

LAWRENCEVILLE SWIMMING ASSOCIATION Minutes of the Annual Meeting – September 4, 2006

Call to Order: The meeting was called to order at 4:00 pm on the pool grounds. Board members present were Jim Guenther, Kirk LeCompte, Tony Buchsbaum, Rita Reven, Britt LaZelle, Martha Davidson, Cinda Yoskin, and Mary Bostock. Initially twenty-six families were present establishing a quorum for this meeting. Three additional families arrived late.

Board of Trustees: President Tony Buchsbaum thanked staff, owners and guests for their participation in keeping the pool running smoothly all summer. He announced the formation of a Vision Committee including himself, Ken Najjar and Shawn Huxel, which is open to anyone interested in improving the facilities, and forming a plan to finance and execute such improvements in the short term.

Operations & Maintenance Report: Jim Guenther reported that the major initiatives for the 2006 season included painting the building blue, clearing the jungle behind the back fence, and installing a new pool filter.

Facilities & Staff Report: Pete Cino reported that 2006 saw the second highest attendance ever for the summer as a whole, averaging 130 people per day in July, but that the facilities still had capacity for greater attendance. In 2005 we had over 11,000 visitors, and in 2006 we had almost 10,000. We are losing several experienced staff members including our assistant manager Rhae Ann Reigel who will be attending dental school and starting her new career. Alison Altomari, and as many as six other guards, will not be returning next season, all for positive reasons such as career-oriented internships and travel. However, we have plenty of new applicants, some of whom worked part-time this year. Pete identified the need to hire a firm to replace some coping and tiles around the pool, and the desire for new portable lifeguard stands. Otherwise, the pool infrastructure is in fine shape with no significant items coming up for maintenance.

Swim Dive Report: Cinda Yoskin reported that our Swim Team finished second in Division II and will consequently be moved up to Division I in 2007, despite LSA objections at the PASDA meeting. We had 85+ kids participate this season, including many more younger kids, which is a healthy sign for next year. Our divers did very well on the Ben Franklin team, yet no decision has been made about a diving team at LSA for 2007. Coaches Matt Poss and Lindsay Stern will return next year; whereas Coach Dominic Machado may have college commitments for the summer. Cinda & Susan are retiring from the Board after three years, and are working to define a Swim/Dive structure that will spread out the responsibilities more as we look for parents to get involved running the team.

Membership: Mary Bostock reported we had 10 families turnover in 2006 and have a waitlist of over 45 people as well as 20 season guests. The waitlist is at least 2 years long.

Concessions & Social: Britt LaZelle reported that we had a very successful Last Day of School Party, Independence Day Party, and Adult Social, but that weather pre-empted our Labor Day Party, which helped keep the budget down as well. Next year, we will have just one movie night, and it will be the same night as the Swim/Dive awards.

Financial Report: Kirk LeCompte presented the 2006 financial report and projection. LSA should end the year with approximately \$36K in combined value of cash and investment accounts, down from \$43K in 2005. The mutual fund accounts are holding steady and still being treated as long term investments. The LSA mortgage outstanding is under \$100K with seven years remaining. Of the \$36,000 in liquid assets, the Board recommends that we always have at least \$20K in reserve funds for emergencies.

Given the \$5K net loss in 2005, the projected \$7K net loss in 2006, as well as continuing operating losses at the same amounts or more expected in the coming years, the Board recommends the club generate additional recurring revenue to cover the losses through a general dues increase. Without additional revenue, we will likely hit our reserve minimum of \$20K in two years.

Kirk identified the main culprits in escalating expenses as payroll, insurance, taxes, and utilities. Improvement expenses this year were budgeted at the lowest amount in eight years. In fact, no improvements have been spent as of yet in 2006, and only \$3K were budgeted.

As always, Kirk reminded members that detail reports are available to anyone on request.

Revenue Discussion: The membership discussed the board proposal to raise dues \$50 per owner and \$35 per senior privilege slot in order to close the operating budget deficit.

Several members indicated that we should solve a recurring operating shortfall with a recurring revenue stream such as a dues increase. Other revenue generators identified included converting SGP slots to membership slots, which would generate \$18,750 in one-time bond revenue. Others thought we should do that, but reserve such funds for improvements rather than using it to delay a dues increase.

Others suggested we could use some of our current cash/investment surplus (above the minimum reserve) to absorb a couple years of additional losses. Others were wary of postponing the inevitable as well as delaying the possibility for improvements.

Some members questioned what could be done to reduce expenses. One option discussed was to control wages. However, the minimum wage in NJ increased \$1.00 last year and increases another \$1.00 this Fall. LSA raised rates \$1.00 this past year and is only recommending a \$0.50 raise in 2007, which means we won't match the State's raise in dollar value or percentage. Our starting guard rate in 2007 will be \$8.50 compared to a minimum wage of \$7.15. Guard wages across the State average about \$10 per hour for an experienced guard. We paid \$9.75 to our most experienced guards in 2006 and will pay \$10.25 in 2007. Another option is to decrease the number of guards in the stands, but no one endorsed that idea. In short, there are no significant cuts to be made in personnel expenses. No other expenses were discussed in detail.

After the discussion, the membership present passed unanimously a proposal to raise the base dues of owners and season guests by \$50 and seniors by \$35, which would generate an additional \$9,130 in revenue for future years operating expenses.

Improvement Revenue: The membership discussed the fact that very few improvements had been made this past year and that items such as additional chairs, a pavilion, wall ball, hot water heater, and portable lifeguard stands seemed to be languishing on the wish list. Kirk LeCompte

mentioned that the LSA mortgage, which costs close to \$20K per year (interest and principal) will be paid off in seven years, and that in the years that follow, at least \$15K per year should be set aside for a major improvement and pool replacement fund. Members present felt strongly that we needed to do some major improvements well before then and that we needed the funds to do so sooner rather than later.

Neil Yoskin moved that the Board notify the full membership, and bring to a vote, a change in the Bylaws to allow 175 members rather than the current 150, and then convert the current 20 to 25 SGPs, which we have had in the club for the last 5 years, into fully recognized members and thus generate \$18,750 in revenue that would be set aside for improvements. Shawn Huxel seconded the motion. The members present unanimously approved the motion.

The Board will prepare a notice for the full membership. If the measure passes, the Board will then clarify what if anything will need to be done with regard to Township regulations before accepting any additional owners. As ownerships are increased to 175, the current board indicated that they would reduce the SGP program down to zero participants, so that there would be no net increase in visitors to the pool.

The proposed change to the Bylaws would read as follows:

Article Three Section 1: There shall be one class of membership to be known as "Resident-Family" which shall be limited to one hundred seventy-five Lawrence Township families, one certificate per resident-family. The Board will determine by majority vote how many certificates, not exceeding the limit set by these Bylaws are to be available in a given year.

Board Election: Tony Buchsbaum thanked Kirk LeCompte, Ann Lewis and Rita Reven for their commitment over the last 5 seasons on the Board, as well as Susan Caputo, Cinda Yoskin, and Susan Olson for their three year terms, and Jim Guenther for rounding another Trustee's term left vacant last year. The following members were nominated and approved by the membership as Board members: Dan Collins (term expires 2009), Eric Bloomberg (term expires 2009), Paul Kayne (term expires 2009), Colleen Ramos (term expires 2009), and John Wengler (term expires 2007). Two slots remain open on the Board – the slots typically associated with Swim/Dive team.

Adjournment: The meeting adjourned about 5pm. The next general meeting, the Spring Meeting, is tentatively scheduled for Saturday, May 19, 2007 at 11:30am on the pool grounds.

Respectfully submitted by,
Kirk LeCompte
LSA Secretary