

# Hanover Seaside Club

601 South Lumina Avenue  
Wrightsville Beach, NC 28480

**HSC**  
1898-2008  
Wrightsville  
Beach, NC



Reply To:

P.O. Box 1085  
Wilmington, NC 28402

(910) 256-2726

Board of Directors Meeting  
September 13, 2011

Attendance: Mike Lewis, Jean Lawler, Wilson Horton, Henrietta Godwin, Deak Walden, Brad Walls, Elise Beall, John Cockrum, and Sally Godwin. Duncan McFadyen was absent. Jan Sheppard and Robert Orrell were guests.

The meeting was called to order by Mike Lewis at 5:35pm.

The agenda was amended. Brad Walls moved we accept the agenda. Deak Walden seconded. Agenda was accepted.

Jan Sheppard addressed the Board with written concerns she has about the Club's financial accountability of reports, concern of dues being raised, and some ways to cut costs for the club through the winter. The Board will address these concerns at the October meeting.

Robert Orrell was asked to come to the meeting to talk with the Board about obtaining a CPA firm and a Bookkeeping firm to do the accounting for the Club. A "cardinal rule" for internal control is the record keepers do not handle the money and the people who handle the money do not keep records. At the last meeting the Board voted to use Gary Windham from Windham and Henderson CPA firm to do an audit. Robert Orrell has talked to Mr. Windham and he is free to meet with the Board after September 20<sup>th</sup>. Robert encourages us to use a Bookkeeping firm to do the everyday running of the club. He has recommended Karatech Island Computers. The firm has worked with Windham and Henderson before and has a good working relationship with them. Robert suggested we do an audit on the 2011 records. He explained the 3 levels of an audit:

1. Compilation- takes the records and compiles them into a statement with no review.
2. Review- is an in depth review of the clients financial statements with help from the client.
3. Audit-involves a strenuous review of internal controls, testing and vouching for the accounting records.

Discussion was held. It was voted that we rescind the motion to use Earney and Young to do the audit. 6 board members voted yes and 1 member abstained. Mike Lewis moved we bring in Windham and Henderson, CPA to do the audit and KaraTech Island Computers to do the bookkeeping for the Club. Elise Beall seconded. There was no further discussion. Motion passed unanimously. Robert will take the financial records to Gary Windham. Mike Lewis will let Alex Hall know where the records are. We have set a meeting for Wednesday September 21, 2011 at 5:30 at the Club with Gary Windham and Crystal Ahumada from KaraTech Island Computers. Mike will call them.

#### Maintenance Items-Mike Lewis for Jim Morgan-

1. The catwalk at the sound that was damaged during tropical storm Irene was done.
2. 605 South Lumina siding issue was repaired. There was water damage from water leaking around the dormer window.
3. We have 8 new rocking chairs that have a 15 year warranty. There is a stock of wooden rocking chair parts to repair the wooden ones as they break. We will not order new wooden rockers. The main complaint with the wooden rockers is that the paint comes off of the seats.
4. Shower on the 3<sup>rd</sup> floor- There was no grouting around the shower head. The pan for the shower did not come up high enough on the wall so it leaked. It can be fixed.
5. The leaking toilet in room 15 is fixed.

Approval of Minutes: The minutes of the August 9, 2011 were approved as e-mailed out. The minutes of the September 3, 2011 were e-mailed out. They were approved with corrections.

#### Club Manager's Report- Mike Lewis for Mollene Smith-

1. Issues/security-A complaint was received from Dr. Turlington on renters at 605 were on his property late at night.
2. Billing-Bills for meals were sent out July 21, 2011 for \$2474.55. We do not know how many bills were sent to members more than once. This would take up the Managers time.
3. Party profit/loss- Profit for last party was \$1058.71.
4. There was a party at the sound on September 20 without notifying the Club manager. Brad Walls will look into it. Parties are not allowed at the sound.

Budget- Wilson Horton- The financial report (page 99) was gone over. The dining room income includes the \$11,000 from 2010 dining fees that came in when billed in 2011.

#### Old Business:

1. Constitution Committee Feedback- Elise Beall-The committee looked over the letters received, the 2 meeting minutes that were held for the regular members and the comments from other members. The comments were categorized by:

- a. R=problem with revised by new constitution – now a moot point
- b. C=Constitution change needed
- c. B=Issue that needs Board action-not Constitution change

The Committee requests that the Board provide feedback on the items that concern the Constitution as well as other concerns the Board would like in the amended Constitution. Discussion was held. The Board instructed that the Constitution committee look at the items that were concerns with the constitution and amend the Constitution and bring the results back to the Board. The committee will meet and look at these.

- 2. Webpage information-Elise Beall- 210 members have registered on the blog. In August we had 575 unique users, in September we had 290 unique users. On 9/12/11, for a period of time, the default for members disappeared. The blog manager went in and fixed it and showed Elise Beall how to fix the problem if it happens again. There was no spike in users; in fact the users went down. When we put the membership list on the blog we did not give members an option to opt out on the phone numbers or addresses. When Wilson Horton writes his letter for the dues, he will put a statement in the letter informing any member who wants to have their phone number or address blocked out on the blog they can submit a request and it will be given to Elise Beall and she will take care of it. The information will be blocked only on the blog but will be contained in the membership roster kept at the Club.
- 3. Surfboard Lockers-Deak Walden-Deak presented a hand written estimate, from Alan Richardson, for the building of the lockers. It was \$1800.00 more for the products than the other estimate. Deak Walden moved we accept the bid by Alan Richardson. Brad Walls seconded. Motion passed unanimously.
- 4. Letter written by Wilson Horton- He has written the letter to the father of the person whose birthdate we need to find out. He has not heard from him yet.
- 5. Additional Light at the sound- Jean Lawler- Jean will meet with Progress Energy at 10am tomorrow to talk to them about a light to shine on the kayak sections. They will decide on what kind to use according to Wrightsville Beach ordinances.

#### New Business:

- 1. Mold Issue-John Cockrum and Duncan McFadyen- They met at the Club and found a mold had bloomed in rooms 9 & 10. The building is leaking warm/hot moisture laden air from the attic into the conditioned space below through numerous places. The new HVAC system toilet exhausts are now functioning near design requirements and should continue to help remove bathroom moisture. What needs to be done is to seal the entire upstairs from the attic and the sheet rock walls and ceilings painted. John Cockrum got a proposal from a painting contractor, who he has used successfully and present to the Board. This will be discussed at the October Meeting. Another source of moisture may be the exterior walls. John and Duncan want to remove some paneling and look at wall construction to see if it is conductive to moisture entry. Report at the next meeting.

2. Discussion on standing Committees- Elise Beall -Standing committees has been discussed in the past. Elise and Duncan have been working together to propose standing committees. Discussion was held. A vote on committees will be held at the November meeting. Brad Walls moved to let the House Committee start working on job descriptions and evaluations for all employees. This committee was approved and formed this summer. Deak Walden seconded. Motion passed unanimously.
3. Brad has a list of names to select 2 more regular members to join the committee. It was discussed to approve a finance committee to the Board. It was decided to wait until after our meeting with the CPA firm and Bookkeeping firm on September 21, 2011.
4. Motions from Brad Walls-
  - a. Brad Walls and others are concerned about the number of staff family members that are around the Club. Discussion was held and Mike Lewis will talk to Mollene.
  - b. There is concern about the Clubs expenses and what can be done to better account for them. Brad Walls moved that beginning 11/1/11 the Assistant Managers position be made an hourly position. Henrietta Godwin seconded. Discussion was held. Motion passed with 6 for and 1 abstained.
5. Rules Committee-Deak Walden-We are down to one security guard at this time. Deak questions if we need another one now? Discussion was held and it was decided to stay with one security guard and he will work as Mollene guides.
6. POS (Point of Sale)-John Cockrum-John Cockrum has talked with someone who parts of one to help determine expenses. It was decided to wait and see what the CPA firm suggests about food expenses.
7. Mike Lewis will be the Boards central voice to Mollene about items that concern the Board and Club management.
8. The next meeting will be held on Wednesday, October 12, 2011 at 6pm at the Club. Mike Lewis will bring supper.

There being no further business the meeting was adjourned at 9:30pm.

Sally Godwin, Recording Secretary