



Signals

The Official Newsletter of the Fairfax Yacht Club

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Commodore's Corner

FAIRFAX YACHT CLUB OCTOBER UPDATE

Within the next few weeks, the current Board's term will come to an end. As you have seen from my previous reports to members, this year has not only been unusually busy for the Board but also unusually productive. This is not to say that all problems are solved and all projects are complete. There is still work to be done in addition to expected on-going management issues. Tackling thorny administrative and management problems is not what most FYC members have in mind when it comes to recreational boating. Nevertheless, as condominium participants, these responsibilities come with the territory.

FYC has evolved into a substantial financial entity requiring focused member participation and management. The aggregate real estate value of the slips, infrastructure, club house, and land is in the millions of dollars. Capital Reserve accounts will routinely exceed one million dollars, even after the rebuild of A through D docks. The cost of the "toys" that reside in the slips has risen sharply in recent years along with the costs of maintaining the facility. All of this means that members, at a minimum, should stay aware of how the organization is being managed and –even better – participate at some level.

The end of FYC's fiscal year is still months away, so it isn't yet possible to accurately predict how expenses will compare to the budget at year-end. But, it IS possible to make a couple of generalizations about how the financial year is progressing. Two huge cost-saving successes were insurance and water testing. These savings total about \$18,000 per year and, as a bonus, provide better products (see below). To put this in perspective, these savings have a positive assessment impact of \$88 to \$148, depending upon slip length. Overall, facility maintenance costs are running fairly close to budget, but utility costs can be expected to run slightly over budget. As most members know, Dominion Virginia Power implemented an 18% consumption rate increase this past summer. Successfully resolving IRS issues in FYC's favor did not come without legal and accounting expense. It is too soon to tell how these expenses will compare to budget. Overall, it appears that total expenditures will be somewhat under budget for the entire fiscal year. Come to the annual meeting on October 21st for more details.

The following provides details and updates on a few financial and business topics:

FYC TAXES and AUDITS – Only one IRS issue remains and legal counsel is confident it will resolve in FYC's favor just as all the others have. The 2007 State and Federal taxes will be filed by the extended due dates and the audit for 2007 – 2008 will soon be underway. Having support from a professional bookkeeper and a CPA this year was key to addressing our issues and ensuring continued conformance to sound accounting practices. Some members have questioned the need to conduct an audit of FYC's books every year. An audit is required under FYC's by-laws and the by-laws do not give the Board discretion to ignore that requirement.

FYC INVESTMENTS – Given the turmoil in today's financial markets, the Board has taken steps to protect our funds and improve our rates of return. Until several months ago, FYC's funds were maintained in money market accounts (not money market funds). As interest rates dropped this year, money market returns also dropped – sharply. The Board

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FYC Contact Information

| | | |
|-----------------------------|------------------|--|
| Commodore | Gayle Wix | commodore@fairfaxyachtclub.com |
| Vice Commodore Power | Harry Croft | power@fairfaxyachtclub.com |
| Vice Commodore Sail | Bill Mansour | sail@fairfaxyachtclub.com |
| Treasurer | Nelly Lee | treasurer@fairfaxyachtclub.com |
| Secretary | Jeff Jackson | secretary@fairfaxyachtclub.com |
| Dockmaster | Jeff Fredrickson | dockmaster@fairfaxyachtclub.com |

Telephone: (703) 339-8736 ~ FAX: (703) 339-8736 ~ Email: webmaster@fairfaxyachtclub.com

Postal address: 10721 Old Colchester Road
Mason Neck, Virginia 22079

2008 FYC Committees

Covenants Committee Raymond Zwack, Nelly Lee, Mike Smith
covenants@fairfaxyachtclub.com

Emergency Committee Ed Harvie, Dick Holt, Ted Zsirai
emergency@fairfaxyachtclub.com

Activities Committee **Vacant**
activities@fairfaxyachtclub.com

Directory Committee Wai Lee, Ned Rhodes
directory@fairfaxyachtclub.com

Landscaping/Beautification Bill French , Warren Fleisher
landscaping-beautification@fairfaxyachtclub.com

Ships Store Mary Bowman
ships-store@fairfaxyachtclub.com

By-Laws and Regulations JoAnne Bitner, Jon Cole
bylaws-regulations@fairfaxyachtclub.com

Newsletter J C Lewis
newsletter@fairfaxyachtclub.com

Webmaster Ned Rhodes
webmaster@fairfaxyachtclub.com

Dock Rebuild Committee Harry Croft, John Heinze, John Wix,
Wai Lee, Walt Cheatham
dock-rebuild@fairfaxyachtclub.com

PRYCA Delegate Doug Pinion
delegate@fairfaxyachtclub.com



decided to purchase CDs from various banks – each CD being under the FDIC insurance limit - and Treasury Bills. Account balances for operating expenses are maintained below the FDIC insurance limit. In addition, we have segregated the dock-rebuild funds from our other assets to provide visibility and ensure that those funds are used only for the dock-rebuild and dredging projects.

FYC OWNER and VESSEL INFORMATION – We made great strides in gathering up-to-date information about our owners and the vessels that dock at FYC. Having this information readily available greatly facilitated our response during a recent emergency when a boat sank in its slip and the owner wasn't aware. Unfortunately, there are still two FYC owners who have not submitted their registration forms and consequently, they have no access to gates, pump-out, and the ice machine.

WATER TESTING – As you know, we evaluated proposals for our water testing services and have reduced the costs from over \$600 to approximately \$125 a month. Not only is the cost savings important, we are now certain that the correct tests are being performed according to the appropriate schedule and we now receive the actual test results. As an aside, the Board discovered that many organizations with the same water testing requirements as FYC, have their own certified water testing person. If anyone is interested in becoming certified, please call me.

INSURANCE – We also evaluated three proposals for our insurance. As a result, the annual premium was reduced from over \$36,185 for property, general liability, blanket liability, and Directors and Officers insurance to under \$24,000 and the deductible amount was reduced from \$90,000 to \$25,000. The bottom line is much lower annual costs and the amount FYC must accrue in the reserves is lower – a benefit to all FYC owners.

SUPER30 ISSUE - E-DOCK “EXTENSION” - FYC BY-LAWS – A special membership meeting was held in September to discuss the amendments to our official condominium documents. We are in the process of collecting ratifications from FYC members. If you have not already done so, please submit yours as soon as possible.

JET SKI DOCKS –STORAGE SHED – OIL TANK – We are still awaiting a response to our June 18th letter requesting an “interpretation” of our Special Use Permit. We have every reason to believe the response will be positive.

COMMON AREA USAGE – If requests for space exceed that which is available, a lottery will be held on November 1st to determine allocation of common area space for the 2009 boating season. Submit your requests NOW!

DOCK REPAIR/REBUILD/REPLACE – The Committee will be holding a routine meeting on October 4th and all members are encouraged to attend. A lot has been happening with this project – bring your questions!!!

E-DOCK ROOF – We are continuing to pursue solutions to the leaks and will keep you informed concerning our progress.

As you can see, we've accomplished quite a lot but there is still work to be done. We could use YOUR help on a committee. Please consider helping out in the coming year. This is YOUR Club! I look forward to seeing you at the annual meeting. If you have any questions or comments concerning any matter pertaining to FYC, please don't hesitate to call or e-mail me at commodore@fairfaxyachtclub.com.

Gayle Wix

Commodore 703-580-5976

Dear fellow FYC Unit Owners-

As the FYC annual meeting approaches, the Election Committee would like to thank you in advance for your participation in this important meeting and for exercising your right to vote. We also want to reiterate several "Golden Rules" that guide the FYC election process:

First, any unit owner who is delinquent in his/her FYC assessments/fees may not vote in the annual meeting.

Second, only unit owners with valid owner registration certificates currently on file with the FYC may vote in the annual meeting. This is the only way we can validate current signatures and ownership.

Third, in situations where a unit is owned by more than one owner, only that owner(s) whose signature(s) appear on a valid owner registration certificate may vote in the annual meeting. Further, in such situations only one of the unit's co-owners may vote for a candidate(s) in the annual meeting. This restriction prevents co-owners from casting more than one ballot per unit owned. Co-owners are strongly encouraged to resolve their voting intentions prior to the annual meeting.

Fourth, please mail in your proxies as soon as possible. Proxies must arrive before the start of the annual meeting in order to be counted.

Finally, we urge members to arrive early because the FYC Election Committee is using new procedures for this year's election. We will try to complete member sign in and ballot distribution as quickly as possible.

We look forward to seeing you at 7:00 on October 21, 2008 at the FYC. If you have any questions please contact the following Election Committee members:

- Harry Croft: 703-451-9147
- Jon Jacobs: 703-740-7986
- Dick and Carolyn Stiener: 703-803-9446



Just a short reminder:

If you are planning to sell your slip, please be aware of the following from the FYC Rules and Regulations. Please note that this procedure is also required under the State of Virginia Condominium Act.

7. In the event of any resale of a unit, the unit owner shall disclose in the contract that the unit is located within a development that is subject to the Virginia Condominium Act, and the unit owner shall request from the Unit Owners' Association a Resale Certificate, and provide it to the purchaser.

Upon FYC's receipt of such request, the FYC shall prepare and provide the owner with a Resale Certificate for a fee of \$100.00, plus an additional \$50 for each security card not available for transfer to the purchaser. FYC also shall timely notify unit owners in writing of its receipt of such request.

8. All buyers or transferees (i.e., existing and/or new owners, and all holders of partial ownership interests of units) obtaining a new interest in a FYC unit (including transfers by sale, deeds of trust, or by any other means of conveyance) are required to complete and submit to FYC a FYC Unit Owner Registration Certificate within fifteen (15) days of such transfer.

Failure of any existing or new owner(s) to provide such notification of transfer within fifteen (15) days following the effective date of the transfer, shall result in the assessment of an aggregate fine of Ten Dollars (\$10.00) per day against such new owner(s) until such proper notification is duly received and acknowledged by the FYC.



Is Your Boat Sinking?
Vice Commodore, Harry Croft

Every year numerous boats sink due a plethora (that's a lot) of causes, many of which are preventable. Let's start with the easy ones:

1. **Holes in boat**- every seacock, every drain outlet, outdrive connection, and every shaft hole is a potential source of water entering your boat. Result: Boat sinks!

2. **Systems that fail**: The most notable system is the bilge pumps. Whether you have one or several, they all work the same way to get the water out of the boat. Bilge pumps have limitations such as volume of water entering the boat and available power supply.

Bilge pumps rely on three major premises to be effective in the long term:

- a. There really isn't much water to get rid of, i.e., small volume of water
- b. There is a continuous source of power to operate them, and
- c. Someone is checking the bilge frequently

If any of these is not true: Boat sinks!

3. The obvious **catastrophes** such as hitting a barge, blowing up due to gas stove problems, and burning to the waterline due to lack of attention. While these are real disasters and potential sources of liquidation, they are beyond the scope of this advice.

There are other causes for boat sinking, but let's deal with the ones that we can observe and easily remedy before problems arise, holes and failed pumps.

When is the last time you looked into the bilge? Is it dirty? Dirty isn't a measure of cleanliness, it simply means "is there water in bilge most of the time." If the answer is yes, then something is leaking or otherwise allowing water into the boat. Sometimes this is a normal occurrence especially with shafts, anchor locker drains and all the other mystical ways for water to find its way into the bilge.

A dirty bilge isn't a problem unto itself. If your bilge pump keeps cycling frequently, then you may have problem. For instance, I was night fishing years ago when I noticed my bilge pump turning on every five minutes. That's too much! The problem turned out to be a small hole in a plate on my stern drive. Fortunately I detected the leak before it became a larger problem.

Some bilges collect water from every part of the boat and this may be normal for your vessel. The volume of water and the rate of accumulation may demand more attention. There are electronic devices available that record the number of times a pump cycles. These are especially beneficial if you leave your boat in the water year round.

If for any reason you hit something in the water, rapid and frequent inspection is warranted. Did you know that federal law requires that you notify authorities for any damage over \$2,000? Most of this reporting is for statistical purposes and you won't likely go to jail for not reporting, but....failure to notify your insurance company could be grounds for policy cancellation.

Worse yet, if you leak any fluid in the water, oil, gas or diesel, you are required to notify the CG and National Pollution Control Center. I had leaking gas tank last year and I had to call all these people ...and nothing further was required. Not notifying them has pecuniary (money and legal problems for YOU) consequences. Luckily I had Boat US insurance and they did a magnificent job of coordinating the haz-mat vehicles and towing my boat to a safe spot. (This is not a paid advertisement)

The worst thing that you can do is not notify people of your accident or of any subsequent spillage of fluids. The fines can be enormous.

A few preventative measures:

1. **Always and frequently** look into your bilge- I put white absorbent pads under my engines to detect any oil or fluid leakages. I inspect them before and after every trip.

2. Have different sized **wooden plugs aboard** with rags for stuffing. If you have a water leak you can temporarily slow the intake of water.

3. Plug in to electricity and **leave your converter on**. If there is a leak, the converter will keep the power to your pumps and will prevent your bilge pumps from draining your batteries and eventually quitting....glug-glug.

4. **Visit your boat** at least once a week...things happen. Keep a sharp eye for the changes in bilge water.

Boats sometimes sink. Aliens, stupidity, and just plain bad luck may strike, but don't let inattention be the cause!! If you have a problem, seek advice! Notify our Dockmaster, Jeff, that there may be a problem. Remember, that you as the operator are responsible for taking action. Your first priority is to secure the vessel and its occupants from harm's way before calling anyone. The next step is to prevent further pollution to the waterways. This step may entail calling the Coast Guard for advice.

Remember, a little maintenance and vigilance goes a long way. Don't wait for the phone call that your boat is sinking or has sunk. TAKE ACTION!!



| SLIPS FOR SALE | | | | | |
|-----------------------|-------|--------------|-----------|-------|----------|
| SLIP | OWNER | PHONE NUMBER | SIZE (FT) | PRICE | COMMENTS |

| SLIPS FOR LEASE | | | | | |
|------------------------|-------|--------------|-----------|--------|----------|
| SLIP | OWNER | PHONE NUMBER | SIZE (FT) | AMOUNT | COMMENTS |

| BOATS FOR SALE | | | | | |
|-----------------------|-------|--------------|-----------|--------|----------|
| SLIP | OWNER | PHONE NUMBER | SIZE (FT) | AMOUNT | COMMENTS |

See the Fairfax Yacht Club Web Site “Signals Online” for the latest Slips for Sale and Lease and Boats for Sale

http://www.fairfaxyachtclub.com/slip_sales_and_leases.htm

http://www.fairfaxyachtclub.com/boats_for_sale.htm

It is important that we have valid email addresses for all FYC members. If you have not already done so, please submit your Owner Registration forms as soon as possible.

THANK YOU for your cooperation.



Signals is now accepting ads at \$25 per unit (business card size area). Send pdf add copy via email to:

newsletter@fairfaxyachtclub.com

and check payable to "FYC" prior to publishing to:

J C Lewis
c/o L.A. Systems
8101 Hinson Farm Road, Suite 309
Alexandria, VA 22306



SIGNALS

Newsletter of the Fairfax Yacht Club
10721 Old Colchester Road
Mason Neck, Virginia 22079

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