

OTTER CREEK LANDING YACHT CLUB
ANNUAL MEETING MINUTES
January 11, 2014

Present were nineteen owner/members and thirty-seven by proxy. Forty-six eligible members were needed to meet a quorum. With a quorum met Commodore Sue Berwald opened the meeting.

The Board Members were introduced: Sue Berwald, Commodore; Pat Spinelli, Vice Commodore; Mark George, Secretary; Fred Schock, Treasurer; Craig Hollingsworth, Board Member; and Loretta Whelan, OCLYC Manager.

Also recognized were the new owners since the last Annual Meeting: #44 Brian & Kelli Dove.

ROLL CALL: Mark George called the roll verifying members present and the proxies received.

PROOF OF NOTICE OF MEETING: Pat Spinelli acknowledged from an Affidavit by Loretta Whelan, OCLYC Manager, that notice of the Annual Meeting was sent to the members on November 21, 2013 and again by the Newsletter on December 27, 2013.

2013 ANNUAL MEETING MINUTES: Craig Hollingsworth stated that the Members were sent the 2013 Annual Meeting Minutes after the meeting, and they were also included in the packet sent in November. He asked if the Minutes needed to be read or for a motion that the Minutes be accepted as presented. A motion was made by Charlie Brooks, #14, and seconded by George Boehmer, #40, to accept the Minutes as written. Passed unanimously.

FINANCIAL UPDATE: Members present received the Balance Sheet and Income & Expense vs. Budget Report through December 30, 2013. Loretta Whelan stated there would be some slight changes as the Fiscal Year End adjustments are made, and all financial information is sent to the Yacht Club's CPA David Hamilton. The report reflects the 2013 year was slightly under budget. Also, noted is that there are no CDs coming due in 2014.

The 10 Year Scheduled Expenditures Report has been adjusted to reflect changes on when projects will need to be reviewed for consideration.

The 2014 Budget was sent to each Member in advance. There were a few changes made to the accounts from the previous year's budget, however, the adjustments will not change the Quarterly Dues. Therefore, the Dues for 2014 will be \$302.00/Quarter for the Inner Docks and \$330.00/Quarter for the Outer Docks Members. John Fragiacomio, #10 made a motion that the 2014 Budget be accepted as presented, seconded by Ben Wheat, #86. Passed unanimously.

REPORT: Sue Berwald presented the 2013 Year In Review Report which is enclosed.

ELECTION OF 2 BOARD OF DIRECTORS MEMBERS: The candidates who sent in Candidate Sheets and acknowledged their interest in becoming a Board Member were Linda Coulson and Pat Spinelli. These two candidates were nominated for election onto the OCLYC Board of Directors. It was asked if there were other candidates interest in these positions, but after no response Linda and Pat were unanimously elected.

Therefore, the new OCLYC Board of Directors is: Sue Berwald, Commodore; Pat Spinelli, Vice-Commodore; Mark George, Secretary; Fred Schock, Treasurer; and Linda Coulson, Member.

UNFINISHED BUSINESS: Mike Woodard, #50, suggested that the Board look into getting a Credit Line loan to replace the Bulkhead Loan at First Citizens Bank for a possible better rate. There was no further unfinished business mentioned that was not in the Commodore's Report.

NEW BUSINESS: Brian Dove, #44/#89 asked for clarification of the Fire Code. The code was listed in the October Newsletter, signs will be installed at the docks, and the code will be listed in the Marina Guidelines.

There being no further business, John Fragiacomio, #10 called for an adjournment of the 2014 Annual Meeting, seconded by George Boehmer, #40. Accepted.

Respectfully submitted,
Loretta S. Whelan, OCLYC Manager

2013 YEAR IN REVIEW **OPERATIONS AND ADMINISTRATIVE REPORTS**

(The following was presented at the 2014 Annual Meeting of the OCLYC by Sue Berwald, Commodore)

OPERATIONS REPORT:

1. MAINTENANCE AND REPAIRS:

Quite a bit of general maintenance was performed this past year; and listed in your Newsletters. Only the **MAJOR ITEMS** will be mentioned in this report.

a. Outer Docks:

- The broken spring on the outer dock gate was replaced; the 3 hinges connecting the bottom of the outer dock ramp to the wooden ramp section were replaced;
- Pilings #75 and #77 were replaced; ring around the newly replaced piling in slip #75 was re-positioned; broken bolts in 2 sistered-piling groups along the ICW were replaced;
- Coupled breaks in water pipe in the center floating dock section by pedestals #89 & #90 were repaired;
- Flood lights at ramp were replaced;
- Dripping water faucet at fish station was repaired; 5 strap clamps on stand pipe system were secured.

b. Inner Docks:

- 4 inner dock metal ramps were primed and painted with marine non-skid paint;
- Door on the boardwalk by slip #17 was repaired; latch in boardwalk railing gate between slips #47 & #48 was replaced.

c. Other Major Maintenance Items:

- Deteriorated boards on the pier, inner dock boardwalk, and both floating docks were turned or replaced, and loose boards were fastened.
- Two boards were repaired on the Lewis Lot ramp.

2. THANK YOU TO THE FOLLOWING VOLUNTEERS:

We appreciate you, the things that you have done, AND the amount of money you have saved the YC.

- **(#10) John Fragiaco** - for replacing a rod nut between two floating dock segments and re-securing a brace on the inner floating dock close to slip #10.
- **(#14) Sonia Martin** for helping set up refreshments at last year's Annual Meeting.
- **(#14) Larry Martin**—for painting the fence on the west side of the Lewis parking lot.
- **(#28) Ned Barnes** - for his legal advice.
- **(#38) Greg Berwald**— for finding the best interest rates for CD's and Money Market Accounts at Live Oak Bank; for helping Sue Berwald take care of the water situation on both the inner and outer docks during freezing weather; for noticing the plastic vent on the roof of the YC storage trailer in the Lewis Lot had blown off and was damaged, for ordering a new one and installing it; for putting air in the tires of the YC storage trailer; ordering new electrical covers for the outer dock pedestals from the internet and installing one at slip #92.

- **(#41) Fred Schock** – for repairing dock cart wheels, lubing bearings, replacing damaged spokes, replacing missing bolts, and additional wheel maintenance; for setting up the sprinkler system timers on the north side of the inner marina in the spring and for winterizing the system in the late fall.
- **(#57) Cindy George** – for helping pass out papers at last year’s Annual Meeting.
- **(#57) Mark George** – for using his kayak to reach and clean the weep holes on inner dock (on the east and west bulkhead walls) that cannot be reached from the floating docks.
- **(#60) Charlie Brooks** - for repairing a dock cart; for repairing supports, etc. on the swing at the inner docks; for indicating floating dock & boardwalk boards that need repaired/replaced on the inner dock.
- **(#66) Jim Taylor** - for donating a life ring to the YC
- **(#72) Beth Stormer**– for cleaning the pedestals and tops of some of the docks boxes on the outer docks; for keeping watch over the outer docks and reporting needed repairs; and for volunteering to secure loose boards with screws (when noticed) on the outer docks and for continuing to secure the loose boards.
- **Charlie Brooks (#14), Charles Child (#62) & John Fragiacomio (#10)**- for keeping a boat on the outer docks from going under during the June tropical storm. (White capping waves from the south were washing over the transom of the boat and filling it with water.)
- **Loretta Whelan (Manager) & Sue Berwald (#38)** – for their time, work, & preparation on sinkhole papers for the insurance claims that were filed.
- **Greg Berwald (#38), Charles Child (#62) & others** – for checking boats and for keeping the same boat from sinking twice.
- **Charlie Brooks (#60), Charles Child (#62) and Greg & Sue Berwald (#38)** – for taking out and bringing in the Lewis Lot trash containers
- **And ...Thank you** – - to those of you not mentioned who keep a watchful eye on the marinas, report and/or help boats in trouble, make repairs where needed, and/or call police on suspicious activity.
- If you have any skills that the YC might be able to use or are willing to help, please let us know

3. **BLUE RECYCLE CONTAINERS:**

- The YC had been using one trash container in the Lewis Lot, and then ordering an additional container to accommodate the extra trash during heaving boating and fishing months..
- This year the Town of Carolina Beach added large Blue Recycle containers to the regular trash pickup at no additional cost. This change has saved the YC some money since these two containers now accommodate the trash for the entire year and no additional containers will be needed.

ADMINISTRATIVE REPORT:

1. **ONE SLIP SOLD THIS YEAR:** Brian and Kelli Dove (present owners of slip #89 on the outer dock) purchased slip #44 on the inner docks.
2. **INSURANCE COVERAGE:**
 - a. **The present insurance policies of the YC are:** The Directors and Officers Insurance, General Liability Insurance, Marina Operators and Legal Liability Insurance. They are all applicable to our YC.
 - b. **Protection and Indemnity Insurance** is still in effect but the Board is checking this coverage to be sure it applies to our YC and is really necessary. When the review is complete, a decision will be made whether to continue or cancel this policy.

- c. **Insurance Coverage for Piers, Docks, and Bulkheads:**
- All quotes for replacing all the piers, docks, and bulkheads, including the water and electricity, have finally been secured, and at no cost to the YC.
 - During this upcoming year, this information will be submitted to our present insurance carrier and other carriers so quotes can be obtained.
 - Once all quotes are in, then the Board will evaluate and decide what type of insurance should be purchased (full coverage, catastrophic), if we should remain Self-Insured or some other variation.
3. **HURRICANES:** No Hurricane Watches or Warnings were issued for our area this past year.
4. **VANDALISM:**
- Last year there was some vandalism. This year there was only one incidence that we are aware of.
 - However, Pleasure Cay had some vandalism during December.
 - Therefore, PLEASE keep an eye on your boat and the marina. If you have any problems or notice any suspicious activity, call 911. Be sure your valuables are locked in your boat and car; that the boat key is removed; and that any unlocked valuables in your boat are removed.
5. **RESIGNATION AND INTERIM BOARD POSITION:**
- **CHARLIE BROOKS (slip #14):** resigned from the YC Board in June.
Thank You Charlie for giving the last 7 + years of your life as an YC Board Member; for your involvement and for all the time you spent. We appreciate you!
 - **CRAIG HOLLINGSWORTH (slip #6)** – was asked by the Board to be an interim Board Member until this Annual Meeting.
Thank you Craig for accepting and for your time spent and involvement with the YC as an interim Board Member. We appreciate you!
6. **BULKHEAD LOAN:**
- **In March** the canal bulkhead loan was modified from 5.5% to 3.45%, a fixed guaranteed rate until Dec. 21, 2013.
 - **The monthly payments** would have been reduced with the lowered rate, but the Board decided to keep making the higher payment, and apply the difference towards the principal.
 - **In June** when slip #97 was sold, the monies from the sale were applied directly to the principal.
 - **This loan is for 15 years.** The interest is re-set in 5 year intervals at the rate current at that time. During the first 3 years of each 5 year term there is a 2% prepayment penalty on any lump sum that is prepaid. (However, up to two payments can be made per billing cycle with no penalty). During the last 2 years of each 5 year term, there is no prepayment penalty. We were in the no penalty phase until Dec. 21, 2013.
 - **Presently we owe almost \$76,000 on the loan.**
 - **We have received a 90 day extension** which will keep the no penalty phase open a while longer before the process begins for re-qualifying for the next 5 year loan period. This re-qualification will cause the interest to increase, and it is possible that there will be an additional cost for the re-appraisal of the YC properties for the loan collateral.
 - We are investigating to see if there is another option available concerning the costs for reappraisal, since our loan amount has been reduced significantly.

7. **WE NEED TO SELL SLIP #99** (65 ft. slip) – to pay off the Bulkhead loan.
- The asking price has been **lowered to \$79,900**, but reasonable offers will be considered. The **\$1,000 incentive is still in effect** to anyone who sells slip #99. (*The sale must be completed; all monies received and cleared before the incentive is delivered. Board Members/their families are excluded from this offer.*)
8. **MEMBERSHIP VOTE ON THE HURRICANE RULE:**
- A decision was made by the Board to bring the Hurricane Rule before the Membership for a vote.
 - The Membership was requested to send in any comments, information and documentation concerning the Hurricane Rule.
 - The Boards' Position Statements & Comments/Research, the emails from the YC Members concerning the Hurricane Rule, and the procedure for voting by written ballot (which has the same quorum requirements as any meeting) were compiled and sent by separate mailing to each Member on June 27 - with a return ballot deadline of July 19th.
 - **Ballot Count** – was 9:30 am - Sat. July 20, 2013 at the Community Center in Carolina Beach.
 - **HURRICANE RULE VOTING RESULTS:**
41 Memberships FOR **25 Memberships AGAINST**
Therefore, there was **NO change** to the Hurricane Rule.
 - ***Thank you to all who voted and to those who were present for the vote count.***
9. **SINKHOLE & LAWSUIT:** The sinkhole happened Sept. 29, 2010. The following is a summary of what occurred this year.
- **February 2013** – Kevin McKoy (HOA Property Manager) indicated that the HOA did not plan to appeal the Summary Judgment Decision that was delivered by the court.
 - **May 13, 2013** – Since the Board believed that the HOA was liable for damages to the Yacht Club's bulkhead tieback system and marina caused by the drain pipe failure on the HOA property, the Board sought reimbursement through a liability insurance claim. This claim was reviewed by attorneys Ned Barnes and Wes Hodges, and then delivered to both the HOA Board & Pleasure Island Insurance Company (the HOA's insurance company).
 - **July 2, 2013** – The Board mailed a copy of the May 13th liability claim information, an updated Financial Expenditures Report related to the September 2010 Drain Pipe Failure and Sinkhole, and copies of requested invoices/receipts to the insurance company that was investigating the claim.
 - **August 13, 2013** – The YC Office received an email from the HOA's Liability Claims Adjuster concerning the sinkhole liability claim information we sent on July 2, 2013. It stated that:
 - (1). **The insurance settlement would pay for all property damage (\$31,328.00) caused by the sinkhole incident.**
 - (2). **No payment would be allowed for legal and miscellaneous fees of \$16,202.39, as they were not property damage.**
 - **The Board accepted the settlement conditions**
 - **The Liability Insurance Claim Settlement Check:** was received and deposited in the YC self-insured account
 - **THANK YOU to the HOA BOARD!** – for allowing this claim to be processed.

End of Report