

SPYC Board of Directors Meeting - November 28, 2022

6:30 P.M. at SPYC Clubhouse and via ZOOM

Motions Made:

Topic: Discussion of Personal Conduct Policy

Motion: Delay adoption of a personal conduct policy until further discussion with the Grievance Committee about current status and procedures (action Diane, Troy, and Bill)

Made by: Diane

Seconded by: Lynn

Status: Passed

Topic: 2023 Budget

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

Made by: Bill

Seconded by: Greg

Status: Passed

Meeting Called to Order: 6:30 PM

Pledge of Allegiance: Recited

Board Members Present: Commodore Bill Tschohl; Treasurer: Lynn Adler; Immediate Past Commodore: Greg Jorgensen. Members-at-large: Brett Cummings; Diane Scovill; Troy Janisch; Andy Ristrom; Anni Stone; Nathan Schumann (Zoom)

Staff Present: Marina Manager Kristina Cummings

Guests: Tom Marrone; John Olman; Fran Potvein; Bonnie-Jean MacKay

Approval of the Agenda:

Additions to/deletions from today's Agenda - None

Approval of previous board meeting minutes:

Minutes from November 17, 2022 - approved via email

Open Comments from the Floor:

Marina Communications: Several comments made regarding the timeliness and accuracy of invoices as well as communication regarding the personal code of conduct. The marina has been working on improving invoicing (accuracy, timeliness) and will be adhering to a standardized and posted schedule moving forward. Invoices are sent electronically to all members. Individual members may request invoices to be sent via USPS. It was noted that sending invoices via USPS incurs extra cost to the marina and the preferred method is electronic mail.

Electricity Rates: Question asking how electricity rates are calculated for individual billing. The general process is to develop a rated kWh cost for all members and apply to individual meter readings. Reference made to previous email detailing process for calculating electricity rates (see below).

Rate calculation method from September 1, 2022 Marina Update email:

1. Determine all of our electric meter readings from our marina meters.
 - a. (Read all slip meters)
2. Determine how much of our electric bill is used by the club infrastructure.
 - a. (Total kWh billed by Xcel - All slip meters total)
3. Divide total bill kWh by slip reading total to determine what percentage is used at slips vs. club infrastructure
 - a. (slip reading total kWh / Total billed kWh)
4. Using that slip usage percentage, determine the total amount of fees, taxes, etc. attributable to marina slip meters.
 - a. (Total Xcel billed Fees, Taxes, Etc. multiplied by percentage from step 3.)
5. Divide that marina slip fees, taxes, etc. total by the total kWh read at meters in step 1.
 - a. (Marina slip fees, taxes, etc. from step 4 divided by Total marina slip kWh from step 1).
6. Add that number to the kWh rate from Xcel.

Flag Officer Reports:

Commodore Bill Tschohl - None

Vice-Commodore Mike Patten - None

Treasurer Lynn Adler - None

Secretary Barbara Haake - None

Marina Manager Report: Kristina Cummings

None

Financial

Covered in budgeting agenda item.

Committee Reports:

Social Committee: Bill Tschohl

Holiday Party is this Saturday, December 3rd at the St Paul Hotel starting at 6pm. Evan Fox's band Private Oats will be our entertainment for the evening. Checking on the number of RSVP's. Social committee budget submitted will cover a similar plan for events with some paid and some with no charge.

Discussion:

Question regarding feedback for 2022 social committee activities. Lots of extreme circumstances impacting events including late start to the season, conflicting events, dredging impacting boaters being at the marina more frequently. New boaters are getting more involved but would like more (there was a request to see if we can text membership to notify events; Troy volunteered to help identify a texting service that provides opt-out options). Goal is to get new members as engaged as existing membership (word-of-mouth and Facebook do not always work). We needed an army of volunteers to help this year.

Most events were viewed as successes. Impromptu events were also fun, but lacking in attendance due to previously mentioned lack of ability to reach out to members beyond Facebook. Free events are most popular.

Outside amenities are being well used, especially the gazebo currently outside of the clubhouse. We have added chairs and have discussed adding a new firepit as well.

Cookie Decoration and Vikings Watch Party on December 11, 2022.

Clubhouse Committee: Tom Marrone, Bill Tschohl, Nathan Schumann

Minimal on clubhouse needs list for 2023 budgeting. Submitted budget covers items like standard cleaning, insurance and replacement of some equipment as can be expected.

No 'want' list items are in our 2023 budget.

Discussion:

None

Finance Committee: Lynn Adler

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 if the fuel pump

Items of note from 2023 budget:

Anticipated reduction of Credit Card processing fees from \$18k to \$7,500 is dependent on avoiding 3-5% costs for a substantial amount of payments or somewhat balancing the convenience fee to cost.

Anticipated cost to rebuild lower harbor plumbing, electrical, pump-out and water lines could exceed the \$10,000 estimate.

Anticipated cost for dredging in 2023 includes costs based on results from 2022 dredging and spoils disposal. This also includes \$16k for rip-rap being delivered by

Bolander for no cost and three days work to place rip-rap on the Upper Harbor point and around curve by gate A if enough material and time allow.

Net Revenue for 2023 is expected to be roughly \$27,000.

Discussion:

None

Membership: Mike Patten and Lynn Adler

None

Marketing: Lynn Adler and Mike Patten

None

Vision and Strategic Planning, Procedures & Contracting: Bill Tschohl, Brett Cummings, Diane Scovill, Troy Janisch, and Andy Ristrom

None

Operations Committee: Andy Ristrom, Greg Jorgensen and Brian Koske

None

Public-Government Relations Committee: Barbara Haake

None

Old Business:

None

New Business:

Discussion of Personal Conduct Policy:

Inappropriate behavior, as defined below, will not be tolerated at SPYC and will be subject to review and action by the grievance committee.

Inappropriate behavior is not limited to but includes:

- Fighting or instigating a fight
- Bullying (verbal, physical, or psychological)
- Engaging in aggressive, hostile, or violent behavior, including intimidation
- Attempting to instill fear or threatening revenge
- Sabotage or threats of sabotage

These behaviors and others towards any persons, whether targeted at a member, staff, vendor, or guest, will not be tolerated.

Any behavior deemed inappropriate will be referred to the grievance committee in writing. The grievance committee will review and determine the appropriate action, including, but not limited

to:

1. A letter of reprimand filed with your membership file
2. Refusal to renew slip or storage contract for the next season
3. Immediate expulsion from the marina
4. A restraining or trespass order filed against the party

Discussion:

The proposed policy was emailed to the entire membership. The cause for proposing a more formal policy was not just one event and the goal of the email was to alert membership that we have a problem. Lots of feedback received was primarily sent directly to Bill. 60% of respondents liked the policy as written. 40% of respondents did not like the idea of a more formal policy being added to the standing rules.

Comment made that the Grievance Committee has not been utilized in several years and that perhaps reshaping the grievance process would be a better alternative.

Brett was not in favor of adding a new policy. We already have language that addresses harmful behavior. Recommendation is to stay with the vague language which gives SPYC the latitude to take the appropriate action. Major point is that action must be taken. We had an event last year in which action was taken. One event this year received no formal follow-up which means that the board is not following its own practices. This needs to be addressed.

Bill commented that the first step is to always bring issues to the board. Sending a letter to board member(s) is an appropriate follow-up from members to the board. We should address all issues from the past season. Many issues were conflated with multiple items and hard to boil down to a root cause.

Greg mentioned that the issue that occurred in the previous season was publicized and dealt with via a letter.

Diane commented that board members have taken action on their own rather than bringing issues to the board. We need to understand both sides of the issue (sometimes there are not two sides). Diane will be working on "How to become an SPYC board member" to help make current and future board members aware of how to handle these types of situations. Asking members to bring issues to a board meeting may not be fruitful due to the venue and that board members should bring the issue to the board or go through the Grievance Committee. Again the comment that we are not following our own processes and that needs to be addressed.

Troy recommended training for the board (possible budgeted item). Make sure members know that they can come to the board and we need to guide members on how to do this. Suggest meeting with the grievance committee to see if there are ways we can improve. Also suggested a member survey.

Motion: Delay adoption of personal conduct policy until further discussion with the Grievance Committee about current status and procedures (action Diane, Troy, and Bill).

Made by: Diane

Seconded by: Lynn

Status: Passed

2023 Budget:

See attachment for 2023 Proposed Budget.

Discussion:

Note on the budget worksheet that anything in the 2022 budget that was a blank line is consolidated into other line items in the 2023 budget.

Only line items that had discussion items are noted here:

- 40200 SUMMER DOCKAGE MAIN
 - We have 2 slip holders leaving (Dave & Ruby and Mike & Eileen)
- 40325 LIFT INCOME
 - 2022 actual budget discrepancy in lift income. Winter storage payments partially go to lift
- 42500 YARD INCOME
 - Services from 2022 got consolidated into yard/staff services
- 61000 BANK FEES/SERVICE CHARGES
 - Bank fees/service charges will be reduced due to not accepting American Express and will implement a 2.5% convenience fee for all credit card transactions. Fee waived for all cash or check payment. In context the changes will reduce our cost which was approximately \$18,000 in 2022. We will not add a convenience fee for credit cards wen used at the fuel pump.
- 63500 PROFESSIONAL FEES
 - Accounting will be moved to an hourly rate rather than a monthly engagement fee
- 65500 DREDGE & MODIFICATIONS EXPENSES
 - Operations states that it may not be possible to dredge and remove more than 4 bags
 - Will depend on lower harbor work
 - \$45K budgeted is much higher than 2022 (\$28K)
 - We will get free rip-rap from Bolander construction project and store on site
 - Payment for rip-rap is to move from storage location to final location
 - Bags and coagulant for 2023 will be purchased with 2022 funds
- Training
 - Line item for \$4,500 to be added as agreed to in October 24, 2022 board meeting
 - Additional \$2,500 added for board training in the spring
 - New line item 63600 will be added to budget
- WORKMAN'S COMP and 68500 LIABILITY INSURANCE
 - Note that the amounts for each should be swapped, \$3K is workmans comp, \$17K is liability insurance.
- Dredge (Mudcat) loan
 - Principal loan payment of \$33,600 was not included in the 2023 proposed budget
 - Payment will be put under other expenses as long term debt and will be reviewed by accountant for correctness

- 68000 INTEREST EXPENSE
 - Mudcat interest expense needs to be raised from \$6,000 to \$9,000

Above adjustments (training and dredge loan) resulted in a proposed budget of approximately (\$28,021.25). Revisions made to buy signage with 2022 funds and pre-pay rip-rap fees this year. Reduced amount budgeted for spoil removal from \$45K to \$35K to align with operations comments.

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

Made by: Bill

Seconded by: Greg

Status: Passed

Executive Session:

General meeting paused for an executive session to discuss employee reviews and compensation.

Board Meeting:

Resumed. No adjustments to 2023 proposed budget based on executive session.

Upcoming Dates for 2022:

Saturday, December 3, 2022 at 6pm SPYC Holiday Party at St. Paul Hotel

Sunday, December 11, 2022 Cookie Decoration and Vikings Watch Party in the Clubhouse.

Adjournment:

Motion: Motion to adjourn meeting.

Made by: Lynn

Seconded by: Diane

Status: Passed

Notes taken by: Nathan Schumann

St. Paul Yacht Club 2023 Budget

2023 Proposed

Income

40000 REVENUE

40100 DUES INCOME	14,400.00	144 member x \$100 (Water and Land)
40150 CLUB HOUSE FUND	19,440.00	Total # of boats x \$135 (water and land)
40200 SUMMER DOCKAGE MAIN	324,886.00	Total ft of rented slips x \$61
40220 SUMMER STORAGE	23,800.00	Total ft of boat x \$35
40250 DISCOUNTS GIVEN	(15,000.00)	50 members x (\$300)
40300 WINTER STORAGE	166,036.00	Total ft of boat (land) x \$35 + total ft of boat (water) x \$61
40325 LIFT INCOME	45,260.00	Portion of storage fees allocated to travel-lift service
40337 HARBOR MAINTENANCE	39,039.00	Total ft of slip x \$6.50
40350 UTILITY SALES(GAS/ELEC/WATER)	25,000.00	Portion of common fees to cover common utilities
40500 GASOLINE INCOME	67,500.00	Gross sales of gas based on 15k gallons @ \$4.50/gal
40550 TRANSIENT	1,000.00	
Total 40700 SHIP STORE SALES	3,000.00	Gross revenue from ship store
42000 SAFETY FEES	-	
42500 Yard Income	2,500.00	Yard/staff services

Total 40000 REVENUE	<u>716,861.00</u>	
Total Income	716,861.00	

Cost of Goods Sold

50100 COS- GAS	52,500.00	Assuming 15k gallons @ \$3.50/gal
50300 COS-SHIP STORE	2,700.00	Cost of ship store inventory
50400 COS-SALES TAX EXPENSE	240.00	8% of ship store sales

Total Cost of Goods Sold	<u>55,440.00</u>	
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Gross Profit	661,421.00	
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Expenses

60100 ADVERTISING & PROMOTIONS	7,500.00	Boat show, new display, marketing efforts
60600 SOCIAL FUND	15,000.00	Social events
60800 CLUB HOUSE EXPENSE	6,000.00	Cleaning and supplies, no projects this year
61000 BANK FEES/SERVICE CHARGES	7,500.00	Credit servicing fees (gas pump)
61100 OFFICE SUPPLIES & EQUIPMENT	5,000.00	Misc office needs
61150 OFFICE SOFTWARE	1,800.00	Zoom, Google Business, Website,
61170 OFFICE/ADMINISTRATIVE EXPENSES	500.00	
62000 MILEAGE -EMPLOYEES	750.00	
63000 PAYROLL ADMINISTRATION	3,000.00	Paychex monthly fee,
63500 PROFESSIONAL FEES	7,500.00	Smith Schafer accounting, NMMA fees, Legal
63600 TRAINING/DEVELOPMENT	7,000.00	Staff training and professional development
64000 HARBOR RENT	59,490.25	12.5% of slip fees and winter storage
65000 REPAIRS & MAINTENANCE	50,000.00	Equip/facility maint., equip fuel, office upgrade (\$10k)
65400 SHOP SUPPLIES	10,000.00	Misc supplies
EXPENSE	55,000.00	Dredge equip/material, spoil removal(\$35k), LH dock removal(\$10k)
66001 WINTER EXPENSES	2,000.00	Winterization
66100 SAFETY EQUIPMENT	2,000.00	Misc safety equip/gear
66200 PERMITS, LICENSES	1,500.00	DNR/City permits and registrations

67000 WAGES & BENEFITS		
67100 GROSS WAGES	189,025.00	
67200 PAYROLL TAXES	33,777.00	
67400 RETIREMENT EXPENSE-ER	4,000.00	
WORKMAN'S COMP	3,500.00	
Total 67000 WAGES & BENEFITS	230,302.00	
68000 INTEREST EXPENSE	9,000.00	Mudcat loan interest
68500 LIABILILTY INSURANCE	18,000.00	General liability insurance
69000 UTILITIES	25,000.00	Marina common utility costs
Total 70000 OPERATING	5,000.00	Small tools
70075 BAD DEBTS	15,000.00	
Total Expenses	543,842.25	
Net Operating Income	117,578.75	
Total 90100 INTEREST INCOME	-	Accounts receivable interest
Total Other Income	-	
Other Expenses		
70100 DEPRECIATION EXPENSE	75,000.00	
LONG-TERM DEBT REPAYMENT	30,000.00	Loan principal payments
90400 OTHER EXPENSES		
Total Other Expenses	105,000.00	
Net Other Income	(105,000.00)	
Net Income	12,578.75	