



# St. Paul Yacht Club

## 2018 SPYC Annual Report

### **Commodore's Report (Dennis Sando):**

We weathered the problems (Sorry, Challenges) presented last year pretty well. We had a significant group of problems (Sorry again, Challenges) in 2018. We also had a number of positive events. The river levels continued to present challenges, with either way too much water (kept us off the river due to the current), or way too little water (kept us in the harbors cause many of us weren't floating). However, for the about 11 days we were able to get out, it was nice to go boating.

Speaking of low water, we were flabbergasted with the initial bids for dredging this year! All the bids were about three times higher than we expected, based on costs from previous years. This apparently was a result of much higher disposal costs of the dredged material. We tried a new technique with dredging from the river bank for the upper harbor entrance and lift well. The bank proved to be too soft for the equipment, so the contractor came up with another solution; float the backhoe and deposit the tailings on shore, and then move it to the existing containment pond. This worked quite well, and we discussed possible solutions for subsequent work. We are still looking at hydro-dredging in the upper harbor as a possible answer to our on-going problems with the harbor entrance. Unfortunately, this is not going to be possible in the lower harbor because there is nowhere to store the tailings. There are still a number of unanswered questions for usage in the upper harbor. We established an exploratory committee to look at solutions for harbor maintenance, including dredging. One change for reconfiguration of the lower harbor has been to remove the fingers on the Miller dock. We will examine the water depths carefully to see what effect, if any, this has.

The high water also creates difficulty at several of the ramps leading down to the docks. They often go under water when the river is high. We will look at solutions to this during the upcoming season. Ramps have been offered as a possible solution, and we continue to examine this.

We continued to keep expenses as low as possible, with Brian and Danny tackling a number of non-traditional tasks, such as residing the garage and shed, and repairing the office trailer roof. They also rebuilt the "lean to" door which was in rather poor shape. In addition, a very successful work party repainted both the garage and shed. Thanks to all who helped with this major project. The city noted the improvement during the annual walk-through we have each year.

As a convenience to our members, Roger ordered CO detectors for resale that most of us required to comply with the new "Sophia's Law". We also now have actual addresses for the several gates, so in case of emergencies, the responders have a much better idea of how to best access the harbors.

Speaking of members, we welcomed a number of new members this year. Welcome aboard to all of them!

Thanks to work by the clubhouse committee, a number of changes were made in the Clubhouse. We put in a new stove, and replaced the troublesome refrigerator and freezer. They are planning other improvements for 2019. We're looking forward to these.

Our primary yard equipment is in good shape, but some of the secondary equipment is in need of repair, primarily the two forklifts. "Old Yeller" needed repair to the leaking lift cylinder. We discovered that the hydraulic system was contaminated with water, and apparently the control valves are also damaged. We will need to decide

whether or not to continue to repair this equipment, or should we look to replace it with used or new equipment. This could be an appropriate time to consider a new JCB with higher capacity than our current tractor. This will be a topic of discussion for our new Board in 2019.

We are increasing our enforcement of the Standing Rules regarding non-functioning boats to bring them into compliance. The results have been successful for the most part. This, and the reconfiguration of the harbor, will mean that some boats will have to relocate. We will do the best we can to minimize the impact on as many of you as we can.

One more bit of business will be to evaluate the pumpout system in the service slip. There have been intermittent problems with this. We will troubleshoot this in consultation with the manufacturer this spring.

As a result of numerous discussions, we are installing a system of video cameras to cover the shoreside and Dahlgren docks. These will be actual operating cameras and a recording system. While we will not have someone watching 24/7, we should be able to rewind and view any events.

These, and other items, will be addressed in the Strategic Plan which is periodically updated throughout the year.

I want to thank all the Board and other members for your continued great support this year. And thanks to all of you who helped keep the Club on track and moving forward. As always, special thanks to Roger Anderson for his continued guidance and counsel. As I've said before, only those who have walked in your Commodore's shoes can understand all that he does to maintain continuity from year to year and to keep us working to a common goal. He and the Board have the health of the club always in mind, and we want to continue as a community going forward.

Thanks, again, for all your help, support, and counsel over these last three years.

#### **Treasurer's Report (Ralph DeLong):**

Total income was down \$39,964 from last year, which is 7% below budget. Summer dockage was down \$5,191 over the previous year and \$8,852 below the budget. Slip occupancy was 83%, which is good compared to our nearest neighbors. Utilities and gasoline sales were down \$9,093 and \$10,743, respectively. These decreases most likely were related to last summer's significant time with high water. Expenses were up \$1,121 from the previous year. The net income for the year was \$55,640. This is down \$41,058 from last year; however, it is \$1,063 above what was budgeted. Our checking account balance is \$56,442. "Not included in the above numbers is the \$32,560 in accounts payable that includes the dredging done last summer. Also included in the checking account balance is \$25,000 for the short term loan. Stated bluntly, our cash balance is essentially zero, which it should not be. At this time there is \$90,518 in Accounts Receivable. This should be \$0. The Club would be in a much better financial position if the members, the owners of the Club, would pay their bills on time.

Based on these financial numbers and the uncertainty on what the reconfiguration of the lower harbor slips and silting will have on future income, the Finance Committee decided to make significant increases in dues and fees. The summer slip rates were increased from \$55.00 to \$57.00 per foot length of slips. This is a 3.6% increase. There was no increase in fees last year. It was clear to the Committee that the Harbor Maintenance fee was not providing enough funds to cover dredging expenses; thus, the fee was increased from \$4.25 to \$6.26 per slip foot length. This is a significant increase of 47%. The Club House and Common fees and the Regular Member and Associate Member dues were all increase \$5.00 each. Social Member dues were increased \$10.00. These fees and dues have not been increased in years. No other changes were made.

An enterprise the size of the SPYC should have cash reserves of at least \$50,000; hopefully, these increases will put the Club in a better financial position. These changes are consistent with the strategic issue to "develop a robust financial system to ensure long-term operation of the SPYC".



## SPYC Treasurer's Report 2018 EOY

REVENUE	2018 Full Year	2018 YTD	2017 YTD	Difference	Difference
	Budget	Actual	Actual	2018-2017	Budget - 2018
DUES INCOME	\$13,910.00	\$12,100.00	\$12,830.00	(\$730.00)	\$1,810.00
CLUBHOUSE FEE	\$17,140.00	\$16,750.00	\$17,412.00	(\$662.00)	\$390.00
SUMMER DOCKAGE	\$292,239.00	\$283,387.17	\$288,578.67	(\$5,191.50)	\$8,851.83
DISCOUNTS GIVEN	(\$26,139.00)	(\$23,867.46)	(\$25,840.20)	\$1,972.74	(\$2,271.54)
WINTER STORAGE	\$104,752.00	\$99,484.35	\$104,495.11	(\$5,010.76)	\$5,267.65
LIFT INCOME	\$45,338.00	\$44,534.99	\$45,339.68	(\$804.69)	\$803.01
MISC YARD INCOME	\$44,041.00	\$23,992.50	\$24,373.99	(\$381.49)	\$20,048.50
UTILITIES (GAS/ELEC/WATER)	\$48,502.00	\$42,568.63	\$51,661.31	(\$9,092.68)	\$5,933.37
GASOLINE INCOME	\$78,745.00	\$67,942.59	\$78,685.28	(\$10,742.69)	\$10,802.41
HARBOR MAINT. FEE	\$20,450.00	\$19,894.25	\$20,353.25	(\$459.00)	\$555.75
SHIP STORE SALES	\$14,266.00	\$18,708.17	\$14,633.88	\$4,074.29	(\$4,442.17)
OTHER	\$0.00	\$1,237.92	\$14,147.00	(\$12,909.08)	(\$1,237.92)
<b>TOTAL REVENUE</b>	<b>\$653,244.00</b>	<b>\$606,733.11</b>	<b>\$646,669.97</b>	(\$39,936.86)	\$46,510.89
<b>EXPENDITURES</b>					
COST OF GOODS SOLD	\$61,439.00	\$55,975.70	\$61,597.79	(\$5,622.09)	\$5,463.30
WAGES & BENEFITS	\$186,968.00	\$168,407.38	\$175,695.35	(\$7,287.97)	\$18,560.62
CLUBHOUSE	\$9,773.00	\$10,893.73	\$9,806.15	\$1,087.58	(\$1,120.73)
MEMBERSHIP & FUNDRAISING	\$10,214.00	\$15,782.49	\$8,898.77	\$6,883.72	(\$5,568.49)
REPAIRS & MAINTENANCE	\$16,950.00	\$21,453.59	\$24,556.14	(\$3,102.55)	(\$4,503.59)
UTILITIES	\$105,254.00	\$90,307.64	\$97,909.14	(\$7,601.50)	\$14,946.36
DREDGE & MODIFICATIONS EXPENSE	\$20,000.00	\$0.00	\$0.00	\$0.00	\$20,000.00
OPERATING	\$138,069.00	\$133,166.82	\$128,158.95	\$5,007.87	\$4,902.18
BAD DEBTS	\$0.00	\$12,258.82	\$871.99	\$11,386.83	(\$12,258.82)
HARBOR RENT	\$50,000.00	\$42,847.01	\$42,478.25	\$368.76	\$7,152.99
<b>TOTAL EXPENSES</b>	<b>\$598,667.00</b>	<b>\$551,093.18</b>	<b>\$549,972.53</b>	\$1,120.65	\$47,573.82
<b>NET</b>	<b>\$54,577.00</b>	<b>\$55,639.93</b>	<b>\$96,697.44</b>	(\$41,057.51)	(\$1,062.93)

### 12/31/2018 Balance Sheet Highlights

Cash	\$56,442.00	\$26,738.00
Accts Receivable	\$90,518.00	\$85,548.00
Accts Payable	\$32,560.00	\$17,303.00
Long Term Debt	\$170,567.00	\$222,970.00
Short Term Debt	\$25,000.00	\$15,000.00



## **Operations:**

The changing water levels in the river continued to challenge us this year. First, an April snow storm delayed our ability to begin launching boats and then the high water conditions delayed us from being able to safely use our boats once they were launched. The high water also delayed our plans for dredging the upper harbor mouth and well. By August, the water was so low that boats were unable to safely pass through the upper harbor mouth and several boats in both the lower and upper harbors were sitting in silt. Some of those boats required assistance in getting their boats removed. A special meeting to address the concerns about the low water conditions was held on August 21<sup>st</sup> and by the fall, a special harbor maintenance committee was formed to try to work with the city of St. Paul to gain their support for trying to help us convince the Corps of Engineers (COE) to resume dredging in our lower harbor again. This committee is led by board member Bruce Johnson, and they have met with members of the Parks & Rec. Department of St. Paul a couple times. The committee has begun general discussions with them, and this will be an ongoing effort in 2019. However, due to the current conditions of silt accumulation in the lower harbor, some reconfigurations of the Miller dock were made to slips that have become unusable for the foreseeable future. We are able to offer other useable slips for most boats in the lower harbor but unfortunately, some boaters have chosen to try another marina next year due to these conditions. It is anticipated that further reconfiguration efforts will need to be made in the lower harbor due to continued silting and this will continue to be an issue in 2019. Related to this, we were unexpectedly notified in early September that the COE had some money remaining from the 2017 dredging budget, and since they had been doing some other work in the area they would be able to do some very limited dredging for us in the lower harbor this year. They removed approximately 3,500 yards of silt which was somewhat helpful in the Miller dock area but not what is really needed to resume using all slips on that dock. Their 2018 budget did not include any funding for further dredging in our lower harbor and we do not anticipate that their 2019 will either, but the board is supportive of the continued efforts of the harbor maintenance committee to continue to pursue the support of St. Paul in trying to influence the COE to resume dredging in our lower harbor.

The upper harbor mouth and well were eventually dredged this year, but we learned that the costs associated with the usual dredging method used had tripled in price since the previous year. Therefore, we tried a new method of dredging that area which is called hydro-dredging. The material that was removed with this smaller equipment was temporarily stored in a hole that was dug in our yard. After the material was allowed to dry out there, it was removed and the hole was filled in again. This method worked well for this area and ended up costing about a third of what we would have been charged using the other method. There was some discussion about potentially purchasing our own hydro-dredging equipment for use in the upper harbor in the future and this will continued to be discussed in 2019 also. Since this method requires an adjacent area to temporarily store the material that is removed, it is unfortunately not a suitable method for addressing dredging needs in the lower harbor.

We had some issues with decaying and falling trees in our upper harbor area this year and the city of St. Paul provided us with removal services for those trees. We were also provided with and new emergency service method related to the naming of our gates. The signage for that naming has been installed near our gates, and is to be used to help provide us with more efficient response to emergency calls that might be made in our harbor areas. Callers are asked to provide the new emergency name of the closest gate to help emergency responders find the caller more quickly.

We were fortunate to retain our same seasonal staff that includes Brian Koske and Dan DeLude. Some of the other Operations projects that were accomplished in 2018 included the following: residing and painting the garage and storage shed, rebuilding the storage shed door and installing new lighting, spreading calcium carbonate throughout the yard to minimize dust issues, repairing the office roof, replacing the fraying travel lift cables that were under warranty, snow plow and tractor repairs, installation of a new fire pit ring, installation of new internet cabling for new gas pumps.

Some additional Operations projects that will be considered in 2019 include: reconfiguration of ramps at gates B & C to prevent them from becoming unusable during high water conditions, forklift replacement or leasing, determining what to do about failing upper harbor pump-out equipment, installation of pump-out equipment on the Dahlgren dock, installation of security cameras on the Dahlgren dock and some areas of the upper harbor, rip-rapping of the upper harbor, and identifying additional shrink wrapping and winterization options.



## Standing Rules/Bylaws:

This committee was led by board member Mike Patton in 2018. One of the primary objectives of the board this year was to focus on new and existing rules related to the safety of the members and their boats. The January membership meeting included the review of the following recent changes to standing rules related to those safety concerns:

1. Procedure for Voting Membership and Expectations of a Member: Add paragraph "e. Potential members must submit an acceptable Vessel Safety Check sheet with their membership application."
2. Standards List, Item 5: Add "Power cords and other utility lines (e.g. gas, water, cables) must be supported so that no part of cord or line is in the water. Cords or other utility cables found in the water will be disconnected and the slip owner will be notified."
3. Standard List, Add Item 19: "All vessels 15 years or older must submit to the SPYC an acceptable hull survey at least every 5 years. This survey must specify that the hull is sound, with no leakage, and shows no wasting that might cause water leakage."
4. Office Administration Policy, Fees, Item 2. Add "Winter storage fee includes haul-out, hull pressure wash, blocking in the upper harbor storage lot and launch in the spring. It is the owner's responsibility to move the boat to an assigned temporary slip in the upper harbor to facilitate to move the boat to an assigned temporary slip in the upper harbor to facilitate haul-out. Vessels not in the upper harbor and/or moored stern in toward the walkway will be charged a fee for retrieval. Vessels unable to return to their assigned slip in the spring will be charged a fee to move the boat from the launch well to its assigned slip."

In addition to these new safety related rules, the board also focused on the enforcement of the following rules:

1. General Rules for Safety and Security, Item 2. All boats must meet applicable State and Federal laws and regulations for legal and safe operation, including marine sanitation devices that are certified and meet current Federal law.
2. Operations Policy, Item 5. All boats must be of a cruising type with adequate self-contained power, in good operating condition, capable of participating in club cruising activities and moving under their own power in case of an emergency.
3. Resident Live Aboard Standing Rules, Item 2. Live aboard boat: the live aboard boat must have capabilities to receive safe and approved heating system, ability to move under its own power from and into its slip....
4. General Rules for Safety and Security, Item 12. All pets must be leashed when not on your boat and restrained on the boat so they cannot charge at people on the dock....
5. Office Administration Policy, Fees, Item 14. Final approval of slippage requires signed lease and current Certificate of Insurance for minimum of \$300,000.00 liability. A Certificate of Insurance must be provided annually thereafter.

In regard to the Bylaws, the board and membership also approved the following bylaw change related to the handling of a tied result for board elections:

Amendment to Bylaws, Article X: Election of Officers: Add Paragraph 8: If there are multiple nominees for any office The Presiding Officer shall appoint a Head Teller from a committee of three persons who are not candidates for office.

Written secret ballots shall be collected and counted by the Teller Committee. After counting the ballots the Head Teller shall present the ballots to the Presiding Officer enclosed in an envelope with the order of results recorded on the outside of the envelope. If a candidate received a majority of votes, the Presiding Officer will announce the results of the ballot:

1. If no candidate receives a majority vote, the candidate receiving the least number of votes will be dropped out of the voting on a second ballot. Elimination of the 'low vote' candidate will continue on subsequent ballots until a candidate receives a majority of votes cast.
2. In the event of a tie for low votes received on any ballot, a new runoff ballot for that office be conducted between the candidates tied on the preceding ballot.
3. In the event of three successive tie votes for any office, the Presiding Officer shall, in open session, blindly select one of the ballots cast in order to determine the winning candidate. The teller committee will subsequently re-tally the remaining ballots and once again present the ballots enclosed in an





envelope to the Presiding Officer with the order of results recorded on the outside of the envelope. At this point the Presiding Officer will announce the result of that last and final ballot between two candidates tied for any office which will be the final election result.

At the request a regular member, the board was asked to consider making a change to the standing rule requirement of a one year probation period before a live aboard can be considered for regular membership. The board determined that there would be no changes to the current rules pertaining to this requirement.

#### **Clubhouse Committee:**

This committee was led by Bill Tschohl in 2018. One of the first accomplishments made by the committee this year was to upgrade the clubhouse TV to a 70 inch, 4K model, with a sound bar added later in the year. Thanks to the coordination by member Barbara Haake, the old TV was donated to West Side Community Organization. Other accomplishments included replacing the clock, repairing the ceiling fans, replacing the hand rail at the clubhouse entrance and replacing the damaged tiling in the back entry way. However, the most dramatic accomplishment this year was the improvements that were made in the kitchen area. Those improvements included the replacement of the freezer with a smaller model that was relocated to the back storage room, the replacement of the difficult to use sink faucet, the removal of the rarely used prep sink, the purchase of a larger refrigerator, and the addition of a frequently requested new gas stove.

#### **Social/Membership/Marketing:**

The social events for 2018 were handled slightly differently than they have been in the past. Rather than having one board member responsible for the coordination of all the events, the events were split up among all the board members and the general manager, with each of them taking responsibility for about two events this year. This proved to be a fairly successful way to manage the social activities and provided a way for each board member to become more involved with the members.

The social events for 2018 also included the participation in the St. Paul Winter Carnival Grande Day and Torchlight parades, which were coordinated by Tom Marrone. Tom has been our enthusiastic parade coordinator for the past several years and has done a terrific job. He has decided to step down from this responsibility in 2019 and Steve Nelson has agreed to take over these duties in 2019. This is an important and fun way for the SPYC to be involved with the community and all members are encouraged to participate.

Other activities related to membership and marketing efforts this year included participation in the Minneapolis Boat Show, the Anchor & Line newsletters, multiple Marina Update emails, and postings to the member Facebook page.

New memberships that were approved this year included Trevor Croteau, Tom Perry, Steve Camery, and Brett & Kristine Cummings.

#### **Strategic Planning Report (Ralph DeLong):**

The Strategic Planning Committee identified five strategic issues:

1. Promote safety by enforcing the by-laws and addressing unsafe issues in the upper and lower harbors
2. Develop a financially sound SPYC plan for flood and erosion management
3. Develop a robust financial system to ensure long-term operation of the SPYC
4. Provide transparency of board, committee, and management actions to improve feedback from the SPYC community
5. Promote communication with other boating communities, the surrounding community, the city, and state to enhance our position and to enable us to provide input in decisions that affect the club and boating in general.



Significant efforts have been made on the first three issues. For Strategic Issue 1, work has begun on enforcing all of the standing rules and by-laws of the Club, see Standing Rules/Bylaws in this report. Two new committees were formed: a committee to investigate different options to dredge the upper and lower harbors and a committee to develop a financially sound and sustainable plan for the upper and lower harbors (Strategic Issue 2). The Finance Committee recommended and the Board accepted increases in dues and fees with the intent of improving the finances of the Club (Strategic Issue 3).

Respectfully submitted: Terri Meredith, 2018 SPYC Secretary

