



German American Society
25 W. 3rd
Spokane, WA 99201

August 15, 2014

Dear Members,

If you were at the June General Meeting, you will remember that we discussed the financial shape the club is in. At that time, I assured you that I would organize a committee to look into different options available to us. The committee consists of Donna Kellams, Helene Guider and President Cordula Grimes.

We want to inform you about the changes our club may be forced to make in order to continue being a gathering place for you:

What has happened to place us in this situation~

- ❖ Our membership has dwindled in recent years and our yearly dues, dinners, events and rentals do not generate the income anymore that is needed to support and pay for our monthly obligations and upkeep of our "Deutsches Haus".
- ❖ Our operating expenses (licenses, maintenance, utilities, insurance, taxes, fees) have now reached an all time high of \$30,000 per year.
Average Monthly: \$2,512.00
Average Daily: \$84.00
- ❖ Our average income per month: \$1,500 to \$1,800.00. That leaves us with a monthly debt. We have had to cash in several EE Bonds and we are left with a remaining balance of \$15,000.00.
- ❖ Our building is in very poor shape; water leaks, plumbing problems, structure of the building, ect. The furnace needs to be replaced at a cost of \$14,000. Our maintenance man works long hours on a monthly basis, to "coax" the electrical and plumbing systems to continue to work.
- ❖ Declining rentals due to the parking situation, no handicap access, difficult neighborhood- homeless and drunks in front of the building.

We have heard different members suggest some options. Some are viable and some are not. A few are~

- ❖ There are 156 members as of today. Raise membership dues to \$200.00 yearly to cover monthly expenses and minimal maintenance problems. That would total yearly dues income to \$31,200.00
- ❖ Obtain a reverse mortgage.
- ❖ Secure an equity mortgage.
- ❖ Raise bar prices.
- ❖ Raise rental fees.
- ❖ Sell building and find “new and reasonable location”.

At the request of members at the June General Meeting, this committee interviewed 3 different commercial agents/brokers to get some idea of the worth of the club. It was very informative and we were able to get an idea what is a reasonable asking price (approximately \$325,000 to \$375,000.00) in today's market.

We are asking Commercial Realtor Carlos Herrera to join us on September 5th, so that if members have any questions, they may ask him directly.

It is in the club member's hands to determine the club's future. That is why we are asking you all to come to the **General Meeting on September 5th at 6:30 PM**. Rest assured that until a decision is made our club will be doing business as usual. We feel that because of the serious nature of the meeting, there will be quite a few members attending. Please call Helene Guider 509-747-4626 so that we can increase the snacks.

We are doing this with great sadness and a heavy heart as we are fully aware that we are not only representing you but all the other members before us.

Respectfully submitted,

Donna Kellams, Helene Guider and President Cordula Grimes