



MINUTES OF THE BOARD OF DIRECTORS OF THE
MENTOR HARBOR YACHTING CLUB
2021 ANNUAL MEETING

The meeting was called to order December 1st, 2021 at 18:31 hours by Commodore Allyn

Commodore: Duke Allyn
Vice Commodore: Mike Pettrey
Rear Commodore/ Treasurer: Ken Balogh
Past Commodores: Chris Burton, Jim Gallagher
Directors: Gretchen Kubicek, Jon Duer, Marty Weber, Dave Scarnati
General Manager: Jamie Cordova
Secretary: Brian Keck

Determination of Quorum – Brian Keck

- Commodore Allyn asked if we have a quorum which is defined as 40% of full members.
- A quorum was achieved with 37 proxies submitted and 25 voting members signed in, for a total of 62.

Motion to waive reading and approve prior meeting minutes - Motion carried

Treasury Report – Ken Balogh

- Presented independent auditors review of prior year financials.
- Presented financial results of for the current year.
 - o Income statement showing a significant improvement over prior years. In summary, revenues increased from membership usage and increased utilization of the harbor and junior activities. Income also benefitted from increased membership, PPP loan forgiveness and low costs. Loan forgiveness and low costs not expected to repeat.
 - o Balance sheet showing improved cash position over prior year. Improved income and membership certifications were primary source of improved cash. Highlighted that capital dues are mostly consumed by current loan payments. Showed detailed cash balances with capital account at \$74K and operating account at \$358K.
- Projected needs for capital/repair & maintenance spending in the next three years is \$400K which is significantly more than spent in recent years. Reiterated that current capital dues are mostly consumed by loan payments. Discussed reasons for uncertainty that the operating surplus will repeat to fund spending needs. In addition, the club is facing a large expenditure to contributed to the channel upgrade project being researched by the US Army Corp of Engineers. Our assets are already levered by current loans. Showed images to highlight spending needs.
- Discussed scenarios considered for sustainable future and projected financial outcomes.
 - o Scenario 1 - increase spend as required with no increase to capital dues. This scenario has future cash position in doubt with unclear ability to fund the channel project. This would have us rely on membership generosity and is unsustainable long term.
 - o Scenario 2 - increase spend as required and increase capital dues by \$45 per month for all dues paying classes and \$20 per month for junior members. Provides funding for board prioritized spending and potentially reduce debt early. Help prepare to fund the channel project.
- Discussion ensued with a few members speaking to question the need to raise capital dues given the recent operating surplus. Their concern centered around the idea that we may lose members due to increased cost. Treasurer Balogh reiterated uncertainty of repeat performance. Board members also spoke to support Treasurer Balogh's statements and added that limited negative impact to membership numbers expected due to cost increase. Some members spoke in support of the increase given spending needs. A suggestion was made by one member to raise certification fees and the member was informed increased certification fees were already approved by the board this year. The fact that dues have not been increased in recent years was also mentioned as support for the need to raise capital dues.

Rear Commodore's Report - Ken Balogh

- Presented Harbor Committee accomplishments.
- Thanked Harbor Chair Dave Scarnati and committee members for their hard work and accomplishments.
- Special thanks to Jon Duer and Jason Lallo for their hard work to support Harbor projects.

Vice Commodore's Report – Mike Pettrey

- Presented House Committee accomplishments.
- Thanked House Chair Marty Weber for his hard work, expertise and dedication.
- Thanked House Committee members for their hard work and accomplishments
- Special thanks to PC Logsdon, Jason Lallo, Steve Seifried, Tom Ruff, John Duer and Ken Balogh.
- Thanked staff for their efforts over the year.
- VC Pettrey recognized Membership Chair Jon Duer and thanked him and Membership Committee members for their efforts. He asked Jon to speak and highlight successes in membership expansion.

Commodore's Report - Duke Allyn

- Presented nominations of Directors to join the board in FY21.

Motion to close nominations for 2-year Director and cast a unanimous vote for Kenneth Balogh by PC Chris Burton - Motion carried with unanimous vote

Motion to close nominations for 3-year Directors and cast a unanimous vote for Gretchen Kubicek, Brian Keck and Thomas Holleran by PC Tom Barton - Motion carried with unanimous vote

- Presented changes to the Code of Regulations and held vote for each.
 - o ARTICLE 3 MEMBERS
 - ADD AS A SECOND INTRODUCTORY PARAGRAPH
 - The Board of Directors may, by majority vote, create a temporary one-year membership classification intended to increase membership. If extended beyond one year, such membership classification must be approved by membership vote no later than the next annual meeting of the Corporation.

Vote passed with 62 Yea and 0 Nay

- o ARTICLE 3 Section 1 Full Member
 - ADD AS A SECOND PARAGRAPH
 - Full membership is defined as a primary full member and their spouse. A full member's spouse has the same rights and privileges as the primary full member however, the primary full member and spouse, collectively, have one vote. Further, the primary full member and their spouse may not serve on the board of directors at the same time.

Vote passed with 60 Yea and 2 Nay

- o ARTICLE 8 MISCELLANEOUS
 - ADD AS A NEW SECTION
 - Section 2: Contracts
 - The Board of Directors may, from time to time, enter contract(s) allowing non-members to maintain boat(s) in the harbor. For example, a boat rental club may be given temporary use of a limited number of docks for the purpose of providing a boating experience to potential new members. If extended beyond one year, such contract(s) must be approved by membership vote no later than the next annual meeting of the Corporation.

Vote passed with 62 Yea and 0 Nay

- Called for old business and none raised
- Called for new business and none raised
- Commodore Allyn made closing statements reflecting on the year thanking membership, staff and fellow board members.

Motion to adjourn - Motion carried

Meeting Adjourned 20:08.

Please request slides presented during the meeting for additional details

Respectfully Submitted,
Brian Keck
Secretary