



## 2022 SPYC Annual Report

### Commodore's Report - Bill Tschohl

From the desk of the Commodore,

Hello, my fellow boaters!

We had a wonderful year with many members boating on the mighty Mississippi river here in St. Paul! The St Paul Yacht Club was fully operational in 2022 with no COVID restrictions, which greatly improved our community's ability to get together and have fun.

The support of our great community of boaters is exceptional. I want to personally thank each and every one of you!

As Commodore of the St. Paul Yacht Club, I oversee every aspect of the marina. With that, one of my major focus areas for 2022 was to dig through how we operated the marina and put into place processes and controls for areas that needed them.

The first step in this journey was to have Kristina Cummings, our Marina Manager, question every bill we paid, every invoice sent, and generally how the marina's business operated. SPYC must be on a solid fiscal baseline to ensure our marina can operate efficiently. Much of this included eliminating unnecessary and wasteful costs that, in some cases were going on for years. Additionally, thinking outside the box and finding new, more efficient ways to run the business was crucial to a successful 2022.

Secondly, we worked and will continue to do so to ensure everyone's share of the marina costs is equitable among all members at SPYC. Slip fees, which make up the largest source of club revenue, are by the foot and each foot should cost the same no matter where the slip is. We have made strides in improving our billing and invoicing and will continue to work to ensure bills are accurate, sent in a timely fashion, and simple to pay.

Looking ahead to 2023, I want our club and board to think more about our club's future and less about the processes and controls we established or renewed focus on in 2022. The City of St. Paul has a new vision for the Watergate marina. What is our vision for the St. Paul Yacht Club? Developing our club's vision will be a major focus in 2023 and welcome you to be a part of that discussion!

I would also like to give a personal thank you to the 2022 SPYC Board of Directors for their work in making the St. Paul Yacht Club a wonderful place to boat. Having been on the board in various capacities over the past decade, it does wonders to have a board serving the club's best long-term interests the way our 2022 board has!

Bill Tschohl

St Paul Yacht Club - Commodore

## 2022 Highlights

Before we jump into other reports, I want to point out some highlights and expectations for 2023.

### Summer Rates

There will be no increase in summer slip fees or other summer costs compared to 2022. All slip and yard rates are always available on our website.

### Slip Usage

In 2022 we had 135 out of 160 slips filled. This was a net increase of 13 additional slips filled. This includes 22 out of 25 liveboard members in our Lower Harbor. For 2023 the Upper Harbor is sold out, but we still have plenty of slips (and water) available for summer in the Lower Harbor. The waiting list for slips currently stands at 23, with most of these new potential boaters to SPYC and the rest existing members looking for different slips.

If you know of anybody that is interested in a slip at SPYC or would like a tour, please have them call (651) 292-8964 or email the office at [office@stpaulyachtclub.org](mailto:office@stpaulyachtclub.org).

### Lower Harbor Dredging

Our first round of dredging in the Lower Harbor was completed early in the 2022 summer boating season by the Corps of Engineers. Dredging of the Lower Harbor is crucial not only to our liveboards but also to the overall viability of our marina. Beyond the 25 liveboard slips, there are 135 convenient slips available for summer use!

There will be another round of dredging by the CoE in the Lower Harbor this spring. This round will involve temporarily removing the Miller and shore-side docks so the area under and around them can be dredged. We are anxiously awaiting news on when the work will begin to enable our planning for execution.

### SPYC Yard Crew and Upper Harbor Dredging

Our yard crew, Brian, Greg, and Vi did an amazing job in 2022! The crew continues to be careful and efficient with launching and hauling out boats along with all the other marina operations work.

As with the past two summer seasons, we will also be dredging the Upper Harbor. Our goal this year is to minimize the impact of dredging to enable boaters even more access to the mighty Mississippi. The dredging will include harbor mouth maintenance, clearing of silted slips, and maintenance of the causeway. In 2022 we removed twice as many spoils as we did the previous year.

### Upper Harbor Pump-out and Fuel Dock

In 2022 we installed a brand-new pump-out system in the service well near the clubhouse. Some of our members worked very hard to secure a grant in which we were reimbursed 75% of the purchase and installation costs. Last year, we also installed a new fuel pump that upgraded our credit card processing to the latest standards. With the upgrade and 24-hour availability, we were able to sell about 15,000 gallons of fuel in 2022.

### Sheriff's Auction

In 2021 we sold 7 boats at a Sheriff's auction. This spring, we plan on holding another Sheriff's sale for boats that have been abandoned or are seriously in arrears on payments. It is always SPYC's goal to prevent the need for these types of events by helping our members who actively communicate and plan with us, but sometimes we have to use the tools available to clear our yard.



## Treasurer's Report - Lynn Adler

The St. Paul Yacht Club's finances are in the best shape they've been in for years! The volatility of COVID and multiple accounting challenges from various tried and failed marina billing systems are behind us. We have obstacles ahead for 2023, but our member's experiences with the financial side of our club should be far smoother.

We are ready for a solid 2023 with a well-planned budget. Our Upper Harbor has a waiting list again as do various spots throughout our Lower Harbor. Part of this is an outcome of getting better at the business of operating the marina, and part of that is simply market conditions that have filled many area marinas.

As of January 17, 2023, we have \$193,739 cash in the bank. This is a drop of \$80,832 from the same time last year largely due to accounts receivable at this time. Currently, our accounts receivable (what we are owed) is \$147,038. This is an increase of outstanding fees left to pay to the club of \$80,654 compared to the same time last year. We will continue to work with members to pay their fees on time or work out approved payment plans.

***As a reminder, we will not be launching any boats until slip fees or any other outstanding balances are paid in full or an approved payment plan is in place.***

We currently have \$196,938 in long-term debt. We also have a \$50,000 line of credit, with no balance owed, for any emergencies.

This year we hired a new accounting firm, Smith & Schafer, that helped to clean up our bookkeeping processes and complete all our tax filings. Having solid accounting will enable us to have meaningful discussions and track exactly where we are in 2023 with projected and actual expenses.

We are sending notices of intent for a Sheriff's sale this spring. We had two Sheriff's sales in 2021 after not having any for four or more years. We did not have a sale in 2022 but do need to utilize this and other tools at our disposal regularly to handle delinquent accounts and to clear the yard.

Moving forward we will no longer carry abandoned or delinquent boats in our yard for more than 180 days. We will also not continue to issue repeated invoices that are not responded to or paid.

The financial health of SPYC enabled us to purchase the dredge used in the Upper Harbor. This purchase has been paying for itself when compared to dredging costs by the Army Core of Engineers for previous years. Having the dredger also enables us to maintain the service well, slips, and causeway that cannot be serviced by the CoE. Managing our own timeline and schedules is also crucial to efficiency and ensuring open water for our members.

My recommendations for 2023 are 1) continue to use Smith & Schafer accounting services to prepare our taxes and produce the required Accountant Quality Profit & Loss and Balance Sheet for the City of St. Paul, and 2) provide reports of actuals versus budget at every board meeting to ensure we are making sound decisions on fiscal matters for the club.

Lynn Adler

St. Paul Yacht Club - Treasurer



## St. Paul Yacht Club - Profit and Loss Summary January - December 2022

	TOTAL
Income	
Billable Expense Income	1,185.53
COMMODORE'S DISCRETIONARY FUND	607.50
Markup	225.50
REVENUE	358.00
CLUB HOUSE FUND	19,078.02
DISCOUNTS GIVEN	-
	15,300.00
DUES INCOME	25,655.00
GASOLINE INCOME	40,216.59
HARBOR MAINTENANCE	37,741.50
ICE SALES	-3,113.04
LIFT INCOME	1,425.00
METERED UTILITIES(GAS/ELEC/WATER)	83,899.34
SAFETY FEES	13,733.44
SERVICES	15,052.66
SHIP STORE SALES	4,083.68
SUMMER DOCKAGE MAIN	307,199.81
SUMMER STORAGE	19,933.25
TRANSIENT	2,234.89
WINTER STORAGE	273,716.80
Yard Income	2,642.91
<b>Total REVENUE</b>	<b>828,557.85</b>
Unapplied Cash Payment Income	-300.00
<b>Total Income</b>	<b>\$830,276.38</b>
Cost of Goods Sold	
COS- GAS	58,405.58
COS-SALES TAX	3,844.84
COS-SHIP STORE	7,128.54
COST OF GOODS SOLD	117.95
<b>Total Cost of Goods Sold</b>	<b>\$69,496.91</b>
	TOTAL
METERED UTILITIES	68,198.73
MILEAGE -EMPLOYEES	207.04



OFFICE SOFTWARE	2,188.66
OFFICE SUPPLIES & EQUIPMENT	5,147.69
OFFICE/GENERAL ADMINISTRATIVE	441.41
PAYROLL ADMINISTRATION	2,454.58
PERMITS, LICENSES	148.50
PROFESSIONAL FEES	25,224.50
REPAIRS & MAINTENANCE	45,812.70
SAFETY EQUIPMENT	893.50
SHOP SUPPLIES	11,718.30
SOCIAL FUND	16,839.91
SOCIAL GIFTS	148.39
Training	599.00
UTILITIES	9,823.67
WAGES & BENEFITS	
GROSS WAGES	161,306.52
PAYROLL TAXES	22,962.83
RETIREMENT EXPENSE-ER	5,185.78
WORKMAN'S COMP	2,991.56
<b>Total WAGES &amp; BENEFITS</b>	<b>192,446.69</b>
WINTER/WINTERIZING	2,726.68
<b>Total Expenses</b>	<b>\$689,534.88</b>
NET OPERATING INCOME	<b>\$71,244.59</b>
Other Income	
INTEREST INCOME	5,397.42
INTEREST INCOME	1,507.20
<b>Total INTEREST INCOME</b>	<b>6,904.62</b>
OTHER INCOME	2,500.00
<b>Total Other Income</b>	<b>\$9,404.62</b>
Other Expenses	
DEPRECIATION EXPENSE	90,660.00
OTHER EXPENSES	17,752.95
<b>Total Other Expenses</b>	<b>\$108,412.95</b>
NET OTHER INCOME	\$ -
	<b>99,008.33</b>
NET INCOME	\$ -
	<b>27,763.74</b>



## Secretary's Report - Barbara Haake

SPYC's secretary is elected every year on the second Tuesday in February. I was elected secretary after the previous board secretary, Bill Tschohl, was elected commodore in February 2022. I have served in this position for a year.

During this year I attended all but two SPYC meetings either in person or via Zoom when remote. The two meetings missed were due to technical issues with Zoom preventing me from taking minutes.

I have a few suggestions to improve the taking of minutes via remote means:

First, board members should sit next to each other with a working microphone on the table. When a board member speaks (gives a report or enters into a discussion), the microphone should be passed to them so their speech can be clearly picked up by the microphone.

Second, if an attendee of the meeting, who is sitting somewhere in the room, wants to join in the discussion, that person should be handed the microphone (or a second microphone should be available), so he/she can be heard by all, especially heard by remote attendees.

Third, there needs to be a way for the remote viewer to be recognized and heard if said remote viewer wishes to make a comment or ask a question during the meeting.

Fourth, if a presentation is made and put up on the TV screen, the presentation also is shared via Zoom to enable any remote viewer to read/see the presentation.

I also have another suggestion that I feel would be very helpful to SPYC's general membership, enforcing a Bylaw that states:

ARTICLE 5 REPORTS: Paragraph 3. "The Secretary shall report on all meetings of the SPYC and shall provide a current roster of all voting, life, social, honorary, and associate members." In the past SPYC has always published a "directory" of SPYC's slip holders, whether they are voting members or associate members.

I believe and recommend that this needs to be done at least every other year. The last stipulated directory was published over five years ago and should be done again this year.

Overall, I have enjoyed my year as secretary but currently, until the remote issues listed above can be resolved, it is best that the secretary is present at SPYC's meetings. I will still be on the 2023 board but serve as a "member-at-large". Thanks to everyone for helping SPYC during the past year - and for your service during SPYC's special events.

Barbara Haake

St. Paul Yacht Club - Secretary



# Motions and Actions of Note Approved by the Board in 2022

**Changes to by-Laws:** None

**Changes to Standing Rules:** The following will be added to our Standing Rules establishing criteria for guidance on Life Memberships.

Life membership is an honor bestowed by our club to individuals whose contributions have provided a benefit to the club over an extended period of time.

There are four areas of service in the Club:

- a. Board service
- b. Committee service
- c. Volunteer service
- d. General service (includes other services that may be seen as relevant.)

This can include: Contributions with other relevant clubs such as Friends of Pool 2, US Coast Guard Auxiliary or other area, river centric groups.

Legislative lobbying activity including legislation beneficial to the club or community.

Contributions deemed beneficial to the club by our members, but not included above.

The Life Member nominee must have an outstanding contribution in at least one of these areas and at least some contribution in two of the other three areas with no less than five years cumulative across all activities included in the nomination. Service years that are paid positions, somebody doing their job whether for the SPYC or another entity should not have that included.

Life member nominees must have 20 years cumulative at the SPYC.

Nominations must be in writing with detail on their service contributions and years of service. Nominations do not need to be all inclusive with extensive detail. Nominees become Life Members when the SPYC board approves, by majority vote, their Life Membership.

All new Life Members will be contacted by the Commodore, if they are not already present at the board meeting when their nomination is approved.

## **Finance Changes:**

Summary of changes for the 2023/24 budget:

- No summer slip changes for 2023; the summer slip rate stays at \$61
- Increase to winter yard storage from \$33-\$35
- Competitive winter in-water storage from \$33 to \$61

Credit Card policy changes:



- No longer accept payments with American Express cards
- 2.5% convenience fee for any credit card payments outside of the fuel pump

Additional items:

- Regular member discounts are unchanged.
- Transient and small craft/ trailer rates will not change.
- See April 2022 motions for Yard Price sheet details

**General Operations Motions:**

**January 2022:**

- Offer Kristina Cummings the SPYC Marina Manager position with the terms discussed in the executive session and ask for a response by Thursday evening.

**February 2022:**

- No motions

**March 2022:**

- Install Lynn Adler as SPYC’s treasurer for SPYC’s 2022 board. Note: Pat Boulay resigned and the board needed to fill that position.
- Call Troy Janisch and ask him if he would serve on SPYC’s 2022 board as its sixth board member-at-large. If Troy declines, then Bill should continue down the list (of the remaining three candidates who were not elected to the 2022 board. (Troy accepted.)

**April 2022:**

- Approve the below listed 2022 Price List effective the date it is published on the SPYC website

**2022 Yard Price List**

	Voting Member	Associate Member	Non-Member
Pull out/in alone	\$100	\$125	\$300
Blocking and loading one trailer	\$75	\$100	\$200
Hulls will be washed only in the fall when the SPYC has washer (employee) available.			
Move Boat to or from Lower Harbor to Upper Harbor	\$200	\$250	\$500
Pumpout (by SPYC staff)	\$200	\$200	\$300
Yard staff hourly rate, per person	\$75	\$75	\$100
Dock Box – Cost of Box plus install and materials			
If you are paying \$61/ft for a main boat, a second smaller boat storage would be charged the trailer rate of:	\$125	\$150	n/a

**May 2022:**





- Mike Skarda is to have his membership restored, and that he gets the standard member discount starting this year and into the future.

#### **June 2022:**

- Spend \$13,500 plus tax to purchase the piping we need to dredge the Upper Harbor.
- Approve the Right-of-Entry Permit proposed by the City of St. Paul with the contingency that we can secure the \$1.5 million in additional short-term insurance coverage specified in the Right-of-Entry Permit Agreement or amend the agreement to only require \$1 million for the property liability endorsement.

#### **July 2022:**

- The boats we moved on June 1, 2022 will not be charged for the movement.

#### **August 2022:**

- Increase budget to get the money we need for accounting - increase from \$10,000 to \$15,000
- Approve Jimmy Layer as a new member
- Buy a ladder, cost not to exceed \$600 for the gas dock
- Update Standing Rules establishing criteria for guidance on Life Memberships. (full details above)
- Bestow SPYC Life Membership upon Greg Jorgensen and Dave McKusick.

Motion that we change our contract language on boat inspection as follows:

BOAT INSPECTIONS. A boat inspection is required for most motorized boats in the water in SPYC harbors. \*This applies to all boats that have a sleeping cabin.

\*Your boat does not have to pass a safety inspection, but must have any issues found with any of the below items repaired immediately. An inspection fee of \$200 will be assessed to all slip holders to cover the cost of a staff review. The \$200 fee will be refunded in full if an authorized Coast Guard Auxiliary or Power Squadron Vessel Examiner performs a free Vessel Safety Check by June 15th .

#### **September 2022:**

- Motion to have a training budget of \$4,500 for SPYC employees.
- Motion to contact Mark Mosby and Peter Kramer, stating that SPYC will use/salvage their boats in some way and will follow up with a written agreement.

#### **October 2022:**

- No motions

#### **November 2022:**

- Marina projects and ordering of materials Process reviewed for projects completed by club members on behalf of the marina
  - All material orders and expenditures need to be completed through the office for proper tracking and accounting



- Only Kristina and Brian are authorized to purchase materials on behalf of SPYC
- No expenses will be reimbursed to club members without prior authorization from the Office or the Board.
- Billing procedures General billing/accounting policies reviewed and clarified
  - Once bills are sent out our accounting software automatically adds a late fee after a bill is 30 days late per the SPYC standing rules.
  - Interest also begins accruing once a bill is 30 days past due. Reminder that all bills need to be paid on time.
  - Communicate with the Office prior to due date if there are issues making timely payments.

This a reminder that you can set up SPYC as an automatic bill payment with your bank, and they will send a check automatically.

- Cash/check payments also save the club from paying credit card processing fees, typically 3%-5% of the payment amount.

Billing frequency and consistency to assist members in planning for expenses:

- Slip fees and storage fees will continue to be due on the dates defined in the By-Laws and Standing Rules which are January 15th and October 15th.
- It was determined that utility bills will be issued per the following schedule:
  - February 1st
  - May 1st
  - August 1st
  - November 1st
- This schedule will efficiently capture utility usage for seasonal boaters in 2 billings per year and provide more frequent billings for winter liveaboards.

Personal conduct policy:

- Delay any adoption of a personal conduct policy until further discussion with the Grievance Committee about current status and procedures.

2023 Budget:

- Approve budget with noted changes of the following shifts. Purchase signage (\$6,700) and prepay for rip-rap (\$20K) this year, 2022. Reduce spoil removal from \$45K to \$35K in 2023 budget.

2023 rate and policy changes:

- No summer slip changes for 2023 ○ Summer slip rate stays at \$61
- Increase to winter storage from \$33-\$35
- Competitive winter water storage from \$33 Winter Storage to \$61 in-water storage
- Credit Card changes
- No longer accept payments with American Express cards
- 2.5% convenience fee for any credit card payments outside of the fuel pump



**December 2022:**

No meeting

**Staff:**

- The SPYC Board offered Kristina Cummings the Marina Manager position, which she accepted on January 6<sup>th</sup>, 2022.
- We hired Vi to help on the crew in the fall of 2022.

**New Regular Members:**

- Jimmy Layer
- Paul Amann
- Tom Micheletti
- Mike Skarda

