

## **Satuit Boat Club**

### **Minutes of Meeting October 16, 2017**

Commodore Gavin called the meeting to order at 8:00 pm. A quorum was present.

1. Commodore Gavin asked if there were any corrections or additions to the minutes of the September 11, 2017 meeting. Hearing none, a motion was made and seconded to accept the minutes as written. The motion passed.

#### **2. Reports of the Club Officers and Committee Chairpersons**

Secretary - Jerry Cain

- The Club's annual report of not-for-profit organizations was filed with the State of Massachusetts.

Race - Kevin O'Leary

- The Chowder Cup was well attended and proved to be a good day.
- Looking forward to next season, Kevin discussed balancing the fees charged for events to the cost of the associated party. Possibly doing something informal on Saturday and Sunday evenings for single-handing. Kevin is interested in anyone's thoughts about improving participation.
- Thanks to Brian Greenberg for doing a great job during the past couple of years running the Chowder Cup and Horace Day races. Tough shoes to fill.
- Thinking about doing a survey to get ideas. Perhaps non-racers might like to pay a small fee to attend the parties.
- Peter Caruso expressed support for encouraging beginners to get involved in racing.

Vice Commodore - Bob Rappold

- Bob explained that his job mostly concerns maintenance of the junior sailing fleet and handling the pay or play program. Bob deferred further comments until later in the meeting.

### Floats - Bill Fairbanks

- Bill arranged a work day prior to hauling the floats on regular dock day. He and the volunteers did most of the necessary prep work including painting the boats stands and tops, disconnecting the water system, storing the water lines and R2D2's in the storage shed, removed the signs, launching the green Whaler which Bill referred to as the Hinckley, placing two floats on moorings temporarily so we could move the remaining floats to the parking lot in the correct order, and hauling the finger piers. They found heavy worm damage in the finger piers and noticed heavy corrosion of the axles on the large aluminum trailer that we use to haul the floats requiring replacement of the axles.
- A member noted that the floats went in late this year and asked about moving up the Spring launch date for the floats. Bill responded that it's all a matter of whether we can get the work done and that depends on getting volunteers. We have quite a bit of repair work planned for the floats this winter including re-decking three floats. If anyone wants to volunteer for this winter work contact Bill directly.

### House - Larry Burke

- Larry thanked Bob Ulwick for his work on the house as well as others who helped get the Club in good shape making his job easier.
- Winter work includes replacing the ceiling in front of the fireplace, painting the kitchen and replacing the flooring in the kitchen.
- House Day is Saturday, October 28. The more volunteers the better.
- Larry said that we kept the house budget about where we were last year. Most of it is maintenance, not big projects.

### Junior Sailing - Brian Greenberg

- Brian said that they held several meetings during the past month to plan next season. Thanks to Jon Grant, Maura Quinn, and Sarah Smith for their help.
- Brian deferred further discussion to the budget portion of the meeting.

### Launch - Tom Gavin for Bob Ulwick who was unavailable

- The launch is now at Simms for work on the electrical, steering, and fire suppression systems. Waiting for bids on this work. This should end the three-year refit project.

## Treasurer - Steve Mullen

- Steve thanked Bill Mullen for putting a ytd financial summary up on the website.

### 3. The 2018 Budget

- Commodore Gavin explained that this is the annual budget meeting.
- He noted that attendance is light for this important meeting.
- The Executive Committee met several times to develop next year's budget. They have boosted the budget to junior sailing because it has not been given the attention that we have given to the house, launch, and floats. A key objective for junior sailing is safety and reliability of all the equipment - sailing boats, coach boats, and trailers.
- We also wish to build the Club's financial reserves in the Vanguard account.
- Treasurer Steve Mullen distributed a summary of the proposed 2018 budget. Subsequent to this meeting, the budget documents were posted to the Club's website in the Members Only section.
- Steve reviewed some highlights: as of Oct 3, we had \$111k in total cash. In the fourth quarter of this year we expect to have operating expenses of approximately \$20k and very little revenue coming in. We also have a budget of \$16.5k in capital spending that the committee chairs intend to spend before year end. We intend to transfer \$20k to the Vanguard account this year. Junior Sailing did really well this year with enrollment income exceeding budget forecast by \$7k. The launch did very well with transient income. They were way over their budget forecast for transient income. Overall, we had an excellent year and we should be celebrating this.
- For 2018, our budget shows that revenue will exceed operating expenses by \$24k. This excludes the proposed capital budget spending for 2018 of \$27k. So netting these two means that we are showing a small shortfall. This is small enough that this is basically a balanced budget for 2018. This balanced budget assumes, as shown on page 3 of the handouts, that we raise the dues by \$100 for regular and active life members. That represents \$11k of added revenue. Steve pointed out that expenses tend to rise every year but dues have not so we are showing a dues increase rather than an assessment. The 2018 budget also assumes that we have

five new members representing \$8.5k in initiation fees. Last year, Junior Sailing revenue was budgeted at \$22k last year and came in at \$29.4k. For 2018, Brian is showing revenue of \$32k.

- Peter Caruso commented that last year we had a three year plan for capital spending funded by a \$300 assessment expected to be spread over three years. He went on to say that the assumption behind the proposed 2018 budget is a dues increase of \$100 for regular and active life members even though the dues for active life members are 50% of the regular dues.
- Steve commented that increasing the dues in the proposed manner would require a change in the by-laws.
- Peter Caruso commented that the budget assumes use of the launch in a similar manner as this year. He commented that the assumption about transient revenue in the 2018 budget continues past practice of servicing many transients even though this level of service for transients can negatively impact the launch service for our members.
- Bob Rappold commented that we need the transient income to help pay for the dock maintenance and the cost of operating the launch.
- Steve commented that life members are 29% of total membership and rising.
- Bill Mullen commented that the by-laws do say that life members pay half. He said that the \$100 to all members is really an assessment. Tom Gavin said that we could do it as an assessment but we would likely have to do it again next year. When we keep having assessments, it means that our dues structure is not right. Bill said that the older members should get a break on dues. He said that it gets complicated to depart from the 50%.
- Tom Gavin mentioned that our flood insurance costs \$3,472 now and we have been informed by FEMA that this will increase by 25% per year until they feel that we are at the correct level of risk. So by raising the dues across the board we won't have to come back next year. Bill Mullen commented that the dues has been essentially static for many years.
- Tom Gavin said that we need a meeting to decide what changes we may wish to make regarding life members.
- Peter Caruso commented that it's reasonable to utilize an assessment for capital spending and to raise dues to meet increases in operating costs.
- Bill Fairbanks explained the history of our float construction and said that there is no maintenance plan for them. The oldest floats go back to 1992 and the only major capital spending for floats is the new short float last

year and new flotation in float D7 in 2013. Bill proposed a 5-year plan just to re-deck 15 floats doing 3 floats per year. This represents close to \$15k. So the capital spending that we have been discussing here doesn't even contemplate this spending. We have to do this work and the dues should cover it. We are missing three moorings for the floats plus chains. We need an assessment for this. We should have done the \$300 assessment previously proposed. Doing it \$50 or \$100 at a time is not enough. An assessment every year is not the way to do it.

- Steve Mullen brought us back to the proposed budget by reviewing pages 4 and 5 of his handout. There is a total proposed 2018 capital spending of \$27k. He reviewed the budget amounts for maintenance which total \$31k which includes an increase of \$6k for needed work on the Junior Sailing boats. We lost \$2k on the clam bake event. Some members said that they would attend but did not and did not pay. Food was ordered and not needed. Phyllis commented that in the past, this kind of event should be a wash and that people who commit to coming but do not attend should pay anyway. We paid \$38 per person to the caterer and charged \$30 to our members plus we had the expense of the tent. Attendance was low at this event. Kevin O'Leary discussed the idea of requiring payment at the time of the reservation for our events. Jay Swartz was not in attendance to speak to these concerns, but he previously indicated that changes will be made for next year.
- The group then discussed, in general terms, dues increases vs assessments.
- Jon Grant commented that, in other clubs that he has been involved in, members support increasing the dues to meet documented cost increases.
- Phyllis Karlberg said that we need a history lesson here. This is a humble, simple club. The club is looking good at this time excepting a few things needing attention. When she ran the Junior Sailing program for nine years, it was self-sufficient. We made it work. Whatever we took in, we could spend. The Club is moving too much toward "wants" and away from "needs". The floats and launch are staples and certainly need maintenance.
- Tom Gavin commented that Junior Sailing has put money into the Club for the past several years. That money has gone into the launch and rebuilding the corner of the building. He offered that the Club has been interested in keeping the dues down so we have avoided some

maintenance spending. We have used a band-aid approach in the past and it has hurt us.

- Bob Rappold commented that the Junior Sailing coach boats are in need of upgrading.
- Brian Greenberg pointed out that Article two on page 32 of the Membership and Constitution booklet says the purpose of the club is to promote knowledge and skill in boating. Brian said that only Junior Sailing fits Article two. So he looks at it as the heart and soul of the Club. He said that he knows that he is of the new demographic of the Club and the Club needs to evolve while respecting the history of the Club. Things certainly change over the years and what kids want out of the sailing program might have changed slightly. Safety requirements have changed slightly. Boats are a little faster. Looking back at Junior sailing in 2017, there were probably more low lights than highlights. He said that he was able to take some time off from work this year to dedicate to the program. Junior Sailing almost didn't happen this year. Some long-time members worked hard on the coach boats just before the instruction began. There was a lack of investment in the fleet. We almost lost our program this year. He watched a 420 sink during a regatta. He took a day off to be a coach because we didn't have enough coaches. The coach boats broke down continuously. We need to decide to make investments in the junior sailing program or change the charter of the Club.
- Jon Grant commented that as a newer member of this club, in every club that he has been a part of the real hard part is making sure that you have two or three generations coming up to make sure that fifty years from now that the club is still vibrant. So comments about the way junior sailing was in the past are great but the context that it exists in today is different. Junior Sailing has the ability to attract families with kids where those kids can be the older members down the road. If you can't attract those families, you'll end up with 50 or 75 percent life members and you have a problem.
- Bob Rappold mentioned that we are going to do some fund raising this year. Phyllis Karlberg said that we should go back to a simple approach.
- Peter Caruso said that he was chair of junior sailing in the past and it was about 15 years ago that he convinced the Club to purchase the 420's and it's surprising that we're still using those same boats. He indicated that he is a firm believer in junior sailing.

- Brian Greenberg said that for next year, our #1 goal is safety. We were down an instructor this year and had problems with the chase boats. We had a lack of leadership for the instructors. We need at least one good, reliable chase boat that can operate outside the harbor. So the goal for next year is to put structure around the organization and to focus on safety. In order to do that we have to have an extra adult next year. We intend to have an adult instructor on site next year. This will be a proper director to ensure that the program runs correctly. All other similar junior sailing programs have a director or a “super” head instructor. Under that person will be two head coaches and two assistant instructors and some junior instructors who do not charge us. So that means that next year our wages will go up considerably. We are going to raise our prices next year bringing our revenue close to \$32k. We will be able to cover that with our enrollment fees. We intend to break even next year in terms of operating costs. This doesn't cover our additional investments in the boats. We want to add two Mercury boats next year which is a huge revenue generator. The intent is not to grow the program to 100 kids, but to have a really solid program in the 50 to 60 student range. We want to charge a fair price and do not want to lose kids to other programs which we are starting to do. There are families who do not plan on coming back next year because of the way our program operated. We have budgeted about \$15.5k in capital expenses next year. This is necessary to upgrade one of the coach boats and add two used Mercury boats. The coach boat upgrade would be either a new engine for one of our boats or to replace a coach boat.
- Brian said that the \$15.5k doesn't cover the 420's. We might be able to make them last through next year. We borrowed a 420 this year and may be able to next year. We may be able to charter a 420 at a regatta. We are a little exposed on the 420 side. Next year we also need to look at another coach boat upgrade. Brian said that we have three opti's that he is currently working on so that they will be ready to sail next year. These will be allocated to kids who are grandfathered into our race program. They can use them. Anyone who comes into our opti race program in the future will be required to bring their own boat. We will use our prams for intro to sailing. We've had members work on these boats also. In response to a question, Brian said that we bring our 420's to regattas in other harbors, but it's challenging because we're low on help and we don't have a 420 dolly and we have so many equipment problems. Brain

praised all the help received from the SHYC this year and he is looking forward to having an all-Scituate team next year so we can work together at regattas. Another goal is to get more Scituate High School sailors to be in our summer program.

- Brian said that there are many more details available about our plans for next year. He also intends to do some fund-raising next year.
- Phyllis Karlberg thanked Brian for his work and the members applauded him.
- Bill Fairbanks made a motion to increase the dues by \$100. The motion was seconded. This would increase dues for regular members by \$100 and increase the dues for active life members by \$50. After a discussion of alternative ways of increasing the dues, a vote was taken and the motion passed to increase the dues by \$100 for regular members and by 50% of that amount for active life members as per the Constitution.
- A motion was made to accept the budget as presented. This was seconded. The motion passed.
- A lengthy discussion then ensued on whether to change the constitution regarding the dues paid by active life members. There were also discussion involving changing the requirements for becoming a life member and increasing certain club fees and charging a special assessment next year. No motions were made relative to these discussions and no specific changes were agreed to at this time.
- A motion was made to adjourn the meeting and the meeting ended at approximately 10pm.

Prepared by: Jerry Cain, Secretary