

# ROYAL SOUTH AUSTRALIAN YACHT SQUADRON

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## SPECIAL GENERAL MEETING Commercial Precinct - Bravo Shed Project Held Thursday, 13<sup>th</sup> August 2015 At the RSAYS Clubhouse

**Meeting Opened: 8pm**

**Attended by:**

Commodore Rae Hunt, **62** Voting Members and **18** non-voting Members & Guests

**Apologies:** As recorded in the register

**Presentation by Geoff Wallbridge – Master Plan Outline**

- Power Point presentation

Proposed Master Plan and detail site plan was displayed on screen which Geoff spoke to: The site plan showed aspects for a proposed extended carpark, commercial precinct with possible future expansion, proposed extended slip precinct and future removal of slipway dinghy shed in the following proposed stages:

Stage One: proposed new shed, refurb or rebuild of current slipway and upgrade existing boatyard

Stage Two: proposed Stage 5 marina

Stage Three: proposed re-locate Juniors to the south bank

Stage Four: proposed re-connection of Stage 1&2 marinas to the south bank

Stage Five: proposed vertical ship lift/travel lift, extend boatyard, connect Stage V walkway to main walkway. Construct new toilets and Juniors Clubhouse

Discussion ensued from members giving their opinions on which stage needed to be done. As this was not the purpose of the presentation it was brought to order by Dr Last.

*Dr Peter Last – Point of Order, provision in the Constitution, no matter can be settled by a vote until the Motion is Put, so that we can know what it is.*

**Peter Kelly – Proposed the Motion: THAT THE MANAGEMENT COMMITTEE BE AUTHORISED TO ENTER INTO A COMMERCIAL AGREEMENT WITH BRAVO SAILS (as presented on screen for all to acknowledge).**

**Moved Peter Kelly, seconded Peter Cooling**

This is the first motion in a series to allow the meeting to proceed

**Presentation by Bruce Roach**

- A re-cap of the history that Bravo Sails approached RSAYS General Manager and after discussion a design for a shed approximately 24m x 12m was established in February 2015

- After support from RSAYS Ltd a concept plan was produced
- Development Advisory Panel reviewed the plan for the shed and proposed that it be located in the slipway area
- Several quotes were sought with Olympic considered the favoured builder
- A total budget of \$120k plus GST includes the shed and other works to complete the project
- Bravo Sails would pay \$20k for their fit out of the shed
- The new shed is in addition to existing sheds in the slipway area
- The cost of the project would be re-couped over the first 5 years of tenancy
- RSAYS Ltd has the funds to support the building of the shed
- The slipway area will not be impacted by the new shed
- Other slipway improvements and WH&S issues are on urgent review for action as a separate discussion when a proposal is ready to be tabled
- The slipway is an important resource to the Club and the Management Committee support keeping its current location
- Having a commercial sail maker onsite will be an advantage to our Members
- The Master Plan issued is a “work in progress” and shows the slipway precinct has flexibility for alternative ideas and variations to the model
- After extensive investigations, 3 proposals, SWOT analysis and costings the Management Committee strongly recommends that Proposal 1 be adopted.

Peter Kelly spoke to the motion:

I proposed the first motion to facilitate a step by step decision making process by the Members here tonight. We need a majority support by the Members for Bravo Sails tenancy. Members will be aware of the existing commercial tenancies between the Club and various business and government entities. All of these tenancies have been monitored to ensure they remained financially viable for our Club and generated little if any infringement of Members amenities. In addition to these commercial arrangements we also have a myriad of contractors that use our premises and facilities in their private business arrangements.

We elect the Management Committee to act on behalf of the Members many of the committee have successful business backgrounds and I trust them working with the General Manager to negotiate the best outcome in any commercial relationship including Bravo Sails.

There is a benefit to having Bravo Sails on-site for our Members and good economics for the Club. It is the first building block towards a formal marina services hub and in conclusion commends the motion to all present – “carpe diem” let’s seize the day rather than loose the opportunity.

Comments from the floor”

- Kingsley Haskett is against the motion. When was DAP informed of the development?
- Commodore Hunt: The question is not compliant with the matter at hand.
- Kingsley Haskett: the members need transparency, what size, will it (the shed) be? Doesn’t think we need a commercial tenant.
- David Henshall: Against the motion. Firstly, is lukewarm about motion. Is worried about the \$125k which could be spent in a better way. Can’t see why Management don’t view Stage 5 as a priority and the slip needs money. Feels we can’t afford \$125k even if it’s paid off in 5 years.
- Alan O’Donnell: Asked for clarification, has CYC gone into commercial arrangements with a sail maker?
- Vice Commodore Roach: CYC does not allow commercial activity on site

- Arthur Vandenbroek: Against the motion. Is Bravo viable? The money only comes back if all goes well. We could do solar panels and get \$80k per year a better way to use the funds.
- Michael Rossiter: Is it legal for an incorporated body to earn money? What is the position for Inc to earn money in this way.
- Treasurer McDonald: It's grey area. As a sporting club we are not tax exempt. We are not for profit. The tenant is a service and shouldn't be an issue until it becomes a full commercial precinct.
- Peter Last: Addressed the treasurer – was under the impression that we are tax exempt
- Treasurer McDonald: Principally misunderstood. Money from the members has already paid tax so we don't pay again.
- Julian Murray: Against. How bad do we need a sailmaker on site? Nothing against Bravo but we don't have to bend over for them and spend \$120k on a large shed. Money is better spent on a properly fixing the slipway as we've been told they can only do a temporary job at present.
- Geoff Wallbridge: In Favour. We have money for the slipway and it's not a decision between spending on slipway or Bravo. Bravo is a good deal for the money as they will have paid the cost of the shed in 5 years. The slipway is a complicated and we can fix some of the problem now. It's a huge expense to fix the lot.
- John Deniet: In Favour. It's good for the club and serves the members. He has an issue with the amount of rent considering the value of the property and including carparks. Build it on the boundary, then, if it goes bad it could be subdivided and sold off.
- Richard Smith: In Favour. Re-iterate Geoff's comment of taking the opportunity to earn a return for the club. Supported on the basis that it is a modest development and is confident we can move ahead now. There is much work to do on the slip to be a modern facility with a financial return. We can do both Bravo and the slip as we have the money.
- John Butterfield: addressing the Treasurer; do we lose our tax advantage when we look at Inc owning the building or the club as a whole?
- Ian McDonald: Only looking at Inc, then if there is a profit then tax is paid on the profit only.
- Rod Wells: Against. Feels uneasy and feels railroaded, assumptions weren't spelt out. You are asking us to support a business that makes sails. We need to know more about the business as we are in uncertain financial times.
- Phil Stump: Against. We make income from weddings etc. Get some clarification as RSAYS is going into a more progressive mode, it needs to talk to more interested parties. For example Steve Dunn will be welcome. Will these businesses be given the same deal as the "free" shed?
- Commodore: it is a commercial deal. Anyone putting forward a commercial proposal will be looked at on its own merit
- Barry Quin: Against. As a sail maker by trade for 60yrs feels this idea is great but his experience around sail lofts is that it won't succeed.
- Colin Doudy: For. Respectfully re-iterates he is not opposed to invest money into a relatively risk free manner. The shed is not free it will be paid for with rent. No business has any guarantees. Bravo is comfortable with the rent amount. We believe they are viable. Others say to spend money on solar panels which we have looked into and we can look at Bravo as a means to pay for them.
- Charles Wall-Smith: Against. If in 2yrs the sail maker isn't viable what will you put in the empty shed?

- Commodore: It can be re-purposed or used by other businesses already here or a new business.
- Peter Cooling: For. Having been involved in the club for many years he knows that it has been a struggle to make money. The proposal is a small outlay and we do have the funds for the marina and slipway. The new business will offer a service to the Members. There is very little risk and in 5yrs it will be paid off. If the tenant leaves early the shed can be re-used or have a new tenant or re-locate occupants of our aging sheds. Overall it's a good proposal.
- Steve Kennedy: Against. This Club has been around for a long time. The wording asks Members to go into a commercial agreement which makes us shareholders. We need to know their financial details.
- Lawrence Bradley: Against proposal

Peter Kelly - Right of reply: He acknowledged the opinion and concerns of the members, who are against the proposal. They are concerned about a small amount of funds to compete with other projects. How we manage Inc overall is more important. There are other large Yacht Clubs who have embraced arrangements with commercial tenants, such as Sandringham and Royal Prince Alfred. Therefore he has the utmost confidence we can achieve the same outcome.

Vote on the Motion #1:

**Peter Kelly – Proposed the Motion #1:**

**THAT THE MANAGEMENT COMMITTEE BE AUTHORISED TO ENTER INTO A COMMERCIAL AGREEMENT WITH BRAVO SAILS (as presented on screen for all to acknowledge).**

**Moved Peter Kelly, seconded Peter Cooling**

Scrutineers appointed – Deirdre Schahinger and Nives Vincent

**32 Votes FOR the Motion #1. 30 Votes AGAINST the Motion #1 - MOTION #1 CARRIED**

**Richard Smith: Proposed the Motion #2:**

**THAT A SHED BE BUILT TO ACCOMMODATE BRAVO SAILS AS PER MOTION #1 IN THE DISCUSSION PAPER.**

**Moved Richard Smith, seconded Peter Cooling**

Richard Smith: The AGM on 16<sup>th</sup> July 2015 put the proposal to the Members to erect a building and much discussion ensued with questions on the alternatives. A summary of alternative proposals have been put forward to reflect the views of Management and some of those expressed at the recent meeting and trust the voting Members have reviewed the documents and support RSAYS's long term interests. It is critical that we maintain our "not for profit" status as a sporting club and not turn into a commercial boat yard. At the last meeting he raised some questions in relation to the slipway upgrade as he feels it is critical to site the new shed in relation to any future space requirements for the slipway upgrade.

After discussions with Bruce Roach & Geoff Wallbridge that site one is the way to proceed as it allows expansion to the east where the old dinghy shed is for extra space for larger yachts & catamarans. The other proposals 2&3 have little impact on the slip but will create a separate area and will impact on the carpark, they are also visually intrusive.

In summary: Proposal 1 doesn't jeopardise the future slipway upgrade. It provides space immediately adjacent to the slip in the event of any future changes in tenancy. It will not be seen as a dominating structure. Lower infrastructure coasts as the services are nearby. It allows for future expansion to the east or west. It is the most cost effective and lowest risk of the proposals. Proposals 2&3: are likely to destroy the existing plantings on the boundary. They are visually intrusive and do not give a presentable frontage which may discourage new membership. In the proposed sites they are unlikely to attract tenants unless they have no interest in the Club activities.

- Kingsley Haskett: Against. He strongly suggests that if the shed is built it should be put on the northern boundary. There is access, water and power. If it's put next to the existing sheds we will lose car parking. Also in the North East corner it doesn't impact on the view of the club and has more than ample space for a commercial space.  
We have no business plan (for the tenant) and there is no master plan for the Club it is ad hoc. There are empty warehouses in the Port so if the tenant goes we will have a white elephant. It should go back to the members to vote as there are only a small number of members here tonight and we have a total of 900 members.
- Geoff Wallbridge: For. Speaking to the motion. The shed is a preliminary design. The shed can be used for other purposes. There is a small risk but as a commercial tenant they are obliged to pay rent. We have put it to the Members. The tenant will have a credit check. Proposal 1 does lose a few carparks and the slipway has been checked to allow space for future development with a vertical lift. It does fit the master plan.  
He supports Richard's statement and doesn't support locating the shed on any boundary. The sheds need to be consolidated.
- Sally Metzger: discussion here tonight hasn't mentioned security. What's in place to protect boats?
- Bruce Roach: Bravo is a 9-5 operation. It's estimated that maybe 20 people would be entering our site per week but most of Bravo's work is offsite.
- Julian Murray: The area just east of Cutter Marine is sometimes used for boats on stands for a length of time. It's a good area for that work. We lose that area if a shed is put up there so you should bring it further south.
- Michael Rossiter: Agrees with Kingsley Haskett. Will it be close to the NE maintenance area which is already commercial with Flinders Ports being there. Has the council been contacted about access through the north gate? Did they refuse access through that gate?
- Bruce Roach: There is no council application to use gate. The gates are used for crane access and the shed there would block the access.

Call from the floor by Patrick Hill **"THAT THE MOTION BE PUT"**, seconded Geoff Wallbridge  
This call curtailed any further debate or discussion on the matter at hand.

The vote on Motion the motion to be put

Scrutineers: Deirdre Schahinger and Nives Vincent

**33 votes FOR the Motion to be put, 29 Votes AGAINST the Motion to be put - MOTION CARRIED**

**Richard Smith: Proposed the Motion #2:**

**THAT A SHED BE BUILT TO ACCOMMODATE BRAVO SAILS AS PER MOTION #1 IN THE DISCUSSION PAPER.**

**Moved Richard Smith, seconded Peter Cooling**

**32 votes FOR the Motion #2, 21 votes AGAINST the Motion #2, 9 Abstained from voting  
MOTION #2 CARRIED**

- **Meeting closed: 10pm**