

NEWPORT YACHT BASIN ASSOCIATION

ANNUAL MEETING

FEBRUARY 11, 1999

The annual meeting was called to order by Kyle Anderson who introduced himself along with fellow Board members Dave Pelligrini, Bob Lackey, and Mike Kavanaugh. Board Member John Purcell was on vacation. Also introduced was Judy Bolton of John Radovich's office, representing Newport Yacht Basin Association #2. Kyle explained the relationship between Newport Yacht Basin Association #1 and Newport Yacht Basin Association #2, the latter being a separate organization essentially made up of slips on G Dock. It was explained that both NYBA #1 and NYBA #2 are maintained and managed as one organization.

Also present and introduced were Tom Sulewski and Kerry Roemer of the accounting firm of Clark, Nuber, Vern Smith, our insurance agent, Don Hayes, Manager, and Frank Hanson, Maintenance.

Kerry Roemer spoke regarding the financial condition of the Association and reviewed the year end Balance Sheet & Income Statement. The reimbursements from insurance due to the December, 1996 storm damage did not cover all repairs; some repairs were paid directly by the Association. Key & pass liability due to deposits was up slightly from the previous year, as was investment revenue. Moorage and other income also increased slightly due to slip resale certificates. Expense items that differed from the previous year were discussed. A question was asked regarding the increase in telephone expense and Don explained that the City required 2 dedicated telephone lines linked to the fire department as a condition of the building permit necessary for the storm re-build. Kyle explained that an annual audit by a certified public accountant is required by the Washington State Condominium Act of 1992 for condominiums exceeding 50 units.

The proposed budget for 2/1/99 - 1/31/00 was discussed. The amount paid last year for the breakwater lease is paid to the Washington Department of Natural Resources. It will increase for the upcoming year. A question was asked regarding payment for repairs to the breakwater and Kyle explained that the lease payment is only rent for the water itself and does not cover improvements. Also increasing for the upcoming year is insurance because the insurance company requires a certain amount of insurance based on the value of marina. Maintenance expense is expected to be \$17,000 and project expense is projected to be \$100,000, including the water wall for C Dock. Kyle explained that the total budget cannot exceed \$232,650 as that is the total amount paid annually in maintenance dues by the slip owners. It is planned that reserves will be drawn down by approximately \$55,000 to accomplish ongoing piling repairs. Dredging and roof repairs have been done in the past without special assessments because reserves have been set aside for major repairs and maintenance.

Kyle introduced Vern Smith who explained that insurance rates per thousand of coverage did not increase, even with the claim of 12/29/96. Coverages remain essentially unchanged except for the docks and piers which are insured for 4,650,000. That is \$100,000 more than last year and is based on the increased costs of construction. Insurance costs for 99-00 will be \$34,770, of which \$27,900 is for docks and piers. Kyle explained that, subsequent to the loss from the '96 storm, the insurance company had asked for 100% coverage of the appraised value of the marina, which was reduced to 70% when they agreed it was unlikely the entire marina would ever be destroyed.

Don gave a report on maintenance and projects planned for the next year. \$35,000 is budgeted for repairs to 56 piling on E Dock and repair of the bulkhead between E & F Docks. The maintenance budget of \$17,000 will include re-decking of the Social Dock. Don explained what may be necessary for the water wall and why the City may require it. Depth of water in the marina was discussed & Don explained that the dredging done several years ago could not include under finger piers and some fill may be drifting from those areas. Don also explained the freezing of the domestic water lines that occurred in December, 1998 and the cost to repair the lines. Measures to prevent a similar occurrence in the future were discussed. Don suggested that any owner with maintenance concerns bring them to his or Frank's attention.

Mike Kavanaugh asked if anyone wished to hear the minutes from last year's annual meeting read or would they prefer they be mailed to anyone requesting a copy. It was agreed that a sign up sheet would be available.

The election of Board members for the next 2 years was accomplished with the re-election of Mike Kavanaugh, Dave Pelligrini and John Purcell.

Karl Lang led the discussion of a possible NYBA club house. Kyle asked Karl to investigate what would be needed in terms of permits, etc. A portable to house the Marina office was also discussed and Karl agreed to look into that as well.

Kyle asked if there was any new business and the question was asked regarding a possible cover for the walkway for B-C Docks. It was decided to discuss that possibility when it can be included in the budget. Any slip owner who wishes to install a fascia to protect their boat or propose a cover for a dock could suggest the work to the Board at one of their regular meetings.

There being no further business, Kyle adjourned the meeting.