

## Art Dionne Comments to Flag Officers

Gents,

We have been advised by Paul Goldberg and other members that the BOD did not have the authority to (1) purchase our new launch and (2) repower the present fast launch. It was strongly suggested that to make such capital purchases we should have obtained the permission of the Membership for such capital purchases at an Annual Meeting of the Membership.

From a review of the Minutes of our Annual Meetings it is clear that in 2006 the Membership voted to establish a Capital Improvement Committee and a Capital Improvement Fund. As of the date of the 2006 Annual Meeting both entities were established.

Every year since that 2006 Annual Meeting, the BOD has appointed members to the Capital Improvement Committee and that Committee has presented a Capital Improvement Plan to the Membership and the Membership has always voted to accept the Capital Improvement Plan presented to them. Thus, Membership has knowledge that at some point of time in the future the BOD will probably spend funds on designated Capital Improvements.

As far as I can determine from the Minutes of the Annual Meetings varying amounts of PYC's income have been deposited in Savings Accounts designated as Restrictive Accounts for Capital Improvements for (1) Clubhouse, (2) House & Docks, (3) Launch and (4) Contingencies. Together these accounts constitute our Capital Improvement Fund. As of June 30, 2017 the total amount in the four accounts is \$212,673.14. Our present Treasurer (and I assume his predecessors) has been putting money into these accounts as excess funds have become available.

In my opinion, the Membership understands that we have such a Fund and that the BOD has the authority to designate the use of the funds for Capital Improvements relating to the Clubhouse, House & Docks and our Lunches. While there may be Members that do not approve of expending funds for a new launch, their challenge to the action of the BOD regarding a new Launch (or any other type Capital concern) must come at an Annual Meeting where they can attempt to explain their basis for disagreeing with the action of the BOD and/or removing Members from the BOD by Recall as outlined in Article II, Section 5. of our By-Laws.

In conclusion, I do not find any provision in the Constitution or By-Laws that states that the BOD may not spend money in the Restrictive Accounts without prior approval of a vote of the Membership at an Annual Meeting.

Best regards,

Art

P.S. I am sending back up material to our Commodore!