

# Museum of Lake Minnetonka

## Minutes of Board of Directors' Meeting – **APPROVED**

Date: Tuesday, 1 March, 2022  
Location: Wayzata Public Library, 620 Rice Street E, Wayzata  
Attendees:

- Directors Present: Tom McCarthy, Scott McGinnis, Liz Vandam, Aaron Person
- Directors Absent: Sue Paulson
- Members Attending: Bob & Diane Bolles

### **Member Forum**

McCarthy invited guests to share comments for up to 5 minutes. None of the guests elected to speak.

The meeting was then called to order at 6:05 PM by President Tom McCarthy.

### **Agenda**

McCarthy called for any additions/revisions to the proposed agenda. No additions/revisions suggested and the meeting proceeded.

### **Approval of Minutes from 1 February, 2022**

McCarthy called for any additions/revisions to the minutes as drafted. Hearing none, McGinnis moved approval of the minutes as submitted; seconded by Vandam. Motion approved 4-0.

### **Actions Taken Since Last Board Meeting**

McCarthy noted the Board approved electronically renewal of its Directors & Officers Insurance coverage. The old policy was set to expire on 21 February. The new policy provided the exact same coverage with no increase in premium (\$450 premium + \$125 policy fee = \$575). The Board voted 5-0 via email to approve.

### **President's Report**

McCarthy next highlighted three areas of note:

*Wayzata Chilly Open:* McCarthy thanked directors Paulson, Vandam, McGinnis & Person for their efforts on the Chilly Open event held 12 February on Wayzata Bay. MLM participation was underwritten by Beth Ulrich of the Ulrich Real Estate Group. Despite the extreme cold temps, the team persevered – manning the booth without a break and overseeing ~600 visitors who played the course. The team felt their efforts helped raise awareness for *Minnehaha's* current need of a new launch site. The event's organizers (Wayzata Chamber of Commerce) recognized the team's efforts with a trophy for Best Hole (based on Olympic theme, curling activity, giveaways, booth enthusiasm/crowd interaction, etc.).

*Condition & Value Survey:* The survey of the boat has now been received. Overall the boat is in good condition, though – as anticipated – several fixes were identified. Many are safety enhancements resulting from strengthening of codes since the boat was restored. McCarthy pointed out the report is used by insurers to assess their potential risk/exposure to providing coverage for a vessel.

McCarthy also addressed the appraiser's valuation estimates. Replacement cost is estimated at \$2,500,000 (double what it was in 2004). The estimated market value is \$720,000. The latter is somewhat arbitrary given the challenge of finding a vessel comparable to *Minnehaha*. Additionally, market value is premised on what a potential buyer might be willing to pay which is always subject to market conditions at the time.

*Insurance Update:* McCarthy then revisited the topic of insurance. Although D&O coverage is now set for the next year, our agent is still working on coverage for the boat and general liability. The agent has now received an initial quote on the boat that retains the existing coverage but reduces the premium and deductible. Other quotes are still pending. The current coverage does not expire until March 15<sup>th</sup> – McCarthy alerted the Board an electronic approval of new coverage would be needed. He also stated that if there was any delay in obtaining new liability coverage, he would advise shutting down the barn and all maintenance activities until new coverage was secured. McCarthy has also asked the agent to investigate coverage for the barn which is not currently insured. Though the structure has minimal value, the tools & materials should be covered in his opinion.

McCarthy then noted that the boat has typically been insured at \$450,000 – less than the market value or replacement cost. He stated it is not unusual for historical artifacts to be insured at lower values – in part to manage out-of-pocket costs and in part because of the difficulty in ascertaining what a true market valuation might be.

### **Treasurer's Report**

McGinnis provided the Board with an updated financial statement for the month of February. Income totaled \$2,060 while expenses totaled \$3,341.38. Cash holdings on reserve as of February 28<sup>th</sup> total \$142,065.60.

McGinnis then shared his thoughts on the following:

*CenturyLink* – McGinnis reported CenturyLink has confirmed they have been billing MLM for long distance coverage incorrectly. A refund is being processed, however CenturyLink will only refund for six months.

*Financial Accounts* – McGinnis reported he could find no explanation/rationale for having two checking accounts. He reported both were incurring fees from Alerus and he was in favor of consolidating and moving MLM's account to Wells Fargo. Alerus' staff has not been helpful (unfamiliar with ETFs, etc.) whereas MLM could generate a greater return on its reserves from Wells Fargo. McCarthy, noted the long history with Alerus and his interest in forging a relationship with a partner having strong community ties that could benefit MLM – either through donation, in-kind services, or attractive terms. After discussion, the following action was agreed:

- McGinnis to connect with Sharon Provost to understand the implications, if any, that consolidating accounts would have on the merchant authorizations stemming from online transactions (ticketing, etc.).
- McGinnis to explore what other financial institutions besides Wells Fargo MLM should consider.
- With these answers, McGinnis could then submit a motion to the Board which it could act up electronically.

*Reporting* – McCarthy commented that with the fiscal year-end approaching, it would be critical to ensure the accuracy of our financial reporting. Recognizing that McGinnis had never received any type

of transitional background when the switch from old to new Board was made, McCarthy had taken the step of categorizing all expenditures...from the financial turnover through McGinnis' January Treasurer's report. He offered to work with McGinnis to assist in this effort moving forward. McCarthy also stated he believed the former bookkeeper has incorrectly categorized the payments to Row 10 Historic Preservation Solutions (for its work on the NRHP submission). Currently, the one payment in the current fiscal year was categorized as 63901: Membership/Dues/Subscriptions. McCarthy felt this significantly inflated what would be perceived as the cost of securing memberships – he instead recommended the expense be categorized as 63900: Independent Contractor. The Board concurred.

- McCarthy & McGinnis agreed to review McCarthy's updated info after the Board meeting.

*Financial Audit* – McCarthy inquired if McGinnis had had an opportunity to investigate potential resources and costs of an audit of MLM's corporate finances. McGinnis reported he had not.

### **Old Business**

*Annual Business Filing with the MN Secretary of State:* McCarthy advised the Board updating the Annual Filing with the Secretary of State's Office would incur a \$35 fee. The Board agreed the filing should be updated. McCarthy to submit.

### **New Business**

As an extension of his Treasurer's Report, McGinnis next shared late breaking developments on three topics:

*MN Historical Society / Accessibility Grant* – McGinnis reported he had received a last minute invitation to join Ross McGlasson and Bill Howard at a meeting with Todd Mahon and Ryan (?) of MNHS. The meeting was organized by McGlasson to explore avenues by which MNHS could assist MLM in securing a new launch site. McGinnis reported that through the ensuing conversation, Mahon came around to thinking that there might be a way to 'bend the current rules' on Accessibility Grants to potentially help fund a new ramp. Mahon to investigate the approach further within MNHS. McGinnis advised Mahon to direct all future conversation through MLM Board.

*Jennifer Caron / Excelsior City Council* – McGinnis also reported that after having reached out to Councilperson Jennifer Caron, she had responded earlier in the day. McGinnis, acknowledging the failures of the past Board in its working with the Council, reported he was able to explain MLM's transition in leadership. McGinnis shared with Caron the Board's current focus on two sites. Caron seemed willing to consider George Street (including potential alterations needed to make it a viable scenario), however she made clear the ball was in MLM's court to bring forward a plan, complete with cost estimates, etc. The Board was encouraged with this development.

*Eric Snyder / Excelsior Bay Group* – Finally, McGinnis had also connected with Eric Snyder and chatted about fundraising. Snyder indicated a first step would likely be to field a Fundraising Survey (estimated cost between \$15-\$20,000). Upon discussion, the Board agreed it would invite EBG to present a capabilities overview at an upcoming Board meeting.

- McGinnis to coordinate.

### **Sub Committee Reports**

*Maintenance/Preservation Committee:* McCarthy reported on his meeting February 26<sup>th</sup> meeting with members of the maintenance team. The team is working to ascertain current status on list of work orders from 2019-2020 to determine which remain to be completed. Additionally, the team is looking to

incorporate the fixes called out on the new Condition and Value Survey. McCarthy shared that a new priority will be establishing a formal maintenance log of all activity, including step-by-step instructional guides so we can capture all the team's knowledge (which has generally been passed on orally and by learning on-the-job).

*Shore-Based Facilities Committee:* McCarthy reported that work continues on the two priority sites with no new updates (the Board was thoroughly briefed at its work session held February 22<sup>nd</sup>).

*LMHO Strategic Preservation Exploration:* McCarthy reported that, after two-plus years of work, the Joint Committee (JC) is approaching the end of the project as defined by the grant. Steps remaining:

- *Final Report* – the JC is currently awaiting the consultant's initial draft.
- *Meeting of Partner Org Boards* - Once the report has been finalized and approved by the JC, the consultant will meet with the board of each partner organization to review the project and answer questions from the boards.
- *Board Votes* – After all boards have concluded their sessions with the consultant, each will then take a non-binding vote on whether the organization wishes to continue the exploration further, or withdraw from further participation.
- *Post Vote Activity* – Depending on the make-up of those organizations wishing to pursue partnership discussions further, an assessment will be made if those remaining have sufficient resources to warrant proceeding. If so, the JC would then begin to flush out a framework of the proposed new organization (board structure, articles/bylaws, membership, finances, etc.).
- *Final Steps* – Once the JC completes its framework, the Board would then take a binding vote. If affirmative, each organization would then hold special membership meetings where members could vote on the proposed action.

#### **Upcoming Presentations**

- *When Lake Minnetonka Had Streetcar Boats*, hosted by the Westonka Historical Society
  - March 12<sup>th</sup> 11:00 – Noon Lake Minnetonka Shores Community Room
  - Presented by Aaron Person and Tom McCarthy
- *Encore Performance*, hosted by the Legacy of the Lakes Museum in Alexandria, MN
  - Date: TBD (likely June 28<sup>th</sup> or July 26<sup>th</sup>)
  - Presenter: TBD

#### **Next Meeting**

- Tuesday, April 5<sup>th</sup>: Board Meeting at Wayzata Public Library (6-8 pm)

#### **Adjournment**

Vandam moved the meeting be adjourned at 7:20 pm; seconded by McGinnis. Motion approved 4-0.

Respectfully submitted,

Tom McCarthy, President/Secretary

Attachments:

- Agenda
- President's Report
- Financial Statement

# THE MUSEUM OF LAKE MINNETONKA

## Board of Directors Meeting

March 1<sup>st</sup>, 2022 6:00 – 8:00 PM

Wayzata Public Library Meeting Room

### AGENDA

1. **Member Forum** – Members in attendance may have up to 3 minutes to speak. Board will close the Member Forum after no more than 30 minutes in order to allow sufficient time to focus on matters requiring Board action/discussion.
  
2. **Call To Order** **McCarthy**
  
3. **Approval of Agenda**
  
4. **Approval of 1<sup>st</sup> February Minutes**
  
5. **Actions Taken Since Last Board Meeting** **McCarthy**
  - a. Approval of new D&O Insurance Coverage
  
6. **President’s Report** **McCarthy**
  - a. Wayzata Chilly Open Recap
  - b. Condition & Value Survey Discussion
  
7. **Treasurer’s Report** **McGinnis**
  
8. **Committee Reports** **McCarthy**
  - a. Maintenance/Preservation Committee
  - b. Shore Based Facilities Committee
  - c. Update on LMHO Strategic Partnership Exploration
  
9. **Old Business** **McCarthy**
  - a. Annual Business Filing w/ MN Secretary of State
  
10. **New Business**
  - a. Westonka Historical Presentation March 12<sup>th</sup>
  
11. **Adjourn / Executive Session** (if needed)

## **MLM President's Report**

**February 28, 2022**

### **Actions Taken**

- 1 Feb – MLM Board Meeting
- 4 Feb - Met with Bob & Diane Bolles, Dave Peterson
- 4 Feb - Returned AED device to Advanced First-Aid
- 7 Feb – Discussed position on Governance Committee with Lisa Stevens
- 8 Feb – Met with Cliff Schmidt for re-inspection of boat, picked up booth materials
- 11 Feb – Met with Woodland Mayor Mike Jilek & LMCD Commissioner Denny Newell
- 12 Feb – Wayzata Chilly Open
- 13 Feb – Hosted ELMHS Board Members at MLM Barn
- 14 Feb – Completed trailer schematics
- 15 Feb – Met with LMCD Director Vickie Schleuning
- 17 Feb – Met with Pete Willenbring, wsb
- 17 Feb – Board voted 5-0 via email to approve renewal of D&O insurance proposal
- 19 Feb – Attended DHS Special Membership Meeting
- 20 Feb – Visited potential sites to drill through ice & take depth measurements
- 22 Feb – Held work session with MLM Board
- 26 Feb – Met with maintenance team to review CVS report

### **Projects In Process**

- Renewal of Hull/Liability Insurance Policy
- WHS Presentation (March)
- Letters/Invitations to Local/State Representatives
- Schedule meeting of Governance Committee

# MUSEUM OF LAKE MINNETONKA

## FINANCIAL STATEMENT

February 1-28, 2022

### ASSETS

#### Current Assests

Small Business Checking #1033795	3,368.55
Small Business Checking #1033437	11,070.25
Alerus Business Money Market #1334969	127,626.79

**TOTAL CURRENT ASSETS** **\$142,065.60**

#### Fixed Assets

Boat Storage Building	19,647.00
Steamboat Minnehaha	15,000.00

**TOTAL FIXED ASSETS** **\$34,647.00**

**TOTAL ASSETS**  
**\$176,712.60**

### INCOME

Memberships and Donations February 1-28, 2022	1,760.00
Advanced First Aid, Inc AED refund	300

**TOTAL INCOME** **\$2,060.00**

### EXPENDITURES February 1-28, 2022

Biffs, Inc.	133.00
CenturyLink	99.39
CenterPoint Energy	531.26
Marine Services, Inc	1,514.50
Century Link	99.39
Xcel Energy	140.64
Xcel Energy	80.92
CenterPoint Energy	742.28

**TOTAL EXPENDITURES** **\$3,341.38**