



LSYC Newsletter

January 2019

Upcoming Events

January 19 at 6:00 pm Chili Cook-off and Merger Q & A

February 4 at 7:00 pm Board Meeting

March Date TBD Membership meeting to vote on merger

Commodore's Report: Joe Spainhourd



It's a good thing my boat (Tardis) is on the hard right now. With all of the work that we have put in on the merger, there wouldn't be any time to sail anyway. There are several merger subcommittees working at this time. The Administrative Committee has finished with the proposed By-Laws and merger agreement. We will be posting these soon to the website. There will be a Chili dinner on Saturday January 19th which will be preceded by a question and comment period on both documents prior to consuming the Chili and other delights.

We also have Phase One plans on paper for the clubhouse renovations to accommodate the Bar license which will be brought over by WYC. We hope to have volunteers do some of this work. We also must construct a restroom in the Gas Dock Building before the boating season begins.

Under the proposed By-Laws, we will be establishing several new standing committees that will need to mostly non-Board members. These are: Audit, Nominating, and Grievance Committees. In all, we need much greater participation from the general membership. We are also still looking for a new Fleet Captain for the coming season.

There are a lot of changes coming to the club for the 2019 boating season, one of which will be a new name. I will be sending out an Opinion Survey in the next few days. Expect something in your Email which will link you to a SurveyMonkey.com page.

Merger Time Line

The two Boards and the joint committees have been very busy over the past few weeks working out many of the details for the proposed merger. This newsletter contains articles explaining key elements of the merger agreement and the major ways the proposed new Club By-Laws differ

from the current LSYC constitution. The WYC Board will send a similar explanation of how the proposed By-Laws differ from the current WYC By-Laws to their members in a separate email.

We will also present a summary of changes followed by questions and answers at the Chili Cook-off. You can also submit comments on the proposed merger agreement by email until Jan 25. Submit comments to secretary@lsyc.info; please include the specific paragraph number (eg. III.D.2.a) for clarity. Note that the January 19 event replaces the January 26 event previously announced; it was moved up so that the Boards would have time to review any comments prior to their February meetings.

We will schedule a formal membership meeting in March to vote on the merger package, which will include approval of the merger agreement, adoption of new By-Laws to replace our current constitution, a new name for the Club, and ratification of the new Board and Officers. A formal meeting announcement will go out when details are completed.

Merger Agreement

When the merger agreement is ratified, there will be one Club, one Board, one set of Officers, and all funds and assets will be in one pot. Initially the new Board will be 5 trustees selected by the LSYC Board from the current LSYC Board, and five trustees selected by the current WYC Board from the current WYC Board. The two Boards will make these selections at their February meetings. This “new” Board will then meet to propose the new Club officers selected from this “new” Board. The “old” Boards will ratify this selection prior to finalizing the merger agreement. The Club membership will ratify these selections when we vote on the final merger agreement in March.

The terms for the Board members will be staggered, with some expiring in October 2019, when we will elect new Board members and officers at the annual membership meeting according to the new By-Laws.

LSYC and WYC are each registered with the State of Ohio as non-profit corporations. When two corporations merge, the surviving organization can be one of the merging corporations or a new organization. To avoid a lot of additional paperwork and external approvals needed to create a new non-profit corporation, and because LSYC has the facilities lease, LSYC will be the surviving organization. We will file for a name change after we file the notice of merger with the State.

First order of business for the new Board will be the approval of funds for clubhouse renovations for a Club bar. If the merger is ratified in early March, we should be able to open the Club bar late-May, assuming no hiccups with the transfer of WYC’s liquor license.

Note that only Active and Honorary-Active Members in good standing (current dues paid) are eligible to vote in a membership meeting.

New Club Name

We plan to change the Club name shortly after the merger. Our current constitution does not allow for electronic voting by the membership, so an electronic opinion survey will be sent out

shortly. The Boards will consider this survey in determining what name to put on the merger agreement for ratification by the membership.

The Board has received many suggestions for a new name, but the list on the survey has been narrowed by: 1) we are a club under various laws; so the name should reflect that; 2) The name should provide information about where we are located; 3) the name should not be too long or complicated; 4) the name should not be similar to any other club in Ohio or the ILYA; and 5) a suitable domain name for our website should be available. Please look out for this survey in your email inbox.

New By-Laws

General:

The proposed By-Laws represent extensive discussions by the joint administration committee with additional input from members of both Boards. We have attempted to incorporate the best practices from both Clubs, as well as looking to what other clubs do. Needless to say, there are changes for both Clubs. In general, the new By-Laws are written with more detail than the current constitution or WYC's current By-Laws, but the administration committee wanted to err on the side of clarity rather than brevity.

LSYC currently has a constitution that can only be changed by membership vote, and by-laws which are controlled by the Board. We are changing to By-Laws that can only be changed by membership vote, and "rules and policies" that are controlled by the Board. This is a technical nomenclature change because By-Laws are considered internal documents that do not need to be filed with the State. The proposed By-Laws are titled "By-Laws of Lorain Sailing and Yacht Club" because we will still be LSYC for a short period after the merger.

Membership Classes: The two clubs currently have different classes of membership, so several have been consolidated or renamed. We settled on four membership classes: Active, Associate, Social, and Lifetime. Membership dues for 2019 remain in effect, and WYC has changed their 2019 dues to match LSYC.

Active membership remains essentially the same: full members of the club with the right to vote, the right to be nominated to Board or Officer positions, etc. Primary Active members in LSYC will remain Active members under the new By-Laws. A key change is that Active membership is now a pre-requisite for renting a dock, dry-sail space, and/or winter storage from the Club. Since Active membership is currently included in dock fees, and most dry-sailors are already Active members for racing, this should not impact current members. After the merger, we will have many Active members who do not dock at the Club, so this change will simplify bookkeeping for sales tax purposes, cost accounting, and financial planning.

Associate membership will have a completely different meaning. Each Active (or Lifetime) member will have the right to name one person as their Associate member. It is anticipated that most Active/Lifetime members will name their spouse or domestic partner as their Associate member, but they may name someone else, such as a boat partner, as their Associate member. Note however, that if a spouse/domestic partner is not the Associate member, then the spouse/domestic partner will be treated as a Guest for most purposes. Associate members do not have

the right to vote, and may not serve as Club Officers, nor on the Board. Secondary Active members in LSYC will become Associate members under the new By-Laws.

Social membership remains essentially the same. Social members have the right to hang out at the Club and attend social events. Social members do not have the right to vote, and may not serve on the Board or as Club Officers. The Retired membership class has been consolidated into the Social membership Class. Current Retired members in LSYC with 2019 dues already paid will become Social members under the new By-Laws, with no additional dues for 2019, but will be subject to Social membership dues in 2020.

Lifetime membership will be essentially the same as honorary membership for a Past Commodore over the age of 65 in the current LSYC constitution. Several years ago, LSYC amended its constitution to stop awarding this membership class, while grandfathering members who had already achieved it. WYC currently has provisions for Lifetime members in their By-Laws. Under the new By-Laws, members who have achieved Lifetime Active Honorary status in LSYC, or Lifetime status in WYC prior to the ratification of the merger agreement will become Lifetime members under the new By-Laws, but will be no new Lifetime members. Lifetime members have rights in the Club essentially equivalent to Active members. Consistent with the current LSYC constitution, the LSYC Board will determine the status of other types honorary members at its February meeting.

Guests: All classes of membership have the right to bring a reasonable number of guests to the Club. As before, the member must be present when the guest is present, and the member is responsible for the behavior of the guest. Children and other dependents of members are treated as guests for most purposes, unless they have their own membership.

Seniority: The new By-Laws formalize the use of Club seniority for the allocation or assignment of club resources where we have more members than resources, such as docks, or attendance at a Club event that can only accommodate a limited number. A baseline seniority listing will be set shortly after the merger, counting time as an Active/Lifetime/Honorary member in either club (but not both clubs) with extra credit for service on the Board.

Election of Board and Officers:

Election of Board members (other than for the initial Board in the merger agreement) remains essentially the same, with Board members elected to staggered three year terms in an annual membership meeting.

There is a change in how the Commodore, Vice-Commodore, and Rear-Commodore are elected. Under the new By-Laws, when the Commodore steps down at the end of his term (or otherwise) the Vice-Commodore becomes the Commodore, the Rear-Commodore becomes the Vice-Commodore, and a new Rear-Commodore is elected by membership vote. The Secretary and Treasurer remain as elected by the Board, from within the Board.

Board Meetings:

To ensure transparency, the new By-Laws explicitly state that approved Board meeting minutes be available to members, and that members are allowed to be present at Board meetings, except

when in Executive Session. The new By-Laws place significant restrictions on the use of Executive Session, limiting its use to discussion only, and only to topics that truly require confidentiality. Voting or taking any action in Executive Session is prohibited except for assigning someone to gather more information, drafting a motion to be voted on in Open Session, or determining that a portion of the confidential discussion needs to be disclosed to certain individuals.

The new By-Laws allow for emergency Board meetings by phone or email and spells out procedures for taking action on issues that can not wait until the next scheduled Board meeting. Board actions between scheduled meetings must be reviewed, at the next scheduled Board meeting and included in those minutes.

Financial Controls:

Several additional financial controls are added with the new By-Laws, including the explicit requirement that all the Club's financial records be made available to any member on request for any reasonable reason, and within a reasonable amount of time. A standing Audit Committee run by non-Board members is also required.

The new By-Laws require the annual budget to include monthly detail for income and expense estimates. This will make it easier to anticipate cash flow issues. The By-Laws require that all expenses be approved by the Board, with provision to tie routine expense approval to the budget. There are limited provisions for emergency expense in a bonafide emergency.

The Club will not extend credit to members under the new By-Laws. The By-Laws allow for creation of member pre-paid accounts that the member may draw against for incidental expenses at the Club. While we don't know exactly how to do that yet, we wanted to build in the authority to do so in the future.

Committees:

In addition to the Audit committee, the new By-Laws provide for a Nominating Committee similar to our current constitution. New to LSYC is a Grievance Committee and a grievance procedure. Both of these committees must include non-Board members. The By-Laws make provision for additional committees, but because the Club's needs will change over time, the details are not spelled out at the By-Law level.

Docks, Dry-Sail, and Winter Storage:

The basic provisions for how docks and dry-sail space are to be administered are included in the new By-Laws.

You can find the full text of the proposed By-Laws at this link:

www.lsync.info/Hidden/ByLaws-Draft-ver5.pdf

Vice-Commodore's Report Dwight Sablack

Hello Crew,

I am hoping you all had a wonderful holiday. If you are like me, I bet many of you are wondering why we bothered to pull our boats out in the first place—maybe something we can address in the future if this is going to be the new norm. I was hoping to get some of you out on the hard-water sailing this season but it doesn't look promising.

However, for now, we are all land locked. This will be short as there isn't much to add. The Board is hard at work trying to get the merger done and changes in the works before the spring thaw and “boat-in-the-water season”. I would like to urge any members to come sit in on just one of our committee meetings. You would be impressed with the prudence and professionalism that is being applied to this process. The foundation is being laid to make a place that we can all truly be proud to be part of.

As part of the Membership committee, we are not only going to be looking at ways to engage you existing members, but to bring in new members. I am open to any suggestions on how we might get the profile of the club raised and entice new membership. So please, I know it is a worn out adage, but if you have a suggestion, share it with one of the committee members. The only dumb idea is the one not explored. With the advent of the bar and club house to rent there are more than a few good reasons for people who don't own a dock here to join us.

Finally, more thanks to Joe for the work on the ramps to the finger docks. They had broken and were wearing a hole through the wood. He ordered parts and suffered kneeling in goose poo to correct the problem, with a fix that should be longstanding and stop even more damage. We still have issues to attend to in the spring; this was one that wouldn't wait. Thank you Commodore Joe.

This is all that I have to add for this dreary January. Just 2 more months or so and we can start preparing for the new season. Until then, stay warm, and enjoy the sun when you see it.

Rear Commodore's Report: Karen Pleban

Hope everyone had a nice holiday. 2019 has started out with a very positive approach to the new year. The progress of the Merger is going along smoothly starting with the Chili Cook-Off this month. Looking forward to seeing everyone this spring.

House and Grounds Committee Report: Don Kaspar

The combined WYC and LSYC committee has meet a number of times to come up with a Phase One plan for the Clubhouse interior renovations. The plan that accompanies the newsletter is the result. The plan has been presented to both of the club's Boards and has been approved with minor revisions. The committee was tasked with coming up with a plan that could be done for a

Cash flow remains tight through late spring, but is looking somewhat better with a couple more dock contracts confirmed since the December meeting. We currently have 24 docks rented and 30 open docks. This is ahead of where we were last January, but still behind previous years.

The Board approved additional categories for our budgets and financial statements. These categories have no impact on totals, but provide improved reporting capabilities, especially with the addition of a capital project category for major improvements.

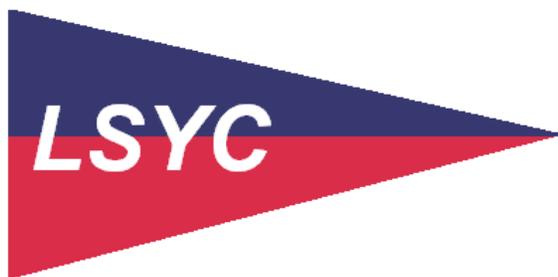
The Board approved a balanced budget for 2019. Budgeted expenses are well below last year's actual because of all the capital improvements last year. Discretionary spending, including maintenance is very tight. This budget does not account for the proposed merger. The joint Finance Committee is working on consolidating the budgets. One of the hard parts of managing a merger is that you have to do the work for running two clubs at once.

Mortgage payments on our docks are the Club's largest single expense. The current loan expires in about three years, with a large balloon payment due at that time. The Board (thank you Jim!) has been pursuing refinance options and has offers from two banks on the table. There are still a few details being negotiated, but we expect to finalize a loan agreement with better terms in the next few weeks.

Junior Big Boat Update



Plans are proceeding for the Junior Big Boat sailing camp to be offered in July. We have four, and possibly five sailboats committed to the program, meaning we should be able to accommodate 16 to 20 youth in the program. We have a few, but still need more shore-side volunteers. There will be an organizational meeting for the sailboat skippers on January 23. Please contact Jon Peter at jtpeter@att.net if you are interested in helping out with this program.



Submit items for the newsletter to Jon Peter at jtpeter@att.net in rich text format (.rtf) by the 25th of the month.

LORAIN SAILING AND YACHT CLUB 108 Alabama Ave, Lorain, Ohio 44054 www.lsyrc.info	
Commodore	Joe Spainhourd
Vice-Commodore	Dwight Sablack
Rear-Commodore	Karen Pleban
Treasurer	Jim Morse
Secretary	Jon Peter
Board Member	Don Kaspar
Board Member	Steve Chapman
Club Manager	Bobby Rhodes