

St. Paul Yacht Club Board Meeting

January 23, 2023 6:30 p.m. SPYC Clubhouse

Board Present: Bill Tschohl; Barbara Haake (ZOOM) ; Nate Schumann; Lynn Adler; Diane Scovill on ZOOM; Troy Janisch; Brett Cummings; Andy Ristrom; Annie Stone; Greg Jorgensen; Mike Patten in person at 7:00 p.m.

Staff: Kristina Cummings

Guests Present: MJ Babcock; Stephanie Stoessel; Tom Surprenant; Mary Rossi; Kevin Goodspeed; Tom Marrone on ZOOM; Jon Oulman

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Meeting Called to Order: 6:35 p.m.

Pledge of Allegiance: Recited

Approval of the Agenda

No motion taken

Approval of the January 17, 2023 Nominating General Meeting
Minutes Approved

Open Comments from the floor:

Comments can be made on items/issues NOT listed on the Agenda
Please limit your comments to three minutes each

Comments from the Floor:

Jon Oulman came to give us an update that everything he had asked our help with to get his account straightened out had been completed. Bill asked that we make a note in the minutes to record that Jon Oulman became a regular voting member at the March 2021 board meeting. This was not recorded in the minutes at all, but was confirmed with board members present along with the payment of \$1,500 from Jon after that meeting

Commodore's report:

In January of 2022 we all thought we knew what was ahead and believed we had plans in place to manage through what we expected. As we learned quickly, the river, weather and expectations have to shift quickly. We had a mildish flood, corps of engineers dredging adjustments along with the waves and ripples that were an outcome of that in 2022. As we now head into 2023 we have more experience under our belt, but also have built some expectations on how we'll manage this year. I can guarantee that the river, weather and expectations will shift again though. We will have to be nimble and work through this as a club and I expect we'll do less of some things like building processes and more of the delivering consistently via those processes.

Bill also discussed that he had talked with Donna today, January 23rd about training for the SPYC board. I mentioned that I would like to have that before the first new board's meeting, so before February 27th, but know Donna wants to gather more information before designing/ delivering the training. Training would occur more than once, with a first broad meeting followed by some later smaller sessions to dial us in to work better.

Donna had asked if she could interview a sample of board members to get an idea of what we need. I proposed both longer and newer board members from the lower and upper harbor so

there was a breadth of perspectives. The six members I proposed were Barbara, Troy, Andy, Nate, Brett and Lynn.

I had also asked the board and incoming members to take a look at their schedules and see if the 4th Monday's at 6:30pm are still the best time. I have a conflict with Monday's due to being an Assistant Scout Master and can work around it a bit, but realize Monday's may not be the best for everyone. If we are going to change it, I'd like it to be done early so the full year schedule can be published asap.

Above are some of Commodore Bill Tschohl emailed comments: The following paragraph is Bill's discussion at the 1/23/23 board meeting. Plans for 2022 did not turn out as expected and no matter how much or well we plan for 2023, the weather and other factors have a large say in how well operations go this year as well. Our focus point has to be to stay on budget. There are liveboards attending tonight's meeting and I'm certain that's because of concern about fall rates. A lot can change in a summer and a lot will depend on filling more slips this year. The Boat show finished this past Sunday and there are people interested in our marina. Right now, we don't know how many new boaters we will get this year, but we have to continue working to fill slips and provide them quality social and boating opportunities to keep everyone. Hand-in-hand with that, we can't say what water levels will really be this Spring/Summer, etc. We do have slips to fill and if we fill them, we can really dive into the budget again and hopefully the costs can be spread out to make our slips cheaper for everyone. 180 boats bring in more money than 140 boats/120/ boats. This past fall we approved training for our manager, crew and board as part of the 2023 budget. Donna will be helping us with the board training as noted earlier. Essentially, we'll be looking at what we do well and what we don't do well. Donna will interview some board members and put together the training. We'll communicate those training dates as soon as we have them. Look for board training to come up in February. If you are left out of the interview and would like to talk to Donna, let Bill know. Wha Donna is interviewing for is to understand the scope of the training needed.

Clubhouse:- Bill: The clubhouse is in great shape and Thomas Marrone is doing an excellent job with cleaning and organization of our valuable, treasured asset!

Treasurer: – (Treasurer Lynn Adler with Kristina):

Treasurer/ Finance:

We have \$87,000 in accounts that are at least 90 days past due.

Our cash on hand (In the bank) is \$240k

Our long-term Debt is \$196,938

Our Short-term Debt is \$0. We have renewed our line of credit with the bank at the same previous level of \$50k as we have had previously.

Spring Deposits:

We have 30 members that have not communicated their plans for 2023 nor paid the \$300 deposit by the January 17th due date. 8 of these were in slips in 2022. 22 are on land in storage and were stored on land last year as well.

All of these members have had multiple emails as well as four calls from Kristina to encourage them to get their deposits in for 2023. We really need to stick to our communicated plans that haven't changed in decades so we can offer slips to potential members on the waiting list.

Bill will call the 8 members that had slips last year to encourage members to get their deposits in and communicate with Kristina.

Kristina will begin contacting potential members on the waiting list 1/25 to fill available slips that don't have deposits.

Bill talked to other marinas at the boat show and beforehand via phone calls, most are full. We have a waiting list as well this year and some we can't offer a slip yet because they want very specific or certain slips. We sent final notice to those who have not reserved slips. We are at the point of calling it the end of our grace period as deposits were due 1/17. We can't wait until 5/1 to reach out to our waiting list and see if they are still interested in a slip. Our published deadline is 1/15. If you have not paid your \$300 nor communicated a plan with the office, we won't be holding slips for months waiting for some communication. People need to communicate and Kristina can put them on a payment plan or anything really as long as it's communicated.

Two things, if your boat is in the yard, the chance is that you are going to stay. Kristina is calling the people. Seven days grace – that is it. The onus is on the returning boater. Diane: At the end of the day, at some point, we need to follow the rules...also Diane is willing to make phone calls. Lynn agreed with Diane. Diane stated this is a business. Some people don't look at anything electronic (emails). Greg: Send a letter out – if you don't respond in seven days, that is it. We have the rules stated in many places. Lynn – all people have to do is call. Bill said he would call them all. If they don't pay, we will have their slip available for someone else.

Social:

Upcoming schedule: SPYC Boot Hockey will be Saturday, February 25th at noon. Clubhouse

Membership – Lynn Adler No Report

Marketing – Boat Show. Kristina: The boat show messed up and put us in an 8-foot booth rather than the 10-foot we need for our display. The boat show shifted us to a different location that worked for our display, but it wasn't the location we were marked on the show guide as being at. That could have made it hard to find us for some, but most people circulated through the whole show floor so probably did find us. This year, we handed out maps and books along with the National Park Service's River Companion and River History books. Kristina reported two potential members she is working on for voting membership. Next year could be better and we will start planning that in October. We could use a portable display that could fold down as our current one doesn't collapse well and is unwieldy to transport. Kristina said our current display is too big (10 ft x 7 ft). Kristina thought they had about 30 prospects.

Operations – Andy. Rip-rap was placed along the upper harbor point. Good news: That point should be stabilized so the u-river side of the harbor mouth won't wash out. For spring, we are in pretty good shape. The rip-rap was placed when the water levels were at a low point. We got the rip-rap for free and have a stockpile of material as well now. That should help for next year when we are realigning the dredging piping. Andy waded in the water to check out the rip-rap on the point.

Gate G's numbered lockbox got frozen at the bottom. Kristina got it thawed out and working again a couple times in the past week. The bottom row of the keypad freezes so we need to use a code that doesn't use the zero. Will be taken care of.

Public Relations: Barbara Haake – no report

General Discussion Items: Bill - Winter in-water storage FAQ was shared.

Bill talked about the below FAQ items shared at the board's 11/17/22 special meeting.

Lower Harbor Winter In-water storage rate change FAQ

What was voted on?

In November, the SPYC Board approved a change in the rate structure to eliminate seasonal rate variations and instead utilize fixed rates for land storage and in-water slippage. This did result in a significant change for winter in-water storage from the historically discounted rate of \$35/ft to the current in-water rate of \$61/ft. This means that for a 50' boat, the cost for winter slippage will go from \$1,750 per year to \$3,050 per year.

Why did the board vote to change the rate structure?

Two primary reasons drove the board to approve the rate and structure changes; 1) to cover the costs of winter slippage such as water/sewer and electricity costs and 2) to stay competitive (yet generally lower) than other area marinas for the same period. The bottom line is there are fixed operating costs associated with having boats in the water (utilities, maintenance, insurance, staff, etc) regardless of the season and the previously discounted winter in-water rates do not adequately cover those costs.

What costs specifically are not currently being covered?

Before installing the recirculating water line, our annual average winter water/sewer cost was \$31K. Assuming we had 24 boats in the water (which there hasn't been every year), that would be an average cost to SPYC of almost \$1,300 per boat. The more realistic cost to the marina with 17 boats is \$1,823 per boat. ***This means we have been operating at a loss of about \$173 per slip, per year based on utilities alone; not including any other costs for running or maintaining our marina in the winter.***

Is the recirculating water line helping reduce water costs?

The short answer is yes. The water cost for the first full use of the recirculation system was \$16K. ***However, that does not include the cost of setting the system up or ongoing maintenance.***

If the water recirculation system is reducing our water costs, why do we still have the increase?

Water/sewer and marina electricity costs are not the only thing not being covered. We all know that it takes money to keep the marina operating, and we need to do a better job of covering these costs and ensuring there is at least some buffer available for emergencies. The land storage rate contributes revenue to help cover the general operating expenses during the winter season and this change will contribute proportionally to those expenses from the in-water rates as well.

This brings up the second reason for the rate increase, competitiveness with other area marinas. Operating at a net loss for anything within the marina is a non-starter, and raising our rates to be more consistent (yet again less expensive) with other area marinas will help.

Is the rate increase up for discussion even though it's been voted on?

Yes, but maybe not as quickly as you want that to occur. The board will be very actively managing the budget this year. We will be reviewing projections to actuals closely every month. Discussions about adjusting both rate increases to winter land storage and winter in-water storage rates will occur if we are above or below budget. Our annual summer and winter

operations should ideally operate slightly above our costs to cover current expenses as well as maintenance requirements of our facilities.

Water Usage: It is eye opening, 2014 was mentioned as we used about \$40,500 in water November to April. We have all records from St Paul Regional Water Service and the average winter cost is around \$31,000.

Last year we used \$11,000 in water and about \$5,000 in electricity for pump and electric heaters. There were 17 boats in the water last year and the pump has quite a distance to move the water before it even gets to the first live-aboard boat based on where the service line comes in and boats shifted down river due to harbor depth. This winter, we have fewer boats in the water as some are stored on land right now since we know we're getting dredged this year again by the COE.

(Secretary's Note): *Some of the discussion from the board's January 23, 2023 meeting that relates to the above 1/25/23 addition from Bill:*

Bill talked about our budget. One thing was the change to in-water storage. We will review it. We need to look at where/what is under budget/over budget. If we are over budget, we have to have increases. Maybe in winter and not summer: We have looked at what our competition is doing for summer rates and for winter rates. The winter rates were looked at: Checked the average for winter rates. River Heights is comparable. At River Heights, some boats were grandfathered in and in the future, when they leave, River Heights won't fill the slip with a year-round Liveaboard.

Last year we used \$11,000 in water and about \$5,000 in electricity for pump and electric. Fewer boats in the water than last year. What has been the cost over the years? What is it now? We have a football field length of water line. A question was asked: *Who came up with the \$31/foot for winter storage?* For the Liveaboards? Is the winter rate all based on the use of water? Someone talked about trickling the water. If you want to trickle, you pay for the use of your water. \$200 water heater could be used.

Tom Marrone: The Clubhouse: What is the winter cost with keeping the clubhouse open?
Response: We pay extra for the clubhouse - outside of slip fees.

Bill: In 2022 there was no rate increase. We need to research this. We could do a different rate structure. We all could pay a little more.

(Secretary observation): *At this point there was a lot of discussion in the back of the room. A mic is needed back there along with asking people to not interrupt others. All should be engaged/hearing all of the discussion the board has to say along with what the attendees are asking/saying.*

Bill – Revenue is needed. Would it be \$1,000 more in slip fees? What do we charge in winter 2023?

Greg Jorgensen: Greg brought up the amount of late fees that we charge. He suggested no late fees be charged on invoices of less than \$100. Usually we have 30 days to pay. Does Quickbooks have something to do with the automatic charge for late fees? Diane: We need to adequately communicate our policy to members. They need to understand all of this. Greg said we need to get this question on late fees off the table. He suggested a motion of no late fees on invoices of less than \$100 (and most of the members supported that idea) but it was brought up that late fees are in our Bylaws and to change the policy, we need to make a Bylaw change. No motion made or passed. It is a Bylaws issue..

Sheriff's Sale: We will be sending notices to anyone with a bill over 90-days past due and over \$1,000 in arrears that we will be preparing to include their boat in a spring sheriff sale.

Old business from 2022. We had discussed, but not followed through on a process for boats that are stored on land for repairs that are taking multiple years. Any boat not in the water over a year, what happens to it? Does the owner have to prove if it can/cannot go into the water? We want to help our members get in the water. When we get more boats in our harbor they need winter storage. Where do we put them? Bill said we are clearing out a lot of boats not in the water. It costs us a lot to move boats. Bill said he would get a notice put together that we can review and send out.

Greg – We have an issue with the SPYC 2023 ballot. One of the proposed nominated board members-at-large is not approved to be on the ballot. Right now, there are five of the six at-large positions on the ballot - and those names are a given. We have one contested position and that is for SPYC's 2023 Board Secretary (an officer position). Troy Janisch and Brett Cummings are the two who are running for secretary. The person who is not elected as secretary would not be on the board by election. However, by past process an open position is offered to the next highest votes collected at the election so we would fill that spot with whoever isn't elected as Secretary. The only contest is between the two running for secretary, Troy and Brett.

The vote will be in person voting on February 14th. If a member is not paid up, they can pay beforehand so they can vote. Electronic voting will be sent out like prior years to all so even those who cannot come to the meeting can vote. If you would like a ballot mailed to you, please let Kristina know.

Bill asked the board and incoming members to take a look at their schedules and see if the 4th Monday's at 6:30pm are still the best time. Bill has a conflict with Monday's due to being an Assistant Scout Master and can work around it a bit, but realize Monday's may not be the best for everyone. If we are going to change it, I'd like it to be done early so the full year schedule can be published asap.

(Secretary's Note: Question to be considered at a later date **(OR) is it possible that** a poll of the board could be done before the scheduled February 27, 2023 board meeting and a permanent schedule for 2023 board meetings could be set? Suggestion: How does the fourth Tuesday of the month for board meetings work for everyone? That means SPYC's February board meeting would be on Tuesday, February 28, 2023.)

Meeting adjourned: 9:13 p.m. CST
Minutes taken via ZOOM by Barbara Haake, Secretary

Upcoming events:

February 14, 2023: Election/General Meeting, 2023 Board of Directors
7:00 p.m. at Clubhouse

February 25, 2023: Saturday - SPYC Boot Hockey at noon, Upper Harbor and Clubhouse

February 27, 2023: Monday - SPYC Board of Directors Meeting at 6:30 p.m.

(Check SPYC website to see if board meetings will be changed with a new, monthly board meeting schedule for the 2023 year.)