



**HILLARYS YACHT CLUB INC. SPECIAL GENERAL MEETING
HYC HARBOUR ROOM 65 NORTHSIDE DRIVE HILLARYS
THURSDAY 15 DECEMBER 2022**

Meeting opened at: 6.00pm. The Chair and Commodore Mr Kerry Lewis #1507 welcomed all present.

In attendance: 65 Voting members present as recorded in the register

Apologies: 3 apologies recorded in the register

Quorum: Present (Cl 18.5; 50 required)

The Chair thanked the members for their attendance at such short notice and called for apologies.

The Chair reminded those in attendance, when speaking during the meeting, that all speakers should stand, wait for the microphone, identify themselves and their membership number.

The Chair advised all in attendance that the process of compliance including all Notices issued in advance of the meeting were in accordance with the requirements of the Constitution. The meeting was advised that the SGM proceedings will be conducted in accordance with the HYC Constitution, By-Laws, Policies and Horsley's Meetings Procedures, Law and Practices.

ORDER OF BUSINESS

1. Q Jetty Update including Tender process, costings and recommendations.
2. Club Jetties Condition Report and Findings.
3. HMLS update regarding the Condition Report works carried out on the Forklift and Travel Lift.
4. Financial Update including existing banking facilities, and the proposed changes required to incorporate new loan and overdraft facilities.

1. Q Jetty Update – Tender Process

1.1 Q Jetty - Tender Process

The Chair advised that tenders had been prepared with the assistance of International Marina Consultants in conjunction with the requirements of HYC under the direction of our Q Jetty team, Vice Commodore Graham Townsend, Rear Commodore Rod Sweet, Jim Suffield and Keith Wood-Gush. Tender invitations were sent to 7 companies which included Global Trade Sales, Universal Marina Systems, Poralu Marine, Bellingham Marine, Gold Coast Marine Systems, Walcon Marine and Superior Jetties. All systems are floating jetties.

6 tender submissions were received by close of business Friday 25 November 2022 and follow-up responses received by COB Tuesday 13 December 2022.

The Club has been liaising with the Department of Transport to ensure that the Club was complying with the current Australian standards. We prepared, at great cost, a new Master

Plan for our complete jetty complex, which we will work towards as we replace our current jetties over the coming years. Under the new Master Plan we would lose approximately 25 pens on Q Jetty alone, but fortunately, we have been able to come to an agreement with the Department of Transport and build an almost like for like jetty, only losing a couple of pens, as a temporary structure in its current location. As we progress through the replacement process, we will shift Q jetty eastwards and it will comply with the new Master Plan. This may be in 10 or 15 years. The Chair explained that due to the requirements to meet new standards it has taken this long to progress to where we are at present. Currently, the total unbudgeted cost that has been spent is approximately \$145,000 with future works estimated at about \$32,700.

1.2 Q Jetty – Costings/Recommendations

The Chair advised that the initial estimates provided by our Marina Facilities section to replace Q Jetty was in the order of \$1.2M. Our Management Committee, with assistance from our Q Jetty team, reviewed the estimate and increased the proposed budget to \$1.8M, and then to comply with Clause 25 of the Constitution and feedback from various sources we increased the budget and received approval at the SGM held in June to spend up to \$2.5M.

The tender submissions for the actual Q Jetty replacement have been received and range from \$1.2M and \$1.6M ex GST, not including land-based services which are estimated at up to \$200,000, but more than likely approximately \$50,000. The timing for completion is between May and end of July depending on the supplier. The Chair advised that the Q Jetty working group is in the final stages of their recommendation and they will present to management at their meeting on Monday 19 December and a contract should be awarded soon after.

Question: Greg Shakeshaft #7116

Asked the Chair about the 25 pens that could be lost. What would be the total number of pens lost with the new Master Plan for all of the jetties.

The Chair advised that the reason we are losing 25 pens on that particular jetty is because we lose the floating section. We may lose 3 pens per jetty, but it is only Q Jetty that it was originally thought we would lose 25, which is why we met with DoT to discuss our options.

Question: Miriam Cosson #228

Asked the Chair if an approach had been made to the State Government to assist with finance.

The Chair advised that we had discussed this with the local Minister, but we have not formally approached them and we do not believe this is possible, but we have not excluded going down this avenue.

Question: Lorraine Brindle #8157

Are there any factors that will lead the Club to choose between a concrete or aluminium tenderer.

The Chair advised that this is what the Q Jetty team are currently looking at. Some of the jetties have an expected life span of 35 years and others 75 years and these factors are all being taken into consideration for the final recommendation along with quality, costing and delivery.

Question: Tony Waymouth #6504

You said we spent \$140,000 to date with another \$37,000 to come. Is there a breakdown on what that involves.

The Chair advised that this information will be provided later in the presentation.

2. Club Jetties Condition Report and Findings

2.1 Executive Summary

The Chair advised that a requirement placed upon Management by the members, and also the bank, was to undertake a professional assessment of the remaining jetty structures to check on their serviceability and condition. Management approached 4 specialist engineering companies to provide quotations to undertake this work. This work was completed, and a full report was provided to the Club on 25 November. In summary they reported that the general condition of the marina infrastructure is typical for the age, with steel components showing signs of corrosion where coatings have failed, and remediation is required to extend life. The supporting marine piles are generally in sound condition with the piles tops and caps suffering from corrosion typical in the marine environment. The remediation of the structures should be planned to allow for remediation of the structures over the next 5 years to include blasting and painting of exposed structural steel, marine growth removal and pile wrapping sacrificial anode installation timber pile encapsulation. There were 7 jetties inspected and the report included 35 pages per jetty.

Question: Michael McMahon #5863

Asked if there were any specific references to the finger jetties, in particular the tension bars underneath, as they are highly corroded.

The Chair advised that there were references made, and this will be discussed later in the presentation.

2.2 Jetty Condition Report and Findings

VIP JETTY LOAD TEST

The Chair advised that the VIP Jetty load test went well with the deflection results measured during the load test confirming theoretical deflections from calculations. At this stage, we are comfortable to recommend a maximum distributed load on the jetty of 64,000kg. Based on ABS statistics the weight of an average adult is 80kg, meaning that the maximum occupancy of the jetty should be 800 persons, or 2 people per square metre. This is positive news and will mean that we can continue to use VIP Jetty as normal.

R JETTY FINGERS

We completed the inspection of the R jetty fingers today, and the inspection confirms our fears that the finger jetties are unsafe for use. Each of the 8 x fingers have 2 x concrete beams (walkways) which measure 10m in length. The deflection of each section is at or above the maximum deflection permitted under Australian standards with minimum load applied. In addition, the structural integrity of the concrete is very poor with deep cracking caused by corrosion expansion to the reinforcing steel. The supporting steel at the main jetty connection is in general in fair condition, however the connection to the outer piles is in extremely poor condition with no measurable steel remaining in a number of areas. The steel supports on the centre piles is generally in good condition where remediation has been

completed previously, however the cracking of the concrete at the these connections is extremely unsafe. The only recommendation we can make is that the 8 x finger jetties should be closed for use by members, and that the finger jetties should be removed as soon as practicable to prevent failure of the fingers.

What this means is that the club will now action the closure of the finger jetties and begin to work with smart subsea or another contractor for their demolition in the new year. Our plan for replacement of the fingers is to possibly reuse the fingers from the soon to be demolished Q jetty. Part of the tender process for the Q jetty replacement, is to salvage the floating finger jetties and reuse for other purpose. We will now aim to use them on R jetty given this latest advice.

N & P jetty fingers require attention to replace missing deck boards

The replacement of the missing deck boards doesn't require specialized contractors and as such, this work has been passed to the Club Bosun who has been provided with internal approval to action this minor R&M work and replace the affected timber. Timber is being ordered and works will commence ASAP.

Less Urgent Recommendations

N & P Jetty corrosion is to be investigated and remediated and the P & R jetty to be gouged and filled with epoxy will be completed within 6 months. Smart Subsea (or another contractor) will be engaged in the new year to undertake this to investigate the corrosion issues on N&P. Smart Subsea (or another contractor) will be engaged in the new year to repair the cracks.

2.3 Jetty Condition Report Outcomes and Costing

The Chair advised the outcomes and costings to date:

- VIP Jetty inspection for load capacity \$2,600
- R Jetty inspection \$2,800
- R Jetty demolition cost for 16 finger jetties, including repurposing of Q Jetty fingers, is approximately \$136,000 (worst case scenario). Alternative quotes and options are being considered.
- N and P Jetty timber decking \$1,000 estimated
- VIP Jetty - testing was done on Friday 9 December – load tests indicate no issues and safe working load is 64,000kg.
- R Jetty - testing was undertaken on Monday 12 December and Tuesday 13 December. Report back advising all 8 concrete fingers need to be closed immediately and removed when possible. Plan is to reuse floating jetties from the Q jetty demolition.

3. HMLS Update

The Chair advised the outcomes and costings to date after explaining to the meeting the situation at the lifting yard regarding Work Safe issues and deadlines/investigations/safety/surveys/assets and machinery:

- Travel lift costs \$80,000 to date
- Forklift costs \$135,000 to date (including necessary work on the forks which were found to be not serviceable - these are currently being manufactured), plus an additional \$7,000 for unknown work due to recent forklift failure. The forklift was budgeted for expenditure of \$135,000 and the travel

lift \$80,000. Note last week the engine in the forklift failed. It was replaced with the engine that was removed in the last 2 years. It was operating again today, and we are investigating a replacement engine now and will set a budget at our lifters meeting on Monday 19 December.

- Works estimated to provide a 5-year life from the forklift
- Works estimated to provide a 10-year life from the travel lift
- Waiting on ace materials to come back with their final report before lodging work safe completion notices
- Outstanding work safe requirements for the club to perform risk assessment and training for hazardous materials which is estimated to cost up to approximately \$10,000

The Chair advised that the Club had looked at purchasing a new forklift but could not find one for less than \$700,000.

Question: Tony Hansen #1014

Has there been a survey done on the fingers on which the Travel Lift travels

The Chair advised that yes, there was a survey done on this and it was quite good. The only work that needs to be done is where the forklift goes and there is some remediation that is required and stated that the Club has had tests completed on every single jetty in our complex.

4. Financial Update

4.1 Completed Jetty Works to Date

The Chair advised that the completed works cost to date was approximately \$145,275, with estimated future works estimated at \$175,000. The total of this works will be approximately \$320,375.

Question: Michael McMahon #5863

Where are the costs for the remediation works to the structural steel on N and P Jetties and the steel tension bars on N & P.

The Chair advised that we are still waiting on the final report as to exactly what that work is going to be, and this work will be conducted over the next 6 months to 5 years and will be included in the budget over the coming years. We have things in place to look at the asset management and that is being done under the guidance of Marina Facilities and other areas of the Club. We are putting procedures in place to ensure that the jetty structures we have are going to last a long time.

4.2 Financial Update – Club Boat

The Chair advised that completed works for the Club Boat Alibi were \$216,720.

Work done on Balaton Jack and Alibi by volunteers since the decommissioning of Balaton Jack includes 198-man hours.

4.3 Financial Update – Revised Bank Facilities

The Chair explained that the Club has faced unforeseen expenditure as follows:

- \$215,000 Forklift / Travel Lift
- \$66,700 unbudgeted expenditure for Alibi
- \$220,000 for unbudgeted Q Jetty works to date
- \$136,700 (estimated) for urgent R Jetty works
- \$7,000 (estimated) for the further Forklift works
- \$10,000 (estimated) for Work Safe compliance

Total: \$655,400

The Chair advised that year to date to November, membership subscriptions were below budget at \$140,000 and nomination fees \$56,000 due to stretch budget for new member admissions not being realised. This is not included in the \$655,400 and due to this, Management are looking at reintroducing a discounted nomination fee early next year. Another SGM will be called to approve this as it is a special resolution requiring 45 days' notice.

Question: Carol Flemmer #3466

Asked whether our insurance brokers have flagged any of these issues with us.

The Chair advised that our insurance brokers, Trident, have been in place for over 20 years. They are aware of everything that goes on in the Club and there have been no issues.

4.4 Revised Bank Facilities

The Chair advised that these these unforeseen costs have left the club with a temporary cashflow issue and discussions with the bank have resulted in 3-year cashflow reporting being provided to the bank and conditional approval received from the bank with a review after 3 years as follows:

- \$600k short term overdraft facility which will be repaid in May 2023
- Extend existing debt facilities \$4,014k with a 15-year principal reduction schedule
- New \$1,800k Jetty loan with a 15-year principal reduction schedule which is \$700,000 less than the \$2,500k members originally approved in June 2022.

The Chair asked for a show of hands of those allowed to vote, to approve the revised bank facility.

All members allowed to vote APPROVED the revised bank facility.

Question: Stuart McKay #3298

One of the concerns he has (the Treasurer at the time gave assurances that everything was fine, including the stretched target for membership, which he believes was never going to be realized), but now we have what we call discretionary and non-discretionary assets, such as the new boat and the RIBS. We should be looking after our facilities, and should we be looking at selling the club boat? Can we put the RIBS on hold as we have not received them yet?

The Chair advised that for us to not have Alibi would be devastating to 10% of our membership. The RIBS are safety boats, and the current RIBS are just holding together until the new boats arrive. Questions had been raised at a previous Management Meeting about the process if the bank does not

support us and other plans and options had been discussed but at this point, these options were not necessary.

Question: Bill Cosson #228

Are the new borrowings from the bank interest only.

The Chair advised that the \$600,000 overdraft is for a 3-year period which will be paid off at the end of May 2023. The \$4M and the \$1.8M will not be interest only and will be paid out over 15 years. We can pay these off over a shorter period and our cashflow predictions are to pay this off a lot faster.

Question: Louise Harvey #8054

Has concerns that the Fixed Asset Replacement Fund was not having any money injected into it. Asked what we were getting back from our pen fees/membership fees.

The Chair advised that we had drawn down and used from this fund approximately \$420,000 this year. We have spent \$250,000 in the kitchen on stoves/ovens etc last year. We have put money in and money comes out for the assets. We are not accumulating money into the fund at present.

Question: Louise Harvey #8504

We should be accumulating money into the fund. We should be looking at where our pen fees are going as it seems the members are not getting much in return.

The Chair advised that for many years, people have been under the belief that the pen holders pay their pen fees to run the pens. The pen fees run the whole Club. If we did not have the pens and the pen fees we would not have this Club. The Chair reiterated that \$420,000 is being spent out of the Asset Fund on the Club this year.

Question: Robert Weir #3385

He cannot see the benefit of the club boat Alibi, given the amount of money being spent. This Club is about all members, not a minority of members. The assets of the club are not being used correctly, we do not have our functions downstairs being used correctly, this is a Club for members/families, the building is falling apart, and we seem to be spending money on non-necessities. He is very concerned that we are not focusing on areas that need to be focused on.

The Chair agrees with what Mr Weir is saying. But as per our Constitution, the very first item is that we are a Club here to promote family activity on the water, and this is what the club boat does. Over the last 12 months the Club has come a long way.

Question: Tony Hanson #1014

All of this information seems to be all of a sudden. Can you publish this information in the weekly newsletter.

The Chair advised that the information would be published on the HYC website, as this is what all members have access to.

Question: Tony Hanson #1014

Could you please also provide information as to how the Management Committee is planning on paying for everything.

The Chair advised that everything now is budgeted for and we have provided a 3 year monthly cashflow to the bank. The team of the Treasurer, our Accountant and General Manager have also provided 10-year monthly cashflows.

The Chair thanked everybody for their attendance.

Meeting closed at 7.00pm