

PORTSMOUTH YACHT CLUB
MINUTE OF BOARD OF DIRECTORS' MEETING
THURSDAY, NOVEMBER 8, 2007
AT OFFICES OF COMMUNITY DEVELOPMENTAL SERVICES, PORTSMOUTH
Approved at BOD meeting of December 6, 2007

PRESENT: V/C Adams, R/C Wajda, Directors Cunningham, Dionne, Gingras, Graper, Gray, Kennedy, Leto, Michael, Pappas, P/C Williams, Treas. Rushforth, Secy Roberts

NOT PRESENT: Cmde Blanchard

With Secretary Roberts having advised that a quorum was present V/C Adams called the meeting to order at 7:00 pm. She explained that Cmde Blanchard , who would normally start this first meeting of the new Board, was away on vacation, and had asked her to start the meeting.

MINUTES OF SPECIAL MEETING OF OCTOBER 27, 2007

After discussion, it was MSP to accept the Minutes of the October 27, 2007 Special Meeting and to post them on the website.

TREASURER'S REPORT

Balance Sheet

Total cash \$150,413. Last month \$180,943.

Mortgage principal balance \$79,313.

Accounts receivable: "Lady Lucy" commercial lobster boat

Revenue & Expense Statement

Total fuel sales running behind last year's rate, but our budgeted margins look OK

Through October:

Diesel '06 \$111,488. Diesel '07 \$81,287. (Down \$30,201.)

Gas '06 \$138,262. Gas '07 \$117,731. (Down \$20,531.)

Total operating expenses through October approximately 17% higher than last year.

'06 \$144,308. '07 \$169,125.

Mooring maintenance, fuel system maintenance, and general supplies are a few examples of increased spending categories. As of this report, the initial \$6,000. roof repair deposit is included under Club House maintenance. The total roof/whaleback room restoration project will be expensed and not capitalized. A separate sub-account will be created to capture these specific costs.

Net increase (profit) through October is \$77,744.

In subsequent discussion, Treas. Rushforth described the Accounts Receivable entry for the lobster boat Lady Lucy. This was an unauthorized granting of credit by an unspecified dock person, and must not be repeated for this or any other customer not on our approved list. We have approved four, and only four, regular customers for fuel credit. Lady Lucy is not one of them, and they have been cut off from further credit. It was agreed that next year's dock staff must be reminded that, as of now, only four customers have been granted this privilege, and those names are available in the dockhouse.

Fuel sales were substantially down from last year, but we were able to retain our gross margin of about \$20,000. It is important that in future years we continue to net at least this amount in order to break even when all costs of maintaining the fuel sales are considered.

After further discussion, it was MSP to accept the Treasurer's report , subject to audit. The full report is included in these minutes by reference.

REPORT OF REAR COMMODORE, R/C Dave Wajda

“The two days of work parties were helpful in preparing the building for closing and Docks Out. Unfortunately, there wasn’t a large turnout, but the Club’s closing checklist did get completed. Docks Out was again a major success – it went smoothly and without incident and was completed before noon. All the members present were able to enjoy the many foods that were brought for the pot luck luncheon – more than enough food to feed all – from soup to dessert – it was great. Thank you to all the members who brought the food to make it a great morning and early afternoon.

I am pleased to advise the Board that with the help of Directors Graper and Cunningham, we have been able to finalize a contract with M.J. Murphy and Sons, Inc. for repair to the roof. The repair will replace all of the shingled portions of the roof and include a rubber roof over the top of the stairway, the hot water shed and the front porch roof. The total cost will be \$16,845.00 which includes the cost of Lifetime Architectural Shingles and new flashing on the cheek wall of the staircase. One half of the cost, i.e. \$8,472.50, will be due when they start work.

M.J. Murphy has advised me that they will probably begin the work at the end of this month and they will keep a log of mistakes and/or poor workmanship found in the existing roof. They have already provided us with photos of areas of the roof that were not properly installed.

We are requesting bids for repair to the Whaleback Room. We are getting separate bids for the ceiling – cost for sheet rock replacement and cost for suspended ceiling installation, both to include insulation for ceiling and wall. We have one bid for the rug and will be seeking an additional bid. Once all the bids are received, we will report the findings back to the Board for discussion.

I want to thank all the members of the Board and the House and Docks Committee for their support this year. I accepted the position of Rear Commodore without hesitation knowing I could rely on their experience and guidance. It has proven to be a challenge, but also a learning experience due to the varied and numerous responsibilities involved in operating the Portsmouth Yacht Club.

I encourage everyone to become involved in PYC to understand the amount of work and commitment it takes to run this fine establishment.”

Director Ted Gray asked for a clarification of the facts leading up to our current situation, and asked whether we now had procedures in place which would prevent its recurrence. Various Board members described the actions of the Board and the persons involved, with the conclusion that reasonable precautions had been taken, including references from several PYC members who have had roofing work done by the contractor, and asking for his insurance documentation. We did err in not determining that parts of the insurance papers he presented had lapsed. All actions taken on behalf of PYC by the Rear Commodore were with the full knowledge and approval of the Board. It was probably fortunate for us that the “flood” occurred when it did, because otherwise we might not have known of the workmanship shortcomings until months or years after the job was completed and the contractor was long gone. One lesson learned is that with respect to all contractors on our property, including our chef and any other contractor, we must have a standard liability contract made to our standards, and naming us as co-insured, which is to be executed by the contractor before starting work on our property. That contract form has been prepared by Directors Cunningham and Graper, representing our insurance and legal interests, respectively, and will be executed with all future on-site service contracts.

After further discussion, it was MSP to accept the Rear Commodore’s report.

REPORT OF VICE COMMODORE, Jackie Adams

“The Closing Dinner Dance was a great success, one hundred members and friends enjoyed a great dinner and the music of Vic Paul. We made about \$900, thanks to our hosts Elaine and Andy Courteau and Ellen and Rob Blanchard.

We had almost 3000 attendees during the year at the myriad of events run by the Social Committee.

Looking ahead, the newsletter for Dec/Jan is ready to go to the printer tomorrow, the Holiday Dance has been on the website and reservations are being taken by our hosts MaryLou and Glen Graper. I have received the contract from Breakfast Hill Golf Club for the Jan 1 Brunch. They have expanded the menu and have given us a price of \$3.00 less than the Sheraton, with no room charge. They will also have a flag!

Norma Roberts reports that her committee is close to finishing the Social Committee “How To” manual. This will be a great help for everyone going forward.

Thanks to the hosts for October, Nancy Jackson, Henry Marcuri and Priscilla Lent and to the Flags and Board who supported me during the past year.”

After discussion, it was MSP to accept the Vice Commodore’s Report.

REPORT OF COMMODORE, Cmde Rob Blanchard

Cmde. Blanchard being on vacation, his report was read by Secy Roberts:

“Moment of Silence Since the last meeting of the Board of Directors, we have lost a long-term member of PYC. Phyllis Roberge passed away on October 1, 2007 at the age of 90, and was a member of PYC for 40 years. We will remember Phyllis for her faithful support of the Wednesday night dinners and for her over-seeing spot on the front porch. Let us observe a moment of silence in remembrance of this colleague.

Membership Committee The Membership Committee has unanimously approved the membership application from Donald and Susan Zuckert and welcomes them to the membership waiting list. The Zuckerts were sponsored by P/C Addison Marvin and P/C Art Wright. Congratulations, and welcome aboard! We have received an application for membership from Kennard Goldsmith, Jr. Kennard recently purchased a summer home in Rye, NH and will be wintering in Santa Barbara, CA. His occupation is investment and management of aviation-related businesses. Kennard sailed in California for a few years, but presently does not own a boat. He is anxious to learn to sail the New England coastline. He is sponsored by Capts. Jim Jelmsberg and Neelie Gray.

Best Wishes As this is my last official report as Commodore, I want to express my appreciation to members of the 2007 Board of Directors for their enthusiasm, good judgment, attention to detail, and support this past year. They truly have been a most cooperative and hard-working group, and I have enjoyed the cohesive spirit they demonstrated in meeting their obligations to the Club. I wish the continuing and new members of the Board similar success in dealing with issues as they arise in the new year. With the enactment of four-year terms for Board Members, we now have the mechanism for encouraging volunteers to go through the Chairs. Four year-terms allow a year on the Board to experience the inner workings of the Club, and then three years remaining to progress through the Chairs, if elected. Now that we are on track for continuity in leadership, I hope this Board and future Boards will adhere to the intent of selecting nominees who are willing to volunteer for leadership and will support these nominees through all the Chairs. It is not in the best interests of the Club for the continuity of

REPORT OF COMMODORE, cont.

Flag Officers to be interrupted as long as these Officers have adhered to the Standard of Conduct spelled out in the Constitution, to wit: "the individual conducted him/herself in good faith, and reasonably believed his/her conduct was in the best interests of the Club, or at least was not opposed to its best interests." Personal differences/disagreements or personal ambitions should not color one's obligation in ensuring that the Officers receive respect, support, and recognition for volunteering to serve in roles for which they are exposed to criticism, real or imagined. I have enjoyed that respect, support, and recognition during the past two years as Vice Commodore and Commodore, and I extend to the 2008 Board my very best wishes in pursuing a collegial atmosphere of trust, guidance, and harmony in meeting the expectations of the Portsmouth Yacht Club and all its members."

After discussion, it was MSP to accept the Commodore's report.

OLD BUSINESS

There was no further Old Business for discussion at this time.

NEW BUSINESS

Dock Maintenance Capt. Dionne reported that we have ordered \$450 worth of replacement hardware for our docks, and that Henry Marcuri will be busy most of the winter adapting this hardware to our docks.

Suggested Added Docks Replacement Capt. Dionne reported that our downstream docks were in bad shape, and this is a serious condition because the stability of the whole dock system is dependent upon these downstream docks. The most critical of these are the five downstream docks and one finger dock. Replacement of these six docks is estimated to cost \$21,000 while to replace all downstream docks, including these six, would cost \$43,000 to \$46,000. Treasurer Rushforth advised that the six replacements are part of the third phase of the four-phase Capital Budget Plan which had been provided for several years ago, and the money is there. He recommended that we proceed to contract for these docks now, so they will be available next season. After further discussion, it was Moved, Seconded, and unanimously Passed to authorize the expenditure of approximately \$22,000. to proceed with Phase 3 of the dock replacement program as described above.

Election of New Flag Officers

Acting chairperson Adams opened the nominations for Commodore. Director Jackie Adams was nominated for the position of Commodore for the 2008 Season, after which it was MSP to close the nominations. The ensuing vote, with Capt. Adams not voting, was unanimous in favor of the election of Capt. Adams as Commodore.

Commodore Adams asked for nominations for Vice Commodore. Director Dave Wajda was nominated for the position of Vice Commodore for the 2008 Season, after which it was MSP to close the nominations. The ensuing vote, with Capt. Wajda not voting, was unanimous in favor of the election of Capt. Wajda as Vice Commodore.

Commodore Adams asked for nominations for Rear Commodore. Director Arthur Dionne was nominated for the position of Rear Commodore for the 2008 Season, after which it was MSP to close the nominations. The ensuing vote, with Capt. Dionne not voting, was unanimous in favor of the election of Capt. Dionne as Rear Commodore.

Appointment of Treasurer and of Secretary

After discussion it was MSP to re-appoint Capt. Bill Rushforth and Capt. Ken Roberts to the positions of Treasurer and Secretary, respectively for 2008.

Rear Commodore Assistant

R/C Dionne introduced a discussion of the importance of having someone as assistant to the R/C and in training for the complex job of Rear Commodore. Preferably this would be someone on the Board who has four years still

Rear Commodore Assistant, cont.

to serve, and would then be prepared to step into the R/C position the following year, in succession leading to being Commodore in the fourth year. Alternatively, this might be a person on the House and Docks Committee who might then be willing to run for the BOD with the intention of progressing through the chairs to Commodore.

Status of the Whaleback Room

Capt. Cunningham distributed a copy of the Nov. 7, 2007 report of the insurance adjuster, GAB Robins North America, Inc., which is included in these minutes by reference. The Replacement Cash Value of the Water Damage is \$10,535.06. Subtracting the \$1,000. deductible, and depreciation of \$1,493.68, the Net Claim is \$8,041.38. If we rebuild in a reasonable amount of time (typically six months) we will also be paid the depreciation of \$1,493.38, bringing our Net Claim to \$9,535.06. R/C Dionne reported that we are now seeking competitive bids for separate elements of the repair, such as the wallboard, the floor covering, and several alternative approaches to the ceiling. Should we find that we cannot effect the repairs within the estimated values of the insurance adjuster, then we may re-open negotiations with the insurance company. Any changes or upgrades selected by us, for instance a partial suspended ceiling, would be at our own added expense.

Miscellaneous

1. Secy Roberts advised that one membership applicant had sent in a letter asking to be dropped. We sent a letter agreeing to this, and in accordance with current practice we did not offer to refund the deposit.

2. Yearly Social Calendar and Committee List – we agreed that a high priority will be to fill out the social schedule and the PYC committees, but that it is not feasible to have the document published by the time of the New Years' Brunch, as we have sometimes in prior years. To do it this quickly simply causes too many errors and changes. Instead, we should have ready to be passed out at that time a tentative list of the social calendar events, subject to change.

3. Next Board Meeting. Cmde Adams advised that the next BOD meeting will be in conjunction with the annual BOD/Membership Committee holiday party to be held at the Axel Johnson Center on Thursday, December 6. There will be a brief Board meeting at 6:00 pm, with the potluck party to begin at 7:00 pm. PYC will furnish the liquid refreshments, and attendees will bring the rest – to be coordinated with V/C Wajda.

There being no further business to discuss at this time, it was MSP to adjourn, and the meeting was adjourned by Cmde. Adams at 8:15 pm.

Respectfully submitted,

Kenneth P. Roberts, Secretary

