



BAY VIEW ASSOCIATION OF THE UNITED METHODIST CHURCH

Above Board

August 22, 2022

There are only a few things from the 8/19/2022 Board of Trustees meeting to bring to your attention. So I will add some topics that we haven't talked about in a while.

Audit Committee

The current Audit Committee Charter is a Bay View appropriate version of the American Institute of Certified Public Accountants Audit Charter. At the most recent BoT meeting, the Audit Committee proposed some clarifications to its Charter, which the Trustees approved. Here is a link to the red-lined changes they want made: [Amended Charter](#). If you have any questions or concerns regarding these clarifications, please contact the Audit Committee at auditcomm@bayviewassociation.org

Also at the meeting, the Audit Committee recommended a new auditing firm, Plante Moran, to replace our prior CPA firm which decided to get out of the auditing business. The Bay View Administration fully supports the recommendation, and the Board of Trustees approved the appointment. The Plante Moran office we will be working with is based in Kalamazoo. The auditor who will be assigned to us has a great deal of experience working with non-profits that have a real estate component and understands the complexity of our organization. Our preference would have been to work with a local company, but neither of the two local firms we reached out to replied to our request for a proposal.

Capital Reserves

As you know, the Board of Trustees is looking hard at the future financial needs of Bay View. A few years ago, we became focused on building up a Capital Fund so as

A NATIONAL HISTORIC LANDMARK - FOUNDED IN 1875

1715 Encampment Avenue
Post Office Box 583

Petoskey, Michigan
49770

231.347.6225 tel
231.347.4330 fax

BayViewAssociation.org

to try to avoid future special assessments. The Capital Fund sources its money from a couple of places: CapX fee, Ready-to-Serve fee (dedicated to water & sewer replacement), and the cottage transfer fee. Currently, we have a bit more than \$3 million in capital funds, which is a good start. We will have a better idea about how big this fund will need to be, and when those funds will need to be available, once the 20yr capital plan is completed in FY2023.

FYI, when we end this fiscal year we will have released around \$600,000 for capital projects such as: new lights, soundboard, and projectors for Hall Auditorium; new roofs on Hitchcock, Vernor, Woman's Council and Recreation buildings; water meter installation; completing the waterfront; new wayfinding signs for campus buildings; a new used truck, and more.

Impact of being our own 501(c)(3)

We have been advised by legal counsel that as our own non-profit (and no longer under the umbrella of the United Methodist Church), we need to adjust how we manage donated funds. Not the financial management of donations – which we brought under control years ago as proven by year after year of clean audits – but our relationship with donors.

In the past, we allowed donors to control how donations would be spent. For example, we have old donor agreements that say no donated money can be spent without approval from the family which donated the funds. We can't do that anymore, as it would not survive scrutiny by the IRS.

Donors may designate the purpose of their donations, but once Bay View accepts such funds, donors may not further direct Bay View in the execution of that gift. Think of it this way: it is not a tax-deductible gift if the donor maintains control over how the funds are used.

This is certainly different than how Bay View has worked with donors in the past, since we had more latitude when we were under the umbrella of the UMC. But now that we have our own 501(c)(3) status, this is how we must proceed. We will keep you informed if we are advised of other changes we need to make to be in compliance with our non-profit status.

Committee Changes

The Music Committee and the Theatre Arts Committee have both voted to join the Performing Arts Department. They will no longer be volunteer committees of the Board of Trustees, and instead they will be volunteer taskforces which report to the Director of Performing Arts. In both cases, the committees were created to support the needs of the Performing Arts program, and this change is a logical evolution reflecting their continued support.

Earlier this summer, the Tree Committee voted to be absorbed by the Woods Committee. The Woods Committee has agreed to accept the members of the Tree Committee and the Board of Trustees approved the change last Friday.

FY2023 Trustee Meeting Schedule

You may recall that the Trustees shifted to a 3-week meeting schedule this year. In prior years, and for as long as anyone can remember, Trustees met every two weeks during the summer months because, in the old days, the Trustees ran Bay View and chaired all the Standing Committees. Now that the Trustees have professional staff to run the organization, and volunteers to chair committees, the Trustees serve members as a policy board and such frequent meetings seemed unnecessary. As such, we shifted to a 3-week schedule this summer as an experiment.

What we learned was that it worked just fine: the staff spent less time generating reports for us, yet the Board was still well-informed. As a result, we have decided to meet just once a month next summer. However, having heard Membership Committee concerns about not being able to be timely with membership, sales, and/or cottage transfer approvals, we will make ourselves available for a half hour membership meeting in between each regular BoT meeting, to be held if required.

For example we will plan to meet Friday, June 23, 2023 for our monthly meeting but, in addition, we will keep our schedules free on June 9, from 8:30a-9a in case a half-hour membership, cottage transfer and/or cottage sales meeting is needed.

Marketing & Communication

As you know, two years ago we created an ad hoc Branding/Messaging Committee so we could standardize how we talk about Bay View in a way that is relevant and differentiating. The work of the ad hoc Branding Committee has progressed nicely over these past two years, and they have done a good job getting feedback from members by visiting committees, showing their work, and asking for feedback.

Based on our Mission Statement and our Long Term Vision Statement, the ad hoc committee created a one sentence Why Statement, and a three paragraph Brand Statement. You can find them here: [Why and Brand Statements](#). The Board of Trustees approved both of these in recent years.

Now the ad hoc Branding/Messaging Committee is looking at the Brand Statement and emphasizing certain aspects of it for each of our publics: members, staff, donors, program participants, members of the local community and the media. For each public, they will ask themselves which parts of the Brand Statement are relevant to that group and set us apart in a meaningful way from other organizations. For example, staff may not consider the fact that we are a National Historic Landmark relevant to them, but members might. Donors may care more about our four program areas and less about our history.

Once this work is done, the results will guide the office regarding what to put at the bottom of our press releases. The Development Office and committees will know what to emphasize about Bay View when talking to donors. Marketing will be able to more effectively promote Bay View's programming, etc.

And speaking of communications, you may recall that during our July meeting, we created an ad hoc Communications Committee chaired by Christy Woods. This committee's charge is to provide us with advice regarding our current communications methods and to recommend new methods. They have already begun their work and we look forward to hearing their recommendations. If you have ideas, please contact the chair: christycwoods@gmail.com

Chautauqua Institution Tragedy

Many of us have read about the stabbing of Salman Rushdie when he was about to give a speech at Chautauqua Institution on August 12th of this year. Current accounts indicate that he will survive but will likely have permanent injuries.

After hearing about this tragic event, you probably wondered about what we would do in a similar situation. Our Executive Director is ahead of us on this: On June 21st of this year, the Undersheriff of Emmet County conducted active shooter training with program staff and year-round employees in John M. Hall Auditorium. The Sheriff now has floor plans of JM Hall, which he didn't have before.

In addition, our Operations Manager, Patrick Kilkenny, was introduced to the Emergency Operations Manager for Emmet County. Patrick sent him relevant floor plans and they were to walk through our primary events buildings and document security plans for our events. The goal is to have all the security plans complete by the end of September, depending on the Emergency Operations Manager's availability.

Finally

The Long Range Planning Committee (LRPC) will be sending out a short questionnaire to all members this fall. The LRPC hopes to understand what members think about the programs and services Bay View provided this year. It will be confidential, and should only take a few minutes to complete it. Please make your voice heard.