

Hanover Seaside Club

Board Meeting Minutes (webinar)

July 20, 2020

6:00 PM

1. Call to Order : President Jan Sheppard called the meeting to order at 6:00 PM. Present by webinar: Clark Whitman, Ernie Alexander, Cher Pridgen, Dan Harris, Elise Beall and Armistead Boyd. Absent were Mackey Hughes and Andrew Walden.

2. Adoption of Agenda – The agenda was amended to move the 605-committee report ahead of Secretary-Treasurer report. The amended agenda was approved

3. Adoption of minutes-The June 24th Minutes were approved as submitted. The July 8th Minutes, Elise Beall requested a correction to the Covid-19 Protocol Information section, the correction was recorded and the Minutes with correction were approved.

4. 605 Committee

i. Builder recommendation – Bids from 3 builders are in. Our committee met last night to recommend a builder, but did not achieve that goal. The committee had met with only one of the project managers, so the committee feels they need to meet with the other 2 project managers before they make a final decision. There were also some questions regarding wording in the proposals. No matter which builder is selected, we feel confident we will have a good product. The decision will be made before the August 1 meeting. Elise stated the 605 Committee has the full confidence of the BOD and should make a motion to approve their builder decision. Motion was made and passed unanimously Dan asked about motion to approve loan amount of $1.1 million could be a problem. Armistead replied all three bids received were in the $900 thousand range, so we have a 10% variance built in.

ii. Financing – We received 2 good offers for a Commercial note, 25 year amortization with a 10 year call. First 2 years are for construction with an interest only payment. This is important since we can keep the cost low without rental income. 2022 will be the first year we will have a full rental season. The only real difference in the offers is the interest rate. First Bank offered 3.48% and First National Bank offered 2.99%. The committee voted to accept the First National Bank offer. Clark calculated we would save around $80,000 with lower rate. Also, the loan manager of First National Bank is a Club member, Ned Marable. Dan stated that the he felt the terms offered were great, you rarely see a 10 year call. The offer is only good until August 5. Clark pointed out that we should point out at the called meeting that if don’t vote to approve, we take the chance of missing this opportunity for low rates & favorable terms. As soon as we get approval, things will start moving quickly to start September 1. Elise thanked the 605 committee for doing such a good job and being so thorough. Armistead made a **motion** for board to approve the First National Bank offer, motion passed unanimously. Jan discussed the proposed motions that will be presented at the August 1 meeting.

They will read as follows**:**

**The Board of Directors moves that the Hanover Seaside Club enters into a contract with \_\_\_\_\_\_\_\_\_ to construct a duplex on 605 South Lumina cost not to exceed $1.1 million.**

**The Board of Directors moves that the Hanover Seaside Club enters into a contract with First National Bank for a loan not to exceed $1.1 million.**

iii. PowerPoint

iv. Informational meetings – Elise will blog with information and send instructions to log into BlueJeans. Also, up to 10 members can attend session at the Club. The meetings will be held on July 22 and July 29.

v. Called meeting – Ernie will set up FM radio transmission August 1, start at 10:00 am. Board will be on Main Floor Porch, members in cars in main parking lot. ~~4~~ Four cell phone numbers & members can call or text. Ernie suggested we answer all questions in order of receipt. We will get a teller committee to collect ballots so we will have written proof. Checkers will be handing out ballots when they arrive. Open lot at 9:00 am. Lot will be closed to only Regular members until 12:00. Only yellow stickers allowed. Members please plan to stay in their car to comply with Governors orders. Members may only ask questions or make statements that pertain to the 2 motions being presented. Ernie stated we plan to have the selected builder and a representative of one of the WB rental management companies at the meeting.

vi. Motions – see below

5. Secretary-Treasurer report - June Financials were sent out. Clark pointed out that the interest rate on our money market account at PNC has dropped to .15%. He has talked with PNC and they have stated this is the best rate they can give at this time. We do have a savings account at Live Oak Bank paying.8% percent so he is planning to move some money there for better rate. The Reserve for the 605 building will be segregated. One of the covenants of the loan agreement was we move our banking activity to First National Bank. Clark talked with them and they changed that to moving only our primary checking account so we can still move our investment money to where we can make more interest. Receivables are down to $15,000 Only $830 is from the December billings. Other numbers are from room reservations that have not been paid as yet. There have been many transactions with room cancellations, changes in nights stayed and so forth. We have been handling these transactions as they occur & have not had any complaints from members. Please advise if you received any complaints. P & L for June, interesting to see impact of loss of rental and purchase of food. What kept us positive was $5,700 initiation fees in June. To date this year, we have received $35,750 in initiation fees. We have had several ~~reservation~~ membership resignations during my collection process. Even though room rentals are down and dining room use is down, food and labor spending is also down. The 2 items that are keeping us with a positive balance are new initiations and receipt of 605 content insurance claim $23,000. Otherwise, we would be breaking even situation in these uncertain times. This coming week, we have all the rooms rented upstairs. Hopefully this will continue to improve. If we can continue out of the red through August, then our expenses should go down & we can finish the year with a positive balance.

6. Manager’s report – Peter is serving dinner, so Elise is presenting. Stays are up and even though we are not renting on Saturday night due to the Covid cleaning. We did have a loss in the dining room the week of July 4th since we only had 3 rooms rented. Peter feels that he can still show a profit for the month of July due to increased room rentals & member dining reservations. Snack bar is doing well even though we have had so much rain. Online ordering is going well. Because we have more staff serving who also disinfect, run up and down stairs delivering food to the snack bar, other Covid related duties and their labor is charged to the kitchen staff, it affects the profit for the dining room. We feel that at the end of our year, we will still see a profit on dining room which is something we have not seen in a long time. Peter is doing a great job & he continues to improve. Peter and ~~I~~ Elise talked to Cher about keeping the snack bar open through the month of September. Perhaps this would be beneficial to our members. The only problem Peter and his staff are having is monitoring the members keeping their mask on while on the property. Cher suggested the girl working the snack bar downstairs could help monitor masks while sitting at the back door. We have 2 full days a week off for our managers. Peter and Garrett have a short meeting each morning. Peter is doing an excellent job and we are receiving a lot of positive comments.

8. Old Business – n/a

9. New Business

a. Raise cost for guest parking – In Covid meeting, we discussed starting to sell guest passes again and raise the cost from $5 to $10 a day, Monday through Friday only. Elise said her daughter thought a 100% increase might cause some backlash. Cher does not think we will get too much feedback. Elise made **Motion** that we allow up to 2 guests per member family to park during the week Monday through Friday only and raise the cost to $10 per day. Ernie seconded the motion. The **Motion passed.**

b. Children of member parking – We have 182 children of members between the ages of 16 and 25. Cher suggested that we sell a pass. Dan suggested that each family gets 2 passes for free and sell childrens passes for $50. These passes will be only for Monday through Friday. This will be for next year. Due to Covid, as of now, children can get a parking pass Monday through Friday. They must ride in a car with a sticker on the weekends. Table this for discussion for later.

c. Consideration of insurance for Full Time employees – Jan reported discussions about insurance benefits for our 2 full time salaried employees. This is important for employee stability. Andrew has been working on this, but is not here tonight. She asked Clark to get with Andrew and we will table this for the next meeting. -

d. Jan received a call from the manager of the Yacht Club who suggested our 2 boards should be communicating to help each other with concerns of private clubs. She asked if our BOD would be receptive. They use Jonas system so that could also be very beneficial.

 10. Committee reports

a. Finance Committee

 i. Recommendation – financing for 605 (discuss with 605 see above)

ii. Budget - 2021 – Clark has copies of last years budget spreadsheets. He was asked to reach out to committee chairman and discuss what information will be required. Target date to have budget work completed is set for September 15.

b. Social Committee – n/a

c. Facilities Committee – still working on walkway area in front of steps, think this will have to be replaced. He also told us about his conversation with Ned Marable regarding his stay at the club and what a wonderful job Peter has done. He said Peter was a breath of fresh air and the committee that hired him did a great thing for the club.

d. Governance Committee – n/a

e. Security Committee- n/a

f. 605 Committee (moved to Item 4 above)

g. Operations Committee – Operations has not met in the past month, so some decisions were made by Cher & Elise during this time since they needed to be done quickly. They plan to have a meeting of the committee on August 5.

h. House Committee- see above

 i. Covid-19 committee- Continues to meet on Sunday nights. We are continuing using the Phase 2 protocols. The only change we made is we will give children of members a parking pass during the week and will sell guests of members a parking pass during the week.

11. Next Meeting Date- Set for August 19th 6:00 PM.

12. Adjourn – Meeting adjourned

Respectfully submitted,

Clark Whitman

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Secretary/Treasurer