

Special Steering Committee Report
NBYC Club Rental Study
(8/20/2019)

As most of you are aware, Hurricane Florence that hit us last year has resulted in significant damage to Club with repair cost growing to approximately \$31,000 to make the necessary repairs. In addition, our slip rentals are way down over the last year from a high of five slip rentals to only one slip rental projected through the end of this year. We typically count on approximately \$6,000 revenue from slip rentals to supplement our membership dues revenue to cover the annual operating cost to run our Club. We have seen our cash reserves fall from a high of approximately \$41,300 at the start of January 2018 to what is projected to be down to approximately \$17,000 at the end of this year. To turn this situation around, The Board has embarked on a financial plan to build our reserves (total cash on hand) back up to \$40,000 over the next 8 years.

To do this, we will more than likely be looking at some modest dues increases coming up for 2020. In addition, the Board will be taking some proactive steps to ensure our membership numbers reach and stay at our cap of 70 memberships each year, factoring in the natural attrition we see typically see each year in our membership numbers. The Board will also be focusing on filling our vacant slips and keeping them full. One other area that was discussed at the last Board Meeting was the possibility of creating other revenue streams to help supplement our membership dues and slip rentals.

One area that the Steering Committee was asked to investigate was how increasing Club Rentals could impact and help our ongoing financial picture. In looking at the history of previous club rentals we have found that club rentals over the years has generated anywhere from \$100 a year to over \$800 per year with little or no effort. Since the current *"Rules and Regulations for Club Usage"* and our *"Member Handbook"* allow and permit the rental of the club to outside groups and organizations, the Steering Committee feels that with a little directed effort, we could increase annual rental income anywhere for \$1,800 to \$3,660 plus per year by making some simple changes to how we view and manage club rentals without impacting the club's normal activities and events.

Steps under consideration:

- A) Involvement of the PR Committee to develop a one-page flyer or trifold to advertise and market our facilities to outside groups and organizations.
- B) The Steering Committee plans to review the current policies and procedures to streamline the rental process and set up an effective way to manage and handle more club rentals.
- C) The Steering committee and PR Committees will work together to investigate other ways we could more effectively market the Club by identifying and reaching out to potential groups
 - We will research the types of groups/organizations to target our efforts to market our facility to.
 - We will be looking into the most effective way to reach out to these types of organizations
 - Development of an Email Campaign to select targeted groups
 - Reach out to event/party planners (eg: catering companies)
 - Determine the types of groups/organization that will not be suitable to rent our facility to.
- D) Management of the actual rental process is currently handled by the Property Manager. We will be recommending expanding the Property Committee to include volunteers to help spread the load and more easily handle rental opportunities to outside groups. Some of the steps under consideration:

- Evaluate the club rental fees and cleaning deposits
- Look into offering discounted rental rates to repeat renters or planners that utilize our facility for multiple events.
- Revise out rental application geared specifically for rental of our facility to outside groups/organizations
- Coordinating providing access to the club for event setup
- Coordinating opening the club on day of rental
- Ensuring that the club is properly cleaned up by a group after an event
- Ensuring the club is properly secured after the event
- Come up with a feedback survey asking for input to those that rent the Club
- Looking into enhancements/improvements to Club facilities to be more attractive for usage by outside groups and organizations.

F) Ensuring that rental of Club facilities does not conflict with normally scheduled club events and activities that occur throughout the year.

In addition to increased rentals being an additional revenue stream for our club, once we start building the cash on hand back up to a more comfortable level, we could utilize rental income to help fund improvements to the club for our membership in areas such as

- More comfortable seating for our general meetings and events
- Update club appearance (eg: curtains, storage cabinets/shelves etc.)
- Update some of our aging equipment (refrigerator, sound system)
- Enclosing the front porch for additional storage area (chairs) or use as expanded club meeting area for social functions.

History of NBYC Club Rental Revenue

(Aug 20, 2019)

2014 – Total rental income of \$ 600 (no break down available)

2015 – Total rental income of \$ 400 (no break down available)

2016 – Total rental income of \$ 100 (One Rental)

2017 – Total rental income of \$100 (One Rental)

2018 – Total rental income of \$ 800 (8 Rentals)

- (4) rentals at \$ 50 per rental (repeat rentals)
- (3) rentals at \$ 100 per rental
- (1) rental at \$ 300 per rental

2019 – Total rental income YTD of \$450

- (3) rentals at \$ 50 per rental
- (1) rental at \$300