



High Bar Harbor Yacht Club Board Meeting Minutes
Date Sunday 5-13-07

Trustees: Hugh Gray - Present
Rich Ericson – Present – By Phone
Ed Meline - Present
Mark Miller - Present
Jay Keough - Present

The Meeting was called to order at the Club house at 9:00am

Planned Agenda:

9AM: Review of Outstanding Action Items Report

9:20: Committee Reports

Buildings and Grounds-Identify New Project Plans
Docks and Bulkheads-Identify New Project Plans
Finance- \$15 Condo Fee/Mini-audit, phase II
Communications-status of wireless system, bulletin boards
Social- update of events
Personnel-Draft of Job Descriptions/Manual

9:40: Deed/By-Law Changes-announce change in vote on overhang change and revisit outside legal review for implementation of approved changes.

10:00: Discussion of MOTIONS regarding prior Employees and VOTE

11:00: update by Mark H., Operations Manager

1. Dockhands
2. Status of computer order
3. Staffing

11:20: Rules and Regulations-discussion to identify potential changes

1. Swimming pool rules/badges/sign-in process/adult accompanying children under a specific age.
2. Houseboats/lifts-policy
3. Security Issues: New TV room, Clubroom, Docks

12:00 New Business



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I. Outstanding Items:

- a. Social Committee now active
- b. Billing of the twelve slip owners whose electric meters had broken: Ed to have that done before next Board meeting. Still need to discuss new policy for electric usage.
- c. Building and Grounds Committee – Committee still not formerly in place. Mark and Rich to conclude by next Board Meeting.
- d. Docks & Bulkheads – The Committee has not added any new members. Currently there are 5 members.
- e. Personnel Policy and Procedures Manual – The Personnel Committee will send the final drafts of these to the Board next week
- f. Permits – Rich was to obtain names of firms to assist the Club in getting the necessary permits for dredging and construction. Rich has contacted an engineering firm and has sent copies of our old permits to be reviewed.. By the next Board Meeting, we will have a proposal to review for obtaining a new dredging permit. If we apply before the current one expires, we can save a substantial amount of money. The Docks and Bulkheads Committee will create a facility survey showing the depths of all the fairways and slips.
- g. Financial Audit: – our current CPA firm will no longer do tax returns for non-profit businesses. Ed hopes to have a proposal shortly from another firm to do this work.
- h. There is a need for the establishment of a Technology Committee or expansion of the current Communications Committee to handle the increased scope of the technology needs of the Club. We will put out a notice for volunteers. Additionally, we had discussed the development of a quarterly newsletter which will be re-addressed by the Committee.
- i. A written emergency procedure for the Club during storms and very cold weather: Mark H. will take on the development of this procedure.
- j. The research of the regulations regarding the type and number of emergency ladders. Hugh will follow-up.
- k. Mark H will purchase a new ladder, ring buoy and signage for the re-establishment of the swimming area on the North Side. This will help eliminate swimming in the Marina, which is prohibited.
- l. Safety equipment - the Docks and Bulkheads Committee will develop a recommendation of the equipment that would be necessary. Mark H. will contact BL First Aid to see about opportunities for training of HBHYC employees.
- m. At the next Board Meeting, we will discuss signage for the fairways and slips viewable by boats as they navigate the Marina.



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- n. The Technomarine report should be posted on the Web Page. – Jay will summarize the findings and supply to the Communications Committee for posting.
- o. Security cameras will be discussed at the next Board Meeting.
- p. Rich reported that the approximate cost for a legal review of the Deed/By-Law changes voted on by the Owners is \$4,500. This will be reevaluated once the work is started.
- q. Mark H. will purchase his own computer plus MS Office from a local store.
- r. Ed will supply a proposed list of Rules and Regulations changes. Ed suggested that all Trustees review the Deed and By-laws before the discussion, since his recollection is that any changes have to be voted upon and approved by the Owners.

II. Committee Reports:

- a. Buildings & Grounds:(Rich). The Committee has not meet since the last meeting. We will do a walk around and discuss the siding project on Saturday, 5/19/07. Brian will provide us his analysis prior to this meeting. No new projects from the Committee at this time.
- b. Docks & Bulkheads (Jay) – The bridge project is now complete. Concern about the lateral movement of the bridge will be evaluated. An inspection and preventive maintenance procedure will be developed by the Committee and submitted to the Board during this summer season. Mark H. will contact the divers to start the cleaning of the floating docks. The Committee will provide input to Mark H. for staffing purposes based upon the projects planned for this season.
- c. Communications: (Mark/Tryg Dahl) – The Committee is designing a system that will extend the range of our current wireless network system. A maximum of two (2) potential access points will be added to the current system to extend the coverage. . This system could be installed within the next two (2) weeks at a budget of approximately \$1,000.00
- d. Finance: (Ed)– Ken Reuter has joined the Committee. No meetings have been held this month. The \$15 electrical surcharge will be added to Quarterly Capital Condo fee. As a Condo Fee, this charge will be more for the larger slips based on the weighting of those slips.



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A **MOTION** was MADE and **SECONDED** to **increase the quarterly Capital Condo Fee \$15.00 for 35ft slips and prorate appropriately for the larger slips**. Discussion was held and the MOTION was **DEFEATED** by a vote of 3 to 2, with Rich, Hugh and Jay **AGAINST** and Ed and Mark **FOR** the MOTION.

Another MOTION was MADE and SECONDED to increase the Condo Fee appropriately, so that the amount of the increase equals the \$10,500 that was raised by the \$15.00 surcharge (\$15x4x175). The MOTION was PASSED with Rich, Hugh and Jay voting for and Mark and Ed abstaining.

Ed and Nancy Gallagher are still investigating quarterly Condo Fees that appear to have never been billed and credits that were applied by the former Staff.

Emergency Contact forms have been sent out to all Owners. The new process for vendors working at the HBHYC Marina has been implemented.

e. Personnel: (Ed). Actions already stated.

f. Social Committee (Jay) – The first event is planned for a “Welcome Back Brunchon” on 5/27/07. There will be no charge for Owners/Tenants to attend. All future Events will be self-supporting by the attendees paying an appropriate fee for attending. A sailing race subcommittee has formed and will hold racing beginning Memorial Day weekend. Discussions on events for children and fishing tournaments are anticipated.

III. Deed / By-Law Changes: The 10% overhang change did not pass because the overhang regulation is in the Deed which requires 75% of the vote for passage. Vs. the 68% weighted vote received. The 5% over hang change passed.

A MOTION was MADE and SECONDED that the Board make the decision on the changes that were passed by the Owners without the review and opinion of legal counsel, estimated at a cost of \$4,500. Discussion ensued and the MOTION PASSED by a vote of 3 to 1. Mark, Jay, Ed voted in favor of the MOTION. Rich voted No and Hugh abstained. The changes in the Deed and By-laws need to be documented and submitted to the County Office.

IV. A discussion of the MOTION to restrict former employees, who leave the employment of the HBHYC on unfavorable terms was held. This restriction would prohibit such employees from becoming Tenants or Transient Renters and



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from using any of the common recreational areas (Clubhouse, Decks, Docks and common gathering areas) of the HBHYC. These past employees could still be hired by Owners, Tenants or Transient renters as a vendor or captain and would be permitted to visit on the boat of Owners, Tenants and Transient Renters if accompanied by the respective Owner, Tenant or Transient Renter.

During the discussion, many factors were addressed. Concerns over whether or not two previous employees, specifically, Peter Hoeltje and Greg Weerheim, presented a reasonable level of risk to the HBHYC. The Board of Trustee's responsibilities and the rights of Owners, Tenants and Transient Renters were addressed in detail. As part of the MOTION, the listing of actions by both prior employees (being sent to Owners under separate cover) were cited as the underlying basis for the MOTION.

The VOTE in FAVOR of the MOTION was three (3) FOR (Jay, Ed and Mark) and two (2) AGAINST (Rich and Hugh).

In summary, majority of all Board members agreed that a policy regarding former employees was needed to protect the Association property and the enjoyment of the facility. The application of this Policy to the recently departed staff members was the subject of much discussion. A majority of the Board felt that the prior actions of both former employees met the "litmus" test to present ample cause of concern and risk to the responsibility of the Board to protect, not only the property of the HBHYC, but the enjoyment of its Owners, as stated in the Deed and By-Laws of the Association.

In voting against the MOTION, Rich referenced the prior legal opinion regarding Pete that stated that Pete should not be restricted from being a tenant, since the actions cited as the basis for implementing the restrictions for Pete took place as an employee and not as a tenant. Additionally, both Rich and Hugh stated that they did not feel it was appropriate for the Board to impact the rights of any Owner by limiting the access of any of their guests to HBHYC common areas.

In voting for the MOTION Jay, Ed and Mark:

1. Felt that, although Pete's actions took place when he was an employee, he should be held accountable as a person, not just as an employee. This would justify his being restricted as a Tenant or Transient Renter.
2. Agreed with Rich and Hugh that the restriction could impact Owners wishing to socialize with these former employees on common property, but felt that it was



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in the best interest of the majority of the Owners to implement this Policy in order to protect the facility and the overall enjoyment of the Owners. They felt that a reasonable compromise was made, since Owners could still socialize with these former employees on their boats.

Rich Ericson requested that the following insert be included in the Minutes to explain his personal rationale as to his vote AGAINST the MOTION. Jay, Ed and Mark, who voted FOR the MOTION agreed to the inclusion, and have the made the response shown below Rich's insert. Some of the Insert and response are redundant to what is included in the Minutes above, but it was felt that they should be included as follows for further clarification of the positions of the Trustees:

Rich's insert:

The Board of Trustees' restrictions limit an owner's right to use the Condominium Association's common areas if that use includes Pete Hoeltje or Greg Wertheim as guests, and limit an owner's right to rent their property to those individuals. The Board should only take such drastic action to limit the rights of our owners if there is a clear and significant threat to property or the threat of personal harm to any person.

The list of actions provided by the board as the basis for implementing the restrictions unquestionably demonstrate poor judgment and improper behavior that would reasonably be grounds for firing an employee. The fact that Pete and Greg chose to end their own employment at HBHYC makes these issues moot. The unusual act of implementing these restrictions does not seem to substantially protect the Condominium Association, which is not a business, but a collection of property owners, each with property rights and the right to associate with whomever as long as there is no risk to any of the other property owners.

Response/rationale of Jay, Ed and Mark:

1. Although the new restrictions imposed regarding all prior employees who leave the employ of the HBHYC under unfavorable terms, will affect some Owners or Tenants, it was felt that there was an overriding need to pass the MOTION to protect the property and enjoyment of the Owners, a responsibility clearly included in the Association's By-Laws. After PASSING the MOTION which applies to all prior employees, the Board discussed at length whether or not the restrictions should be applicable to



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Pete and/or Greg. It was felt that the “litmus test” of risk was surpassed and that the restrictions should be applicable to both.

2. Owners and Tenants will still have the ability to socialize with both prior employees on their vessels and/or use them as vendors or as a captain.
3. In our opinion, there is a clear and significant threat/risk to HBHYC Owners. In fact, two (2) personal threats of significance were made, as delineated herein, on 11/18/07 by Pete. These threats and the additional facts contained in the Actions Listing form the basis for applying the restrictions to Pete and Greg.
4. The list of “actions” go beyond just providing the basis for the termination of Pete/Greg as employees. Taken in their entirety, they are significant and combine to pass the litmus test as to whether or not there is enough of a degree of risk to implement restrictions vs taking no action at all.
5. The last statement in Rich’s rationale is correct: “with the right to associate with whomever **as long as there is no risk to any of the other property owners. The risk(s) has/have been fully documented.**”

V. Operations Manager Report (Mark Hazley):

A. Dock Hands – Paul Sienkis has been hired and has started working on weekends. Bryan Harris and Brian Smith, both Dockhands from last summer, will be returning on Memorial day weekend.. Numerous other applications have also been received.

B. Mark H. will develop a staffing proposal based upon coverage until 9PM during the week and until 11PM on Friday and Saturday nights.

C. The Board approved the installation of a combination lock to be installed in the common area down stairs so Owners, Tenants and Transients Renter will have access even when the doors are locked. This combination will be different that the upstairs combination.

D. The portable pump-out system was stolen. It was last seen near the south side shed. It is a large white box and is valued at approximately \$6000. A police report of the theft was made on Tuesday, 5/1/07. Mark H. will report the theft to the insurance company and order a new pump-out system, which we need as a back-up to the main system.

E. As requested by the Building and Grounds Committees, Mark brought a sample of flower pots for the Board to consider. No decision was made.

F. The use of pool badges will be re-instituted this season in an attempt to improve security. Mark will be ordering 1000 pool badges for the year 2007.



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- VI. Club Rules and Regulations-there was not enough time to have a meaningful discussion, which was scheduled for the next Board Meeting.
- VII. New Business: HBHYC security will be placed on the Agenda for the next Meeting..

MOTION to ADJOURN was MADE, SECONDED and APPROVED at 12:50pm