Gorny.
- f) The Committee has eliminated the double dockage charges for new slip holders and has instituted a two-tiered slip fee system meant to financially protect the boating members who have or are paying double dockage, remain competitive locally regarding fees and attempt to retain dock revenues formally derived from double dockage.
- g) **Dock Rule #1** is updated as follows:
 - a. “Slip applications will be sent to all Members by October 1st of each year and must be returned to the Erie Yacht Club office by November 1st. Billings will be sent out immediately after slip and moorings are assigned. All charges associated with slip or mooring occupancy must be paid prior to launch and in any event by March 31st. Any payment received after March 31st will be assessed a late

penalty equal to 20% of the slip fee. (Inst. 4/21/03) Applications received and/or payments received after the above time periods could result in forfeiture of slip assignments. (Rev. 7/21/97) **Effective 1/1/2011, two year double dockage fees are eliminated. Slip fees are based on a two tier system. Class A slip holders: Slip fees for members who acquired a slip prior to 1/1/2011 are charged on a rate based on the square footage of boat and its appendages. Class AA members: Slip fees for members who acquire a slip on or after 1/1/2011 are charged on a rate determined by size of the slip assigned.**”

- h) The Dock Committee recommends the following change to the *Constitution & By-Laws* be approved by the EYC Board of directors and presented to the membership at the regular annual meeting. Delete the last sentence in **Article IV, 3. Membership Privileges and Powers** and add the following to **Section III, Docks, Slips, Moorings, Lockers of the By-Laws**: “**Winter Storage Rates are to be determined by the Dock Committee and shall be no higher than 2/3 of the normal summer slip charge.**”

ARTICLE IV, Membership Privileges and Powers

#3. Associate Members shall have the right to use the Clubhouse and a reasonable use of the entire Yacht Club premises, excluding the use of the various boating facilities except for the use of keg moorings on an annual basis. After Regular Members' demand for kegs is exhausted, kegs will be assigned on a seniority basis within the Associate Member class. Any boat that is assigned and occupies a keg or mooring during the boating season will be eligible to be winter-stored on the Erie Yacht Club grounds. *The charge for winter storage will be 2/3 of the normal summer slip rental fee for such a boat.*

Rational: Winter storage fees are currently set by our **Constitution** and do not allow change without a vote by the regular membership although summer slip fees rates do not have this restriction and are set directly by the Dock Committee. When slip fees were raised to support the basin project, some winter storage fees tied to this rate became excessive and out of the control of the Dock Committee. Also the winter storage rate is placed in the Members Privileges and Powers section rather than the more appropriate Docks, Slip, Moorings Lockers Section. This change will allow the committee winter storage rates to be more competitive in the local area.

2) *Reyburn School Facilities Committee Liaison*: This committee awaits approval of the changes to the DEP permits submitted to relocate fill material off our west wall and cost estimates for this portion of the project. 3) *Ravine Drive*: Negotiations continue with the Port Authority. The Club Officers have executed an agreement with the PA to provide the day to day maintenance just as we have done in the past. The PA refuses to accept the agreement and further refuses to make any repairs to the road until the EYC accepts liability for the road. Assuming liability for the road is not a position the officers are will to accept. Negotiations continue at a however slightly. Members are encouraged to drive carefully on the road and to watch out for others vehicle trying to avoid the pot holes; 4) *Erie Yacht Club Foundation* announced its new matching challenge grant program wherein contributions will be matched by an anonymous donor up to the first \$10,000. Individuals are encouraged to participate and what better time than now and have your donation doubled!

Vice Commodore's Report: V/C Gerry Urbaniak presented his report which is filed with the original Board packet. In it he reported that the month of May has traditionally been a period of transition from the cool spring months to the introduction of our summer business. In the past, May could be a very good month or a decent month, depending upon the weather. Probably no other period is so weather dependant, which is a testament to the Club's retail business ties. Although yachting and the culture of boating life at the shore of our Great Lake still provides the drive for our commerce, business as usual shares a strong resemblance to hospitality and the food service trade in our area. And we have found that when area clubs and restaurants were lagging in sales from previous periods, so too did the EYC. As well, when area food services were experiencing strong sales, so did we. In the past year, we have experienced a departure from this norm. Sales have been strong, profitability has been good, and the Club has seen consistently strong support from our galley, bar, and special events landscape, despite the fact that area food services are trudging along with numbers significantly behind last year at this time.

The past month (May Lounge) has details of this theme at nearly every turn. Beer, liquor/wine and catering categories continue strong gains, as some categories are up over 15% for the same period of last year. As well, expenses in those categories have been cut by some 19%, reflecting savings in cost of goods and overhead expenses such as insurance premium payments. The net result is a leap in profitability of some 30% over the same period from '09. Profits from (the single month of) May 2010 are up over \$7000 over the same period of '09 in the lounge. Our Galley returns, although slightly behind '09 (as are the vast majority of all other food-service operations in our area) have delivered great profitability thanks to wise purchasing and overhead cost control by management. We find that expenses have been cut by over \$9,000 for the same-month period, and profits have soared over 30%. Turning dawdling sales into strong profits is on the wish-list of every food-service organization in the nation. Here at the EYC, this is a reality. The House Committee strongly believes that new member acquisition is essential to maintaining strong gains in profitability. This is not to be mistaken as 'Take what you can get', but rather, to encourage our members to bring interested friends and relatives into new membership ranks, and of course, to bring our children into the family of the Erie Yacht Club. To do so steadily and consistently will enable management and staff to adapt to a new membership base, offset natural attrition, and deliver goods and services to a growing success story.

EYC events have been well attended, and enjoyed by so many of our members. Kentucky Derby Day was packed, profitable and fun. We haven't seen numbers like these in a long time, as attendance was at capacity, and everyone enjoyed the 'Run for the Roses.' Mother's Day Brunch was another 'sold-out' event. Sales were up, as was attendance, and the quality of the Brunch was a subject that many members were discussing long after the day was done. The Scotch Tasting event was a grand success. Authentic Scottish fare (including Haggis) combined with a professional guide through some of Scotland's finest single malt Scotches and live Bagpipe music, contributed to an enchanting evening.

Another successful Bawl... the Launch Bawl...complete with complimentary hors d'ouvres and live music, spiced up one of our Wednesday evenings. And of course, our 116th celebration of Opening Day, hosted by Commodore and Mrs. Tom Trost was the crowning gem of our summer boating season. The day was perfect, and many members were still at the Club long after the formal ceremonies were in the books. Sunset Happy Hours have been spectacularly attended. Profitability is strong, the enjoyment factor is off the map, and everyone is enjoying the live entertainment.

Kudos to Mike Lynch and Staff, Dan Dundon and the Entertainment Committee, and all those that have contributed to these events. Our GM was in the kitchen all evening expediting and delivering orders to our members and guests. The outside Oyster Bar has been a grand slam, giving the EYC a distinct mark in local area entertainment and food fare. And we're only getting started.

The House Committee reviewed Chef Angelo's request for a new Convection Oven and Table-Top Deep Fryer, to help augment our present prep capacity, particularly during times of heavy food production. A full recommendation has been given by the Committee and we seek the support of the EYC Board for approval of these capital expenditures to meet the kitchen's desire to ramp-up hot food delivery and increase our service capacity. Lastly, Mike Lynch reported on the Club's plans for 'Dover Days' scheduled for July 31st. Live music, a great menu, and a prize-loaded 'Boat Parade' with the theme : "Rock around the Dock" will all be a part of this week-end for our great friends from Canada. Check the EYC website for details!

Commodore's Report: Commodore Trost presented his report this which is filed with the original Board packet. He began by saying that he attended the Dock Committee meeting presided over by R/C Dave Heitzenrater. Dave held a very good meeting and he does not want to steal the thunder from his report. He attended the Grounds Meeting presided over by F/C Matt Niemic. Nothing but great comments on the new children's playground. Also, nice ideas on the agenda. Please see the "F/C Report" for details. He also attended the Nominating Meeting held by Mickey McMahon. If you have an interest to run for office please contact Mickey, Mike Lynch, the Commodore or the office. Also, he attended the House Meeting presided by V/C Gerry Urbaniak. he arrived a bit late – see V/C Urbaniak's report for a complete recap. Chef Angelo's herb garden seems to be coming along just fine. When the herbs come in season a reminder to "keepa your hands off!" The Month of June has been a very good month with respect to both the weather and Clubhouse attendance. Thursday Night Mustang Night with the folks bringing their mustang's down was a tremendous success! There is still no movement with the Port Authority and the Erie Yacht Club as of this writing in regard to Ravine Drive.

Committee Reports:

Membership Committee: The membership makeup before and after this meeting was as follows:

	<i>As of 6/21/2010</i>	<i>2009-2010 Budget</i>	<i>Caps</i>
Regular	668	689	768
Associate	247	233	240
Special	47	53	
Senior	89	90	
Junior. Family	124	126	
Junior	30	0	
JR/JR Fam. Non-Res.	9	<u>30</u>	
Total	1214	1221	1240
<i>Not in CAP</i>			
Non-Resident	22	25	
Honorary Associate	29		
Honorary Regular	3		
Grand Total	1268	1230	

On a motion by V/C Urbaniak with a second by Jon Orlando, the following were elected, en bloc, to the following categories: *Junior Family*- Christopher DeMarco, James DeMarco, Jonathan DeMarco, Robert Allison, II, David Wachter, Sam Wagner, Sean Sechrist; *Junior*- George Fetchko, III; *Associate*- Kevin Hedderman, Elmer Keisel, Evelyn Tenney, John Sturgill, Molly Edkin, Thomas Wells and Tim Dunst.

The next discussion item was the membership Caps which are established by the Board. Our budget is based on 768 Regulars but we only have 668. Over the last three months, we have taken in 4 Regulars, 16 Associates and 7 Junior/Junior Family members. Club management feels the House can handle additional members. Therefore, on a motion by V/C Urbaniak with a second by R/C Heitzenrater, the Board unanimously approved increasing the Associate Cap by 100 to 300 members, still ½ of the regular membership total.

Basin Reconstruction Committee: P/C John Murosky joined the meeting and reported that the last piling was being placed that evening for the G-H Docks. Tushak will be pouring concrete and everything should be wrapped up in about one week. He stated that we have installed a line in anticipation of a new pump-out system, for which we have submitted a grant request. Some trenching will be required, but we cannot do anything to the pump-out until the State approves our grant request.

EYC Foundation: Secretary-Treasurer Karen Imig reported Jim McBrier is continuing to talk to potential targeted donors about a contribution to the endowment and for a potential new Junior Sailing building. Sue Banka, the Controller of Builders' Hardware, has agreed to serve as volunteer Assistant Treasurer. She moved the financials to QuickBooks and presented a financial report showing a breakout by fund and administrative. On a motion by P/C Roy Strausbaugh and seconded by Dennis Markley, the Trustees unanimously appointed her to the position of Assistant Treasurer. Holly will hand off Treasurer duties to Sue but will continue to manage the website. The Foundation has also received \$500 as pass through money from the Steris Good Neighbor Fund, designated for Frolic on the Bay. Based on a bank balance of \$21,412 with \$1,500 committed to grants, the Foundation voted to move \$18,000 to PNC Investments to establish our investment account with 75% in bonds and 25% in equities. Representatives met with the Jr. Sailing committee to give them their grant and to ask for their help in meeting the challenge grant. Suggestions were a Lobby display, using Facebook, targeting members using a list of EYC members, tapping sailing school alumnae, email to the Racing Fleet, continued emails to the membership, handing out envelopes at parties on the deck and having a celebrity bartender night with tips going to the challenge. The Foundation will need to nominate some new Trustees since several Trustees terms are ending in October.

Unfinished Business:

Lighthouse Portable Restroom Trailer: F/C Matt Niemic reported that he should have a new restroom design by the August meeting. If approved in the 2011 fiscal budget, we could begin construction this fall.

License Plates: Twenty have been pre-sold. We need 100 to place an order. Char Shedd has agreed to promote them at the Thursday Night Happy Hours.

Ravine Drive: The agreement we submitted to the Port Authority stated that the EYC would provide day-to-day maintenance of Ravine Drive but would have no liability for any issues that arose on the road. The Port Authority would not accept the liability waiver so we are resubmitting an agreement stating that if the Prot authority brings the road up to code, the EYC will maintain it and will set up an escrow fund for future maintenance. The Port Authority meeting is Friday and there may be a vote on the issue. We will monitor the situation and make a decision after the meeting as to the best way to lobby for our position.

New Business:

Winter Storage: On a motion by R/C Heitzenrater with a second by Doug Boldt the Board unanimously approved the recommendation of the Dock committee as reported in the Rear Commodore's Report to submit **Constitution & By-Laws** changes to be approved by the membership at the Annual Meeting. The changes include deleting the last sentence in **Article IV, 3. Membership Privileges and Powers** and adding the following to **Section III, Docks, Slips, Moorings, Lockers** of the By-Laws: **“Winter Storage Rates are to be determined by the Dock Committee and shall be no higher than 2/3 of the normal summer slip charge.**

Capital Item-New Oven: On an email motion on June 6, 2010 by V/C Urbaniak and seconded by Doug Boldt, the Board unanimously approved the purchase by e-vote of the Southbend Double Convection Oven for a not to exceed price of \$3,000 including tax. Chef Angelo will trade in our banquet Combi-oven because he is running out of oven space at peak times. He is getting \$1,000.00 for the Combi-Oven trade-in.

Capital Item-Junior Sailing Boats: In the winter the Board approved \$24,380.00 in Capital funds for Jr. Sailing to purchase two chase boats, trailers and motors. They've done that and have \$7,685.00 leftover. They would like to take the remaining balance and purchase a 420 sailboat for the fleet. The price with freight and tax is \$9,121.30. They are asking for an additional \$1,436.30. On June 8, 2010, on an email motion by R/C Heitzenrater with a second by V/C Urbaniak, the Board unanimously approved via email, a capital expenditure not to exceed by Junior Sailing of \$1,436.30.

Executive Session: From 8:13 until 8:30, the Board unanimously convened an Executive Session to discuss an issue regarding a Sailing Prohibition Issue for a non-member.

Adjournment: Doug Boldt made a motion that we adjourn the meeting; after P/C Dave Amatangelo provided a second, it carried unanimously. The time was 8:34 PM.

Respectfully submitted,

Karen L. Imig
Secretary/Treasurer