

Hanover Seaside Club



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Board of Directors Minutes

September 21, 2015

The regular monthly meeting of the Board of Directors of the Hanover Seaside Club was held on September 21, 2015 at 5:30 pm at the New Hanover County Northeast Library, Landfall. The meeting was called to order by President John Cockrum.

Board Members present included:

President John Cockrum

Vice President Elise Beall

Treasurer Linda Tinga

Board Members Present: Jake Wessell Francie Godwin Jim Morgan
 Ken Johnson Bo Wessell

Absent: Duncan McFadyen

One Regular member/non board in attendance.

Agenda—Motion to approve revised agenda made by Bo Wessell, seconded by Elise Beall.
Motion approved.

Minutes--Motion to accept revised minutes from August 10, 2015 meeting made by Elise Beall and seconded by Jim Morgan.

Report of Officers:

President's Report—John Cockrum-- No report

Vice President's Report—Elise Beall-- No report

Secretary/Treasurer—Linda Tinga

She gave the Club's cash position and then stated that a contingency fund of \$20,000 has been invested at PNC Bank under Restricted Funds.

Reports of Committees:

Communications- Ken Johnson, Chair.

No Report

Constitution- Jake Wessell, Chair.

No Report

Policy Manual Committee- Jake Wessell, Chair

Jake went over some of the revised and updated rules from the House Committee. Elise Beall made a motion that we strike the rule concerning no swimming on the south side of the pier at the sound. Francie seconded the motion. Motion passed.

Jake made a motion that we accept the amended rules from the House Committee to become Policy. Motion passed.

Finance Committee- Linda Tinga, Treasurer

Linda went over the Financials. She was very concerned about the money that we had spent on the CPA so far this year. Elise Beall made a motion that John Cockrum contact Grady Windham and tell him that we need a final report that he has been working on at the next Board Meeting, October 19, 2015. Francie Godwin seconded the motion. Motion passed.

Linda reminded every chairman of a committee to have their budget request to her or Steve Lee by September 29. It is imperative to keep these deadlines.

House Committee- Elise Beall, Chair

Elise contacted Nell Ostby about the player piano being removed from the Club. Mrs. Ostby says she does not know what to do with the piano. Therefore, the House Committee made this motion: The House Committee requests that the Ostbys be sent a letter from the Board requesting that the Ostbys remove the player piano in the parlor by November 7, 2015. Motion passed.

Long Range Planning- Jim Morgan, Chair

No Report

Operations & Management Committee- Duncan McFadyen, Chair

John Cockrum made the following three motions from the Operations and Management Committee in Duncan McFadyen's absence.

1. Motion 1- A budget line item of \$2,000 be established to fund annual salaried staff cost of living increases. Details to be determined as directed by the Board. Motion passed.

2. Motion 2- Abandon the party profit bonus policy and replace it with a gratuity based policy. Distribution details to be determined as directed by the Board. This will go into effect with contracts beginning September 22, 2015. Motion passed.
3. Motion 3- A budget line item of \$7,500 be established to fund annual staff performance bonuses. Distribution details to be determined as directed by the Board. Motion passed.

Social Committee- Francie Godwin, Chair

The Social Committee made the following motion: The events put on and carried out by the Social Committee be put in a line item for the budget for their expenses and their income separate from the events that the club hosts. Motion passed.

Old Business

John Cockrum gave a follow up on the Beach to Battleship. The crowd will not use our pier or decks that day.

Nominating Committee

John Cockrum made a motion that the Nominating Committee for 2016 consist of Jake Wessell, Chairman, Robert Orrell and Ned Marable. Elise seconded the motion. Motion passed.

Next Board Meeting scheduled for October 19, 2015 at 5:30pm at the Hanover Seaside Club.

Executive Session- President made a motion that we go into Executive Session at 6:55pm.

Meeting adjourned at 7:00pm.

Respectfully submitted,

Linda Tinga, Secretary/Treasurer

House Committee Report

The House Committee met on Monday, August 17, 2015 and Monday, September 14, 2015 at 5:00 pm at the Club. Minutes are on file in Dropbox.

The Committee discussed security for the Club. It was felt that security personnel are not necessary for Labor Day weekend. The committee also decided that the cost of placing a gate with keypad on the walkway to the beach is not cost efficient. The Facilities Committee will be looking into the security camera situation.

The Policy Manual Committee returned the Rules Policy for revision. The Committee approved a revised Rules Policy to submit to the Policy Manual Committee at their August meeting. The Committee also approved a Room Policy to submit. Both documents were submitted to the Policy Manual Committee. The Rules Policy was approved and will be sent to the Board for approval at their September meeting. The Room Policy was returned to the House Committee for revision. The House Committee approved a revised Room Policy to submit to the Policy Manual Committee at their September meeting.

The House Committee approved budget requests for the 2015-15 fiscal year. The Committee also approved a long-range plan for redecorating the Club.

The House Committee discussed the player piano in the parlor. The Board approved that the Ostbys be contacted and asked what they would like to do with the piano that they donated to the Club. Mrs. Ostby informed Elise Beall that the piano was not donated, but was merely being stored at the Club. Elise notified her that we would like the piano to be removed. Mrs. Ostby responded that she needed to figure out what to do with the piano and would get back with us. It has been over a month and she has not gotten back with us.

Motion: The House Committee requests that the Ostbys be sent a letter from the Board requesting that they remove the player piano in the parlor by a given date (to be determined by the Board).

Operations and Management Committee Report

The Operations and Management Committee met on Wednesday, 2 September 2015.

A quorum was present.

Background:

The Operation and Management Committee has been discussing staff evaluations, staff compensation and potential staff performance bonuses and other matters concerning retention of staff and contingency planning for future club management. The Manager's current salary of \$43,575 seems reasonable when other perks are considered – an apartment, paid utilities and meals. The Assistant Manager's salary is \$26,000 without the perks provided to the Manager. The regular hourly staff's compensation is near minimum wage to about \$10.00 per hour for the senior staff. Seasonal hourly staff compensation is slightly above minimum wage at \$7.50 per hour. Many of the hourly staff have been employed at the Club for many years. Otherwise, the staff have few benefits, no health insurance or retirement plan. Compensation adjustments appear to be few, unplanned and without significant objective performance evaluations. An annual cost of living adjustment is not provided. Vacation and sick leave benefits are not known, but it appears the Manager likely remains at the Club during her annual January vacation. Planning for staff compensation package adjustments and benefits has not been observed. The Committee believes the Manager feels unappreciated. Understandable as she

works long hours, has multiple bosses telling her what to do and a Board that is inconsistent praising or rewarding her. At best, she probably has only a few more years before she will retire and, at worst, she may leave at any moment. Suggestions and Motions:

The Committee suggests rethinking the staff compensation and benefits policies. To that end, the Committee has been reviewing objective, quantitative staff evaluation criteria and is in final discussions and approval of evaluation forms and procedures. Further, the Committee feels the Manager and Assistant Manager's compensation should include an annual cost of living allowance, perhaps 3% or a percentage pegged to an appropriate cost of living indicator. This would be in addition to any performance based bonus and should be implemented as soon as possible.

Therefore, the Committee moves the following:

A budget line item of \$2,000 be established to fund annual salaried staff cost of living increases. Details to be determined as directed by the Board.

There is no health insurance plan for the staff. While we understand that health insurance programs are expensive, in order for the Club to be competitive in the employee marketplace, some consideration is suggested for participation in staff's health insurance costs. The current staff (Manager, Assistant Manager, regular and seasonal hourly employees) bonus policy is based solely on splitting a percentage of the net profits from parties and events. The Committee considers this to be additional compensation for the Manager and Assistant Manager having to work these events outside of their normal duties. Other staff working these events are paid an hourly rate, generally about \$7.50 per hour. The bonus policy is arbitrary since the Manager and Assistant Manager have no control of the number of parties booked or what constitutes a net profit, and such policy offers no reward for performance. The Committee has discussed abandoning this policy and replacing it with a gratuity based policy. The Committee suggests adding an 18% gratuity to each party and event to be shared amongst all who worked the party and distributed in the next pay period following the party. The Committee notes few venues exist that do not require a mandatory gratuity for private events. This appears to be more equitable and does not require any Club funds. Since the current party profit based bonus policy is distributed at the end of each calendar year, some employees may not even be in the Club's employ when the bonus is distributed. Distributing the gratuity immediately after the events generating the funds will assure the employees working the parties are rewarded promptly and appropriately. Some manner of division of the gratuity generated will have to be devised, perhaps determined by the Manager based on the time worked and the task performed.

Therefore, the Committee moves the following:

Abandon the party profit bonus policy and replace it with a gratuity based policy. Distribution details to be determined as directed by the Board.

A performance based bonus policy for the staff is strongly recommended using objective, quantitative performance evaluations and input from the Board.

Therefore, the Committee moves the following:

A budget line item of \$7,500 be established to fund annual staff performance bonuses. Distribution details to be determined as directed by the Board.

Additionally, the Board should consider developing a contingency plan for replacing the current Manager upon her retirement or inability to perform her duties. It is not certain the Assistant Manager would be selected or would want the position. And the current Assistant Manager is unlikely to want to live full time on the premises. She may not want to remain at all if her mother leaves. The Board should consider establishing criteria for selection of staff for these unique positions. It is unlikely that the Club will again

have the benefit of passing the managerial torch from one generation to the next. The Club has long benefited by having three generations of one family as Managers and Assistant Managers to direct the day to day operations of the Club and develop the personal relationships that support smooth operations. Succession planning is a task the Board should seriously consider.

Facilities Report

- I. Projects completed since last report
 1. Adjustment of the mixing valve for the downstairs showers again.
 2. Plumbing repairs.
 3. Replaced air conditioning grills in kitchen, dining room, snack bar and in 605 S. Lumina Ave
 4. Changed filter and adjusted upstairs ice maker
 5. Refurbished the weed eater and blower stored under 605 S. Lumina Ave.
 6. Cut all grass and weedeated both properties. Bob Morton & Bo Wessell
 7. Repaired west snack bar screen door
 8. Rebuild kitchen dishwasher
 9. Rebuilt picnic table
 10. Killed sandspurs in front of management parking
 11. Changed signage at sound side
 12. Replace fence post at the parking lot entrance (Seegars)

- II. Projects in Progress:
 1. Paint the inside white street walkway on Lumina Ave.
 2. Rap upstairs ocean door with aluminum

 3. Continue reviewing video security systems
 4. Gasket in walk-in unit between cooler and freezer needs to be replaced. Cool Refrigeration will do the work off season when the units can be turned off, emptied, cleaned and dried.
 5. Creation of a hurricane plan – Eddie still working on this
 6. Perform inspection of all HSC property in the fall – Mark Wilson to meet FC

- III. Other requests and future projects:
 1. Luggage carts – one big one has “bit the dust”, looking to replace it with two of the small carts
 - 3 HVAC ductwork on bottom floor of 601 S. Lumina is completely full of water. Inspected area after meeting. Duncan to contact Cannon to inquire about possible solution. Preventing water (likely from condensation on outside of hard pipe) is probably impossible to prevent; however, it is reducing efficiency of system significantly by soaking the insulation surround. Insulation must remain dry in order to be efficient.

 4. Add orange traffic cones to crosswalk on Waynick (similar to Carolina Yacht Club and Blockade Runner).

5. Need new windsock pole – current pole is very corroded and cannot be cut off and extended. Eddie to check with Southeastern Machining and Welding for possible replacement options.
6. Need Kent Yarborough to evaluate 605 S. Lumina and 601 S. Lumina decks to confirm structural integrity. John Cockrum to contact him and set up inspectio

IV. Suggested Projects for the 2016 budget

1. Start replacing upstairs windows – tracks corroded, need to talk to Wayne “Fuzzy” Johnson at Godwin Lumber for best window deal
2. Kitchen floor. Time to get bids. Need to check flooring under the walk-in cooler.
3. Rocking chairs. Replace 12 per year.
4. Snack bar chairs – replace the plastic chairs with wood chairs (a safety issue). We are having to throwaway more and more broken plastic chairs. Some have broken and dropping people on the floor. We have been lucky to not have someone badly hurt. The only plastic chairs found to fit under the tables are the cheap \$ 9.95 variety. The oak replacement chairs are between \$60.00 and \$70.00. We are now short over 24 chairs.
5. Seal and paint parking lot. We have one bid with another on the way.
6. Paint sound side deck. Is it practical?
7. Extend bulkhead along the north side of berm. It appears we can get a permit. Do we want to follow through with seeking a bid for the project? Yes, we should request bid from Jimmy North.
8. Head boards (1”X6”) for upstairs bed frames. The metal frames are gouging holes in the walls at the head of the beds.
9. Air conditioner replacements.
10. Dock and pier repair – cross bracing to be added. Hinge will be of no advantage.
11. Cantilevered gate for dirt parking lot.
12. Replace mixing valve.
13. Replace floor molding at entrance
14. Replace HVAC vents in parlor, hall and office.

Membership Committee Report

The Membership Committee met on August 11, 2015.

We developed 2 policies that were submitted to the Policy Manual Committee.

Upon looking at the requests from those who want to become regular members from seasonal members, we realized that many of these had not completed the application process correctly. Letters were sent to those members informing them of what they needed to do to complete the process. This information is due back to the committee by September 30, 2015.

Our next meeting will be held in November.

POLICY MANUAL COMMITTEE REPORT

The Policy Manual Committee met on August 25, 2015 with the main task of reviewing several policies submitted for approval, including the following:

1. From Membership Committee: Policies for "Change from Seasonal Member to Regular Member" and "Membership Application" were submitted. These first draft policies were reviewed and sent back to Membership Committee for various clarifications and revisions.
2. From House Committee: Policies for "Room Rentals" and "Hanover Seaside Club Rules" were submitted. The first draft of "Room Rentals" policy was reviewed and sent back to the House Committee for various clarifications and revisions.

A 2nd revision to the "Hanover Seaside Club Rules" policy (HSC Policy #6010) was reviewed and approved by the PM Committee.

MOTION:

Approve Hanover Seaside Club Rules Policy (HSC Policy #6010) as submitted (see attached policy document).

The PM Committee would like to stress the importance of the Policy Manual to the function of the Club and the continuity between BODs. Since the composition of the BOD changes annually, it is important to establish a written set of policies to guide each successive BOD in operating the Club with consistency and to avoid "reinventing the wheel" each year, as has happened many times in the past. The committee asks that each Standing Committee continue to work on their respective "needed policies" as provided last month. The PM Committee understands the difficulty in creating and writing policies, and is currently working on establishing a set of "Policy Writing Guidelines" to aid Standing Committees in this task.

Social Committee Activities Report- September 2015

While trying to prepare the budget for the social committee I realized that there is no line item in the budget for the Social Committee income and expenses. The Social Committee would like to see the events that are planned and put on by our committee (Bingo, Low Country Boil, Middle School and Elementary nights, Party on the Porch) be separated in the budget from the events that are put on by the club (Luau, Valentines, Christmas Party, Cookies with Santa, and Flotilla).

In regards to the 4th of July, would this be considered a club event or social committee event? We are responsible for decorating and running all of the events. I need to know whether to budget for the tent, the fishing pond games, guessing games, cupcakes, posters, etc or will this come from a general fund?

The Social Committee would like to make the motion that:

The events put on and carried out by the Social Committee be put in a line item for the budget for their expenses and their income separate from the events that the club hosts