

**NEWPORT YACHT CLUB
STONEY CREEK INC
Special General Meeting Minutes
September 15, 2018
NYC -SC Club House**

Call to Order:

Commodore Michael Rushton called the meeting to order at 10:08 AM. In addition to the Commodore, the following Board Members were present:

Doug Greenaway
Jeff Hansford

Nigel Reed
Janet Womack

The Meeting was also attended by over 120 Members.

Agenda: attached

Commodore's Remarks:

The Membership was advised the objective of the meeting was to make a better Yacht Club. He asked that Members hold their questions and write them down so they could be addressed during the Q and A part of the meeting.

Club House Committee Chair Person Shirley Rushton:

The Committee was introduced and a brief history of the Committee was provided, starting with its inception in January 2017. Committee activities were reviewed including the Parking Lot issue. A Consulting Company was retained and a formal submission was delivered to the City of Hamilton. To ensure completion of commitments made by the previous owner of the Club property, a hold was placed on the property to deny a club house building permit until the parking lot was paved (a \$400,000+ expense).

Secretary Treasurer Doug Greenaway

The previous owner did not fulfill his obligations leaving the Club stuck with the requirement to pave the parking lot before any building permit would be issued.

While the Club is in good financial shape, we could not afford to both pave the parking lot and build a club house. To “self build”, the Club would need to increase the debt to \$875,000 in addition to asking members for additional money. The debt load would not be sustainable.

In 2013, two proposals were received from Aintree and Mars. The Mars proposal was for the development of a high rise condo with room being given to the Club on the ground floor. Neither plan was voted on or pursued at that time.

After the August 1st, 2018 meeting with the City, it became apparent the “self build” option would not be feasible.

“Aintree” approached the Club and their proposal was introduced to the Board of Directors.

On August 23, 2018 the Board felt it was in the best interest of the Club to present the Aintree proposal to the General Membership.

While we are a young Club, our present building is over 27 years old and at the end of its useful life. In addition it would cost over \$200,000 to get rid of the large hydro transformer.

Aintree will work with PCL .

While some references have been checked, the vetting process has not yet been completed.

We also need the Club House Committee to continue their work as there is still much to get done.

The Commodore continued:

Aintree wants to make the Club House look great and blend in with the neighbourhood.

But your Board of Directors needs to receive authorization from the General Membership in order to proceed. Today we will vote on if the membership is in favour or against the Board negotiating with a developer and trading the land if the deal negotiated is as described and favourable to the club.

Some important points to consider:

-The proposed Club House would be paid for by the developer, not by increasing the debt load of the Club.

-With our current gross profit of about \$50,000 per year, it would take more than twenty years of saving to self build.

- This is a multi million dollar proposal.
- All expenses will be paid by Aintree which means no risk to the Club. In fact the proposal lowers our financial risk. The Club is also being guaranteed \$5,000 in income per year from condo fees.
- Recent parking studies indicate the remaining space in the parking lot will be more than sufficient to meet the needs of the Club. Only GHYRA or a major party would possibly exceed the remaining capacity of the parking lot and overflow parking would be available on the grass areas.
- Boating fees per foot will not need to be increased with this proposal.
- Acceptance of the offer will improve the viability of the Club.
- Negotiations- It will not be possible for all of the Membership or the Board of Directors to conduct negotiations. Your Directors will appoint a negotiating team. Only if negotiations are successful will your Board sign a "letter of intent".

The Commodore concluded his remarks by asking the Membership to trust their elected Board of Directors.

Questions and Answers

Questions were solicited from the Membership and Q & A were sent out to all members on September 7 and 11, 2018.

Q. - Will the building have a basement?

A. A two story building has been proposed on a slab foundation with Accessibility concerns addressed.

Q. - If we vote yes, when would the next vote occur?

A. No next vote will take place.

Q. - When would there be a follow up presentation?

A. Unknown. We will share more information when it becomes available.

Q. - Clarification

Q.- Will we return money to the bank?

A. Yes. We anticipate returning approximately \$380,000 to the bank.

Q. - Do we have sufficient money for dredging?

A. Operational issue. We have the money set aside for dredging.

Q. - What about the increased liability exposure for having a pool?

A. Added cost for Pool Liability Insurance is \$250 per year.

Q. - If voting members are not here today, do they lose their vote?

A. No. Absentee ballots have been sent out.

Q. - Where is the EMR Loan money?

A. This money went into buying the property. We are currently paying out \$30,000 to \$40,000 per year to EMRs.

Noise Issues?

A. Covered by City of Hamilton bylaws.

Q. - What happens if the Board changes personnel?

A. Whoever is elected will continue.

Q. - Question about garage doors?

A. That is a design detail.

Q. - Not much known about Aintree. How will they presell the condos

A. Aintree is a consulting company. Other references are coming.

Q. - Property Taxes?

A. They may double to \$24,000 per year. We asked the City about this and they referred us to MPAC. MPAC said they would not discuss it with us. But, as a Not for Profit, we may not see a change.

Q. Will Membership Fees increase?

A. All fees are reviewed annually by the Board.

If we retain title to the land until project completion, what happens if the developer goes bankrupt?

A. The project will be insured and bonded. We will consult our lawyers to ensure completion.

Q. - Who decides on who will negotiate on our behalf?

A. The Board of Directors will make that decision.

Who will pay for furniture and appliances?

A. The Club will fund raise to pay as an Operating Expense, not Capital.

Q. - It may be a rumour, but he heard the Developer would walk if we tried to get other quotes.

A. Developer remarks were clarified. Other quotes would entail added expense to the Developer and incur expenses to other contenders.

R.F.Ps are expensive and time consuming. Volunteer hours needed to evaluate would also increase.

- Q. - With land being severed, shouldn't Club taxes be lowered?
A. We can make the argument but unable to answer the question.
B. Paul - What is in it for the developer?
A. No doubt the developer will make a profit.

- Q.- What will stop the developer from building a high-rise?
A. We will by legal agreement.

- Q.- The math does not work. Why not sell the land to the developer for what we need to self-build?
A. The developer wants to develop the whole property for a consistent high quality look which is better for us. The value of the land is realistically less than half a million. By developing the whole property the club gets enhanced value since his construction costs are lower than what we would need to spend to self-build.

- Q. - How can Members give input?
A. Design details are responsibility of the Club House Committee and will be determined during negotiations.

- Q. - Why vote today? Why not wait two weeks to vote?
A. No need to wait longer. The facts won't change. Voting today eliminates rumours being started based on misunderstanding and opinions. What the Board has shared are facts in advance of the meeting and again today.

VOTING RESULTS:

Motion:

“DO YOU AGREE AND APPROVE THE ACTION OF THE BOARD TO ENTER INTO A NEGOTIATED AGREEMENT WITH THE DEVELOPER “AINTREE” TO EXCHANGE APPROXIMATELY 25% OF THE PARKING LOT LAND ON THE EAST SIDE, NEXT TO THE TENNIS COURTS IN EXCHANGE FOR FULLY SERVICING THE REMAINING CLUB LANDS AS PER THE CITY OF HAMILTON REQUIREMENTS AND THE CONSTRUCTION OF A CLUB HOUSE OF APPROXIMATELY 4,000 SQUARE FEET (TWO STORIES), A SWIMMING POOL AND A TOOL SHED.”

“

Total Yes Votes - 119

Total No Votes - 25
Motion: Carried

The vote was cast by ballot – scrutineers were John Gallagher, Sandi Martin and Lynn Cole. Absentee ballots were also offered in advance to members who could not attend and a number of members mailed or dropped off their ballots as instructed.

Adjournment: The Meeting was adjourned at 12:10 PM.