



DRAFT

Minutes of Salt Spring Island Sailing Club Information Meeting on F Dock 2019-05-28

In Attendance:

Twenty-eight voting members signed the attendance sheet for this information meeting, including the following officers:

Casey de Jong, Commodore
 Rod Macdonald, Rear Commodore
 Chris Cheeseman, Vice Commodore
 Norbert Schlenker, Treasurer
 Roy Marlatt, Wharfinger
 Mike Dawson, Staff Captain
 Jim Raddysh, Fleet Captain Dinghy

The meeting was held at the SISC Club House, 152 Douglas Road, Salt Spring Island. As Richard Stevenson, Secretary, could not attend, Gill Hobbs took the minutes.

Call to Order: The meeting was called to order at 19:00 hours by Casey de Jong.

Commodore's Opening Remarks

- Casey de Jong informed those in attendance that this was an information meeting. Therefore, no quorums were necessary, and no motions could be passed.
- The purpose of the meeting was to update the membership on F Dock and to gain feedback from the attendees to inform the Board before the June 4th board meeting.
- The Board would then prepare Special Resolution(s) to address the situation and call a Special General Meeting, ideally for June 25th.
- Much of the content of tonight's meeting would be based on the hard work of the Rear Commodore, the Treasurer and a Working Group which had been studying the issue over the spring.

- Tonight's meeting would be conducted in three segments:
 - i. Rod Macdonald, Rear Commodore, would present the physical condition of F Dock, required action, and overall pricing estimates.
 - ii. Norbert Schlenker, Treasurer, would present options on how to pay for the work needed.
 - iii. The attendees would then be asked for their questions and views, including recommendations on how to proceed with the needed action and payment options.

Highlights of Rear Commodore's Presentation – What Needs to be Done

- Rod Macdonald provided a three-page document, F Dock Replacement, (see attached) covering the essentials of his presentation.
- In December an F Dock Working Group was set up under the leadership of Nancy Coté to make proposals for replacement of the dock.
- The specific dock under investigation comprises 2 sections of F Dock on the Ganges side of C Dock.
- It was built in 1997, is post-tension construction, at the time considered a good construction method, but now it is failing and has already eaten much time and cost in repairs over the last 7-10 years.
- Wave walls have been falling off, floats have begun to sink and corkscrew, the foam is saturated in compartments and tension cables are breaking and causing the corkscrewing. Tension in the dock is disappearing.
- Stopgap remediation efforts have included:
 - In 2011, angle bracketing bolted to the wave walls and concrete decks. Nylon strapping added to help keep wave walls from flexing.
 - Four years ago, foam billets placed underneath to help correct twisting and sinking.
- The structure is in imminent danger of catastrophic failure.
 - Stopgaps are no longer working, and no possibilities for further remediation exist given the original method of construction.
 - Worst case scenario is the break-up of F Dock. A barge and crane would then be required to clean up at similar costs to construction of a new dock. The club would be left scrambling to construct and pay for a new dock for the unprotected marina.
- The Working Group recommends replacing F Dock in the summer, 2020.
 - Construction of 2 sections, 135 ft by 13 ft, off premises. Concrete and rebar. Examples of the type of construction can be viewed on IMFS website.
 - Installation would be planned to take place over 1 ½ weeks in the summer - chosen to avoid higher waves, comply with Fisheries regulations related to herring spawning season, to impact as little as possible with club events, and to work within builder time availability.
- New construction and installation
 - The Working Group sought two estimates, one from IMFS for \$500k and another from Bluewater for \$650k – this latter one appears to cover a more complete job.

- The Working Group estimates that \$500k-\$650k would cover constructing the dock and bringing it here. It would not include removing the piles and assessing them to see if the enclosures could be reused, replacing the piles, the electrical work and the removal of the current dock.
- A new F Dock would have a life span of 25 years.
- Decommissioning and Disposal
 - One high estimate of \$350k was obtained from Heavy Metal for demolition and removal – considered ludicrously high and not seriously under consideration.
 - The Working Group is assessing other possibilities including: selling – possible, but maybe difficult; giving away – much more likely; or having demolished by others. F Dock cannot be re-purposed by the club.
- Total Cost Estimate
 - A rough estimate of \$500k to \$700k is proposed for overall costs associated with removing the old F Dock and replacing it with a newly constructed dock.
- Time is of the essence. The estimates which the Working Group acquired were dated to the end of May but will likely be honoured until the end of June. The Working Group is tending to favour IMFS as the successful contractor to complete the work. Before the end of June, a 10% (\$50k) deposit would be required to hold the club's place in the construction timetable. That deposit would be a commitment for the entire construction, and it is therefore the recommendation that a Special Resolution be passed by the end of June to proceed with the project.

Discussion on Required F Dock Action

- Where possible, answers to questions have been included in the appropriate place in the highlights above. Additional comments, answers are provided below.
- The rest of the docks are in good shape. They were not built using the wave attenuation design, post-tension construction of the older F Dock.
- It is not possible to remanufacture the old F Dock – cannot remove foam, concrete, cables and repair. Tensioning wires will explode when they fail.
- The Working Group doesn't anticipate any complaints or objections from people using the water in the vicinity.
- Club members who have moorage on or near F Dock will hopefully only be asked to move for 1 ½ weeks for removal of the old dock and installation of the new one, although it may take longer to get utilities set up on the new dock.
- If the club is successful in selling or giving away the old dock, it will only be able to be used in calm waters.
- The presenters were thanked for their excellent presentation of facts and discussion.
- When asked to vote on whether the replacement needed to take place, all in attendance voted in the affirmative.

Highlights of Treasurer's Presentation – How to Pay

- Norbert Schlenker explained that currently the club has \$430k in debt left over from previous rebuilding, down 2/3 from the original amount borrowed. This debt will likely be paid off by 2022 or 2023.
- The club will likely have \$100k in the bank at the end of the year and could fund deposit of \$50k when required earlier.
- For the new construction of F Dock, the club will need to write progress cheques along the way.
- There is a need to raise \$600k to cover the new F Dock. Approval of the members via Special Resolution at a Special General Meeting is necessary before any commitments are made or contracts signed.
- Options for Raising the Funds Needed
 - **Borrowing** from the bank or credit union.
 - Norbert had preliminary discussions on the possibility of raising our current mortgage from \$430k to \$1m and lengthening the amortization past 2023.
 - Banks appear agreeable at this preliminary stage but will not commit in advance to an interest rate to be applied when mortgage would be changed, and funds needed.
 - The Credit Union has already stated that any new mortgage could not extend longer than 10 years before the foreshore lease is due to expire. Other banks may also have this policy. The Ministry will not consider extending foreshore leases until 2 years before their expiry date. Therefore, any lengthening of the amortization period might be limited to a maximum of 18-19 years - 2038.
 - **Levy** members of the club
 - If an invoice for \$3k were sent to each member of the club, the goal of \$600k could be reached.
 - **Debentures** bought by club members
 - Members of the club could be asked if they would be willing to lend the club money (perhaps a minimum of \$10k debenture or in multiples of it) at a rate of interest less than that of the banks (e.g., 2 ½% rather than bank's 5%).
 - **Moorage** fee increases
 - Currently members have fairly low cost per foot moorage rates. These rates could be raised.
 - Entry fee into moorage (currently \$2k) could be raised.
 - **Combination** of the above options provided the favoured combination was manageable by the Treasurer and bookkeeping.
- Norbert suggested he would, after consultation with the Board, craft several resolutions for the Special General Meeting and hope that the required majority of members attending the meeting would find one acceptable.

Discussion on How To Pay

- **Borrowing** Attendees discussed the pros and cons of amortization lengths, some wishing to see a 10-year time period while others wondered if a longer one might be best. Norbert explained that a 25-year mortgage was probably the longest one could arrange, and that might not be possible because of the foreshore lease expiry date which the Credit Union had already mentioned. One attendee suggested a 10-year time frame for the \$600k mortgage after the existing one was paid off (e.g., to 2033).
- **Levy** The levy alone didn't seem fair to some attendees who said the burden of all costs would then be borne by many older members who would be leaving over the next few years. Also, members varied greatly in their ability to pay a full levy option, therefore, methods to pay over a longer period should be considered. Another attendee commented that members were like shareholders in the club's capital assets and as those assets would be going up in value, so should the price to the shareholders. Norbert said that a positive $\frac{3}{4}$ vote at the Special General Meeting might not be attainable if only a levy were proposed.
- **Debentures** Some attendees liked the option of debentures but said they wouldn't work if no one took them up. Norbert was asked if he could survey some members who might be able to lend the club money in this way to see if the idea was interesting to them. Norbert said that might be difficult, but he would see if possible. He emphasized that, to be realistic and manageable, the minimum debenture should be in the range of \$10k.
- **Moorage** An increase in moorage per foot rates was seen by several attendees as a way to access some funds. Some said that the club members had a sweetheart deal now. The Board was asked if it could update the comparison of the club's rates with other mooring options and club rates. Another attendee said the slip assignment fee now supported older capital spending, and it might be raised to support the new spending. One member noted that, in the past, members were asked for cash for a 'finger' - payment in advance. Norbert said that reintroducing this type of finger fee might not allow consistent, reliable cashflow and cause bookkeeping tracking issues.
- **Combination Option** Several attendees asked about a combination of methods of payment although specifics of what should be in the option were left for Norbert and the Board to consider. Mentioned the most were borrowing, moorage and debentures, if possible.
- **Special Resolution** The question was raised whether the Special Resolution need be passed before the deposit is made to hold the club's place in the construction schedule if a workable resolution cannot be developed by June 25th. Board members reiterated that club By-laws require approval of the members before capital funds of this magnitude are committed and the resolution must address how the funds will be raised.

Consensus

- There was consensus that if the club didn't have a fully functioning F Dock, it didn't have a marina. Replacement of the dock was imperative. All those who had worked so hard to bring the information to the meeting had done a wonderful job and were thanked.

Subsequent Action

- The Board will meet on June 4th, 2019, to discuss the learnings from this Information Meeting on F Dock.
- The Board will make plans, if at all possible, to hold a Special General Meeting on June 25th, 2019, to address the replacement and funding of F Dock.

The meeting was adjourned at 20:30 hours.

DRAFT