

**THE PRAIRIE CLUB**  
**BOARD of DIRECTORS' MEETING**  
**July 18, 2018**

**Call to Order**

President Doug Elrick called the board meeting to order at 6:30 pm. All members listed below were present unless designated by an asterisk (\*). All members listed below with (p) participated via teleconference.

**Officers:** President – Doug Elrick (2018)  
1<sup>st</sup> Vice President – John Manthey (2018)  
2<sup>nd</sup> Vice President – Patricia Craig (2018)  
Hazelhurst Camp Chair/Vice President – Larry Bergman (2018)  
Spring Grove Camp Chair/Vice President – Erin Kiehm (2018)  
Treasurer – Bill Breach (2018)  
Recording Secretary – MP McKenzie (2018)

**Directors:**

Jim “Mac” McCarthy (p) (2018)	Hope Little (2019)	Bob Foote (2020)
Patty Ciesla (2018)	Richard B. Spurgin (*) (2019)	Art Anderson (*) (2020)
Brian Reed (2018)	Charles Calkins (p) (2019)	Charlie Johnson (2020)
Dan Gapen (2018)	Jean Simmons (p) (2019)	Terry Riban (2020)

**Chairs:** Buena Vista - Paula Flanagan and Beverly McBrien (\*)  
Family Cottage - Carla Klausler (\*)  
Farmhouse - Deb McGrath (\*) & Barb Wittersheim (\*)  
Membership - Barb Burton Halfpenny (\*)  
Nominating – Leo Krusack (\*)  
Conservation – Leo Krusack (\*) and Bernie Dahl (\*)  
Activities - Hope Little  
Spring Grove Lodge – Mickey Hanson and Judy Illingworth  
Finance - Rich Spurgin

**Executive Director:** Jacquie Dziak

A quorum was established.

**Minutes Approval:**

Patty Craig made one correction to the 5/16/18 board minutes: that Hazelhurst Camp was not founded 85 years ago, it was founded 88 years ago.

Erin Kiehm moved to approve the minutes pending that correction; Patty Ciesla seconded the motion, all in favor, the motion passed.

**Treasurer's Report - Bill Breach**

The overview is that we are doing well; house rentals are \$10,000 ahead of budget through June. Larry Bergman projects \$105,000 through the end of the year for Hazelhurst rentals, which puts us ahead of budget.

Donations are up; assessments are doing well. The next bill will be larger due to real estate billing

and summer assessments combined, but people are happy about the combined billing this year.

Fee income and membership dues are close to budget. Insurance renewal is less than budgeted and less than last year. There was some question about the underwriter, but in the end everything came through cheaper than expected.

A question was raised about the insurance audit from last year and whether we should expect another one this year. Bill Breach explained that we are audited every year for workers comp, and this year's audit is currently underway. Last year's audit resulted in an unusually large assessment. We have researched the problem - many of the contractors we use, even Vern, cannot get worker's comp insurance. It's particularly difficult for contractors and sole proprietors in Michigan to get insured. We pay for it regardless; either billed by the contractors or we pay separately. Either way, we do pay.

There are different forms depending on whether you are LLC or not, which we are working on getting copies of. The cleaning service is ok because they are not an LLC.

Questions were asked whether we're hiring companies or individuals? Whether we're getting away from Vern doing extra work outside the scope of his duties?

The beach bathroom which was finished last summer, is part of this year's audit. The audit is always a year behind. Last year's fee was for a different project. The workers comp rules are different in Illinois versus Michigan. The insurance company sent us the wrong form but we're continuing to work on getting the correct one.

The audit was only for worker's comp. We paid \$4,000 which covered quite a few vendors, but Vern was the largest part of that, about \$3,500. It's considered retroactive coverage, not a fine.

The balance sheet shows \$382,000 total in checking and savings accounts; that's a lot of cash on hand. Internal procedures say we won't keep more than \$250,000 at any one bank because that's the limit of FDIC insurance.

Bill proposes that instead of keeping all our accounts at Fifth Third Bank, that we create a separate investment account for our long term capital funds, which are currently \$193,000. He recommends we open an account at Charles Schwab. Our policies state that we can only buy FDIC insured CDs. At Charles Schwab we can buy CDs from various banks. He is not suggesting that we change our investment strategy, only that we change the venue.

Regarding liquidity of CDs, Bill gave assurances that we would take into that into account when setting them up since we have an idea of upcoming projects and when the funds would be needed. Worst case scenario, if we had to sell prior to maturity, the penalty is against the interest, not the principal.

The CDs are FDIC insured. A question was raised about government or other securities but nothing would give higher rates without a lengthy time commitment.

Bill Breach moved that we open a Charles Schwab account for our long term capital improvement funds; Patty Craig seconded, all in favor, the motion passed.

Bill Breach also mentioned that presenting budgets in October worked well last year, so we'll do

that again this October. It means budgets are due in September, a few weeks prior to the October board meeting. He'll pick a date and send out an email to coordinate with camp and committee chairs.

Regarding committee chairs:

A question was raised about the Membership Committee - Barb Burton and M.P. McKenzie are co-chairing the committee. It's in our bylaws that no one can serve as chair for more than 7 years.

Leo Krusack is stepping down as Nominating Committee Chair. Hope Little sent out an email to the committee; she's still waiting to see if someone will volunteer to chair. She invited Sally Craig to join the committee and Sally has said yes. If no one else steps up to chair it, Sally will do it.

## **Old Business**

### **Standing Committees**

Elections - Sue Krusack (no report)

Nominating - Leo Krusack (no report)

Membership - M.P. McKenzie and Barb Burton (no report)

Update: Cottage Ownership at Hazelhurst - Doug Elrick

We sent out the letter stating that the county requires change of ownership affidavit anytime there is such a change. And specifying that potential leasees must inform the Prairie Club and Jacque Dziak of any such change in ownership.

We requested siteholders declare cottage ownership and received back all but 5 - and those 5 will comply once they clarify cottage ownership.

## **New Business:**

### **Hazelhurst Report:**

The Red Barn floor renovation was completed in time for the annual meeting, coming in at \$16,160, just over the budget of \$15,000. There are still a few things to be done - new doors, sealing the new floor, painting the plywood walls, replacing steps, installing screens and removing gravel/replacing with sand, along the south side. Siteholders approved an additional \$3,000 from the HH Improvement Fund for the remaining tasks.

Larry Bergman moved to that the board accept the extra \$3,000 from the HHIF for the remaining Red Barn upgrades; Dan Gapen seconded, all in favor, the motion passed.

Regarding moving the Improvement Funds to Charles Schwab accounts, we were assured that the funds will not be continuously tied up in CDs, some will be left available. We will be cautious with the investments and stagger the time on the CDs so they're constantly becoming available.

The board took a moment to recognize and thank Larry Bergman for his work on reports and overseeing projects. We also recognized the three Pat's - Patty Craig, Patrick Gilligan, and Pat Maguire - whose efforts brought all this to fruition.

Cinco de Mayo tree planting has been more successful than anticipated, with 50% - 90% survival, thanks to all the rain we've gotten.

Hazelhurst Camp Council noted that there were 3 or 4 different versions of the HH Camp Rules document. An Ad Hoc committee was established to review the existing versions and create a

new one.

Rule 17, regarding new construction and alterations of existing cottages by HH siteholders was amended at the June 30, 2018 siteholders meeting.

There was a lengthy discussion about consolidation of power to the Building and Sites Committee and Chair, about lack of clarity or guidelines for variances, and a feeling that those siteholders present at the last meeting were not fully informed about what they were voting upon - what rights they might be curtailing and potential issues they might be overlooking. With consolidation of power for approval into even fewer hands, the potential to make personal rather than impartial decisions could potentially lead to lawsuits from people who feel they've been treated unfairly in comparison to others, leaving the Club open to liability.

The 1 1/2 story esthetic was called into question as there are several definitions within the camp rules as to what height constitutes a story or a 1/2 story.

Some families opt to expand an original cottage to accommodate several family generations, rather than purchase additional cottages for each extended family which limits other club members from purchasing and reduces diversity amongst siteholder families. There should be guidelines to include these various scenarios under which variances might be requested and issued. That should be specified and voted on by the HH siteholders.

It was pointed out that there is disagreement even amongst siteholders at HH about this Camp Rule.

In 2008, the siteholders voted for 1 1/2 story esthetic and 1200 square feet rule. The board did not accept it and threw it back to the siteholders, who again in 2009, voted for the same rule.

Larry Bergman stated that Rule 17 change was initiated by the McKee variance which was already over 1500 square feet and requested additional square footage. Patricia Craig stated that the McKee cottage was under 1200, and that the request was for 96 sq ft which put it just over 1200 and that she was the architect.

There have been a number of variances since then because people are startled to find out how little 1200 square feet is.

The current Camp Rules require that the Building and Sites Committee inspects and signs off on these projects which takes on club liability. The fact that these are not professionals with expertise for building inspection and construction requirements is of concern.

Several non-HH siteholder board members felt this was an internal camp issue and should be resolved within the camp and brought back to the board at a later date.

Larry Bergman moved to approve the new rule #17 of Appendix A, Dan Gapen seconded.

A Roll Call vote was called for:

Doug Elrick: Yes

Larry Bergman: Yes

Charlie Johnson: Yes

Bill Breach: No

John Manthey: No  
Patricia Craig: No  
Bob Foote: Abstain  
Terry Riban: Abstain  
Dan Gapen: Yes  
Brian Reed: Abstain  
Patty Ciesla: Abstain  
Erin Kiehm: Abstain  
MP McKenzie: Abstain  
Hope Little: Abstain  
Charles Calkins: No  
Jean Simmons: No  
Jim "Mac" McCarthy: Abstain

4 Yes

5 No

8 Abstain

The motion did not pass.

President Doug Elrick requested 2 reasons to tell the Sites and Building Committee why the new wording did not pass.

1. Things were said at the board meeting which were not said at the Siteholders meeting
2. The Board requests that the siteholders put in place a fair and reasonable process for variance approvals.

Doug will inform the HH siteholders and camp council.

#### **Reports from Camps and Activity Committees:**

##### **Spring Grove Camp - Erin Kiehm**

A new caretaker has been unanimously approved for Spring Grove Camp. Mark Matson is the new caretaker.

They are trying to get a credit card with \$1,000 limit, as John used to have, to use as a Petty Cash account for smaller camp related purchases. It's been a nightmare to deal with Fifth Third Bank. They've been working on this for 2 months and still have no card. The bank acts as if they don't know us. Why do we keep dealing with this bank?

Vern and Jacquie both have cards with \$1,000 limits, for petty cash.

It's been 3 or 4 visits, needing documents as if we were completely new to the bank. A history of tax returns, copies of our incorporation documents. The last visit took Jacquie 1 1/2 hours and at the end she was assured that all was finally in order and that the new card would be issued. A few days later, they called to say they need 90 days of income statements, income tax records and minutes from a board meeting approving this card issuance.

The irony that we currently have almost \$400,000 cash deposits in this bank was not lost to the board.

Bill Breach moved that we agree to close our 3 operating accounts (checking accounts) at Fifth Third Bank (Prairie Club operating account, Spring Grove operating account, and Hazelhurst

operating account) and open 3 new ones at Chase Bank. Terry Riban seconded, all in favor, the motion passed.

Chase Bank was specifically recommended by several board members. Bill Breach will try Chase Bank and if there are difficulties, will come back to the board.

### **Buena Vista Report - Paula Flanagan**

There has been an issue at Buena Vista in the past two weeks that renters have left the facility in a shambles and during high season, where there are just a few hours between rentals. It's hard for Deana because if just one facility needs extra cleaning, it throws her schedule off for completing all three.

They did speak to the renters who were quite apologetic and agreed to pay the \$200 cleaning fee. It was a basic misunderstanding - we need to be clearer about expectations for renters. Even though the rental agreement spells out the cleaning, and there is abundant signage in all three rental properties about what's expected, we somehow need to do more to capture their attention. There were two separate incidents at Buena Vista. It's not an every week problem, but these are older facilities and we are not a resort, and not a hotel. People are expected to contribute to the upkeep and cleanliness of our shared facilities.

These were first time renters; they were exclusives with a lot of people and many kids. Part of being on vacation at the club includes light cleaning and new members may not get that, fully understand that they're integral to preparing the facility for the next renters.

Paula will followup with other facility chairs to see what can be done to tighten this up.

### **New Business**

We target February 15th as the beginning of rental request season which has worked for many years. A few years ago we never went over \$100,000 in rentals, except for weddings. But weddings need to book a year in advance, February 15th is too late for many who might otherwise love to take advantage of the club and its amenities.

We might consider revisiting the February 15th date as a possibility for large gatherings in spring and early summer. We would not consider high season - June, July, August - but it might be great for some families. June is a big wedding season; beach weddings are especially popular. We might consider turning Hazelhurst into a B&B wedding venue. Of course, that means an extra 100 people who don't belong, who aren't members, who are just visiting for the day, or weekend. We put this out to the facility chairs, and Deb, Carla, and Paula were ok with it. We would have to manage expectations.

It could happen that we would have a large group with only one member present. We would need more discussion around this idea first. In recent memory, there have been 2 small weddings there and they rented everything, the club facilities and private cottages as well, which brought an extra \$8,000 or \$9,000 into the club.

Concerns were raised about bringing strangers into the club. It brought about the question about whether we exist for club members or whether we exist to make money?

One view is that we are a recreational organization, but also in the real estate business and hospitality business; we should look at it as a business and run it as a business.

May is a big month for weddings; right now our occupancy rate is only 10% for facility rentals in May. This is the start of a conversation around this idea. More later as the conversation continues.

Part of the Board packet included a letter from the Wixted's regarding an issue with their driveway. No action was requested of the Camp Council or the Board, so it's informational, to apprise us of their views.

Erin Kiehm moved to adjourn the meeting, Larry Bergman seconded, all in favor, the motion passed.

Meeting adjourned at 8:28 pm.

**Next meeting: Wednesday, September 19, at the VFW in Villa Park, IL at 6:30 pm.**

Respectfully Submitted,  
MP McKenzie

**Future 2018 Board Meeting Dates:  
October 17; December 12**