

NEWPORT YACHT CLUB

Stoney Creek Inc.

Board Meeting March 26, 2019

Stoney Creek City Hall

Call to Order:

Acting Commodore Janet Womack called the meeting to order at 6:30. In addition to the Acting Commodore, the following Board Members were present:

Peter Belanger (by phone)	Wes Cox
Darryl Field.	Jeff Hansford
Nigel Reed.	Gavin Rouble
Zena Thomas	Michael Rushton

Also attending was Ms. Lisa Roddie from "Coast".

Regrets: None

Coast Presentation:

Before the start of the formal meeting, Ms. Lisa Roddie (Coast – Ontario Sailing) was invited to make a presentation on the services available from COAST. Presentation slides were emailed to all from Janet Womack on March 27th, 2019.

Ms. Roddie reviewed the responsibilities of the Board of directors legal and leadership responsibilities. She reviewed topics of member harassment, marijuana legislation, accessibility and our responsibility as an employer. Several items presented will need to be acted upon in the near future.

There is significant legislation that affects all not for profit clubs in Ontario. This took much of her presentation time to explain that we need to make significant changes to a number of our by-laws. She highlighted changes and suggested we begin working on this now as by-law changes require a 2/3 majority vote. Most significant are changes to our many classes of membership to enable 1 class of voting member. This will affect all clubs where several voting classes exist. There can be non-voting users of the club, but they will not be classed as full members.

1. Additions / Approval of Agenda

Motion to accept the agenda was proposed, seconded and carried

2. Approval of Minutes:

Motion to accept the agenda was proposed, seconded and carried

3. Business Arising from the Minutes: (Carried over until completed or amended)

Report on the status of these items:

- Property –Big sign lakeside at entrance is needed with info for visiting boaters. Sign will need large easy to read LARGE font and lighting at night.
 - Property to get competitive prices.
 - Library **Deferred until Club House situation is resolved.**
 - Name Tags - **Action discontinued.** We will use paper name tags.
 - Treasurer to get Newport stickers made up for Marketing - **Completed**
- Directors at Large, were asked to take on the task of finishing what the 2018 Board began to document volunteer hours needed and develop a tracking system for volunteer hours – mandatory hours may be needed at some point and having facts will help us quantify the total cost to run this club. Director to follow up with former Property Director
- - Directors at Large to follow up with Committee chairs re: how many hours are needed to complete necessary work. Directors at Large to follow up with Dave Masney. **In progress. Deferred**
 -
 - Wes Cox to talk to Property Committee members re: list of tasks needing to be completed, who does what, what club employee(s) will do, etc. **In progress. Deferred.**
- If a Mandatory Hours program is needed; the mechanics of such a program will be developed by the Treasurer and Membership Chairperson for presentation to the BoD. **In progress. Deferred.**
- Volunteers - We must determine what members are interested in doing. There was agreement that the Club needs a Volunteer Pay Program.
 - Director of Membership has surveyed the membership and found that members are not interested in volunteering – there is some resentment about the perceived lack of appreciation resulting in frustration by past volunteers.
 - Discussion was conducted regarding the possibility that members either volunteer or pay some extra if they choose not to volunteer. **Deferred until mechanics of the program are worked out.**
 - Property Director to organize gardening committee. **Completed.**
 - Finance Committee to review the terms of the Club’s loan since less than three years to renewal. **In progress.**

- o Jewitt – Commodore will open discussion with Mr. Jewett regarding his two slips being supplied power and water and the need for anyone accessing the slips to be at least Social Members. Pending discussions, we can establish a fair cost for, maintenance, dredging, water and electricity. Peter to aid Michael in the establishment of a fair chargeback price. **In progress.**

4. Club House Update:

Aintree has asked the Club to participate in a “Joint Venture” in order to convey the land to the venture so it can be used as Financing Collateral. This is a significant departure from what was presented to the BOD and Membership last September.

A meeting between Aintree and the Club is scheduled for Friday March 29th. Former Treasurer will not be able to attend. Current Treasurer was asked to attend by phone.

The BOD approved the addition of Allen Morgan to the Newport negotiating team. The Club Lawyer was consulted regarding the risk inherent in such a joint venture. Letter from Lawyer attached. The BOD determined we are not prepared for the time commitment required for a “Joint Venture” and we do not want to accept the risk of failure.

An alternate proposal was discussed to exchange the land for cash, with the cash being invested in cashable Term Deposits. the money would be returned to the Developers in stages as the Club House and infrastructure are completed. Our Accounting Firm was asked for information on the tax implications of this alternative.

Concern was also expressed about the actual amount of property to be transferred to Aintree. Initially the parking lot was to include paved parking for 100 cars. It now appears there will only be room for 70 parking spaces.

While we have received suggestions to seek interest from other builders, we have not pursued this until our differences with Aintree are resolved. The decision of the Board and membership was to proceed with this builder to conclusion – if possible.

It is the BOD position that Aintree must fulfill the obligations proposed in the initial presentation. The BOD does not have the authority from the Membership to accept anything less.

5. Standing Committee Reports

Membership Update:

1. Update on New Boats in and leaving – footage change – cash impact. Update attached.

Property Update:

1. Dredging - equipment has been delivered to 50 Point and should arrive in next few days.
2. Hiring of summer student – In progress.
3. Land Based Dredging - Discussions regarding access continue but a lower priority at present due to arrival of water based dredging equipment in next few days.
4. Break Wall Repairs/Modifications - Engineering support will be needed to approve any modification to the break wall as we want to ensure no rocks fall in the channel.
5. There appears to be a misunderstanding with a condo resident regarding access to the break wall for maintenance purposes. A letter will be sent to the Condo Corporation reminding them of the Club's right to access the break wall for maintenance.

6. Next Meeting: T.B.D.

Suggested date is Tuesday April 30, 2019.

7. Adjournment: The Meeting was adjourned at 9:00 PM.

8. Attachments:

See below and attached from our club lawyer.

Similar to my advice and outline on the clubhouse proposed joint venture.

Michael

Sent from my iPhone

Begin forwarded message:

From: "Cicchi & Giangregorio" <cglawyers@cglawyers.ca>
Date: March 25, 2019 at 11:55:31 AM EDT
To: "michaelrushton2@gmail.com" <michaelrushton2@gmail.com>
Subject: RE: Go forward proposal R1

Michael,

Further to our conversation on Friday, attached is the response to Aintree drafted in the name of the Club for your review and approval.

In the event you intend to proceed by way of a joint venture or otherwise, I recommend you consult with the corporation's accountant to be aware of the accounting and tax implications of any proposed transaction.

It is not surprising that Aintree is proposing a joint venture. It allows for the condominium site lands to be included in the development proposal without Aintree having to come up with the purchase price i.e. the land is exchanged for a commitment to construct the club house and it's amenities. If the condominium development does not sell or otherwise proceed, you have transferred the land. The Club will then own an interest in a joint venture and not the land.

At this point, we are not aware if the lender providing the financing to the joint venture will require a covenant/guarantee from the Club or any of it's members.

The joint venture will be more complicated than any of us can appreciate at this stage. You have already identified the issue if the condo development does not proceed. Another example is the Tarion registration. In order to sell the condominium units, the vendor in any agreement of purchase and sale will have to be registered with Tarion. It is likely that Aintree will have a corporation that will carry out the sale of the condominium units that has a Tarion registration. This means the joint venture corporation will not sell the units or receive the funds from a sale of the condominium units. The joint venture corporation will have some element of control in that it will own the lands. It is another layer of administration.

I look forward to your comments.

Terry Giangregorio

From: michaelrushton2@gmail.com [<mailto:michaelrushton2@gmail.com>]

Sent: March-20-19 8:46 PM

To: 'Cicchi & Giangregorio'

Cc: 'Sheila and Peter'

Subject: FW: Go forward proposal R1

Attention Terry,

When you were initially discussing the development possibility with us; you suggested selling for a set price and we are headed that way. See below an email trail from Aintree and a letter R1.

See also comments from Aintree lawyer below – I have attached a draft response for your review and I need your advice to take to the Board

- We want to complete the developed as promised
- Initially they said they had financing secured – apparently not so...
- We cannot risk the entire club as collateral
- They proposed a Joint Venture – I am unsure how this would work and uncomfortable with it – the club members are not developers
- Is a severance and sale for the amount needed to build the clubhouse in parallel with townhome development the best way forward
- What is your advice to get what we want by trading the land as approved by the membership vote

Terry, I have copied Peter Belanger Secretary Treasurer

Thank you,

Michael Rushton

From: michaelrushton2@gmail.com <michaelrushton2@gmail.com>

Sent: March 20, 2019 8:11 PM

To: dmaxwell@aintreemgmt.ca; 'James O'Donnell' <jodonnell@aintreemgmt.ca>

Cc: 'Sheila and Peter' <kalamari@comcast.net>; 'douglas greenaway' <douglas.greenaway@gmail.com>; 'Alan Morgan' <alan.stuart.morgan@gmail.com>; 'Shirley Rushton' <shirlerush@gmail.com>

Subject: RE: Go forward proposal R1

Dave & Jim,

We have reviewed the proposal and facts with the Finance sub-set of the Clubhouse Committee yesterday. The full clubhouse committee also met and made a detailed list of what they see as clubhouse needs in more detail which we will share with you before we meet in person to allow you to estimate costs.

Rather than email back a reply; we would like to meet you and Jim in person and review our counter-proposal. I need to do two more steps before we can meet – first review with our club lawyer the high level ideas and second get majority of the Board approval to the change of plan.

Initially you told the Board financing, was all taken care of and severance would be at the end after all is build – now it appears severance at the beginning. That is a material change so I would need to get majority agreement of the Board members. Pending agreement being reached – I suggest we all need to meet with our Counsellor again and ask her support to help us move the severance quickly.

What is your availability March 27 & later to meet in person....

FYI - Doug Greenaway has voluntarily stepped down from the Committee for personal reasons and been replaced by Peter Belanger and Alan Morgan.

Michael Rushton
Commodore
Newport Yacht Club – Stoney Creek
Cell: [416-420-5479](tel:416-420-5479)
Email: Commodore@newport-ycsc.com
Web: <https://newport-ycsc.com/>



From: dmaxwell@aintreemgmt.ca <dmaxwell@aintreemgmt.ca>
Sent: March 19, 2019 8:26 AM
To: michaelrushton2@gmail.com
Subject: FW: Go forward proposal R1

FYI please treat confidentially.

David Maxwell
[416 616 4727](tel:4166164727)

From: Richard Skibinski <rskibinski@fslaw.ca>
Sent: March 18, 2019 9:23 AM
To: dmaxwell@aintreemgmt.ca
Cc: 'Teresa' <teresa@fslaw.ca>
Subject: RE: Go forward proposal R1

To accomplish what you have in mind, we need to move on getting a severance of the lands that you intend to build on. In a joint venture, the contribution of land by the Club has to be valued and then there has to be an agreement in place as to who performs what services. Lastly and most importantly, there has to be an allocation of profits and an understanding that those funds are irrevocably to be used to make improvements to Club facilities. I would suggest that there be a set limit to what the costs of those improvements are to be.

Going back to the severance, you need to speak to your planner as to whether you want to move for a severance and Site Plan at the same time. I am currently involved with a project that was time sensitive and we had to forego site plan considerations so as to get our severance. That is not the preferred way to go as it compounds soft costs and exposes the owner of severed lands to a new batch of conditions to obtain site plan approval, which our fickle city politicians are unable to resist doing.

Time lines need to be established as on the last joint venture that I was involved in, the partner dedicating the lands grew frustrated as he was not sophisticated enough to understand the planning process and thought that the builder/developer was intentionally lagging on the project.

Good to know that some progress has been made on this matter. Let me know if this is helpful even if it merely confirms the plan that you have in place.

Yours very truly,

Richard Skibinski B.A. LLB

Barrister & Solicitor

FERNIHOUGH SKIBINSKI LAW FIRM

Barristers, Solicitors, Notary Public

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Hamilton, Ontario L8W 3M2

Tel: [905-387-9248](tel:905-387-9248)
Fax: [905-574-0604](tel:905-574-0604)
Email: rskibinski@fslaw.ca

From: dmaxwell@aintreemgmt.ca [<mailto:dmaxwell@aintreemgmt.ca>]
Sent: Sunday, March 17, 2019 8:01 AM
To: 'Richard Skibinski'
Cc: 'James O'Donnell'
Subject: FW: Go forward proposal R1

Rick

FYI. I will await their comments and then arrange for us to meet.

Thanks,

David Maxwell
[416 616 4727](tel:416-616-4727)

From: dmaxwell@aintreemgmt.ca <dmaxwell@aintreemgmt.ca>
Sent: March 17, 2019 7:58 AM
To: 'Michael Rushton' <michaelrushton2@gmail.com>
Cc: 'James O'Donnell' <jodonnell@aintreemgmt.ca>
Subject: Go forward proposal R1

Michael,

The purpose of the Construction management model is to eliminate any liability by properly vetting any subtrade and ensuring that all budgets for all the aspects of work are correct. The bonding of the project will ensure that all aspects of the project will be completed along with project funding will eliminate any liability.

If you would send me your comments regarding more details I will incorporated them in our agreement proposal to NYC.

Thanks

David Maxwell
[416 616 4727](tel:416-616-4727)

From: Michael Rushton <michaelrushton2@gmail.com>
Sent: March 16, 2019 7:20 PM
To: dmaxwell@aintreemgmt.ca

Cc: James O'Donnell <jodonnell@aintreemgmt.ca>; doug.greenaway@gmail.com; shirlerush@gmail.com

Subject: Re: Go forward proposal R1

Thank you David,

We will call a clubhouse committee meeting to review and then make an appointment to see our lawyer.

I thought the deliverables would be more detailed and we will work on that portion.

I expressed some concern on the joint venture proposal regarding club liability and assurances of completion when you mentioned the JV. Did you receive any advice or details on this I can share with the committee members?

Michael

Sent from my iPhone

On Mar 16, 2019, at 4:00 PM, <dmaxwell@aintreemgmt.ca> <dmaxwell@aintreemgmt.ca> wrote:

Mike,

Please review and comment on this document as it will lead to our formal agreement. I need your comments and edits to properly instruct our lawyer.

Thanks,

David Maxwell
[416 616 4727](tel:4166164727)

FYI

Sent from my iPhone

Begin forwarded message:

From: Lisa Roddie <lisa@ontariosailing.ca>
Date: March 27, 2019 at 11:14:21 AM EDT

To: Janet Womack <jwomack@cogeco.ca>
Subject: COAST Presentation and Bylaws

Jan

Thanks so much for having me attend your Board meeting last night, I hope everyone found it helpful.

I am attaching your bylaws with my comments as well as the slides from the presentation, note in the slides I included the two pieces that will come into effect once you hire a staff person.

Please let me know if there is anything else I can do for you, I look forward to working with you and the Board of Newport more in the future.

Thanks
Lisa

Lisa Roddie
COAST Manager
Ontario Sailing / ROWONTARIO
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