

## Hiawatha Sportsman's Club Committee on Secondary Memberships

- Over the last 50 years historical records show that there have been recurring attempts to maintain all memberships as primary.
- Over the last 13 years, Finance Committees and Club Treasurers have been reporting on the increased financial burden to primary dues payers due to the decrease in primary memberships.
- At the July 2010 Board of Governors Meeting, President Dave Waldron appointed a special committee to study the problem of decreasing numbers of Primary memberships, the continuing increase in secondary memberships and ways to improve revenue stream through the membership structure. Members appointed to the committee represented a diverse cross section of property owners.

### History of Secondary Dues Structure

- 1931 dues were \$10.00/ 1200 members. All memberships were billed equally.
- 1965 Secondary dues structure is created with Primary dues at \$40 and all in excess of the first, \$25 as long as the membership was purchase before June 29<sup>th</sup> 1963 and retained by the owner. Dues were to be returned to primary if transferred.
- 1972 The June 29<sup>th</sup> 1963 restriction on continuous ownership of lots for secondary membership discount is removed and ALL additional memberships over and above the first receive the discounted rate of \$35. This amounted to **70%** of the Primary dues which were \$50.
- July 1, 1978 Assessments implemented. Primary dues were voted as follows:
  - Primary membership will be \$55.00 per year plus an equal assessment (in the amount of \$46.66) to each member of one portion of taxes and insurance; that the dues for a secondary membership be \$42.00 with no assessment (**41%** of Primary obligation)
- In 2010, a secondary membership pays **11%** of the financial obligation of a primary membership. ( dues and assessments)

### Why is there an issue regarding Secondary Memberships?

In 1995 there were **1,261** primary memberships and **447** secondary memberships

Currently, Hiawatha has **1,151** primary memberships and **568** secondary memberships. Since 1995 the Club has lost 110 primaries and seen an increase of 121 secondary memberships.

In 2010 our assessment to members for taxes and insurance was \$ 379

If we still had **1,261** members as in 1995, the assessment would have been reduced by \$31 per member

By increasing Primary memberships, the financial burden of maintaining the Hiawatha Club is distributed across a wider base thus reducing the cost to all members.

### How do we encourage the ownership of Primary Memberships?

1. Increase the value of secondary memberships and promote conversion of secondary memberships to primary, thus increasing the Club's revenue stream.
2. Promote Hiawatha Club Properties to increase the value of Club lots and encourage prospective members to purchase property on the Hiawatha Sportsman's Club.
3. Offer incentives that would motivate members, currently holding secondary memberships, to convert those memberships to primary memberships.

## Proposal to amend Secondary Dues Structure

- The HSC Board of Governors recognizes the need to create a membership structure which will stop the decline of Primary memberships and increase the stream of membership revenue.
- Primary membership is not affected. Primary memberships will remain as billed for 2011 @ \$273.00 until such time as they may be changed by a membership vote at the annual meeting. All primary memberships shall pay the equalized amount of assessments for taxes and insurance.
- Any member owning one secondary membership shall see those dues remain at the current \$82.00 rate until such time as a dues rate may be changed by membership vote at the annual meeting.
- The dues on each secondary membership in excess of one, contiguous or non-contiguous, shall be raised to 50% of primary dues the first year [2012] and returned to 100% of primary dues the second year [2013].
- No member shall be billed for assessments on any secondary membership.

## Benefit to Club

**\*Members currently holding three or more memberships**

Members	First Year	Second Year
01/10 memberships		
01/9 memberships	Currently	
03/7 memberships	\$82.00 x 392* = <b>\$32,144.00</b>	<b>\$32,144.00</b>
10/6 memberships		
02/5 memberships	With Proposal One	
39/4 memberships	\$82.00 x 149* +	\$82.00 x 149* +
95/3 memberships	<b>\$136.00 x 243* = \$45,266.00</b>	<b>\$273.00 x 243* = \$78,557.00</b>

## Cost to members

**Actual dues billing provided there is no dues or assessment change.**

Memberships	2011	2012	2013
One	\$617	\$617	\$617
Two	\$699	\$699	\$699
Three	\$781	\$835	\$972
Four	\$863	\$971	\$1245
Five	\$945	\$1107	\$1518
Six	\$1027	\$1243	\$1791
Seven	\$1109	\$1379	\$2064
Eight	\$1191	\$1515	\$2337
Nine	\$1273	\$1651	\$2610
Ten	\$1355	\$1787 (+432)	\$2883 (+1528)

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