

Board of Governor's Meeting March 8, 2008

Attendance: Commodore Paul Kowalski, Vice Commodore George Donohue, Rear Commodore Art Parsons, Fleet Captain Hank Hedges, Secretary Bill Petersen. Governors: Tom Cusick, Fred Steckler and Dave Thomas. P/C Steve Lee. CYCLA President Toni Bouillette and Vice President Gail Parsons; Manager Cordell Vitkun; Barrister Ron Willoner; Dock Captains Monica Lovell and Mark Thrasher.

Absent: Treasurer Steve Shupack, Dock Captain Chris Colacicco (West), Ellen Fernandez (South).

Meeting called to order at 10:25am by Paul Kowalski

Paul called for a motion to approve the Minutes from the February 9th, 2007 meeting. Motion was put forward by Steve Lee and seconded by Art Parsons. Minutes approved.

Commodore's Report (Paul Kowalski):

Two members, Jack Berner and Gary & Linda Kohut, are eligible for Life Membership status. Both have been members for 25 years and continuously in good standing.

MOTION: George Donohue moved, and Art Parsons seconded, that both Jack Berner and Gary & Linda Kohut be approved as Life Members. The motion was unanimously approved.

Clarks Landing is offering a discount to CYC members for short haul through May 31st. Paul will post the information on the bulletin board.

Mathews YC has expressed interest in forming a 2-year reciprocal agreement. Discussion ensued that such agreements add more administrative work and little benefit for the club.

Treasurer's Report (Steve Shupack- presented by Paul Kowalski):

Current financials show that we are low in New Member Initiation Fees and low on Food income. However, income exceeds expenses; for now. We are concerned about membership levels.

Art Parsons suggested that we have a rolling cash flow analysis as part of each BOG meeting.

The 2008 budget was built on the basis of a higher level of membership. It was also built with the expectation of investing capital funds in the dredging project in late 2008.

The condition of the US economy, including fuel costs, is also weighing on membership and potential membership. There will be an increased emphasis on club events especially with more members reducing their cruising activities.

Vice Commodore's Report (George Donohue):

George reviewed the possible plans for dredging and their financial impact.

The original dredging-only plan called for dredging around New, Middle & South Docks, including fairways, at proposed costs of approximately \$360,000.

An alternative, at \$450,000, included the above plus modification of slip configuration on South Dock (slips 119-127 would be reduced by 2 slips) and the resulting slips would be 16'x45' with new finger piers.

A more limited dredging-only, Option 4 (with George's estimate of \$250,000), would include dredging (~ 3' offset from pilings):

- New Dock (16 slips)
 - 317-322 (6T slips) to 6'
 - 312-316 and 323-327 to 5'

- Middle Dock (2 slips)
 - 223 & 224 to 5'

- South Dock (25 slips)
 - 102-124 to 5'

- Dredge appropriate entrance fairways to 5'

This option will accommodate most S/V up to 35' LOA with shoal draft, and up to 6 more S/V up to 45' LOA, shoal draft.

Option 4 can be designed to fit within our current Capital Account Budget (\$260,000) – including engineering and dredging. We do not, as yet, have a Bayland review of the estimate that George has made.

MOTION: George Donohue moved, and Steve lee seconded, that the BOG authorize the Commodore and Vice Commodore to proceed with Option 4, NOT to exceed \$260,000, by authorizing the immediate expenditure of \$30,000 for funding Bayland to develop:

- Final Design and Bid Document Package

- Supervise Bid competitions and contract award

- Negotiate construction supervision costs to account for reduced scale of project (possibly a T&M contract)

The motion was unanimously approved.

Rear Commodore's Report (Art Parsons):

Social function expense to the Club is approximately \$13,500 per year.

Twenty six (26) active members did not spend any money in the dining facility in 2007.

An additional 41 members did not spend their monthly minimums on a consistent basis.

5 Life Members did not spend their monthly minimums on a consistent basis.

After more analysis, Art will make review additional findings and recommendations with the BOG.

Mark Thrasher handed out a list of suggestions/comments from an informal survey of Middle Dock members. Paul asked Art to review the document and respond appropriately to the comments.

Fleet Captain's Report (Hank Hedges):

Hank raised the issue concerning a member purchasing a larger boat (65' x 17.5 beam) that will not fit in the member's current slip, as configured, and for which there is no other suitable slip available. The boat owner is willing to reconfigure the current slip, at his own expense. The reconfiguration would involve removal of a finger pier and relocation of outlying piles; the impact on the adjoining slip would be a narrowing of approximately 1' in width.

MOTION: Motion made by Hank and seconded by Fred Steckler, to allow for the widening of slip T7 by 3', at owners expense (by removing the current finger pier between T7 & T8, relocating pilings, and constructing a new finger pier on the outside of T8).

Motion unanimously approved.

Hank also suggested removing the pilings between W42 & W43 to better accommodate potential new members. Paul asked that cost estimates be obtained and that, possibly, we piggyback the work being done on the T (see above). The resulting slip modification would accommodate a catamaran. Fred and Hank noted that there are a limited number of slips available on the Chesapeake Bay with the ability to accommodate catamarans.

Hank reported that he has made hotel arrangements for those members who would choose to drive to the James River Cruise location rather than cruise.

Secretary's Report (Bill Petersen):

The Membership Directory is currently on schedule for distribution at the May 10th Stockholders' Meeting.

Ads for the Yearbook are currently coming in and are on track with last years activities.

The Boat Rides for Vets program is moving slower than expected. We will keep everyone informed as progress is made. Bill will invite George Degnon (who is leading

the program) to the April BOG meeting. George will attend if he has information to provide.

Governor's Reports:

Tom Cusick:

Dr. Roberta Palestine has agreed to “supervise” the AED program

MOTION: Tom moved, and Hank Hedges seconded, that the club facilitate financial requirements for certification of the AED not to exceed \$400.

Motion approved unanimously.

Tom reviewed the CBYCA newsletter.

Dave Thomas:

No report.

Fred Steckler (Membership):

MOTION: Fred moved, and Dave Thomas seconded, that the Board authorize the issuance of one share of the common stock of the CYC to Richard and Barbara Rhoads and accept them as members subject to the execution of a buy-sell agreement, payment of remaining initiation fees, prepaid dues and slip fees.

Motion unanimously approved.

Fred noted that the Henzels have re-applied for membership after their membership had lapsed for non-payment of charges. The Henzels past due account has been brought current.

MOTION: Fred moved, and Tom Cusick seconded, that the new member initiation fee for George and Victoria Henzel be waived.

The motion was approved by a 5 Yes and 3 No vote. The dissenting opinion is provided below.

Once the two week posting period for the application has passed, Fred will call, via e-mail, for a motion to accept the Henzels as members.

Dissenting Opinion

To The Board of Governors and membership of the Chesapeake Yacht Club:

A vote was taken at the March meeting of the Board of Governors (BOG) of the Chesapeake Yacht Club (CYC) to waive the initiation fees of a past member reapplying for membership. The BOG voted to waive the initiation fees for this member 5 to 3. The reasons for a dissenting vote are as follows:

- There is a BOG precedent that allows for a waiver of initiation fees for returning members who have a history of being in “good standing”. The returning member in question has a history of non-payment of dues, rentals and other Club charges dating back as early as 2001.
- We are in effect saying that the CYC membership recruitment objective is quantity rather than quality of the members. This implies that the interview process and posting are irrelevant. Certainly this returning member, if vetted properly, would not be voted in as a member of CYC.
- We, as a BOG, cannot allow our personal opinions toward potential or past members to cloud our judgment. Facts are facts. If the actions of a potential member or existing member place a potential financial burden on the Club, it undermines the overall Club solvency.
- Given the history of this returning member, and now a candidate for new membership, it is our opinion that the BOG has recreated an encumbrance that our Founders had dictated a way to exorcise. We have discounted the Founders’ wisdom by establishing a new precedent that is not founded in logic but rather emotion. This precedent will prove to be problematic for future BOG.

Arthur Parsons, Rear Commodore
Past Commodore: J. Steven Lee
Bill Petersen, Secretary

Fred noted that Paul and Vickie Christianson have requested that they be permitted to change their membership level to Limited Status since they are embarking on a one-year “great loop” cruise, departing in June.

MOTION: Fred moved, and Hank Hedges seconded, that the membership status of Paul and Vickie Christianson be moved to Limited Status, effective July 1st, 2008, since their change of status complies with Article III, Section 1, 2), pursuant to the surrender of their stock.

Motion unanimously approved.

Fred reviewed the membership levels:

New Members: Rhodes
Henzel (subject to final approval)

Lost members: Messinger
Lewis
Cooper (non-boating)

Inquiries: Two

Slips available (17):

<u>SIZES</u>		<u>LOCATIONS</u>
< 40'	4	West 6
40'-50'	14	South 5
50+'	1	Middle 1
		New 5

Activities Planned:

Ad/note in NTAM Newsletter
Broker e-mailing (mid-March)
Bay Bridge Boat Show (April 24-27)
Standing Membership Committee
New member orientation April 12

<u>Category</u>	<u>Number</u>	<u>Change</u>
Active	115	0 (+2/-2)
Non-Boating	4	-1
Limited	26	0
Life	10	0
Honorary	8	-1
Open	17	-2

The two week period having passed, on March 21st, Fred made a motion that was seconded by Steve Shupack:

MOTION: That the Board authorize the issuance of one share of the common stock of the CYC to George and Victoria Henzel and accept them as members subject to the execution of a buy-sell agreement and payment of any prepaid dues and slip fees.

The motion was approved, with 7 Ayes and 2 Nay votes, via e-mail.

P/C Report (Steve Lee): No report

Manager's Report (Cordell Vitkun):

Cordell introduce the new CYC Sous Chef, Andrew ("Drew") Davidson.

He announced the intention to have the water turned on to the docks possibly as early as early April (weather permitting).

CYCLA Report (Toni Bouillette):

Toni reviewed the CYCLA activities and plans:

- A donation of \$100 to the Chesapeake Bay Foundation from CYCLA in Memory of Sarah Berner.
- The CYCLA Board met on March 1st.
- 2008 Goals:
 - o Raise funds for the renovation of the Men's & Women's rest rooms.
 - o Work with the BOG and aid in their financial efforts to implement the dredging project.
 - o Establish a Decorating Committee to deal with club beautification efforts.

- There is now a CYCLA page on the CYC website
- CYCLA Power Point slides will be included with the CYC Membership packet.
- With Vickie Christianson's departure in June, CYCLA will have a vacancy at the Treasurer position.
- Appointment of a Chair for the Decorations Committee and Renovations Committee.
- Showcase Calendar.

Toni and Gail Parsons noted that CYCLA will host a "Summers Coming" Fashion event, accompanying a wine & cheese tasting, sponsored by Homeport Wine & Spirits, on April 7th at 3pm. Homeport will hand out discount coupons at the event. In addition, CYC member Kathy Broman will offer her jewelry creations with a part of the proceeds going to CYCLA. In order to have vendor participation at a club event, BOG approval is required.

MOTION: Art Parsons moved, and Bill Petersen seconded, a motion that in concurrence with Rule 29 ("No merchandise will be displayed for sale or sold on Club premises ... except as specifically approved by the BOG") that for the April 7th event that the vendors be permitted to display, promote and sell their merchandise.

The motion was unanimously approved.

Dock Captains Reports:

Monica Lovell: No report

Mark Thrasher: No report

Barrister's Report (Ron Willoner): No report

A motion to adjourn the meeting was made by George Donohue and seconded by Art parsons. The meeting was adjourned at 1:05 pm.

Respectfully submitted
By Bill Petersen, Secretary.