

September 8, 2018

Mohican Swim Club Board Meeting Minutes

In attendance: Josette Skilling (incoming Treasurer), Michael Kessler (VP Grounds), Elizabeth Redisch (VP Buildings), Vin DeSomma (Director), Chuck Montrie (Bethesda Aquatics), Lisa Esquivel-Griffin (VP Pool), Bill Hahn (Treasurer), Shari Cantor (Director), Katie Blot (incoming Director), Elena Naum (incoming Secretary), Shane Moore (Incoming VP Activities); by phone: Rick Hall (President) and Dani Johnson (Director).

Agenda

- 1) Board nominations & Annual Meeting 9/23 6:30p – 7:30p
- 2) Budget Review
- 3) Updates on ongoing activities
 - a) Snack bar
 - b) Extended pool hours
 - c) Swim team
 - d) Grounds
 - e) Duathlon

1) Board Nominations & Annual Meeting

The slate of board members to be voted on in the annual meeting is:

Elected in Year	Term	Board Member	Role
2018	1 Year	Rick Hall	President
2018	1 Year	Josette Skilling	Treasurer
2018	1 Year	Lisa Owen	VP, Pool
2018	1 Year	Elizabeth Redisch	VP, Buildings
2018	1 Year	Michael Kessler	VP, Grounds
2018	1 Year	Shane Moore	VP, Activities
2018	1 Year	Elena Naum	Secretary
2018	2 Year	Vin DeSomma	Director
2018	2 Year	Katie Blot	Director
2018	2 Year	Susan Dunham	Director
2017	2 Year	Mark Eisel	Director
2017	2 Year	Shari Cantor	Director
2017	2 Year	Dani Johnson	Director
		Chris Savage	Past President

Josette will send a notice to Dani to send out to the pool membership with a list of this year's slate, as well as the board members who currently serve and their respective terms.

2) Budget Review – Bill Hahn, outgoing Treasurer and Josette Skilling, incoming Treasurer

Cash Management

Josette is working with Membersplash to simplify the Club's cash management. One way is to eliminate the need for cash at pool events or at the front office by installing new software (already in place) that allows members to buy on account and pay by credit card or check at the end of each month. Another way is to use the pool's existing accounting software to see more account details in an easy-to-understand format, without changing current accounting methods. Josette is working to change the pool's 4 credit cards to VISA so they may be used at Costco.

Josette is also working with Andy Matherly (CPA) to discuss changing the format for how we report our finances from a cash based accounting to a transaction based format which takes our transactions from Membersplash directly and allows us to see the level of detail we need about our income to make good and appropriate managerial decisions. Changing the format of the way we display our information to the board or Club will not change the accounting method we use or have any tax implications.

Loan refinancing

Josette worked with Art Pohalsky, at Sandy Spring Bank, to refinance the original loan used for rebuilding the pool from our original loan which was had an 11 year term, leaving a \$1.6 million balloon payment due in seven more years.

The new loan is a 15 year loan term amortized over 19 years. We will voluntarily repay the loan on a 15 year schedule which will allow us to repay the loan by the end of the 15 year term (2033) and have a zero balance. This 15 year schedule adds \$30,000 extra in debt payments each year and eliminates the need to make any further payments to pay down principal as we had planned to do in past budgets. The payments on the new loan began in August. We opted to maintain the 19 year amortization schedule so that in the event of fiscal challenges, what we actually owed the bank on a monthly basis would be the same as we had owed under the original loan terms.

With the refinancing, the Club is no longer mandated to keep six months of payments (approximately \$85,000) in reserves for the new loan. Josette suggests establishing a reserve account to use for anticipated Club repairs or improvements. She will also talk with Andy Matherly (CPA) and Art Pohalsky (Sandy Spring Bank) to examine other options since the money is currently tied up in a CD with a maturity date of next July. It may be beneficial to pay the fee for early release and put it back into a higher paying CD which we will know next week. Conveniently, the bank has an app that allows for electronic check deposit.

Treasurer transition

The role of the treasurer is changing. Until recently, the Treasurer has been a position focused on balancing profit and loss sheets and cutting checks. It will now become a position with a more macro focus, such as anticipating and planning for future Club expenses and improvements, as well as maintaining oversight of current budgets. The stipend that has been previously paid to the pool treasurer will be used, in some portion, toward hiring Linda Karson, an experienced bookkeeper, to help the treasurer with the Club's bookkeeping needs. The bookkeeper will manage basic transactions like check writing and tracking expenses in the systems so accurate reports can be made. Josette will work with outgoing treasurer Bill Hahn to facilitate the transition.

Estimated Surplus

Right now, there is an estimated surplus of \$90,387.79 in the Club's budget at year's end. Several members suggest holding off any new expenditures until the exact amount of the surplus has been confirmed. Most agreed, given the very favorable terms of the refinancing, that no payments toward any more principal debt reduction, which we had aspired to in the current budget, should be made until the new fiscal year.

There was discussion about the need to notify members of the recent loan refinancing as well as the need to follow up on the expenses which the Board had initially stated would be spent this year such as: the bocce court, upper kitchen, water filling station, shading of the baby pool.

There was discussion about whether or not more money should be added to servicing the Club's debt. Josette noted that the lender had said that we could of course either pay down debt or put money into savings. In the case of the pool, which will have aging and maintenance issues in the future, he agreed with her plan to put money into savings for the Club so we can avoid having to borrow from him at high rates in the future. That would achieve more in the long term than simply paying down additional principal on the debt. In addition, there are small capital improvement projects like more shade structures by the baby pool, enhanced and safer playground areas, and a pavilion for parties and a "teen" hangout which could be funded sooner rather than later under current budget and fee structures now that the refinancing has been completed.

Michael suggests modelling out multiple scenarios which can serve as the basis of an informed decision-making process:

- One set of scenarios in which the current fee structure stays in place, with different levels of active members (400, 425, 450), and we envision what the estimated surplus would be that can be devoted to some combination of minor capital improvements, building a reserve fund, and/or paying down principal on the debt at an advanced rate
- Another set of scenarios in which the current fee structure is reduced in a step-down fashion with less money available for minor capital improvements, building a reserve fund, and/or paying down principal on the debt at an advanced rate.
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Motion No. 1 – Complete Viewing Area/Bocce Court and hold off on any other expenditures until new fiscal year

Moved that:

For the fiscal year 2018 the work to complete the viewing area and bocce court should be carried out but that no other expenditures shall be incurred until after all accounts are reconciled.

3) Updates on Ongoing Activities

a) Snack Bar – Shari Cantor, Director

Shari tried working with Teri Tomlin to add healthier options to the snack bar menu but was not able to affect change. Currently, the snack bar is managed by Teri Tomlin and staffed by the lifeguards. The Club does not ask for profits from the snack bar. Elizabeth Redisch and Chuck Montrie discussed the history of the snack bar and that it has been difficult for someone to run it profitably and with consistency and that Teri keeps it open as a courtesy to the Club and its members. It was suggested that the membership should be asked to determine if there is interest in someone taking over the running and staffing (and profit) of the snack bar. Michael suggested that we revisit the idea of having an outside vendor such as Wagshals provide pre-packaged sandwiches and salads on a trial basis to see if there is sufficient demand to scale up over the busy season. It was concluded that at the very least, Shari, Teri and Chuck should work together to add more nutritious items to the snack bar selections for next year. Rick suggested that a Snack Bar Committee be formed to discuss and implement healthier food options at the Club snack bar.

b) Extended Pool Operating Hours

There was discussion that pool operating hours be extended by 1 hour during the weekdays and until noon on the weekends.

Proposed New Hours until Closing:

Weekdays Early Bird: 6:30 am – 8:30 am

Afternoon Hours: 4:00 pm – 8:00 pm

Weekend Hours: 12:00 am – 8:00 pm

The current pool hours of operation are:

April 28 – May 11:

Weekdays Early Bird: 6:30 am – 8:30 am

Afternoon Hours: 4:00 pm – 7:00 pm

Weekends: 12:00 pm – 6:00 pm

May 12 – June 12:

Weekdays Early Bird: 6:30 am – 8:30 am

Afternoon Hours: 2:00 pm – 8:00 pm

Friday: 2:00 pm – 9:00 pm

Saturday: 10:00 am – 9:00 pm

Sunday: 10:00 am – 8:00 pm

June 13 – August 31:

Weekdays Early Bird: 6:30 am – 8:30 am

Daily: 10:00 am – 9:00 pm

September 1 – September 9:

Weekdays Early Bird: 6:30 am – 8:30 am

Afternoon Hours: 2:00 pm – 8:00 pm

Weekend Hours: 10:00 am – 8:00 pm

September 10 – October 7:

Weekdays Early Bird: 6:30 am – 8:30 am

Afternoon Hours: 4:00 pm – 7:00 pm

Weekend Hours: 12:00 am – 6:00 pm

There was discussion that the operating hours for the days when the pool is open before Memorial Day and those after Labor Day until closing should be standardized. This would result in 2 categories of operating hours, those before Memorial Day and after Labor Day and those during the summer season. There was agreement that pool hours for the summer season, as well as the current pool hours, be extended.

Motion No. 2 – Pool operating hours until October 7, 2018

Moved that:

For the calendar year 2018:

The pool will be open from 4:00p – 8:00p on weekdays and 12:00p – 8:00p on weekends until closing on October 7. This change will take effect within 1 week, allowing Bethesda Aquatics to make necessary staffing changes. The Early Bird hours of 6:30a – 8:30a will remain the same.

c) Swim Team Update - Elizabeth Redisch, VP Buildings

Gian Polignano moved out of state and will no longer be the Club's head swim coach. Elizabeth and Sally McCarthy, Mohican's swim team representatives, have offered the position to a new coach who will hopefully accept by early October. The new coach will be paid a slightly higher salary, as our market dictates, and will have 2 assistant coaches. These coaches will be college-aged and will also receive compensation.

d) Grounds Update – Michael Kessler, VP Grounds

The new path that connects Mohican Road to the rear northeast corner of the pool will be completed by the end of the year. It is next to the current path, which is on land the current owners no longer want to grant us access to. Michael is working with Sue Silverstein and Patrick Gates who have agreed to allow us to construct a path on their property from Mohican to the Northeast corner of the pool property.

The area where the bocce court/viewing area will be located above the retaining wall will be cleared out and leveled within the next 2 months. A chain link fence will be installed in the outer perimeter, so that the pool can be secure. No permits are needed for the bocce court/view area construction, as the amount of earth that will be moved will be very small and the construction is far enough away from the retaining wall. Michael confirmed this with the Montgomery County Dept. of Permitting Services Commercial Division Manager. Water pipe and electrical conduit will be installed from the building to the back area in case they are needed for future use like a pavilion or additional kitchen area.

The electrical issue in the pavilion is being finalized and Chuck the electrician is also fixing the pool lights. There was a faulty installation of the box housing the relay switch assembly and it rusted out. The relay switch part is \$420.

Glen Echo Contracting will repair the trusses over the men's bathroom and main lobby. Michael expects the labor to be approximately \$700 and about \$200 of parts. The engineer of the trusses provided engineered drawings (stamped) for the repairs based on photos and descriptions of the damage.

The ramp into the baby pool was repaired but the surface of the repair is slicker than that of the surrounding area. There are other areas on the ramp which need to be repaired. A decision about long term repair will have to be made.

The estimate to repair the cracks, resurface and repaint the driveway is \$6,200.

The estimate to repair the rust spots in the pools which are caused by the rebar having been installed too close to the surface is \$4,200 to \$4,500. This work will be done after the Club closes for the season as it requires the pools' water to be drained.

e) 4th Annual Mohican Duathlon

The 4th annual Mohican Duathlon will be held on Sunday, September 9th.

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