

December 4, 2023 South End Rowing Club Membership Meeting Minutes

Roll Call

Approximately 180 members attended the in-person meeting.



Courtesy Allen Luong

Slide Deck

The meeting was supported by a slide deck that can be viewed here:

<https://serc.com/wp-content/uploads/2023/12/2023-SERC-Members-Meeting.pdf>

1. President's Remarks

Fran welcomed everybody to the meeting and thanked all of the members who had taken time out of their busy schedules to attend. She noted that this is the one time each year we all come together. Fran explained that the meeting would be broken into two basic parts: In part one the various commissioners will highlight their accomplishments over the last 12 months. Part two will focus on the proposed increase in dues and a brief update on the 1873 fund.



She explained that we would take questions at the conclusion of the first part and again at the conclusion of the second part. She promised that there would be opportunities for members to express their opinions before we came to the vote on the proposed changes

in dues. When asking questions and making comments, she requested that everyone be brief and respectful.

Fran then took those in attendance on a quick photographic tour of 2023. The tour included stops at the Joan Brown exhibit at SFMOMA, recognition of the heroes who broke down the barriers to women at the club, the passing of Diane Major and Pat Cunneen, Judy Irving's premier, visits from our sisters and brothers in Kiel and Bondi, the return of the old timer's lunch, our partnership with MAX 415, Pathstar, days of service, a starry holiday party, a remarkably profitable Alcatraz Invitational, a successful Interclub Tri (the plaque stays home!) and a whole slew of events recognizing and celebrating the club's 150th anniversary!



Our leader then segued into the many external developments taking place around us: the future of Hyde St. Pier, Marina Green, the Port's Waterfront Plan, Lower Van Ness and Muni Pier. So many balls in the air. We will need to pay close attention to how these changes impact our sports.

Happily one major external affair is now resolved. After months of negotiation, the hiring of lawyers, the involvement of high level staff from City Planning and Rec and Parks, we came to a satisfactory compromise with the Dolphin Club on their addition. There will be some diminution of views from the day room, but our most valuable views are preserved. At this point we've entered a monitoring phase.

Member of the Year

Before jumping into the evening's agenda, Fran took care of a loose end from the weekend's holiday party. 2023 Member of the Year, Bob Barde, wasn't at the holiday party, but was in attendance for the members meeting. Fran used the moment to give Bob his trophy and thank him for the 365 days of South End history he delivered



in his daily emails during our 150th anniversary. The room erupted in applause for Bob.

2. Director at Large

Fran announced that Director at Large Alix Marduel resigned a number of months ago. She thanked Alix for her service and announced that past commissioner Adele Gower had replaced Alix. The joy of those in attendance was tempered by the fact that Adele's term would end in a few short weeks. Adele was confirmed by acclamation.

3. Sports Commissioners Reports

Each of the four sports commissioners gave a brief but uplifting report on their 2023 accomplishments.

Zach reported that there were 30 swims, 49 sunrisers, 12 pilot promotions, upgrades to the inflatable fleet and that we raised a ton of money at the Invitational. Individually, members crushed many challenging swims all over the world. We really are ground zero for open water swimming. Kristin Hutchins will fill Zach's fins in 2024.

Vanessa reported on another banner year for rowing. In addition to all of the traditional regattas, clinics, and ERG challenge, the club acquired a new coastal quad which is proving very popular and boat night is back with a vengeance. The fleet has never looked better. The Ho Ho Row to deliver toys to children is on deck. Vanessa and Dennis will be replaced by Marissa Miller and Tim Yarish.

If you thought that swimming and rowing couldn't be topped, along comes Thierry who literally ran circles around the other sports. Under his leadership, there are more runners & runs (e.g., the Patrick F Cunneen 50K Challenge), longer runs, and funner runs. Like swimming, running has increased its community engagement (e.g., the Leidesdorff run with Max 415). Thierry's sneakers (actually he seems to spend more time in sandals) will be filled by Emily Gable.

Adan wasn't able to attend the meeting, but in his place handball was represented by the energetic Karla Ocampo. Like our other sports, handball is thriving with over 15 new players. Clinics take place every Tuesday and Thursday from 4:00 to 6:00. Our leaders have been nurturing the reintroduction of the sport at the Dolphin Club and they recently hosted their first tournament in years.

4. Entertainment

Erika wowed with her recap of 2023! Back were: St Patrick's Luncheon, First Responders Luncheon, Game Night and every other week Happy Hour (with liberal sprinkles of karaoke and other silliness). This would exceed expectations for a mortal entertainment commissioner. But in addition to all of the typical stuff, Erika blew up the 150th! Gala's, pins, banners on streetlights and special events galore. The holiday party was the bomb.

5. MAX 415 Partnership

Leslie Bustos explained that MAX 415 is a youth and young adult program based in the Bayview and Hunters Point. They engage with their community and amplify their voices. They focus on people's emotional, mental and physical well-being.

2023 is the first full year of a partnership that was introduced by Jeff Critchfield. Joint social events have included an oyster BBQ at the South End and a run/walk tour of Bayview-Hunter's Point followed by lunch.

With the support of volunteer South Enders, a number of MAX 415 members have learned to swim and experienced their first times in the bay, culminating in an Alcatraz crossing by four MAX_415 members. As Thierry noted, they also participated in our annual Leidesdorff Run.

Most recently, MAX_415 and South End members participated in a joint focus group dinner session at the South End, recapping the past year and discussing how our relationship can continue and be expanded in the future.

A number of MAX_415 participants have now joined the South End and have expressed interest in also participating in rowing and handball.

Leslie thanked the club for receiving them and making them feel like family.

6. Membership

Catherine reports that we've grown to almost 2,200 members with more than 570 new members in 2023. 2024 renewals will be coming out shortly.



7. Treasurer's Report

Laura delivered a summary of the club's finances. Dues and fees have come to \$625,977 of which \$272,425 is earmarked for the Special Fund and \$353,552 for the General Fund (operating funds). She also noted that this year we had two spectacular additions to the General Fund: the AI netted \$105k and we received a one time, unexpected \$150k donation. Laura was quick to note that we can't depend on these last two sources of revenue in future years.

On the other side of the ledger, she noted that our major expenses added up to \$525k including: \$77k for insurance, \$115k in rent and \$88k in utilities.



In terms of liquid assets, the club has \$1.3m in various bank accounts of which \$542k is part of the Special Fund. This might seem like a large reserve but not when you consider the deferred maintenance on our old building and the possibility of being shut down again in the future by the City as occurred during the height of the COVID pandemic.

Finally, she brought it all home by noting that in 2023 total operating expenses exceeded operating revenues by \$15k and we would be

finishing 2023 slightly in the hole were it not for the small, unplanned for profits from the sports programs and the bar (which are expected to break even).

8. Building

Steve was unable to attend the meeting, so past building commissioner (and current Director at Large) George entertained those in attendance. George was quick to note that we're essentially an entirely volunteer organization. As the club's membership has evolved over the decades, as a percentage, we have fewer skilled trades people (plumbers, electricians, etc) then in the past (not to denigrate the incredibly skilled and generous skilled members we do have). The point being that it's becoming more expensive (because we need to hire more professionals) to maintain this old house which is held together with "blood and bubble gum".



George closed by reminding members to not leave any personal stuff at the club that doesn't fit in your locker and by explaining the necessity of locking the lower boat house door at night.

At this point in the meeting, members in attendance were given an opportunity to ask questions of all of the earlier presenters. After that period of Q&A, the meeting continued with the next agenda item.

9. Proposed Increase in Dues

Cathy introduced the topic by explaining the process that would be followed: introduction of the proposal, explanation of the need, Q&A, comments and then a vote.

Cathy shared the following table with those in attendance.

	2023	2024	2025
In-town dues	\$ 405	\$ 450	\$ 450
Out-of-town dues	\$ 77	\$ 100	\$ 100
Locker fee	\$ 125	\$ 140	\$ 140

Initiation fee	\$ 100	\$ 125	\$ 125
Phone key access fee	Not generally in use	\$0	\$0
Physical card key fee	\$ -	\$ 25 (only for new cards)	\$ 25 (only for new cards)
Day use fee	\$ 10	\$ 12	\$ 12
Annual (optional) CPI dues increase	\$ -	\$ -	Bay area CPI*

She explained that the SERC board had voted at its October and November meetings to make all of these changes. She went on to explain that our bylaws give the board authority to change fees but that changes in dues (the highlighted items in the table) must be ratified by the membership.

Cathy then shared the three motions that would be considered at the end of the item so that the members knew what they would eventually be asked to consider.

Catherine and George then noted that for an in-town member with a locker, if the proposed changes were approved, it would amount to a \$5/month increase in their membership. That inflation over the last 10 years (the last time dues were adjusted) has increased our costs by about 330%. This and previous boards have managed by being frugal, occasionally dipping into reserves and through “hidden” increases (e.g., a swim that used to cost \$25 might now cost \$100 which might prevent some members from participating).



They explained that the CPI increase was suggested by the City as a way to reduce the cost of managing our lease (each time we change dues or fees, we need to send a report to the Rec and Parks, their staff needs to investigate and prepare their own report, the change needs to appear on the Rec and Parks Commission agenda, be voted on and finally our lease amended). A CPI option also provides the club a way to make small changes to dues as costs increase instead of

waiting till we fall so far behind and then have to make larger changes to catchup. It must be emphasized that the board choose to interpret the City's recommendation very narrowly. We're not asking for an automatic CPI increase each year. Instead we're requesting authority to adjust dues up to the amount of CPI and in some years no adjustment may be necessary.

George compared our current and proposed cost structure to the Dolphins and other sports clubs and even with the proposed increases, we remain the least expensive alternative ("top in athletic performance; bottom in cost").

Finally, George showed a complicated looking slide that shows how incoming money is divided between the General Fund (which pays for day-to-day operations) and the Special Fund (which pays for capital improvements). Dues, less \$50 and profits from the Alcatraz Invitational are the only source of funds for the General Fund. All of the various fees plus the \$50 of dues go to the Special Fund.

Lastly George quickly reviewed some of the many significant awaiting expenses. Hopefully the 1873 Fund will be able to shoulder some of the major projects that will be needed in the future.

At this point we segued into a Q&A session led by Cathy. Every member present was allowed to ask one question if they wished to do so.

- There were many questions about the CPI (How much would it be? Could it be capped? Would it happen every year?).
- There were also many questions about members who might find the increase to be a financial hardship. Catherine explained that the club already supports individuals who find dues to be a hardship (15 in 2023) and we will continue to do so.
- The change in out-of-town dues received some attention (Even though the increase is small (\$23), as a % increase it's larger than in-town dues.) It was suggested that perhaps we should

shift all of the increases to the out-of-town members since it's harder for those folks to attend the meeting and vote (a joke meant to lighten a long discussion).

- There was discussion about the need for reliable sources of income (We can't depend on profits from the Invitational and donations).



After almost 45 minutes of Q&A, Mark Welte provided some relief by bringing in a cake that he said represented the tangible value of \$45. Everyone got a kick out of his contribution (and following the meeting, everyone had a piece of cake).

We then took some comments but at this point the meeting had been dragging on for some time and people were ready to vote.

Josh explained that he would read each motion and then ask for a show of hands. If the vote was close, we would count hands.

- Shall SERC increase its annual dues to \$450 beginning in 2024?
Motion passed by acclamation.
- Shall SERC increase its out-of-town dues to \$100 beginning in 2024? **Motion passed by acclamation.**
- Shall the SERC Board have the authority to increase dues annually (starting in 2025) by an amount up to the Bay Area CPI? The vote was close enough to trigger an actual count.
The motion passed 90 to 54.



Courtesy Allen Luong

10. 1873 Fund

Marc Glomb shared the wonderful news that the IRS had granted 501(c)(3) status to our 1873 fund. The fund is now able to accept tax deductible donations. Money collected by the fund will be used for infrastructure projects and the charitable activity of the club. The Fund has one shareholder (the club) but maintains an arms length relationship for legal reasons. Their goal is to raise \$1.5m in the first 3 years.



The fund will hold an information session on Thursday January 11th at 6:00pm at the club and on Zoom.

The 2023 Membership Meeting adjourned.