



MORNINGTON YACHT CLUB

Draft Minutes of the 70th Annual General Meeting held at the Mornington Yacht Club on Sunday 19th June 2016.

1.0 PRESENT: 105 members as listed on the sign in sheet

2.0 APOLOGIES: Stephen Bardsley, Tim Melville, Di and Russ Kemp, Bret Levenspiel, Lewis Robbins, Noel and Pam Heyes, Di and James Canning

3.0 CONDOLENCES

- Jim Jackson – Honorary Life Member passed away July 2015, Jim Joined in 1972
- Lou Mangan – 35/65 member passed away June 2015, Lou joined in 1970
- Peter Ford – Member 1983-2010 passed away August 2015
- Ollie Bolton – Son of MYC past Family members Chris and Karen Bolton, passed away May 2016
- Neil Williamson passed away Oct 2015. Active member in the 50's, 60's, and 70's
- Kevin O'Grady – Long serving and active member, Father of Tim O'Grady Passed away May 2016
- Tony Wayling - Long term sailing member since 1986. Passed away June 2016
- Stephen Ricks – Husband of Linda Ricks (Neate). Passed away June 2016
- Bruce Hall – Founding member, passed away March 2016. Tania IV, Cassie II, Checkmate, Take One
- Roger Barnett - Passed away June 2016

4.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

The minutes of the Annual General Meeting held Sunday 21st June 2015 was circulated to Members via the Notice of AGM.

Moved Steve Bolton

Seconded Andrew Young

CARRIED

5.0 COMMODORE'S REPORT Graeme Alexander

A written report was circulated to Members via the notice of AGM. A verbal report was read by the Commodore which highlighted points such as:

- Future Proofing the club
- Thanking:

Members for all their contribution to sailing and volunteering activities.

The current Committee.

The support from his mum Jan and his wife Anita.

His analogy that the Club was a “70 year old Hull” that had undergone major repairs and was now ready to be “slipped” and sailing again was well received.

Q. Brigitte: Why was there no acknowledgement of the departure of Peter De Lange from the shed?

A. Graeme: He acknowledged that Peter was well respected amongst the members and should be thanked for his good work during this time.

Q. Brigitte: Why has Peter de Lange never received his 25 year pin?

A. Graeme: He acknowledged that Peter was not the only one and during this winter this will be rectified and those that have not received will do so at or by opening day.

There were no further questions of the Commodore’s written report and asked that it be accepted.

Moved Graeme Thomas

Seconded Jane Storey

CARRIED

6.0 REAR COMMODORE’S REPORT Chris Jackson

A written report circulated to Members via the Notice of AGM was tabled as read.

Chris Jackson made particular thanks to the volunteers of the club and in particular his sailing committee.

He also reinforced the clubs figures in terms of volunteer and participation numbers and one that the Mornington community needed to recognise in terms of community engagement.

There were no further questions of the Rear Commodore’s report.

Moved Graeme Taylor

Seconded Greg Martin

CARRIED

7.0 2016 CLUB PERSONS OF THE YEAR Graeme Alexander

The award was presented to the 70th Year Historical Committee consisting of:

- Jan Alexander
- Stuart Gooley
- Di Lynch
- John Lynch
- Ray Harvey
- Ken Bilham
- Barbara Nash

They were awarded for all their brilliant work in collating 70 years of history of the club and the 70th Birthday Weekend.

8.0 TREASURER’S REPORT Jon Phillips

The Treasurers Report and Financial reports were circulated to Members via the Notice of AGM. The Honorary Treasurer presented a power point presentation and verbally reported to the meeting on the annual accounts.

Jon spoke on the reasons why the surplus was lower than the previous year and it was mainly due to the CEO’s salary.

Q. Brigitte Swallow: How many months was the CEO wage accounted for?

A. Jon: 7.5 months.

Slide 1: Debt/Loan

Jon pointed out the end of the two previous loans 2001 and 2010 and the YA Optimist Loan. The club had also acquired some additional funds through the new loans for Working Capital. It showed that the club had acquired better fixed interest rates of 6.85% for the new CBA loan.

Slides 2 and 3: Capital Works

Jon presented a list of assets purchased last year and what is planned this year.

Slide 4: 7 – Seven Year Cash flow Budget Slide

Jon highlighted from his Annual report that the surplus of \$64K versus \$153 K was after the Capital Works Expenditure.

Questions on notice prior to the Meeting that Jon responded to were:

Q. There are no Nominations for the position of Honorary Secretary to the Club: is there an explanation for that?

A: As there are no nominations the elected Committee has the right to elect that person, however Rod Austin will be fulfilling that role.

Clarification from Commodore about purchase of vessel "Wish Two":

Q. Is that vessel classified as a "keel boat"?

A. Alien 21 Trailable deemed suitable and inspected by Yachting Victoria for Keel Boat Training

Q. What was the purchase price of the vessel?

A. \$3000 purchase March 2014

Q. Was a better option sought out from members?

A. No, but at the time MYC wanted to commence Adult Keelboat training at Mornington. The very low cost of the boat to get the course started was ideal at the time.

Q. Does the purchase fall in accordance with Item 5 of the Directors Declaration?

A. Yes, as item 5 only applies when a director of MYC is also a director of another entity that receives a benefit from MYC.

Q. Quartermaster Income/Expenses: It appears from the financial statement that the Quartermaster has made an annual profit of \$274: this amount seems rather low. Could an itemised report be provided to members? Does this low profit justify spending money on a new Quartermasters store?

A. The club has not separated the difference between - garments sold, given away as prizes, handed to volunteers, sold at cost to staff but this year since 1 April the process has changed and the office will correctly allocate to the appropriate accounts. The plan for a back deck and Quartermaster store are well established and I am sure revenue will increase once the two temporary racks in the foyer are replaced.

Q. Ice Cost Sales: It appears that the Ice sales have made an Annual profit of \$19? Do the ice cost sales include the cost of running the freezer?

A. No, it does not include the cost of running. It seems unfortunately the honesty system is not working, but the service is important to members. I would like to know of a better solution, but cannot think of one.

Q. Sail Training Expenses/Income: It appears that the Sail Training program has made a loss of \$18,452? Can an itemised report be provided to members? Can the Club justify this loss? Do the Sail training expenses include the wages of Ms Michelle Pickford? Do the Sail training expenses include a portion of the cost and maintenance cost of rescue boats/ motors etc.? If

not, should a percentage be allocated against the Sail training budget to reflect a true costing of the program?

- A. The Clubs view is that this area is probably the most important investment in terms of members and sailing participation. The finance and sailing committee recently asked Rod to survey other clubs in this regard when preparing this year's budget and the feedback received was that all but one were making a deficit and at significantly greater losses than MYC. The General Committee's view is that sail training is foundation of renewal and growth for the club and are happy for it to make a relatively small loss as the benefits over the medium to long-term outweigh the costs.

In relation to allocating the cost of running of the rescue boats, Jon explained that if we were to do this, then we would be obliged to also do it on the revenue side, i.e. revenue from new memberships and merchandise. This would be too costly as it would require specialised software and require more time for the office staff to administer.

- Q. Could an explanation be provided about the "Corporate Admin Expenses" and "House Expenses"?

- A. Corporate Admin Expenses – All expenses relating to Office, Bank, Staff, Postage, Stationary, Club Licences, Committee expenses, telephone and advertising.
House Expenses are expenses associated with Maintenance, Cleaning, Gas, Water, Electricity, and Security.

- Q. The item "Social Expenses" \$54,764.00 appears to be a rather high figure: could the members be provided with a detailed report?

- A. The bulk of the social expenses this year were the 70th Soiree costing \$37,000 and the Business Luncheon.

- Q. Sailability Report: could a separate financial report be provided to members?

- A. Yes we could provide a separate report and how it is presented on our reports is somewhat convoluted but obtains the same results. There is a slight discrepancy and we will meet with Graeme Lyell to resolve.

- Q. Financial Liability: As the loan of \$864,000 mentioned in the Commodore's Report does not feature in the figures of the Income Statement, can a detailed explanation be provided about this?

- A. Loans are not disclosed in the Income Statement; rather they are shown in the Balance Sheet. The loan amounts that appear in the Balance Sheet differ from the \$864,000 in the Commodore's Report as that is the full facility that had only been partly drawn down as at 31 March 2016.

- Q. Have all the members' loans listed on Page 8 of the Income Statement been paid off?

- A. Yes in April 2016

- Q. What is the actual annual repayment of the CBA (with interest)?

- A. Approximately in total \$13,000 per month compared with the old loans including the member's loans of slightly less than \$23,000 per month previously.

- Q. Is there a guarantee that MYC will be able to meet these repayments, given that the net profit of the Club this year was \$46,853 and might have only included only 8 months of the CEO's salary? Can a projected budget for the next 12 months be provided?

- A. Yes, we have a seven year budget that shows growing cash surpluses year on year and it is a condition of our mortgage of lease to meet these payments.

- Q. Colin Mason - Previously the rent to the Shire was approx. \$2,500 pa and he read in the local paper that it is now \$57,000 - why is it so high now?

- A. Jon responded that the club pays approx. \$4,000 now and the rest is the rent for the Rocks.

Q. Alan Clarke commented on Jon's report where it stated that it cost \$1,000 per member it operate the club.

A. Jon responded this was a simple equation between total expenditure versus total number of members.

NOTE: The above figure was subsequently checked and was discovered to be incorrect; the correct cost per member is \$413.00.

Q. Ian Bond noted the signed off Accounts review was not included with the annual report.

A. Jon responded that the accounts were signed off and it was an error that it was not published in the Annual Report and that a copy would be provided to all members ASAP.

Q. Ian Bond - Was the current committee satisfied that the club was not at risk with exposure to company tax from the Rocks rental?

A. Jon responded that this had been reviewed by three separate accounting entities and all agree that as a company limited by guarantee with not for profit status that the club is satisfied that it is not required to pay company tax under the current arrangement with The Rocks.

Q. Rod Davies - Do I understand the club will be debt free in 7 years?

A. Jon responded to say yes under the current loan arrangements.

Wes Heron summarised that what he understood was that the accounts were in reasonable shape, the club had acquired working capital to progress and there was a 7 year plan in place and the appointment of the CEO had improved relationships with The Rocks and the Council.

Paul Dynes thanked the committee for their commitment to the club and hard work.

Q. Bill Bennett asked why there was a discrepancy in terms of membership numbers in the Annual report.

A. Jon responded that the committee would review and come back with answer.

NOTE: the membership numbers in the Treasurer's report (pg. 13) show an increase of 6% in membership, but exclude Day Pass Members. The 20% increase in the Commodore's report (pg. 6) of the Annual Report includes the Day Pass Members which explains the discrepancy as per the above question.

Q. Lisa O'Grady asked in addition to Bill's question as to where the increases came from in terms of category.

A. Rod Austin replied that the majority were Social and Non-Voting members

Q. Gail Brandhoff - What is a Members Loan?

A. Jon responded that in 2010 and more recently, members had loaned the club money to assist with the operations of the club. The loans were unsecured interest only loans and had now been paid out in April 2016. The funds were sought from members as we were unable to obtain commercial loans on the open market due to the short timeframe of our old lease. The new lease has now allowed us to consolidate all our debt under the one roof at a very favourable fixed rate of 6.85% over seven years.

Moved Wes Heron **Seconded** Greg Martin that the Honorary Treasurers report be accepted.

CARRIED

9.0 NEW CONSTITUTION

This was noted to be deferred to another date to allow sufficient time for new General Committee members and members to review.

10.0 ELECTION OF OFFICE BEARERS AND COMMITTEE FOR THE SEASON 2016/2017

All positions were declared vacant. Nominations were received without opposition for Commodore and Club Captain – these were declared elected. An election was necessary for Vice Commodore, Rear Commodore and Hon. Treasurer.

The Nominees were:

Vice COMMODORE

- John Underwood
- Chris Jackson

REAR COMMODORE

- David Eickmeyer
- David Beeson

HON. TREASURER

- Jon Phillips
- Terry Clough

Voting took place and the following Flag Officers were elected:

- | | |
|---------------------|--------------------|
| • Sheryl Schumacher | Commodore |
| • Chris Jackson | Vice Commodore |
| • David Eickmeyer | Rear Commodore |
| • Reece James | Club Captain |
| • Jon Phillips | Honorary Treasurer |

The next election was held with 20 nominations for the current 8 positions as Committee representatives.

The Nominations were:

- | | |
|-------------------|------------------|
| • Keith Bayliss | Committee Member |
| • David Beeson | Committee Member |
| • Terry Clough | Committee Member |
| • Ross Ferguson | Committee Member |
| • Diane Kemp | Committee Member |
| • Bret Levenspiel | Committee Member |
| • Richard Nichols | Committee Member |
| • Tim O'Grady | Committee Member |
| • Simon Purcell | Committee Member |
| • Keith Ross | Committee Member |
| • Greg Sharman | Committee Member |
| • Sarah Sharman | Committee Member |
| • John Underwood | Committee Member |
| • Jane Storey | Committee Member |
| • Jonathon Storm | Committee Member |
| • John Underwood | Committee Member |
| • Graeme Vertigan | Committee Member |
| • Andrew Weber | Committee Member |

The following Senior Members were nominated to General Committee:

- | | |
|-------------------|------------------|
| • Keith Bayliss | Committee Member |
| • Ross Ferguson | Committee Member |
| • Bret Levenspiel | Committee Member |
| • Simon Purcell | Committee Member |
| • Keith Ross | Committee Member |
| • Greg Sharman | Committee Member |
| • Sarah Sharman | Committee Member |
| • Andrew Weber | Committee Member |

11.0 INCOMING COMMITTEE

Graeme handed the Chair role to Sheryl.

Sheryl thanked everyone who stood for election and congratulated everyone who was nominated and presented the flag officers with the appropriate Flag officer Burgee.

Chris Jackson congratulated Graeme as he thought it would be rare for the Commodore to have received a full set of Flag officers burgees.

Sheryl thanked Graeme also with a gift of gratitude being a Trophy and an Aerial Print of the 2014 Opti Nationals.

Sheryl thanked all those in attendance and the meeting was declared closed a 1:50pm

Commodore:

Honorary Secretary:

Date: