

THE MUSEUM OF LAKE MINNETONKA

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

Date: Tuesday, 3 January, 2023
Location: Meeting held virtually due to winter storm
Attendees:

- Directors Present: Tom McCarthy, Scott McGinnis, Sue Paulson, Aaron Person, Liz Vandam, Steve Albrecht
- Members Attending: Jeff Bipes, Paul Maravelas, Dave Peterson, John Woodburn

Member Forum

Jeff Bipes expressed a desire for a general update on where things were going as well as member attrition stemming from the continued hiatus. McCarthy explained work on the new site continues and the Board plans to share an update soon. Unfortunately, the current situation prevents the Board from making details public at this moment. The question on membership is an agenda item and will be addressed then.

John Woodburn stated he is interested in lending his assistance to the effort to return Minnehaha to operation. McCarthy welcomed Woodburn's willingness to help, particularly with his connections to MN Senator Dr. Kelly Morrison and Representative Patty Acomb.

Call To Order

The meeting was called to order at 6:08 PM.

Agenda

The draft agenda was agreed to without changes.

Passing of Bill Rissmann

McCarthy noted the recent passing of Special Events Director Bill Rissmann who passed after a lengthy battle with cancer. Rissmann took charge of organizing MLM's Special Events (art fairs, JJ Hill Days, etc.) – ticket booth set-up / staffing as well as designed the color-coded ticket system to speed passenger loading.

Board Actions Since the December Meeting

McCarthy noted two actions by the Board since the December meeting so that they could be formally recorded:

- The Board unanimously authorized McCarthy to conclude the renewal of the barn lease with HCRRA;
- The Board unanimously voted to approve payment of a \$1,500 deposit for the planned blasting to remove all the layers of bottom paint from the hull below the waterline. Deposit necessary to hold spot on the calendar in early Spring (critical to closing out the MNHS grant in order for planned subsequent grant applications to be submitted). McGinnis stated he had submitted the payment; McCarthy acknowledged deposit receipt has now been received.

Approval of December 1st Minutes

Since the draft minutes were not distributed to the Board until late this afternoon, McCarthy suggested that approval of the minutes from the Board's December 1st meeting be handled via email following the meeting. Members acknowledged they had not had an opportunity to fully read.

Treasurer's Report

McGinnis reviewed his report of November financials. Cotter questioned the reference to "Mighty Cause Foundation" under deposits. For the month, bank holdings increased \$606.63 to \$101,311.88 (excluding the \$30,000 Barn Reserve). Person inquired if the Biff would be returned to the barn during the winter. Albrecht and McCarthy responded that volunteer activity at the barn after the holidays would be light until Spring and it was their opinion that the Biff was not needed.

President's Report

McCarthy then provided the following updates to the Board:

Membership Coordinator Transition – Following up Paul Maravelas' offer to assist with managing MLM's membership, McCarthy noted MLM needed to develop a secure method of enabling Board members and volunteers (i.e., Maravelas) access to MLM data files. Currently, all files other than the Treasurer's records are maintained on McCarthy's hard drive. McCarthy gave a brief virtual demo of the extent of files he has developed. Google Drive and DropBox were two solutions mentioned. McCarthy currently using DropBox, but issue is controlling who can view, edit, delete files, etc. McCarthy proposed the Board research nonprofit subscription costs and consider at a subsequent meeting, to which there was general agreement.

Membership Renewals / Annual Appeal Update – McCarthy recapped that both communications were combined in a single letter mailed out in early December. Five separate versions were created: Hall of Fame members, Captain/Lifetime members, Regular members with membership set to expire 12/31/2022, Lapsed members, and Non-members. A total of 174 letters were mailed. Response rate to date (through 12/31) has totaled 25% generating more than \$9,000. When coupled with November's GiveToTheMAX results, over \$10,000 has been raised. Additional responses are expected.

Responding to Jeff Bipes' query during the Member Forum, McCarthy indicated currently membership totaled 109 (with 24 members set to expire if not renewed in the next 30 days). This level seems on par with where membership has been over the two prior years.

To minimize out-of-pocket expenses, the Board agreed that reminder notices should be emailed to the 24 members yet-to-renew, as well as to the 15 Lapsed members.

HCRRA Lease Update – McCarthy shared that the initial draft of the new lease agreement with HCRRA raised the coverage levels MLM was expected to carry. Higher liability coverage plus coverage for non-owned and hired autos was specified, which our insurance agent stated would raise our premium an additional \$3,000. McCarthy reported that earlier in the morning, HCRRA's Risk Manager had relented allowing the existing coverage levels to remain in place. With that, McCarthy has now signed the lease agreement and returned for HCRRA officials to sign.

McCarthy also shared that HCRRA had raised the issue of parking of equipment, etc. on county property by Jeff Jensen. McCarthy had feared this could hold up renewal of the lease, but today's developments now seem to make that less likely. Nevertheless, as the tenant of the property, MLM is responsible for ensuring compliance with the lease. McCarthy will address the matter with Jensen.

Insurance / Maintenance Update – McCarthy shared two other updates on insurance:

- *Director & Officer Coverage* – MLM's D&O policy (coverage \$3,000,000 with a premium of \$575) is up for renewal on February 21st. Agent is already working on preparing a premium quote to renew this coverage.
- *Boat Liability* – McCarthy shared that he and Dave Peterson had prepared a progress report for Cliff Schmidt, who conducted the Condition & Value Survey of the boat last December. Purpose of the report was to report, item by item, all maintenance activity completed or underway for all repairs noted in Schmidt's report. McCarthy reported Schmidt responded favorably but will not amend the CVS report without re-inspecting the boat himself. The team's hope had been to submit an amended CVS report to hopefully influence the premium on the boat's liability policy. The need for a second inspection has now tabled that approach as it likely would have entailed a fee for Schmidt's services and probably could not be completed in time for submission to the carrier.

Development Update – McCarthy noted the proposed in-person introductory meeting between McCarthy, Jeff Cotter and Sal DiLeo (Cotter's longtime development acquaintance) had to be cancelled due to a change in DiLeo's schedule. Meeting will now have to take place remotely as DiLeo has traveled south for the remainder of the winter.

Treasurer's Report

Scott McGinnis shared the December financials with the Board. Income generated from membership renewals / annual appeal totaled \$7,865 for the month. Only four expenditures were made in December totaling \$899.

Grant Discussion

Vandam updated the Board on her progress on the small (<\$10,000) grant application to MNHS for hull pre work. This grant is the first of three sequenced grants intended to address hull preservation work including stripping existing layers of bottom paint from below the waterline, recaulking the hull timbers and applying new bottom paint, and replacing ribs/planks. As a result of these grants, MLM is expected to cover more than 90% of the total project's cost, thereby enabling our existing cash reserves to continue to be focused on development of the new launch site.

Vandam has sought feedback on the draft application from individuals with extensive experience in writing grant applications: Paul Maravelas, Rachel Houck (former ELMHS part-time Executive Director), and Ryan Maciej, MNHS Design Reviewer. Deadline for formal online submission of the grant is Friday January 13th. Award notifications are scheduled for March with funds released in April (just in time for the scheduled blasting work in early May).

2023 Boat Show

MLM has again been invited to participate at the show as part of the exhibit space of the LOL Classic Boat Club. The Board agreed to continue with the same general booth set-up as prior years. McCarthy to share sign-up sheet with Board for shifts at the show (McCarthy must quickly submit a list of show volunteers so the credentials can be obtained).

Other Business

Terminating Old Pier & Access Easement Agreement - McCarthy updated the Board that he had received today the draft Termination Agreement from Peter Johnson to terminate the agreement that originally provided access from the Lake Minnetonka Regional Trail across the Bayview property to the shoreline where *Minnehaha's* owned dock was located. The former dock no longer exists and the easement will naturally sunset in March 2025. Current owner has proposed terminating this easement early with consideration to MLM. Albrecht moved that MLM approve the Termination Agreement; motion seconded by McGinnis. Motion approved without objection. McCarthy to complete agreement.

January Newsletter – McCarthy asked for further edits on the draft newsletter shared with Board members via email. No additional edits brought forward; McCarthy to proceed to finalize.

SHPO Letter – McCarthy shared that he and Vandam had now aligned on a draft letter to SHPO Director Amy Spong regarding MLM's disappointment with how the department handled MLM's request to have SHPO submit a grant application with *Minnehaha* listed as a sub applicant for the National Maritime Heritage Grant Program. Letter to be issued ASAP.

Adjournment

With no further items called out for discussion, the meeting adjourned at 6:59PM.

Respectfully submitted,

Susan Paulson, Secretary

Attachments:

- Agenda
- December Financial Statement

THE MUSEUM OF LAKE MINNETONKA
Board of Directors Meeting

January 3rd, 2023 6:00 – 8:00 PM
Wayzata Public Library
620 Rice Street East, Wayzata

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**
3. **Approval of Agenda**
4. **Actions Taken Since Last Board Meeting**
5. **Approval of Minutes – December 1st Board Meeting**
6. **President’s Update**
 - a. **Transition of Membership Responsibility**
 - b. **Membership Renewals / Annual Appeal Update**
 - c. **HCRRA / Insurance Update**
 - d. **Maintenance**
 - e. **Development**
7. **Treasurer’s Report**
8. **MNHS Grant Application Update**
9. **2023 Boat Show Discussion**
10. **Miscellaneous**
11. **Adjourn**
12. **Executive Session (if needed)**

Next BOD Meeting: February 7th (6:00-8:00 PM) at the Wayzata Public Library

THE MUSEUM OF LAKE MINNETONKA
TREASURER'S REPORT
 December 31, 2022

Summary of Financial Position							
ACCOUNT	OPENING BALANCE	DEPOSITS	INTEREST EARNED	WITHDRAWALS	TRANSFERS	ENDING BALANCE	NET CHANGE
Operating Checking	\$ 5,096.04	\$ 7,865.00	\$	\$ 899.21		\$ 12,061.83	\$ 6,965.79
Money Market Savings	\$ 126,117.37		\$ 101.84			\$ 126,219.21	\$ 101.84
TOTAL	\$ 131,213.41	\$ 7,865.00	\$ 101.84	\$ 899.21	\$ -	\$ 138,281.04	\$ 7,067.63
Reserve Holdings	\$ 30,000.00					\$ 30,000.00	\$ -
Flexible Cash Holdings	\$ 101,213.41					\$ 108,281.04	\$ 7,067.63

Income Summary

12/2/2022	Deposit	Mighty Cause Foundation	\$ 800.00
12/16/2022	Deposit		\$ 4,890.00
12/20/2022	Deposit		\$ 1,910.00
12/27/2022	Interest	Mighty Cause Foundation	\$ 265.00

Total Income \$ 7,865.00

Expense Transactions

DATE	CHECK #	PAYEE	DESCRIPTION	CLASSIFICATION	AMOUNT
11/22/2022	5306	Verizon	Utilities	63909 - Telephone	-39.21
11/29/2022	5307	Bob Hagstom	Fuel Lines	65107 - Maintenance	-32.64
12/05/2022	5308	Tom McCarthy	Mailing	61200 - Postage, Ma	-163.58
12/06/2022	5309	USPS	PO Box rental	63906 - PO Box Rent	-116.00
12/06/2022	5310	CenterPoint Energy	Utilities	63911 - Utilities	-277.39
12/06/2022	5311	Sterling AVS	Alarm Monitoring	65108 - Security	-160.00
12/22/2022	5313	Verizon	Utilities	63909 - Telephone	-39.14
12/20/2022	ACH	Xcel Energy	Utilities	63911 - Utilities	-71.25

Total Expenses \$ (899.21)

**THE MUSEUM OF LAKE MINNETONKA
 PROFIT / LOSS STATEMENT
 APRIL 01, 2022 - MARCH 31, 2023**

ACCT #	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	FISCAL YR
INCOME													
40000													
CONTRIBUTIONS, GIFTS, GRANTS													
40100		\$ 500.00	\$ 675.00	\$ 125.00	\$ 50.00	\$ 615.00	\$ 600.00						\$ 2,565.00
40300		\$ 217.24	\$ 120.00	\$ 40.00	\$ 120.00	\$ 140.00	\$ 100.00						\$ 777.24
40500		\$ 217.24	\$ 120.00	\$ 540.00	\$ 715.00	\$ 245.00	\$ 190.00	\$ 600.00	\$ -	\$ -	\$ -	\$ -	\$ 3,342.24
													88.1%
41000		\$ 12.87	\$ 13.35	\$ 12.75	\$ 12.84	\$ 16.05	\$ 16.23	\$ 98.47					\$ 257.32
41000													6.8%
41500		\$ 23.53											\$ 23.53
41511													\$ -
41513													\$ 23.53
													0.6%
													\$ 172.00
													\$ 3,795.09
													100.0%
41600		\$ 230.11	\$ 156.88	\$ 552.75	\$ 727.84	\$ 261.05	\$ 206.23	\$ 798.47	\$ -	\$ -	\$ -	\$ -	\$ 3,795.09
													100.0%

ACCT #	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	FISCAL YR
EXPENSES													
MANAGEMENT & GENERAL EXPENSES													
63101		\$ 5,461.12											\$ 5,461.12
63400		\$ 29.00	\$ (29.00)										\$ -
63903		\$ 25.00			\$ 165.81								\$ 190.81
63905													\$ -
63906				\$ 116.00	\$ 163.86	\$ 120.53							\$ 400.39
63907		\$ 39.09	\$ 39.24		\$ 122.86	\$ 39.40	\$ 39.21	\$ 39.21					\$ 319.01
63911													\$ -
63913													\$ -
													\$ 6,371.33
													47.3%
PROGRAM SERVICES - BOAT EXPENSES													
65100		\$ 5,350.00											\$ 5,350.00
65101													\$ -
65104													\$ 231.72
65107		\$ 160.00	\$ 54.81		\$ 144.27		\$ 32.64						\$ 320.00
65109		\$ 198.65	\$ 384.04	\$ 156.91	\$ 44.23	\$ 151.83	\$ 207.54	\$ 41.28					\$ 1,184.48
65110		\$ 198.65	\$ 5,894.04	\$ 371.72	\$ 44.23	\$ 151.83	\$ 144.27	\$ 207.54	\$ 73.92	\$ -	\$ -	\$ -	\$ 7,086.20
													52.7%
													\$ 13,457.53
													100.0%
													\$ (9,662.44)