



High Bar Harbor Yacht Club
Board Meeting Minutes
Sunday, June 1, 2008

Trustees: Present Fran Dalton
 Jim Frank
 Phil Hiller
 Matt Kulinski
 Ed Meline

Employees Present: Mark Hazley
 Stacy Bernstein

There was no Executive Session and the Open Meeting was called to order at 10:08 a.m.

I. Update on Projects by Mark Hazley, Operations Manager

A. Two (2) additional cameras to be installed by the north shed. The two (2) additional cameras will cover the east to north docks and entrance to marina. 80% of the marina is covered. The cameras record 7 to 14 days of footage.

B. Deck resurfacing continues on E-dock. 80% completed and finger piers.

C. Power pedestal bases have arrived and to be installed by electrician within 7 to 10 days

D. The air conditioning was serviced and filters replaced in the amount of \$330.00

E. The pool was drained, sanded, cleaned, painted, refilled, check for air leak (main plug). Noticed the concrete steps have a pin-hole leak. Will be grinded and patched in the spring 2009.

F. Storm Damage from Nor'easter on May 12, 2008.

1. Two (2) floats from E-dock, I-dock and K-dock came loose

2. Extensive repairs to I-16/I-29 – the finger pier broke away from floating dock

3. Replaced water spigots

4. D-dock pilings missing from previous storm. Three (3) to five (5) pilings midship. The cost is \$1600 for 3 pilings. There was a piling at D-09 but now it is gone. Mark to write up and specify which slips should have additional pilings. Owners can order a 3rd piling for their slip. Mark to confirm a price from TK Marine.

5. Estimated cost of damages from Nor'easter (building and docks) is \$12,500.00 and will probably not be covered by insurance due to our deductibles.

6. Awning repair - due to the condition of the clubhouse, the metal frame attached to the building could not sustain the wind and came lose which, in-turn, caused the awning to rip. The replacement is \$5,872.00.

(1) The vote to immediately hire Giglio was three (3) in favor (Matt, Fran and Phil) and one (1) against (Ed). Jim did not vote.

(2) Ed said that there should have been three (3) bids, as per Policy for expenditures over \$5000. In addition, he said that other options should have been researched (e.g. commercial awnings/retractable).



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- (3) He said that we rushed the decision and should have gotten an engineering evaluation for the best alternative to reduce the chances of a recurrence in the future. He noted that this is the second replacement in two (2) years at a cost of upwards of \$6000.
 - (4) Mark said he had called three (3) awning companies and the only company to return his phone call was Giglio Awning (company is located in Harvey Cedars and does numerous businesses and homes on LBI).
 - (5) Mark reminded everyone that the building failed and that the storm had not been predicted.
 - (6) Mark advised that he would not put the awning up until May 15th next year.
7. Discussion on how to remove the current awning. As per Mark, it is a 3-man job. Heavy material. The canvas does not have quick-release. Mark to follow-up with Giglio Awning.
8. Some owners who received damage to their boats are submitting claims. Mark to follow-up with our insurance company about any claims through owners. Our deductible is \$25,000 for docks.

II. Office Manager update by Stacy Bernstein

- Cable service – 34 owner/tenants have signed-up as of 5.30.08
- Slip I-02 (35 ft) sold in April 2008 for \$60,000
- Slip F-05 (35 ft) sold in April 2008 for \$50,000
- Slip J-26 (45 ft) sold in May 2008 for \$98,500.
- Two (2) 35 ft slips are pending to close in June 2008.
- Pool Badges will be available the weekend of June 7th. Each family will receive five (5) pool badges.
- 18 slips available for rent
- 19 slips available for sale
- Please forward your updated insurance to Stacy

III. Buildings and Ground update

- Moving forward with the renovation of the building.
- There are two (2) contractors that we have narrowed it down to: Kretzer & Sons and Atlantic Windows & Doors.
- A motion was made, seconded and passed to hire Kretzer and Sons.
- Mark Hazley has a copy of the full scope of work in his office for any owner to see if they have any questions about the project. The contract was for \$212,000
- Time frame for renovation-start October 1st and be completed by May 1st) with a penalty if not completed by April 15th.
- The Board complimented Mark on the fabulous job of putting the entire project together to help the Board in their decision.



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IV. Dredging and Bulkhead Permit Update

- A meeting will take place with Peter Kearney, a Coastal and Geotechnical Engineer from Duffield Associates on Friday, June 6th regarding the possible replacement of the wave attenuator and possible addition of a breakwater on the north side and east side of the marina to better protect the marina during storms. He will give us several recommendations on what would better serve the marina. His fee will be between \$3000 and \$4000.
- The money that we spend on the research and surveys will help decide which product is best for HBHYC.

V. Social Committee

- Successful Memorial Day Weekend Breakfast – almost 100 owners/tenants.
- Cocktail parties will be scheduled during the summer
- Fishing Tournament in August
- Looking into having sailboat racing – need to review tide tables
- There is nothing planned for July 4th holiday, however we will have something in the month of July.

VI. Technology/Communications Committee - Dave Hall reported

- A survey went out to the owners/tenants regarding the use of the WIFI internet service. The majority of responses that the WIFI was frequently used and would like more consistent access from the boats which is a frequent problem.
- A MOTION was MADE, SECONDED and PASSED to replace the relatively basic wireless internet equipment we currently have at a cost of approximately \$2500.00 with better equipment. This will increase the reliability of the WIFI. Mark to follow-up with an electrician for the work.
- We can implement a password to secure the wireless connectivity from the outside area.
- A MOTION was MADE, SECONDED and PASSED to upgrade from Verizon DSL (\$59/month) to Comcast High-Speed Internet Cable (\$89/month).

VII. New Business

A. Pump-outs

- Ed Meline had reviewed the pump-outs totaling 300 completed in 2007 and prepared an analysis/recommendation which was passed out to all in attendance. (see attached)
- After a lengthy discussion between some of the board members and some owners at the meeting a Motion was Made Seconded and Passed 3-1 to not charge for the pump out service. Matt, Phil and Fran voted to not charge for the pumpout fee and Ed voted for the pumpout fee

B. Proposed Deed/By-Law Changes



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- Ed passed out an eight (8) page revised Draft of Proposed changes to the Master Deed/By-Laws (dated 5.29.08) which listed potential changes suggested by Owners for consideration. Matt Kulinski, Board President, stated that, according to the By-Laws, any Owner could make a suggestion for a proposed Deed or By-Law change regardless if it was vote on in the past. Ed reviewed several of the proposed changes, but during contentious discussions, it was decided that a process for issuing and voting on the proposed changes should be determined rather than review them in the Meeting. Additional proposed changes had been submitted during the meeting.
- Fran Dalton stated “for the record that the four (4) other Board Members were not solicited nor did they recommend any of the changes to the Deed/By-Law’s that were handed out today”.
- Ed noted that the original Draft had been sent to all Trustees requesting changes/comments prior to the last Board Meeting on 4/27/08. No changes were suggested at this time. In addition, the Draft was discussed in detail on 4-27-08, as indicated in the Meeting’s Minutes at hbhyc.com.
- Fran Dalton MADE a MOTION that the Board, in a separate Meeting, should review the complete list of proposed changes and decide which ones should be sent out to the Owners for voting purposes. The MOTION was not SECONDED.
- Ed felt such a Meeting should be Open to all Owners. He also pointed out that this would be placing the Board in the position of possibly disenfranchising an Owner, who wanted to have a vote on a particular proposed change.
- The Board came up with a compromise solution as follows:
 - a. The name of the Owner (s) who proposed the change will be indicated, when the letter encompassing all the proposals is issued along with the rationale for said proposed change.
 - b. In addition, the Board's vote of support for any of the proposed changes will be indicated.
 - c. Ed had proposed that the suggested changes be discussed and voted upon at the Board's July Meeting. However, the Board voted to do this at the August Election Meeting.
 - d. The Board consensus was to not issue the proposed changes at this time. Ed said that all Owners should have as much time as possible to consider and discuss the many changes being proposed. He expressed disappointment that the Board decided to postpone the issuance of the Draft and noted that the approximate 20 Owners in attendance received the Draft. Ed saw no downside in issuing it to all Owners, but the board voted against this.



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e. The Owners will have a copy of the proposed changed to be voted upon well in advance of the August Owner's Meeting.

- Regarding the Elections:

Two Board seats will be available for re election in August. The Treasurer's, currently Ed Meline and the Vice President currently Jim Frank, since their terms expire in August.

- a. Candidates will submit resumes to the Office in early July 2008.
- b. A "Meet the Candidates" Meeting is scheduled for Saturday, August 2, 2008.
- c. The Election is scheduled for Saturday, August 16, 2008.

It was agreed to hold the next Open Board Meeting on Sunday, July 13, 2008 @ 10:00 A.M.

A MOTION was MADE, SECONDED and PASSED to adjourn the Meeting at 2:30 PM

PUMP-OUT ANALYSIS FOR 2007									
# PUMP-OUTS	# OF SLIPS		TOTAL PUMP-OUTS			# PUMP-OUTS	# SLIPS	TOTAL PUMPOUTS #	%
1	28		28						
2	11		22			OVER 10	4	52	17%
3	9		27			5 TO 9	23	153	51%
4	5		20			LESS THAN 5	52	97	32%
5	5		25			TOTAL	80	302	100%
6	8		48						
7	3		21			# PUMP-OUTS			
8	4		32			NONE	95	54%	
9	3		27			1 OR 2	39	23%	
10	0		0			TOTAL	134	77%	
11	0		0			SLIP			
						A (15): 6/11,17; 7/2,6,,9,16,27; ,8/2,6,11,13,20,27; 9/3,17			
						B (13): 6/11,17,28; 7/2,7,20,30; 8/13,17,21; 9/3,17;			
						C (12): 6/29; 7/4,9,14,22,29; 8/1,9,16,25; 9/22,29			
						D (12): 6/11,18; 7/4,16,30; 8/1,12,20,27; 9/17; 10/10			
						E (9): 6/18; 7/12,16,29; 8/4,13,27; 9/6,17			
12	2		24			F (9): 6/14,19,28; 7/4,9,14,26; 8/2,26			
13	1		13			G (9): 6/17; 7/2,4,9,16; 8/2,6,9,25			
14	0		0						
15	1		15						
TOTAL	80	46%	302						
NONE	95	54%							

Pump-outs

I. Background

- A. The charges for a pump-out at many marinas on the East Coast range between \$5 to \$10.
- B. At the Owners' Meeting on 3/4/06, it was pointed out that the maximum HBHYC could charge is \$5 per pump-out, since government monies were used to subsidize the installation of the pump-out systems. This limitation will be confirmed with the proper authorities during the week of 4/28/08.
- C. At the same Meeting, in a non-binding vote, the Owners voted, virtually unanimously, for a pump-out fee, even if it was only \$5. It was noted that it would not simply provide added revenues but would possibly act as a deterrent to Owners to request frequent pump-outs.
- D. The Board at its 3/11/06 voted against the pump-out fee that had been approved in the Budget and by the non-binding vote. No valid explanation was given.
- E. I have a couple of discussions with Russ Dodge, New Jersey Fish & Wildlife. He believes that, as a Condominium, we would be allowed to charge Owners whatever amount we desired. He was not sure about charges to non- Owners. He also said that since we had to replace the pump-out system when it was destroyed in 2006, we probably have no restrictions on charging for pump-outs. He wants to get an official ruling from the CVA Committee, whose next meeting is 5/29/08, at which time he will contact me. He also said that he will call the Chairman of the Committee to get his opinion.

Costs for a pump-out are estimated as follows:

Based upon Raul, who does many of them, and an estimated 20 minutes for the average pump-out, the cost of just the **labor** would be:

Labor @ \$15.50 per hour- 20 minutes=	\$5.17
Taxes, Workers' Comp, etc @ 10%	<u>.52</u>
TOTAL	\$5.69

Based upon a Dockhand at \$11.50 per hour (or \$3.83 for 20 minutes) plus 10% taxes, etc. = \$4.21 for 20 minutes. This would assume no supervision was involved.

This does not include the cost and maintenance of the equipment itself. We recently spent \$5000 to replace the portable pump-out unit, which was stolen in 4/07. It is also probable that the pump-outs take longer than 20 minutes on the larger boats with a full holding tank and frequently two (2) Staff are involved.

A discussion that has taken place on a number of occasions over the years focuses on the fact that, as a Condominium Association, we do not want to create specific charges for all the services and amenities provided. The rationale continues that, by definition, being in the Condo

means that we should all share in whatever the costs are and that this logic should be applicable to a pump-out charge.

It is noted that we charge individual Owners for a number of services offered at the HBHYC:

1. electric
2. cable
3. admissions fees for parties/events
4. burgers , hotdogs and drinks on the weekends for lunch.
5. dredging of a slip
6. extra pilings for a slip
7. rental of the Clubhouse
8. Special Classes
9. 30% for the rental of a slip
- 10.10% for the leasing of a slip
- 11.1/6 of the Capital Condo Fee when a slip is purchased

There are many Owners whose boats don't have bathroom facilities requiring a pump-out.

The attached analysis of the 302 actual pump-outs in 2007 shows that 54% of the slips had no pump-outs.

A total of 77% of the slips had 2 or 1 or no pump-outs. These Owners should not be asked to subsidize those who use pump-outs on a continual, and sometimes, excessive, basis. We need to consider all the Owners when we create Policy. It is recommended that we implement a charge of \$10 (unless restricted to \$5 by the State). There are a number of reasons why we should charge for a pump-out:

1. It is fair
2. It will defray the labor, maintenance and repair costs related to pump-outs. We have both a state of the art system throughout the Marina and a \$5600 portable unit for emergencies.
3. It will produce revenue directly from those that use it (est. of 300 @ \$10=\$3000).
4. A \$10 fee is very appropriate.
5. It may act as a deterrent to those Owners/Tenants who request pump-outs excessively.
6. It is easy to administer the charges. No cash will be required, since Stacy can simply bill the Owners when a pump-out is performed as posted on the request Board.