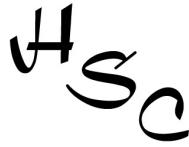


Hanover Seaside Club



founded in 1898

601 South Lumina Avenue
Wrightsville Beach, NC 28480
910.256.2726

P. O Box 434
Wrightsville Beach, NC 28480

Board of Directors Meeting June 6, 2012 St. Paul's Lutheran Church

Attendance: Mike Lewis, Jean Lawler, Linda Tinga, John Cockrum, Brad Walls, Elise Beall, Tom Cheatham, and Sally Godwin. Duncan McFadyen and Chris Furr were absent.

Guests: Crystal Ahumada, Janet Warren, Lisa Peeler, Francie Godwin, Eelco Tinga, Eddie Lawler, Dan and Susan Hickman, Fran Huggins, Denise Cheatham, Maria and Alex Hall, Sarah Cain, Beth Henderson, Jake Wessell, Jean Gieshcn, and Joey Marlow.

Brad Walls moved we accept the agenda. Elise Beall seconded. Motion passed.

John Cockrum moved we accept the minutes of May 3, 2012, as corrected. Brad Walls seconded. Minutes were accepted.

Report from CPA and Bookkeeper-Crystal Ahumada-

1. Grady Windham has talked to Mike Lewis stating that the 2011 books have been closed. The income tax has been completed and will be signed by June 15, 2012.
2. Grady Windham has a draft of the accounting practices. The draft will be given to the Finance Committee.
3. Crystal Ahumada went over her reports.

Finance Report-Linda Tinga and Crystal Ahumada-

1. The loan the Hanover Seaside has from First Citizens has been re-financed. The loan is 4 ¼%. The Club owes \$282,000 and the payment is \$5410 a month for 59 months as of June 23, 2012.
2. The profit and loss statement was gone over. Brad Walls moved to ask Mollene to come up with recommendations to reduce the cost of food and labor by 20-25% by the middle of July. Tom Cheatham seconded.

- Discussion was held. This is a request to develop a plan but not act on it. The Board would determine when and if it becomes necessary to act on it. Motion was passed. The House Committee will take this to Mollene and give her direction.
3. Insurance policies were discussed. Linda Tinga moved we put all our insurances out for bids. Elise Beall seconded. Motion passed.
 4. It was brought out that the Treasurer is only bonded for dishonesty for \$15,000.

Managers' Report-Mike Lewis for Mollene

1. Snack Bar-is being staffed by 2 newly hired people and a 3rd person, all part time employees. Mollene has instructed them on snack bar procedures.
2. The parking lot attendant is returning from last year.
3. Kayaks- There have been 4 kayaks stolen since February, 2 of the 4 have been stolen in the past 3 weeks. We are working with the Town of Wrightsville Beach about this. This problem will be turned over to the sound committee.
4. A refrigerator in the kitchen went out on June 2nd. The fan needed to be replaced at the cost of \$700.00
5. Stickers- the Board approved to give Dr. Turlington, who lives in the house north of the parking lot, 2 Club parking stickers. Linda Tinga will see that he gets them. Janet Warren stated that members should be made aware that the sound property belongs to him and we need to be good stewards of it. Elise Beall will blog this to the membership who have e-mail addresses.
6. Room 14- Mike Lewis discussed the need of having a room with a high toilet and a handicap bar. Discussion was held. Brad Walls moved we put a high toilet and hand rails in room 14 on the third floor. John Cockrum seconded. Motion passed.

Old Business:

1. Update by Eddie Lawler on the purchase and needs of a POS system-
 - A. According to a POS Buyer's Guide a computerized system can probably pay for itself with revenues of \$700,000-\$900,000. Smaller businesses with revenues around \$400,000 and above can benefit from POS system but less directly. Below that an electronic cash register will probably meet their needs. In studying the budget for 2012 only \$200,000 of that would be used for a POS system, so an electronic cash register was purchased for less than \$200.
 - B. Secretary of State and Annual reports-Clarification was made about the Hanover Seaside Club being classified as a 501-C-7. We are not required to file annual reports with the Secretary of State. We are not required to send in Board minutes. The IRS may request minutes from Board minutes and standing committee meetings for years being audited which would not be greater than 3 years back.
2. Mold Remediation- John Cockrum
 - A. The remediation project cost \$203,464.00. John and Duncan McFadyen were thanked for their hard work and expertise.

- B. The lien from the mechanic service has been handled. Our Lawyer said to mail the amount to the New Hanover County Clerk and they can file it with the Court.
3. Surf Lockers- Mike Saieed, an architect, has been asked to do plan to get the surf lockers permitted. The Club has authorized \$537 to do a design and present it. Mike Lewis went over the plan Mike Saieed designed. Discussion was held. Brad Walls moved we reject the design that Mike Saieed came up with. Elise Beall seconded. Motion was passed to reject the design. Mike Lewis will ask him to look at the feasibility of single or dual standalone lockers.
 4. Constitution Committee- Elise Beall- the Constitution needs to be annotated as to amendments that were passed at Annual meetings. After the annotations have been completed to the current Constitution, will need to be presented at a meeting of the Regular membership so it can be approved. Then a second meeting of the Regular membership will be held so the amendments that have been added to the Constitution by this Committee can be approved. The committee will report to the Board when it's been completed.
 5. Security System- Discussion was held about the security camera system. There is a pan and zoom system on the camera at the sound. A Board member can be a backup person trained for on the premises use/access of the security system at the Club. The remote access capability will not be activated at this time. Tom Cheatham moved to be the second person to be able to access the security system at the Club. Brad Walls seconded. Motion passed.

New Business:

1. A letter from Bill and Mary Lewis Steuer was handed out commending Mollene and the staff on the meals and would like the Board to re-consider the Tuesday night suppers in the off season and their reasons.
2. Report from the House and Operations Management Committee-Brad Walls. Brad Walls had e-mailed the Board members the finished job descriptions for the Kitchen Staff, Snack Bar Staff and the Parking Lot Attendant. Discussion was held. John Cockrum moved we accept the job descriptions of the Kitchen Staff, Snack Bar staff, and Parking Lot attendant. Tom Cheatham seconded. Motion passed.
3. Telecommunication Update- Mike Lewis went over Chris Furr's recommendation on bundling of some of our telecommunication equipment. Tom Cheatham moved we accept Chris Furr's recommendation. Elise Beall seconded. Discussion was held. After a question about direct TV, Tom Cheatham withdrew his motion until Chris Furr can get the question answered.
4. Report of Sound Facilities Committee-Jean Lawler- A workday was held at the sound. The sail boat racks were covered with outdoor material to prevent scratches. Kayak racks need to be finished with the same material. Discussion was held about boats without current stickers. Brad Walls moved that a letter be sent to the members who do not have a current sticker be given 2 weeks to get one or their boat will be moved at their expense. John Cockrum seconded. Motion passed.

5. Finance Committee-Mike Lewis-Mike Lewis recommended adding Jim Morgan to the finance committee to give the committee a past Board member and a financial background. Mike Lewis moved to add Jim Morgan to the Finance Committee. John Cockrum seconded. Discussion was held. Motion was not carried by a vote of 1 for and 5 opposed.
6. Communication Committee- Elise Beall
 - A. A logo has been updated with the correct Wrightsville Beach address.
 - B. There are currently 310 registered members meaning 1 membership per family.
 - C. In May there were over 1000 visits to the Web site.
 - D. A request was made by Elise Beall for the committees that do not meet regularly to approve the minutes of the meeting by E-Mail so she can add them to the Web site.
 - E. Elise Beall moved that starting in August to put a monthly financial statement on the web site. Brad Walls seconded. Motion passed.
 - F. Mike Lewis moved to add Brett Riggs to the Communication committee instead of Jan Shepperd. Elise Beall seconded. Motion passed.
 - G. A Face Book group will be started.
7. Attic Leak-Mike Lewis- There was a block in the main condensation line and it has been repaired.

Mike Lewis moved the Board go into Executive Session. Linda Tinga seconded. Motion passed.

Elise Beall moved we come out of Executive session. John Cockrum seconded. Motion passed.

During Executive session the following were discussed.

1. Member payment was discussed and resolved.
2. A member was dropped from the membership.
3. An updated membership list will be done.
4. Clarification for responsibilities for Board members and standing committees was asked for.