

**MACKINAC ISLAND YACHT CLUB  
ANNUAL MEMBERSHIP MEETING MINUTES  
July 28, 2010**

The July 28, 2010 meeting of the membership of the Mackinac Island Yacht Club was convened and called to order by Commodore Schiller at 10:02 AM (EDT).

The Club's Chaplain, Reverend Dr. Vincent Carroll, gave invocation.

In attendance were:

Executive Committee and Flag Officers: Stephen Schiller, Robert Ransom, Andrew Kiener, Stephen Madigan, Stephen Schleede, David Rowe, Steven Moskwa (Present by way of Telephone), Richard Coates

Members on sign in sheet: Jerry Murray, Amy St. Clair, Amanda Schleede, Bud Alden, Nicole DeHart Robb, Mike Gidley, Roy Boudreau, Pamela Natter, James McNine, Mary Kay Berke, Andrew Kiener, Jr., Carole Erbel, James Rausch, Don Goeckel, Jack Keck, Jr., Ken Myles, Peter George, Jerry Archer, Warren Levins, Doug Rearick, Muffy Sweeney Ernster.

Members in attendance but not signed in (as noted by the Secretary): Jeff Dupre, Francis Straus, Bill Platten, and Deborah Orr.

Spouses of members in attendance: Deb Schleede, Jo Anne Schiller, Diane Sweeney Shea, Larry Berke, Lorna Straus, Carol Rearick

With the members present a quorum was declared.

A Tellers Committee to count the Ballots was announced consisting of Chairman Peter George, assisted by Bud Alden, Jack Keck, Jr. and Ken Myles.

**Minutes of Previous Meeting**

Treasurer Madigan moved to waive the reading, and approve the minutes of the July 30, 2009 Annual Meeting, seconded by Bill Platten, approved by unanimous vote of those present.

**Secretary's Report**

Secretary Schleede presented an update of membership status which included a full roster of 300 paid members and as of 7-28-10 a wait list of 204.

Ballots for the Annual Meeting that have been received as of today and are being processed by the Tellers Committee total 190.

**Treasurer's Report**

Treasurer Stephen Madigan reported on the current financial condition of the Club. Copies of financial reports were printed and available to members at the meeting. He said the Club is doing well, but times are tough with an expectation that at the end of this year income will exceed expenses.

Member Jerry Murray asked from the audience about what the line item “property taxes” included. Treasurer Madigan responded that we do pay taxes to Mackinac Island.

### **Rear Commodore’s Report**

Rear Commodore Andrew Kiener reported on projects accomplished recently including the kitchen floor, kitchen window, porch rehabilitation and a new sign in front. Those projects are complete and were finished at or below the budgeted monies.

Kiener called on Jo Anne Schiller, Chair of the Design committee, to report on that committee’s work. Jo Anne Schiller provided detailed breakdown sheets and reported on all of the improvements to the house interiors and rooms. Her presentation discussed how the committee had developed a 5 year plan with budgets and plan to continue the program of major refurbishing of one sleeping room per year with wear and tear refurbishment of other rooms as needed. This is coupled with long range planning and budgeting of major cost capital items, like the porch furniture.

Long Range Planning and House Committee Chairman Schleede reported on upcoming projects that are on the drawing board and “wish list”. These projects include continued house exterior painting, repair of the south facing gables and soffits, repair of the second floor south siding and trim, screen doors for the fire escape doors, and replacement of the room 5 ceiling. Wish list projects include a Retaining wall along the front sidewalk, and electric service to the barn. Schleede explained in detail the invisible yet major work that was involved in the porch project and that the ongoing maintenance required to keep up the grand old Clubhouse is a major expense item each year, but is necessary. He reviewed how the projects are planned long term and that this year we did defer some work because budgets were tight.

Rear Commodore Kiener with assistance from Past Commodore Rowe reported on on water activities:

7/4/10 RTI Pink Pony Race had 14 boats.

MIYC RTI race after the Bayview race had 10 boats signed up. A nice party followed, thanks to Andrew Doud’s contributions.

MacMan an international race-started with 15 boats.

Labor Day Regatta- coming up with Horns Bar underwriting.

### **Vice Commodore’s Report**

Vice Commodore Robert Ransom discussed that early in the year there was apprehension about the recession and its effect on revenues. He reported that 2010 room occupancy results by month were (are):

May – same as 2009

June- down 4%

July- up 2%

August- same as 2009

September- up 18%

October- up 48%

He further reported that food service was \$ 800.00 behind budget, Special events was up by \$ 3000.00 and overall (with food costs down and housekeeping expenses down) our net revenues are projected to be up by \$ 7,000.00 for the year.

Ransom reported that merchandise sales were down, but margins were up, thus he felt that we would end up ahead of last year by about \$1,000.00.

Ransom reported that the input being received from the “in-room” comment cards has been highly positive.

### **Past Commodores Report**

Past Commodore Rowe reported on the formation, in the last year, of the Past Commodores Committee, a committee developed to tap the resources and experience of that group, first to spearhead the efforts and activities of the Club’s upcoming 75<sup>th</sup> Anniversary. There has been a lot of activity by both: an activities subcommittee chaired by Sue Webster; and a History and Archives subcommittee co-chaired by PC’s Cregar and Platten. Sue Webster is planning a yearlong celebration for year 2012: for June- community activities, for July- sailing activities, for August- August festival activities. PC’s Cregar and Platten are collecting historic materials and cataloging the information. Rowe expressed to those in attendance that any information, historical documents, stories, lore were being sought.

Commodore Schiller reported that he had appointed Ted Sweeney as Secretary of the Past Commodores committee.

### **Commodore’s Report**

Commodore Schiller reported that he had received many compliments on the issue of the Anchor. People liked it. He reported that going forward an emphasis must be made to increase the members use of the Club’s website, as that is a cost effective way of informing members of our Club. He reported that Team member Laura was doing a good job of purging some old stale pictures from the website and trying to update things.

Commodore Schiller also reported that the Executive Committee and the associated subcommittees this year had been quite productive. He credited the Committees with planning long-term projects with continued maintenance and specific budgets. He stated he had a good bridge.

Commodore Schiller reported, that in the past year, the Club had finalized its lease for the property on which the Clubhouse sits with the State Park Commission. The new lease will run through October 5, 2030. The details of the lease renewal were explained in the cover letter sent to all members this year with their Directories. The Commodore explained briefly the major provisions of the lease to the audience.

Member Jerry Murray, from the audience, asked for an answer/explanation of these questions:

Why or who decided to negotiate the lease as the Executive Committee without the aid of the entire Board of Directors?

How did the lease negotiation situation deteriorate to the point (as claimed by Murray) that the Club came within one vote of the Park Commission of losing the lease?

How did the lease rental amount increase to \$8,000.00 per year?

Commodore Schiller responded to Member Murray's questions and statements forthright. To the first question, the Executive Committee and its Flag officers had been begun the renewal/renegotiation effort over two years ago, in 2008. The Executive Committee had authorized a subcommittee consisting of VC Ransom, Commodore Schiller and Past Commodore Rowe to represent the Club before the Park Commission in order to conduct thorough and cohesive negotiations and present the Club's case. Further the Executive Board had agreed to seek outside counsel to aid the subcommittee in the negotiations. The process was lengthy and required thoughtful, consistent and measured responses at all points.

To the second question, Commodore Schiller offered, for anyone's review, the complete record of all meetings of the Park Commission. He advised the membership that at no time did the Commission vote on the question as to whether the Club should be offered a lease let alone "come within one vote of losing the lease". The Commodore had copies of Park Commission meetings in hand at the front table for examination by anyone interested in doing so. Commodore Schiller told Mr. Murray that he was misinformed and that his purported situation had not occurred.

Commodore Schiller went on to review the facts of the lease renewal process. The old lease, which had a term of 1989 to 2009, provided for a rent of \$ 1.00 per year, and gave certain rights to the Club as Lessee both during and after the term of the lease.

In 1992, the Park Commission charged a "Blue Ribbon Committee" to study the rental rates for all tenants leasing from the Park. In 1992 the Blue Ribbon Committee recommended changes to the current and future rental rates for properties on the Island, and specifically singled out and recommended that the Commission renegotiate the lease for the Yacht Club. Their proposed rental was some value, to be adjusted for inflation over the remaining years of the lease.

Thus in 1992, the Commission approached the Commodore of the Yacht Club, and attempted to open a negotiation. The then Commodore chose to stand on the \$1.00 lease with 17 years left. Members on the Commission took note of the rejection.

Fast forwarding to 2008, during the term of Commodore Keck, the Executive Committee learned some information about the forthcoming renewal of the lease and unofficially the Commission was looking at a value that included the 1992 Blue Ribbon value, plus inflation over the 17 years. That value was \$5239.00 per year. In September 2009, before the old lease expired, the Club received an unexecuted lease for 20 years, with an

initial rent of \$5,239.00 and future inflation adjustments. The current Executive Committee, represented by Ransom, Rowe and Schiller chose to send the proposed rent for 2010 to the Commission even though the Club had not yet been offered a new lease.

In the fall of 2009, the Executive Committee understood that the Commission would be demanding a significant, but hopefully, fair increase in the rent. The Commission established an internal subcommittee to report back to the whole Commission at its December 2009 meeting of its determination of a fair rent. That report and a decision by the Commission did not come as planned in December. In November of 2009 the Commission, after the 1989 lease expired, offered the Club a one-year lease at the rental it had already paid (\$5,239). The offered lease also required the Club to waive any residual rights that the Club had under the 1989 lease, including the right to renewal during the term of that lease. After consultation with counsel it was agreed that the Club should insist on a renewal consistent with the terms of the original lease before considering the waiver of any rights.

In early 2010, the Executive Committee of the Club authorized the subcommittee to seek outside legal counsel to aid in the negotiations. Further, the Club's subcommittee met with the Committee to present answers to all questions they had raised during the review period. The subcommittee emphasized that the Club exists really a not-for-profit endeavor, charged with maintaining a very expensive house on the Island and that the Club is very much involved in contributing to the Island community and economy.

In April, 2010, following negotiations and discussion at a full Commission meeting the Commission, again offered the Club an arrangement; to execute a one year lease (2009-2010) for the \$ 5,239.00 per year, relinquishing our rights under the prior lease, however it also provided the Club with a new 20 year lease (2010-2030) in the amount of \$ 8,000.00 per year, subject to an annual increase of the lesser of 5% or any increase in the Consumer Price Index. The two leases were to be executed simultaneously. The cumulative increases over the 20-year life of the lease would be capped at 25%, i.e. the annual rent would not exceed \$10,000.00 per year. The Commodore on behalf of the Club subsequently executed these leases after extensive consultation with the rest of the Executive Committee.

All considered the Executive Committee believes that our arrangement is fair and reasonable for the extraordinary site we occupy.

Commodore Schiller further read from a letter to the Club received back from Mr. Phil Porter, Director of the Mackinac Island Park Commission, which transmitted the fully executed original lease. In that letter, Mr. Porter thanked Mr. Schiller and the Club for "your patience and professionalism as we worked through this situation." A copy of that letter is appended to these minutes.

Mr. Murray replied that he was the Commodore in 1992 and as a young inexperienced businessman he had acted as he did.

Past Commodore Bill Platten made a motion from the floor that the assembled membership offer a vote of confidence for the Executive Committee and express confidence in their actions in securing the lease we now have. That motion was seconded by Mark Kay Berke, and passed by unanimous voice vote, all yeas, and no nays.

### **Tellers Committee Report**

The Tellers Committee reported the following results of the Votes cast on each of four (4) ballots:

**BALLOT 1 Election of Directors**

Number of Votes Cast- 190

Number of Votes For- 145

Number of Votes Split- 45

**BALLOT 2 Membership Application and Wait List Rule Changes**

**Ratification of Amendment of Membership and Waiting List Rules of the Clubs Rules and Regulations**

Number of Votes Cast- 181

Number of Votes For- 155

Number of Votes Split- 26

**BALLOT 3 Dues Increase and Change to Capital Fund Allocation**

**Ratification of Amendment of Membership and Waiting List Rules of the Clubs Rules and Regulations**

Number of Votes Cast- 184

Number of Votes For- 163

Number of Votes Split- 21

**BALLOT 4 Change to Total Number of Members**

**Ratification of Amendment of Membership and Waiting List Rules of the Clubs Rules and Regulations**

Number of Votes Cast- 188

Number of Votes For- 142

Number of Votes Split- 46

A copy of the Tellers Tally sheet is appended to these minutes.

The Commodore declared that all measures had passed by a majority vote and would be implemented.

### **Adjournment**

On motion by Past Commodore Platten, seconded by member Don Geockel, the meeting was adjourned at 11:17 AM (EDT).

Respectfully submitted,  
Stephen C. Schleede, Secretary



FRANK J. KELLEY  
Chairman  
DENNIS O. CAWTHORNE  
Vice Chairman  
BARRY J. GOODMAN  
KAREN KARAM  
RICHARD A. MANOOGIAN  
LAURIE A. STUPAK  
JIM WILLIAMS

PHIL PORTER  
Director



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JENNIFER GRANHOLM, Governor

MACKINAC ISLAND STATE PARK COMMISSION

April 20, 2010

Mackinac Island Yacht Club  
Steve Schiller, Commodore  
180 E. Pearson Street #4004  
Chicago, IL 60611

Dear Mr. Schiller,

Enclosed is your fully executed original lease for Fort Garden Lot 1 in Mackinac Island State Park. This is your permanent original copy, and should be safeguarded. You may use this copy to register the lease with the county registrar of deeds, which you need to do to complete the tax records for the renewal. The contact information is:

Diane Frankovich  
Mackinac County Registrar of Deeds  
100 Marley Street, Room 25  
St. Ignace, Michigan 49781  
906-643-7306

On a personal note, I want to thank you for your patience and professionalism as we worked through this situation. As stated at the last meeting, the Commission has high regard for the Mackinac Island Yacht Club and its many decades of service to the Mackinac Island community. I look forward to working with you on building and strengthening our relationship as we move into the future.

Please feel free to call me at our Mackinaw City office if you have any questions.

Very truly yours,

Phil Porter, Director  
MACKINAC STATE HISTORIC PARKS  
(231) 436-4100, (231) 436-4210 Fax  
PorterPh@michigan.gov

Enclosure

Mackinac Island Yacht Club  
 Annual Meeting  
 July 29<sup>th</sup> 10:00 a.m.  
 Attendance Sheet

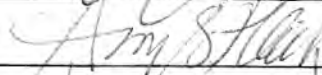
Members Name ( Please Print)

Members Signature

JERRY MURRAY



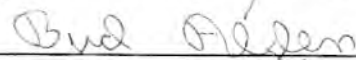
Amy St. Clair



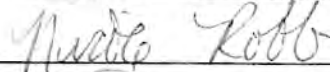
Amanda Schleeede



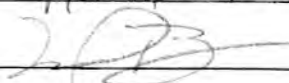
Bud Alden



Nicole Robb



Mike Gidley



Soua Straus HORNA STRAUS

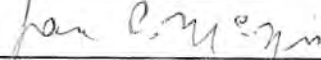
~~Roy Borden~~ Roy Borden



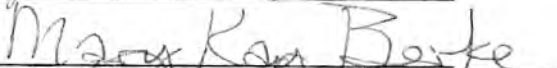
Pamela K Netter



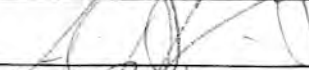
James McVino



Mary Kay Berke



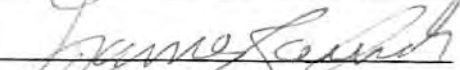
ANDREW KIEVER JR.



Carole Erbal



James Rausch



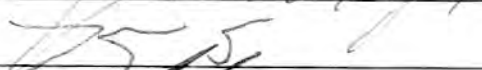
DON GOECKEL



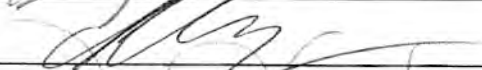
JACK KALK JR



KEN MYLES



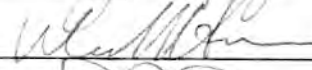
Peter George



JERRY J. FRICHER



WALTER LEVINS



DOUG REARICZ



Carol Reurich



Muffy Sweeney UNABE

Diane Sweeney Shea

**Mackinac Island Yacht Club  
Annual Meeting  
July 29<sup>th</sup>, 2010 10:00 a.m.  
Teller's Sheet for the By-Laws Modification Ballot**

**BALLOT 1 Election of Directors**

Number of Votes Cast 190  
Number of Votes For 145  
Number of Votes Against split 45

**BALLOT 2 Membership Application and Wait List Rule Changes  
Ratification of Amendment of Membership and Waiting List Rules of the Clubs Rules and Regulations**

Number of Votes Cast ~~181~~ 181  
Number of Votes For ~~163~~ 152  
Number of Votes Against ~~27~~ 26

**BALLOT 3 Dues Increase and Change to Capital Fund Allocation**

**Ratification of Amendment of Membership and Waiting List Rules of the Clubs Rules and Regulations**

Number of Votes Cast 184  
Number of Votes For 163  
Number of Votes Against 21

**BALLOT 4 Change to Total Number of Members**

**Ratification of Amendment of Membership and Waiting List Rules of the Clubs Rules and Regulations**

Number of Votes Cast 188  
Number of Votes For 142  
Number of Votes Against 46

Signed Tellers' Committee

1. [Signature]
2. Quint Stulen
3. [Signature]
4. [Signature]

Balots  
7 ~~votes~~ on 2,3,4 not counted  
because could not identify member voting