



Spring Membership Meeting
Saturday, May 25, 2019
4:00 pm at Lake Geneva Yacht Club
Meeting Minutes

4:01pm – Call to Order

Approval of Minutes

A motion to approve the minutes of the Fall Annual Membership meeting of September 1, 2018 was made by Ray Wiltgen and was seconded Sara Burton-Zick. The motion was approved.

Officer's Reports

Vice Commodore – John DeCarlo

We've removed some trees because we've lost some along building 1. We have decided to paint and power wash building 1. We are also painting the north side of building 2. We have mulched the playground. There is a new dingy dock. The upstairs porch has been updated with the addition of new ceiling tiles. An indoor/outdoor carpet will be installed and HVAC. Our electrician has come up with some new ideas to address the cranes. The dingy bar upstairs was built by Michael Moore and Christopher Brogan. We acquired new smokers so we will be having more smoked foods. We are also looking at adding chairs to the dingy bar. Winter membership has greatly helped our service and keep our food volume at a manageable level. We are encouraging the associate members during the summer to come on Wednesdays and Saturdays to help with giving better service on sailing nights. We are in desperate need of race committee volunteers. We may have to start requiring sailors to volunteer for race committee to cover vacancies. Yearbook is online and is at the printer. The Spring E and the Ladies Luncheon were both successful events. We will have a Father's Day event this year and of course the 4th of July party. The dedication for Jane Pegel during the Derby Party was lovely. The Membership Committee has done a lot for us this year, so thank you.

Rear Commodore – Thomas Freytag

The Sailing Instructions have been revised this year with help from Jane Pegel and Terry Blanchard. We did make some significant changes, which are posted on the board and on the website. We are now doing legs vs. laps. We are also asking that PROs start using offsets and gates. In multiple fleet races, we are going to try to set finish lines windward the offset. We are asking that our PROs and race committee communicate as much as possible. We are asking that the sailors check-in before the warning signal of the race for safety and scoring reasons. Of course, please remember to register your boat. For the warning signals, we are going to the class flags for the classes. Finishing window is now 20 minutes. Two race committee boats need to be on the water in the race area and Boat II must have at least two people.

Race schedule is all up on the website. The PRO and race committee is all being done through Signup Genius. We need more volunteers pretty much on every day. Currently, race committee falls on a smaller group of people. We had a race committee seminar on May 4 that was well attended. We have created another slot on the race committee



signup to be the PRO trainee. On May 5 we had a PRO meeting. Today there was a sailing panel discussion with 30-40 attendees, which was moderated by Marek Valasek.

We now have 10 nights of racing scheduled for the Women on the Water program across two series. This is a joint effort between the GLSS and the LGYC.

Spring E regatta went well. There was 30+ boats. M14 Nationals is on June 7-9. Old Guard and Parent's Races are set for June 14 with June 28 as the rain date. July 8-12 is the annual GLSS regatta. There are plans for more regattas in 2020 including the MC Nationals.

We put in a new dingy dock. Thank you to Michael Moore, Bill Barrett Tony Trajokovich, Kyle Navin, Marek Valasek, Al Gray, Finn Rowe and even the kitchen crew helped.

Don and Merilee Holst thank you for all the work you do as our trophy committee.

July 5th will be a tribute to Robert Pegel as we dedicate the Robert E Pegal Annex.

Thank you also to the Membership Committee for all of their work.

Thank you to John Zils for managing equipment, Don Holst for assisting me to get more race committee volunteers support.

Secretary – Kristin Gannon

The yearbook is at the printer and will be available for pickup soon. The roster will be mailed soon. New membership cards will also be mailed soon.

Treasurer – Charles Lamphere

Overall results were strong for 2018 due to continued robust new membership interest, solid food and beverage business, reasonable control of operating expenses and real estate taxes that remained below our conservative budget projections. A few highlights work noting:

- Net operating income was \$175k vs. our budget of \$45k
- Year-end cash and money market funds stood at \$305k
- Year-end balance on our mortgage was \$947k
- Club had Net assets of \$1.12M
- Notable variances from budget leading to the positive results:
 - Intiation fees of \$35k vs. \$7k budget
 - Food and beverage almost \$35k profit vs. \$2k budgeted loss
 - Regatta Net Income of \$21k vs. \$13k budget
 - Real Estate Taxes of \$30k vs. \$52k budget



Although we ended 2018 in a sound financial position, we need to remain cautious. While GAAP NOI was much higher than budgeted, the short amortization schedule on our note where we pay down over \$100k a year in principle and \$90k in capital expenditures, including the Flagship lift, trailer and major Flagship retrofit, purchase of the Mako as boat 2 and significant computer systems upgrades continue to eat up much of our cash flow, which is consistent with what we budgeted.

- The increased size of our operation forces us to carry much higher levels of accounts receivables, which in turn compels us to maintain larger cash balances.
- We have no large profitable regattas in 2019
- Going forward, we can no longer rely on the sale of our new Associate memberships as we are at our limit and our regattas for 2019 will be a limited source of income.

As for 2019, given the hybrid for profit/not for profit structure of our ownership of the property, small loan size and the prior use of the west property, refinancing is not as straightforward as it might seem. While we solicited a number of quotes including from Illinois to provide the appropriately competitive environment, in the end reducing costs of the deal with our local bank was clearly the best strategy.

We refinanced our mortgage with our existing bank effective 4/1/2019 with a 4.65% 7-year, self-amortizing loan. We paid a total of \$700 in costs and the interest rate and monthly payment are both below what we had budgeted.

2019 year to date results are strong due to continued membership growth and much better winter dining revenues. A few highlights worth noting:

- Net operating income YTD is loss of \$13k vs. budgeted loss of \$96k
 - Part of this is progress in operations
 - Increased winter dining revenue including \$41k from 47 winter members
 - Better than expected gains in membership and membership initiation fees
 - For 2019, we are planning \$65k in capital expenditures
 - \$32k on the screened porch
 - \$7 on cranes
 - \$26 on the new dingy dock
 - Notable variances from budget leading to the positive results
 - Initiation fees of \$9,200 vs. \$1,500 budgeted
 - Food and beverage almost \$27k loss vs. \$36k budgeted losses
 - Boat storage \$18k ahead of budget, which was really a timing issue
 - General operating expenses and race committee operations expenses are also \$26k ahead of budget but this mostly timing of our payments
 - In total, we are ahead more than half of our positive variance to budget reflects timing of revenues and expenses that in effect are overstating the actual improvement in results.
 - In terms of our balance sheet
 - April 30 cash and money market funds stood at \$380k
 - April balance on our mortgage was \$916k



Bottom line, our financial position is sound. We are tracking modestly ahead of budget. We are well situated to begin the summer season where we make most of our revenue.

Introduction of Staff – Michael Moore

The staff was introduced Zachary Miller (Executive Chef), Christopher Brogan (Front of House Manager) and Lindsey Valasek (Executive Secretary). This is a great team and it makes us all look good. We are looking forward to a wonderful summer.

Reports of Committees

GLSS Report – Marek Valasek

We've held a series of BMRT races in the fall. We went to Lake Forest, New Orleans, Miami and St. Petersburg in the winter. In April we started practicing and we went to Los Angeles. In May we hosted a second X boat clinic and had 23 participants. BMRT is over for the spring season. We have hired 16 instructors for the summer camps. The Board of Directors have approved purchasing 6 new inflatables, which should be here in two weeks. The whalers are being retired. We have 338 registrations for the summer sailing camps which is a 10% increase over last year. The Women on the Water format changed to two series so more women could be involved. The GLSS Dingy Fest has been reformatted and we will have 2 days for X boats, 2 days for Optis and 1 day for M14 and BICs.

Membership – Kristin Gannon for Diane Brassel

Our current membership numbers are as followings

- Total current membership (all categories): 366, 21 more members total, across all categories or ~ 6% higher than the same time in 2018, which was 345.
- Voting membership is at 228, which means as of this meeting, we are at out 50% cap on associate members of 114.
- Regular members: 157, 3 more than the same time in 2018
- Associate members: 114, 10 more than the same time in 2018
- Junior members: 21, 2 more than the same time in 2018
- Intermediate members: 18, 7 more than the same time in 2018

Trophies – Don and Merilee Holst

Don and Merilee presented the new trophies. Melges 14 has a B series championship trophy the Ronald P Frankel memorial trophy. The C fleet has added a Spring C champion Ronald E Nelson trophy and the burgee on the trophy was a piece of jewelry donated by Ellen Bentsen. MC fleet also added a spring series championship trophy and named the Dr. Michael F Gannon trophy. The MCs also requested a stay at home trophy during the Inland regatta it will be awarded to the combined winner of race run during the ILYA Championship regatta. Melges 24 series B trophy is called the Lady Catherine trophy. The Williams Bowl was donated in 1995 by Dave and Kathy Williams and sailed



for as a Sonar trophy. In 2011 the Sonar fleet disbanded and the trophy has been revived as the Women on the Water series B trophy. Mike Sarton build all of the bases of these trophy

Old Business

None

New Business

None

Adjourn

Motion to adjourn was made by Rod Rieger and seconded by Ray Wiltgen. The motion was approved.

Respectfully submitted,

Kristin Gannon
Secretary