MINUTES OF THE BOARD OF DIRECTORS OF THE

MENTOR HARBOR YACHTING CLUB

JANUARY 2023

The meeting was called to order on January 18, 2023 at 1800 by Ken Balogh/2nd Jon Duer.

Commodore: Ken Balogh

Vice Commodore: Jon Duer

Rear Commodore: Dave Scarnati

Past Commodores: Mike Pettrey

Treasurer: Brian Keck

Secretary: Christian Lim

Directors: Tom Holleran, Dan Jackett, Brian Keck, Christian Lim, Michael Pettrey,

Jim Pruce, Scott Savage

General Manager: Steve Goczo

Treasury Report Brian Keck

* Balance sheet , Income Sheet and Accounts Receivable
  + Detailed sheets to be emailed
  + End of December 2022 Balance Sheet reviewed
  + Lean months Nov, Dec, Jan
  + Cash generation usually first billing of dockage in January
  + Managing Cash is important during this time
* Ken Sullivan – newer in role, will start managing cash; to send cash flow worksheet to Brian and Steve 24 hours ahead moving forward.
  + Cyclical nature of business
* Accounts Receivable
  + 109K current with 66K past due. Helpful to operations of company and important to collect. 36K >4 months
  + Bylaws state to send a letter as the first step in an opportunity to collect

Reviewed Bylaw Article 5 Section 1

Controllerto start the Process of Indebtedness

* + - Certified Letter by 26th of the month, member given 15 days to pay dues; Need to communicate to members that will start reinforcing Bylaws
    - Discussed concerns about posting of member’s name on a bulletin board as the Bylaw states– is this outdated, are there privacy laws against Bylaws as written
  + Autopay option but with 3% credit card fee. There is an autopay feature of Jonas system
  + Some non-members have balances – need to pay in full, upfront before any future club involvement
* Income Statement YTD favorable to budget by 23K and unfavorable compared to prior year by 29K
  + Budget – better in depts. of Harbor and Channel ($20K)
  + Increased yard income
  + Accrual reversal from channel expenses which gave us a credit
  + Club house on budget
    - Food and beverage operating income unfavorable by 6k- Steve to research
* Finance Goals:
  + Improve billing by decreasing time spent handling concerns, take waste out of system
  + Should members be required to sign chit; staff should be trained: “How do you want to handle the bill”
  + Proposal for Finance Team – policy for signing
    - Make sure bill is correct before you leave
    - Jonas system should handle daily chits – training issue, able to email a chit once closed, can look at open chits
    - Brian Keck to work with Scott Savage
    - Servers gratuity tied in with getting signed chits
  + Schedule 3 quarterly finance updates for members prior to Annual Meeting

House Report Scott Savage

* Roof – options: ceramic tiles, composite tiles, shingles 26K Westside co.
  + Gabled roof over fireplace
  + Flat roof over bar also in bad shape – has 3 layers already. Will need to be removed
  + Consider expense of HVAC duct work with roof repair
  + Westside, Runyon, Captain gave quotes
  + House Committee – voted unanimously in favor of composite tiles 57K option
  + Budget 90K
  + We don’t have insurance on the roof until repaired
  + Critical issue
  + 10k savings potential on insurance premium
  + Flat roof over bar:
    - 2 roofs will go to 96K
    - Two prices 42.5K (60mil) rubber roof vs 28.6K plastic/TPO (both warranted for 20 yrs)
    - EPDM suggested by Tom Holleran
    - Delay decision by week. Do walk around building on Saturday, January 21st and will have quotes sent out for review of board
  + 65K main dining room , plan for next year
* Awning Quotes
  + One quote so far: $28K
  + 18 ounce material, hood scoops; Can handle 90mi/hr wind gusts; White tarp; durable, no side panels, will go over current frame
  + Additional cost: $6600/yr to put up, take down, inspect and store
  + Lead time 8-10 wks ; need canopy there for Memorial Day
  + Awaiting more quotes, Steve to follow up
  + Logo add on consideration; Discussed side panel feasibility
* Pool Furniture Quotes
  + 35 lounges, 20 umbrellas/bases
  + Admiral Furniture quote: $36K (budget $35K), umbrellas are commercial grade
  + Great Escape: umbrellas/bases (noncommercial grade) - $30K but $660/lounge chair
  + Next year 32K was budget
  + Consider getting 9ft for the dining patio area and 7.5 ft for pool area
  + Motion to spend up to 36K by Jon Duer /2nd by Dave Scarnati… Unanimous approval Admiral Furniture
  + Pool repair report next month
  + Paint rails of white fences – matching blue; house committee to look at this

Harbor Report Jim Pruce

* Meet 2nd Wednesday of each month
* Lee Homyock, Chuck Stephenson and Jim Pruce
* Top priorities 2023:
  + Channel – thanks to Chuck Stephenson and Mike Pettrey; will reduce a lot of wear and tear on other things
* F Dock Wall – approval for design last year, quote over budget 310K but approved for 250K
  + Further negotiation
* Spring Dredging - contract with Huffman expires this year, will need to renegotiate
  + 44% MHYC, 56% City split cost
  + 10-20K dredging in dockage area and that gets passed on to members, does not come out of budget; already built in
  + K&S doing survey to assess dredging needs
* B Dock – A Dock repaired last year; B has sustained some damage from waves
* Sailboat Issue – rules: anything without steel cradles can’t keep the mast up.
  + Need to enforce. Already in contract
  + Need to send letter before Spring to notify members
* Discussed yearly contracts, Do we have a procedure in place for getting contracts
  + - Previously had perpetual contracts
    - Christian Lim and Cecilia Duer need to work with Harbor Committee to make sure these are happening.
    - Walk the dock and audit; ensure contract and bill
    - Need to provide insurance certificate
    - Cecilia Duer helping rewrite the contract
    - Need verification of fees, stickers, certificate prior to boat going into water
    - Added in contract that Club has right to rent your doc when you’re on vacation/cruise
* How to tie off boat, proper line sizing, gas dock employees training

Membership Report Tom Holleran

* 215 total; FME 166
* Error discovered – number lower than report sent a few days ago
* Carrying some people in system as “term” until coded as “resigned” overstated head count by 6 people… from summer fun category. Balances written off. Make sure they pay while here
* Need categorization review of current members, also noted on Jonas system review
* Tom Holleran recommends Membership Committee to develop data base to show trends in membership categorization
* Resignations: David Logsdon from Social; motion to approve by Ken Balogh, 2nd Jon Duer
* Status changes: Motion to Accept Changes by Scott Savage, 2nd Dan Jackett
  + Lance Johnson – Yachtsman to Social;
  + Christina and Gerard Baxter - Yachtsman to Social
  + Bob Potti – Full to Social
  + Marty Weber - Full to Social
  + Lee Homyock - Yachtsman to Full
* New Member Issues/Feedback – hard to meet friends here, need to do better job to introduce membership. Membership director need skill set to help with this. Issues with baby sitter for kids to attend functions
* Prospective Member: Matheus Bulho – Yachtsman; Sponsor Jon Duer, 2nd Pettrey
* Yachtsman – previously considered a 2 yr program? one time option/introductory membership category. Membership committee does not support forcing members to change status or leave; Not in the Bylaws
  + Consider limiting total number (#20) of those in this category
  + In last two years, only 4 upgraded to full
  + When send out dock contract, can mention risk of losing dock if Yachtsman category
  + Harbor committee decides suitability (size of boat, size of dock) of who can go into specific dock; seniority also considered
  + Dock audit can specify membership category
* Certificate Fee – if upgrade to Full membership
* Need to harmonize the FME report with the Bylaws
  + Review definition of Junior Membership, need to verify age categories
  + Step increase in dues by four age categories (20-22) (23-26) (27-34) (35?)
    - Bylaws define two age categories: (18-26) (27-34)
  + Jon Duer suggests to cap at social level dues
  + Membership committee will review
* Boat Show – 40 members volunteered, 100% membership coverage at all times.
  + John Shoenbeck and Steve Goczo were good salesman and were also present
  + Brian Litra social event also a created an energetic atmosphere, good bonding experience
  + 62 leads obtained, invited to Open House
* Open House
  + Need committee membership presence
  + Various tables: Junior Sail camp, Pickleball, Skeet
  + Discussion to pause skeet shooting during Open House
* Need discussion and research regarding Club related topics: “certification” vs initiation, ? if club ownership
  + 501c7 tax code
  + Some clubs have shares, buy in and club has first right of refusal
  + Some club have tax exempt status
  + Need to read Articles of Incorporation and tax code
* Membership Committee Objectives
  + Thought leadership – Subcommittee approach
    - SWOT analysis
  + On-Boarding process – increase engagement and welcoming of new members
    - Evaluate and develop data base of membership (should be available in Jonas)
    - Improve communication

DIRECTOR REPORTS

1. IT - Computers – in, being configured now, should be installed this week and will be able to upgrade Jonas
2. Christian – will meet with Cecilia Duer when returns and discuss Bylaws research
   1. Audits – will get information at docks
   2. February will be first dock billing
   3. Ken Sullivan has spreadsheet – where boats are docked. Good starting point
   4. Gas Dock – talked to Collins in Cleveland. City of Mentor mentioned they would build gas station/pump in Spring at Lagoons.
      1. Credit card readers
      2. Clean Harbor/ Cecelia Duer – will look into grants to help with gas dock updates
      3. Need better accounting
      4. Work in conjunction with Harbor committee which has done research on vendors in past
      5. Talk to Skip Martin, research done in past by other members.
      6. Computers will be updated in gas dock
      7. Need better training for employees of gas doc, develop procedure book
      8. Jonas - ? if need Marina management module
3. General Manager Report - Steve Goczo
   1. Kitchen floor has been completed since last meeting
   2. Dish machine should go in next week
   3. Dock ladders being installed as weather permits
   4. Insurance 5 yr inspection completed, done by AA Fire
      1. Plan to start program to replace sprinkler heads in phases.
      2. Discount if give all fire business
   5. Grease trap getting too full and going into lift station – increased frequency to hopefully take care of smell
   6. Alarm code – current panel is > 20 yrs old, will get a price for replacement. Changed codes d/t change in personnel so can review who is entering/leaving building.
   7. Website – Monday.com
      1. Updated contact information, Harbor Lights
      2. Consider Jonas site next year
      3. Roster not present currently d/t privacy concerns
      4. Will add Harbor page – dock chart, harbor fees
   8. Roof
   9. Staffing
      1. Working to Fill roles for Membership Coordinator and Event Planner and Front Desk

Membership Coordinator, start $35-42K with compensation based on membership sales.

* + 1. Events director position – get 5% of non-member food sales
    2. In future need to update membership of staffing changes when they occur
    3. New bartender ~~prn~~
    4. January project – rebuilt the service station
    5. Linens – 40-50K per year, ideas for decreasing
    6. Vinyl for skeet tables
    7. Weekly specials and plan to only change menu 5x/yr (not monthly); new menu February 2nd.
    8. Chef Alex pre-cost menu for events
    9. New kids menu
    10. East Beast menu – discuss plans for new refrigerator, fryers on site
    11. Storage room – cleaned and organized; café cleaned out; Kitchen deep clean, new light bulbs, next week foyer will be painted. Hood cleaned yesterday, 2x/yr moving forward
    12. Reach out to Auburn about culinary program
    13. House and Harbor Committee coordination to get list of schedules to work better and inform Ron May.
    14. Team building with Tom Holleran – good experience
    15. Extermination

1. Mike Pettrey
   1. Channel – Jan 30th – 4 parties in RFP due by March 3rd at 1400. Firm with in-house grant writer;
   2. Once RFP accepted go into design phase
   3. Strong potential could start constructing this coming winter
   4. $3M (could’ve been $7M)
   5. Jamie Callender – member and state rep was very helpful. Matt Dolan, Jerry Cirino also helpful -- make honorary members and consider hosting fundraiser
      1. Motion – Ken Balogh, 2nd Dan Jackett, motion carried
2. Other Business

* Roof discussion, insurance issue until replaced
* Channel – Logistics of work to be completed , is still to be determined
* Jon Duer – started Branding Committee; Tom Holleran, Mary Jackett, standardization of collars, fonts, burgees for more cohesive appearance.

Commodore Report -- Ken Balogh

* + New: Bylaw review committee: Cecilia Duer and Christian Lim
    - Looking for other committee members
    - Review current Bylaws and evaluate for need of amendment
    - Also were requested to Audit gas dock operations and transaction/report processes
* Ken Balogh distributed handout – updated and review ; Terms/definition; Board protocols
* Nominating committee starts in January
* Potential Conflict of Interest by Ken Balogh. Currently He is providing club’s nonprofit tax return and provides payroll service (subscription service) that he discounted from previous vendor. Bylaws state that all members with conflict of interest must be approved by BOD. Therefore he had to disclose information and may only continue if requested to by the Board
* Motion to have Ken Balogh’s company continue its work by Mike Pettrey, 2nd by Jon Duer… Unanimously passed
* Discussed prior experience in onboarding/welcoming new members
* Suggest Coats and Jackets to put best foot forward at future meet and greets
* Thursdays could be good for Meet and Greet but cons discussed with Queen of Hearts
* Wednesday complimentary dinner by Membership Director

Pledge of Allegiance

Motion to Adjourn by Scott Savage/ 2nd by Jon Duer at 21:50. Motion carried.