

Lake Geneva Yacht Club
Board of Directors Meeting Minutes
Approved

Saturday, December 5, 2015 - 9:00 AM at Lake Geneva Yacht Club

Present: Rodney Rieger, Commodore
Bill Barrett, Vice Commodore
John DeCarlo, Rear Commodore
Tom Larimer, Treasurer
Kristin Gannon, Secretary
Terry Blanchard, Retiring Commodore

Directors:

Dana Porter
Mike Lynch
Jerry Millsap
Bob Youngquist
FJ Frazier
Diane Brassel
Charles Lamphere
Steve Lyon

Excused: Tom Pomierski

Non-board

Attendees: Merilee Holst
Mike Keefe
Michael Moore
Chef Justin Scholer

Document Approval

Minutes of Previous Meeting

Kristin Gannon advised of corrections to the minutes. It was Bill Barrett not Bill Bentsen who ordered the case for the Big Foot Too model and built the wooden base for it to match the base on the America3 model. Buddy Melges was inducted into the International Sailing Federation World Sailing Hall of Fame instead of the ISAF Sailing Hall of Fame. Finally the painting donated by Bob Youngquist was by Pat Heintzleman. A motion to approve the November, 2015 Board of Director meeting minutes with these corrections was made by John DeCarlo and seconded by Steve Lyon. The motion was approved.

Officers Reports

Commodore – Rod Rieger

Rod advised Board that much of today's discussion would be related to our 2016 budget. Rod contacted a law firm for assistance in determining whether certain revenue received by the Club is related to the Club's tax exempt purpose, or if such revenue should be classified as unrelated business income under the Internal Revenue Code. Charles Lamphere asked why we don't use the Chicago Yacht Club (CYC) forms that they are happy to share with us and also suggested that we just talk to our accounting firm vs. attorneys. Terry Blanchard would like the matter of seeking advised deferred to the Finance Committee. John DeCarlo has talked to several Milwaukee area clubs regarding this topic and feels the CYC is maybe more

conservative than need be. Bob Youngquist also believes that we should be looking to our accountant.

Bob Youngquist made a motion to defer to the Finance Committee for reviewing our tax standing as it relates to unrelated business income and get their opinion on how we should move forward as far as getting advice. Jerry Millsap seconded. Discussion ensued. John DeCarlo and Charles Lamphere would like to be sure that if we go to the accounting firm that they have some experience in Club accounting. The motion was approved.

Vice Commodore – Bill Barrett

The sign at the street is expected to be installed this week. Briohn has been making some progress with the long punch list. Terry Blanchard asked if we have a timeline for the punch list. Bill advised that they have not given us a timeline for completion.

Rear Commodore – John DeCarlo

There has been much discussion with Rod Rieger, John Zils and Michael Moore since Tony Trajkovich has generously offered to upgrade the electronics, wiring and weather station on the Flagship II. The following is a summary of that discussion which may change after our flagship meeting on Saturday. Cost to store flagship at Gage \$1471.73 will not be necessary if Tony stores the boat. Tony requested free storage for his Melges 24 to offset his loss of space in his garage.

Tony is not sure that the Flagship II will fit in his garage. John is looking for possible options. Mike Lynch offered a heated space in Burlington, WI as an option.

Gage quote on work to be done if approved on flagship:

- Repaint Boot stripe \$481.00
- Touch up swim platform \$277.00
- Replace transom lights \$41.25
- Touch up bright work \$470.00
- Remove hinges on starboard seat & replace with heavy piano hinge \$114.00
- Sand and repaint bottom \$1022.00
- Paint interior sides and vertical surfaces \$892.00
- Paint interior horizontal surfaces \$803.00
- Polish Plexiglas cabin window-port \$193.00
- Touch up hull sides \$183.00
- Clean, buff and wax hull sides \$940.00
- Repair lower rudder support bolts \$390.00

Boat II has an intermittent steering issue. Gage quote is \$2743.00; however, Tony might have one available, if it fits our boat.

John is near completing the 2016 Sailing Schedule with a decision to be made regarding A series ending dates for all fleets. Since the A fleet and E fleet desire to end with the Inlands we may consider the impact of the C, MC and Melges 24 fleets later dates as it impacts the trophy dinner. We need a confirmation on the date of the trophy dinner. Bob Youngquist noticed an error with missing E Wednesday races on the draft following the Inlands. John will add those in. It was an oversight.

Discussion ensued about whether we delay the Trophy Dinner to October so all trophies are engraved or have it Labor Day weekend and some trophies aren't engraved. Consensus of those present leaned towards Labor Day weekend so youth are included as there is a belief that youth aren't likely to attend if moved to

October. John will check with Julie Navin on her opinion regarding youth attendance.

John talked with John Strassman at US Sailing about the 1-day race committee seminar at the LGYC. John Strassman has April 16, 23 or 30, 2016 available. Decision was made to schedule for April 23. Cost to LGYC for the seminar is \$250.00. LGYC participating members will not be charged. It was agreed by the Board, as is the norm when other Clubs host similar seminars, that other area ILYA Clubs be invited. John DeCarlo will work on a fee to be charged the non-LGYC participants to cover cost such as lunch.

Secretary – Kristin Gannon

No report

Treasurer – Tom Larimer

We made \$20k in F&B in October, which certainly is more than prior years.

Walworth Bank is being sold to First National Bank and Trust Company. Tom and Terry Blanchard will monitor as this transition takes place.

Club will have a \$2M mortgage of which \$600k is being borrowed by the GLSS. John DeCarlo suggested we send some sort of statement/letter to let Members know where we stand financially. Mike Lynch and Steve Lyon also agree that something should be sent out. Terry pointed out that members can also attend meetings to get updates and in the past the quarterly financial summary was posted on the members-only area of the website.

Committee Reports

Finance Committee, report on 2016 budget – Tom Larimer

The following assumptions were made in the 2016 budget and with approval of the budget, the commensurate updates will be made to the Regulations Related to the Bylaws:

- Members will be charged monthly in twelve equal installments vs. the current eight.
- F&B charges for Associates will change annual \$450 minimum vs. a \$150/month minimum that must be spent in June, July and August.
- Percentage of Associate members to voting member ratio raised from 40% to 50% (see motion below).
- Wages for F&B staff were adjusted accordingly based on Gratuity changing from 18% to 20% and being shared with staff as an incentive to improve service (discussion below).
- Membership goals
 - +5 new regular
 - +5 conversions from Associate to Regular
 - +22 new Associates
- Annual dues changed to the following:
 - Regular, approximately 2% increase to \$1850
 - Senior, $\frac{3}{4}$ of Regular to \$1385 (see motion below)
 - Associate, approximately 22% increase to \$1500
 - Intermediate to \$750 (see motion below)

- Intermediate non-resident to \$530
- Non-resident to \$980
- Junior to \$360

Bill Barrett made a motion to move Intermediate annual dues to \$900. Mike Lynch seconded. Discussion ensued. Bob Youngquist would like to see us give this a try as this is the age group that is our future. Bill Barrett amended his motion to change dues to \$750. Mike Lynch seconded. The motion was approved. Bob Youngquist suggested that in the future we looking at age range for the Intermediate membership.

Bob Youngquist made a motion to accept the increase in the senior dues. This motion was passed by the Board to approve Seniors be charged $\frac{3}{4}$ of the Regular member dues in 2016, though there were two descending votes, Jerry Millsap and Diane Brassel.

Steve Lyon made a motion to approve raising Associate members to voting members ratio to 50%. FJ Frazier seconded. Discussion ensued. Diane Brassel would like to see us wait another year to make this change based on only having the building open for a portion of the year. The motion was approved. Jerry Millsap voted in opposition.

Michael Moore explained how we would use the gratuity to incent the servers and bartenders. Of the 20% gratuity, the Club would keep 3%, 2% would go to bartenders for drinks they make for the servers and 15% to servers. The bartenders would be getting a higher wage than the servers. Servers would be monitored and given more tables the better they manage the tables; thereby, increasing their tips. Managing servers and how many tables they get assigned would be the job of the host/hostess. Bob Youngquist made a motion that we go with the proposal. Steve Lyon seconded. Discussion ensued. Michael confirmed that the tip would go on the next check, not be cash. Terry Blanchard requested that Michael need to document the procedure/process on how this will be executed. The motion was approved.

Assistance with website improvements have been budgeted for. Please send Michael Moore your ideas, features that you like on other websites.

Member facing office assistants (part-timers) for summer working approximately 30 hours per person and also hosting have been budgeted for.

A motion to approve the 2016 budget was make by Steve Lyon. Bob Youngquist seconded. The motion was approved.

On the basis of the budget approval the following Regulations to the Bylaws will be changed as relined below:

Article II—MEMBERSHIP

Section 7 Membership Privileges

Associate Members

Associate members shall not have voting privileges and shall not be eligible to hold office in accordance with the By-laws. Associate members shall not be eligible for a boat slip. Associate members may store boats on-site, subject to availability, at the storage rates set by the Board of Directors. The Board of Directors may limit the number of Associate members. As of ~~June 6~~ **December 5**, 2015, that number shall be limited to ~~40~~ **50**% of the voting members at the time any such Associate member may

be approved. Associate members shall not be eligible for preferred car parking and dining reservations.

Article XII—FINANCIAL OBLIGATIONS OF MEMBERS

All Dues and Fees are determined by the Board of Directors in connection with the approval of the annual budget. **Regular, Senior, Associate and Intermediate members are also subject to a minimum annual restaurant charge. Once members have paid their minimum annual restaurant charge they will not be required to commit to any additional restaurant charges that year.** For the purpose of membership classification, ages shall be determined as of ~~May~~ **January 1** of the current year. ~~New members joining prior to June 15 shall be billed total annual dues for the year in which they join. Members joining after June 15 shall receive a 25% discount. Members joining after July 15 shall receive a 50% discount. Members joining after August 15 shall receive a 75% discount. For members joining after October 15, dues shall begin the following January.~~ **Effective January 1, 2016, members shall be billed monthly for 1/12 of the annual dues. New member dues shall be billed and payable following approval of application for membership.** Wisconsin sales tax shall be added to all dues and fees.

~~**Regular Member:** New member dues shall be billed and payable following approval of application for membership.~~

Senior Member: Dues are approximately ~~2/3~~ **3/4** of the Regular Member dues.

~~**Associate Member:** Dues are determined by the Board and include a minimum restaurant charge, per month for June, July, and August. Unused monthly minimum charges do not roll over from month to month – use it or lose it. Once Associate Members have paid their minimum annual restaurant charge they will not be required to commit to any additional restaurant charges that year. Associate Members will be required to have a valid credit card on file with the Operations Manager **Club Office.**~~

Bylaws Committee – Kristin Gannon

Committee of Rod Rieger, Sara Zick, Bill Bensten, Jerry Millsap, Jim Smith and Kristin Gannon met twice. Kristin thanked the committee.

Summary highlights of the committee's recommendations vs. our current bylaws and/or the Fall recommendation by the Membership Committee:

- Section 2 Application – Retained Fall proposal of reaffirmation period, added honorary service as sponsors
- Section 5 Senior – Only change retained from Fall was the January 1 eligibility date
- Section 5 Intermediate – Retained Fall version as presented
- Section 5 Junior – Retained Fall version as presented
- Section 5 Honorary Service – Retained Fall version limit, changed to 2/3 vote, removed officials as honorary
- Section 5 Honorary Life – Retained Fall version with addition of an effective date and retaining privileges of current Life members
- Section 5 Non-Resident – Retained Fall version with minor rewording regarding retaining privileges
- Section 7 Membership Privileges – Add to Current version that Honorary Service may also vote and hold office.

The following are the Bylaw Committee's recommendations:

- **Section 2 Application** An application for membership must be in writing and submitted to the Membership Committee for evaluation and then to the Board of Directors for consideration. Applications are subject to any maximum membership limit or other requirements established by the Board. Approved applicants will then enter an affirmation period after which the Board will vote on whether to reaffirm the membership in compliance with review criteria. Before the Board's reaffirmation decision, two persons who are Regular, Senior, Intermediate, Honorary Life or Honorary Service members must sign the application. Reaffirmation requires that the applicant be in good standing in compliance with Club policies.
- **Senior Member:** a member who has reached or will reach the age of 65 before January 1 of the current year and has been a Club member for at least 25 years.
- **Intermediate Member:** a member who has reached or will reach the age of 21 before January 1 of the current year and is not more than 32 years of age.
- **Junior Member:** a member who will not reach the age of 21 before January 1 of the current year.
- **Honorary Service Member:** a member with a record of service to the Club on whose behalf a petition with a résumé of that person's service has been signed by three Regular or Senior Members, submitted to the Board and approved by two-thirds of the Board Members present. No application for the membership is required. Honorary Service members shall be limited to ten, exclusive of Honorary Life members. An Honorary Service member shall not be liable for initiation fees, dues or assessments.
- **Honorary Life Member:** Effective MM/DD/2016, the surviving spouse of a Commodore, Vice Commodore, or Rear Commodore. No application for the membership is required. An Honorary Life member shall not be liable for initiation fees, dues or assessments. The rights and privileges of then-existing Honorary Life members shall be maintained.
- **Non-Resident Member:** a member who does not have a residence within a 150 mile radius of the Club. No further applications for this category shall be accepted after mm/dd/2016. The rights and privileges of then-existing Non-resident members shall be maintained.
- **Section 7 Membership Privileges** Regular, Senior, Intermediate, Honorary Service and Honorary Life Members may hold elected office and vote at Club meetings, subject to the limitation of one vote per family. Regular, Senior, Intermediate, Honorary Service, Honorary Life and Junior Members have full use of the Club as stated below and in the Club Regulations. They may participate in any sailing or social event provided by the Club and will be eligible to receive trophies and other awards, may represent the Club in Inland Lake Yachting Association events or others for which Club membership may be required, may keep boats on the Club premises for a fee determined by the Board, may receive newsletters and notices, and may participate in other activities and make use of other facilities and services

that may be provided by the Club. Privileges of Non-Resident and Associate Members are as stated in the Club Regulations.

A motion to accept these bylaw changes and present them to them membership at the Spring meeting was made by Bob Youngquist. FJ Frazier seconded. The motion was approved.

Social Committee - John DeCarlo

No report

Food Committee - Bill Barrett

John DeCarlo and Bill commented that there has been nice income for theme and attendance at the theme dinners and Friday night fish fry. 75 people attended the holiday dinner. The next Sunday is the NFL football event with both the Bears and the Packers playing games on Sunday. This was a suggestion from Scott Ripkey.

History and Archives - Ellen Bentsen

Gifts: We are grateful for these recent historical gifts to the Yacht Club and Sailing School:

- From **Sara Burton Zick**, two framed blueprints (22" x18") from **Blake Burton**, her grandfather, dated November 15, 1934, of the "ILYA Junior Sail Boat (Cub Class)." One blueprint shows the construction plan; the other shows the boat's lines. Along with text about Blake Burton, the blueprints will be included in a list of existing Cub/Class X and GLSS-related images to discuss with T Freytag, who has asked for ideas for a display on the first-floor wall opposite the Official Notice Board.
- From **Robert T. Isham Jr.**, his father's trophy made by Speis Brothers Inc. Jewelers, Chicago, about 7 inches tall, engraved "Dinghy Races 1930 won by G. S. Isham, R. T. Isham, H. P. Isham Jr." (H. P. stands for Henry Porter.) It is not clear what event they won or what dinghy they sailed. The trophy is now on the shelf just below the Charles H. Wacker Trophy (1931) in the display case donated by **Melita Grunow**. Our thanks to architectural historian **John K. Notz Jr.**, a Chicago friend, for suggesting to Mr. Isham that the Lake Geneva Yacht Club would be an appropriate home for the trophy. Displayed next to the Isham trophy is the Jack and Jill Yacht Club Trophy, donated to the Yacht Club on July 4, 1891, by H. H. Porter, Commodore of the Jack and Jill Yacht Club and later of the Lake Geneva Yacht Club. In 1969, Honorary Commodore Ernst Schmidt brought the trophy to the club after receiving it from its 1906 winner, **Theodora Wheeler Finney**, who requested that it be "on permanent display as a remembrance of early yachting on Geneva Lake." (Mrs. Finney, an Honorary Member at the time, was the granddaughter of Julian S. Rumsey, owner of the *Nettie*.) The trophy is engraved with the names of its 21 winners between 1891 and 1920. Also on this shelf, from the Archives collection, is a tiny leather-bound Jack and Jill Yacht Club yearbook (undated) that includes the bylaws of this "co-educational institution in which all skippers of boats had to be girls and the crew consisted of one boy." The young sailors raced in catboats and later possibly in 24-foot Class X sloops. How long the Jack and Jill Yacht Club existed at the Lake Geneva Yacht Club is unclear, but the trophy suggests the club may have run out of steam after 1920, the year the trophy was won by Miss Helen Isham.

Transitions: The three walnut trophy cases, given to the Lake Geneva Yacht Club in 1954 by Mrs. William C. Grunow in memory of her husband William C. Grunow (1893 – 1951), have been donated by LGYC to the Geneva Lake Museum where they are now being used for displays. In her letter of thanks, Museum Director Karen Jo Walsh expressed special appreciation to **Bill Barrett** and **Michael Moore** for their assistance and for safely delivering the three cases and two glass doors. (The museum chose not to take the wood-trimmed glass door, 85” wide x 87” high, from the center trophy case.) The two smaller trophy cases are 29” x 87”. The cases were custom designed with fixed shelves for 24 trophies (“the finest trophies of each class”) and built over the winter of 1954 in the living room of the second clubhouse. LGYC minutes from that period mention the extra cost of keeping the heat on in the Yacht Club for the workmen. When the third clubhouse was completed in 1969, the cases were installed in the second-floor Commodores’ Lounge, where they remained until the building was demolished in September 2014.

A cover and base for Big Foot Too: Thanks to the efforts of **Vice Commodore William G. Barrett**, the *Big Foot Too* model, displayed on the second floor, now has a protective case over it and a handsome wood base beneath it, which Bill Barrett created to match the base under the adjacent model of *America3*. We are grateful, too, to **Bob Winter** for repairing some recent damage to the rigging. The *Big Foot Too* model was donated to the Yacht Club in 2013 by **Don and Gloria Etzbach**, grandchildren of Commodore A. F. “Bud” Gartz Jr. The *America3* model was a gift to helmsman **Buddy Melges** from the boat’s owner **Bill Koch** after their successful 1992 America’s Cup campaign. Descriptive text is next to each model.

Displays: The photographic displays on the Winners’ Walls in the second-floor lounge area are complete except for two pictures soon to be hung. The display includes photographs of 2015 regatta winners and the names of the winners of 2015 fleet championships, special trophies, and awards. The frames and mats will be reused next year to display 2016 winners. The 2015 photographs will be stored in Archives.

Rod Rieger reported that Bill Bentsen will be retiring from his roles with the International Sailing Federation and US Sailing. Rod would like to send a letter from the Board thanking him for his service. John DeCarlo made a motion that such a letter be sent. Steve Lyon seconded. The motion as approved.

Old Business

None

New Business

None

Membership

Resignations:

- Sally Prio - Associate

New Memberships:

- John Matustik – Regular
- Bonni Novak – Regular
- David Temple – Regular
- Margaret Toomey – Regular

A motion to approve the membership changes was made by Bob Youngquist, John DeCarlo seconded. The motion was approved.

Next Meeting – February 6, 9:00am, Board of Directors at the LGYC

Adjournment:

A motion to adjourn was made by John DeCarlo and seconded by Tom Larimer. The motion was approved.

Respectfully submitted,
Kristin Gannon, Secretary