



ANNUAL MEETING 10 FEBRUARY 2009

7:00 PM	Registration
7:30	Call to Order & Opening Remarks
7:35	Announcements
7:40	Work Hours
7:50	2008 Auditor's Report
8:05	Update on Structured Reserve Fund
8:35	2009 Budget
9:15	Adjournment

Refreshments available before and after meeting.

- General thank you to all for attending
- Before you can start, ask Secretary to declare whether or not we have a quorum.
- Call 2009 AGM of Lakeshore Yacht Club to order.
- For benefit of our newer members, our AGM is held every Feb and the focus is on the financial matters of the Club.
- Note change in agenda since the notice to exclude the Long Range Plan presentation as will be discussed later
- Start with announcements



ANNOUNCEMENTS

14 Feb	Valentine's Day Dinner	6:30 PM
28 Feb	Donald Crowhurst Story	7:30 PM
14 Mar	British Pub Night (\$10/pers)	6:30 PM
21 Feb	Open House (Membership)	1-4 PM
4 Apr	Charity Euchre Event	4-8 PM
9 Apr	Fleet Rules Night	7 PM
16 Apr	Race Fleet Registration	7 PM
19 & 26 Apr	Sail Measuring	12-3 PM
24/25 Apr	Launch	Noon/7:30 AM
1/2 May	Stepping	7:30 AM
13 Jun	Sailpast	9 AM

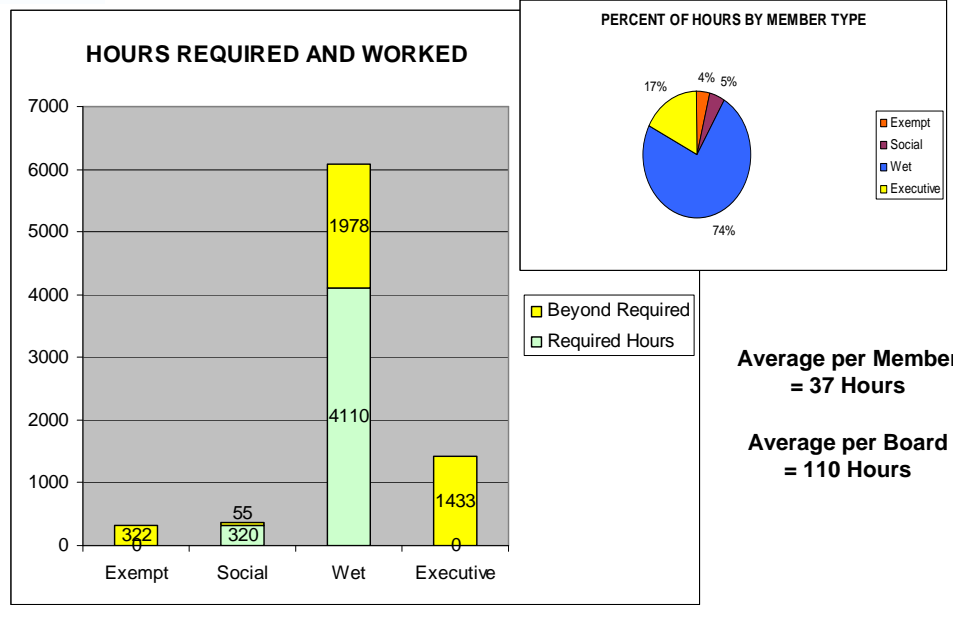
Go over each of these events – just read the list.

In addition to these scheduled events, there are a few other announcements:

- Rear Commodore, Frank Vanzon, will be holding a Pumpout 101 seminar
- any member who is contemplating launching late (that is after our scheduled launch), please note that cranes will no longer walk a boat. You will be required to also hire a trailer and pay for crane set up time
- our Social Director would like volunteers for the Fri Night BBQs and sign up sheets have been posted on the hallway notice board



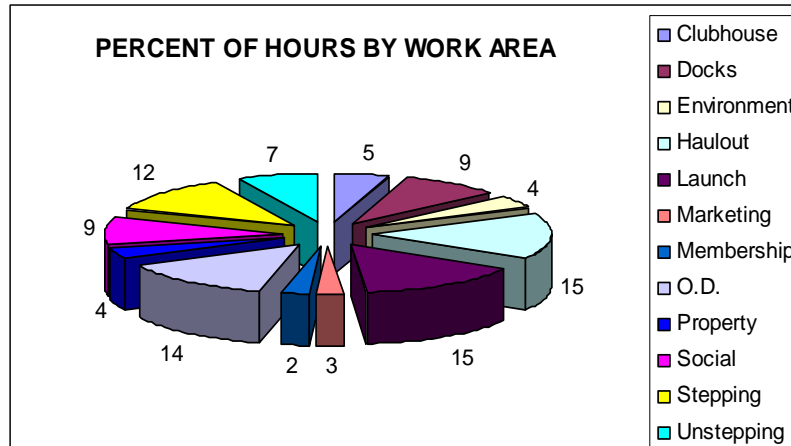
WORK HOURS SUMMARY



- self help is one of key guiding principles
- keeps operating costs manageable and unworked hours constitute fees
- excluding Board and Exempt members, 137 Wet Members worked 1978 hrs more than required, representing 74% of the Club's total hours BUT 81% of that excess can be accounted for by only 19 people
- average number of hours per Wet member was 37 but 47% were under that (however, significant improvement over 75% from last year)
- 15 Wet members are exempt but 73% of them worked 322 hours or 4% of total Club hours (increase over last year)
- 16 Social members were required to work 320 hours and they contributed 375 hours or 5% of the total hours and apart from 2 members, distribution was equitable (an improvement over last year)
- 13 Board members exempt due to executive obligations but worked 1433 hours, an average of 110 hours, beyond the 30 hours minimum spent in meetings alone. This accounts for 17% of total hours worked and a significant increase over last year.



2008 BREAKDOWN BY WORK ACTIVITY



This is a breakdown of hours by activity. Compared to 2007, we worked 456 more hours in 2008.

Distribution was better this year with launch, haulout, stepping and unstepping hours accounting for only 49% of total hours (down from 62%) although number of hours remained relatively stable.

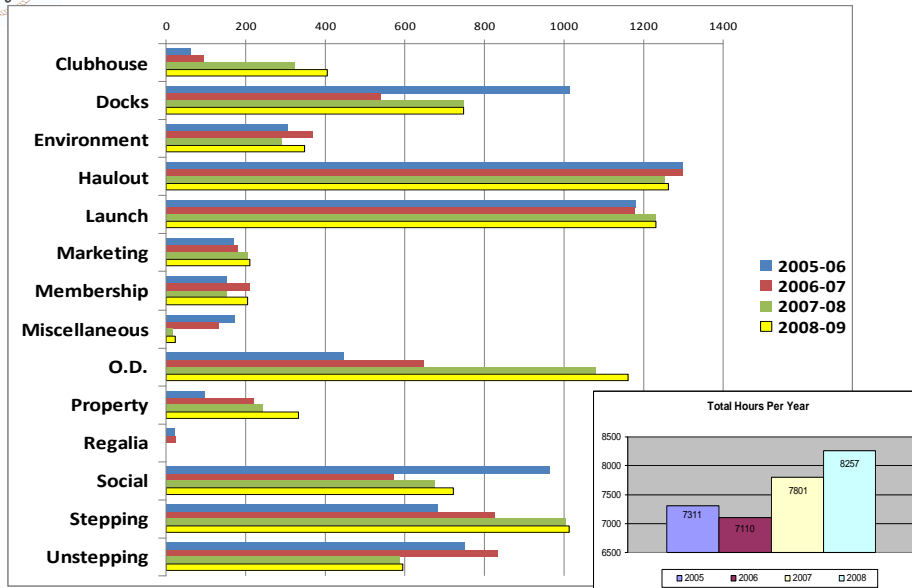
That means our increase in hours was due to better support in other areas including clubhouse, environment, membership, OD, property and social.

It should be pointed out that most of the additional hours towards the clubhouse and property can be attributed to 2 members.

One area of concern remains the number of hours that go into the OD Program with the inclusion of a winter program that requires two people.



COMPARISON OF ACTIVITIES BY YEAR



This is a look at hours per activity over the past 4 years.

You can see that we remained relatively stable in most activities, with the increase in total hours due primarily to clubhouse work, environment (landscaping), OD duty and social.

Need to thank Valerie Hughes for collecting and collating all our work hour information.



2009 WORK HOUR INFORMATION

- Quota for Wet and Social Members remains at 30 and 20 hours respectively
- request for exemption/variation must be submitted in writing prior to 1 Sep 09
- request to remit fees in lieu of hours must be submitted in writing with annual fees/dues
- requests are reviewed on a case-by-case basis giving due consideration to a balance between reason and self-help principle
- iaw Bylaw Article 12, unworked hours will continue to be charged at a rate of **\$50/unworked hour**

The 2009 Work Hour Quota will remain unchanged at 30 hours for Wet Members and 20 Hours for Social Members.

The Board will consider requests for exemption or variation to the quota but any such request must be submitted no later than 1 Sep 09.

We also realize that due to other commitments, a couple of members choose to remit fees in lieu of hours.

We discourage this practice but will consider such a request if submitted in writing with annual fees/dues.

All requests are reviewed on a case-by-case basis.

In accordance with our Bylaws, unworked hours constitute a fee and will continue to be charged at a rate of \$50 per unworked.



2009 OD PROGRAM

- all members are obligated to participate (note that 103 members did not participate in 2008)
- two seasonal programs: summer & winter
- Members are permitted to sign up for a maximum of two (2) summer OD duties and one (1) winter duty
- procedures are in the OD binder at the front desk
- penalty for missing your scheduled duty is \$50
- the summer program commences

-All members are obligated to participate in the OD program under our Rules & Regulations

-It should be noted that 103 members DID NOT participate in 2008

-There are two seasonal programs: summer and winter

-Members are permitted to sign up for a maximum of 2 summer duties and 1 winter

-Only 1 in the winter because two members are required on duty for safety reasons

-When not all members participate, that means that several members are amassing many work hours through OD duty because we have allowed members to sign up for more than 2 duties if we have vacant slots

-We will now contact members who have not signed up and assign them an OD duty

-The procedures for OD duty are in the binder at the front desk along with a member list because you are required to contact the next OD as listed on the form

-The penalty for not showing up for an OD duty is \$50

-The summer program will commence on Mon thru ? Nights and signup will be



CLUBHOUSE RENTAL FEE

Rental Fees, due with application, shall remain at:

- \$50 for 25 or fewer guests,
- \$100 for more than 25 guests,
- plus a \$300 refundable deposit for all rentals

- Unless return of deposit cheque is requested on the application, it will be destroyed following the event unless a deduction is confirmed by a Board Member.

- No weekend bookings from Victoria Day through Labour Day, and no bookings from the weekend prior to stepping/unstepping through the weekend after launch/haulout

The next finance-related matter is the clubhouse rental fee.

This fee will remain unchanged at \$50 for 25 or fewer guests and \$100 for more than 25 guests.

Members are on their honour to report the number of guests on the application form. We had a few instances last year when the number of guests was far greater than reported.

On all rentals, the \$300 refundable deposit remains the same.

There was some confusion last year over the return of the refundable cheque.

The Treasurer will destroy the deposit cheque following the event unless otherwise requested by the member or unless a deduction is confirmed by a Board Member.

Also, the freeze on weekend bookings remains in effect from the Victoria Day weekend through Labour Day weekend, and no bookings from the weekend prior to stepping/unstepping through the weekend after launch/haulout.



DRY SAIL STORAGE

The Fee for Dry sail boats will remain at \$300 per year.

The Dry Sail storage fee remains at \$300 per year.



AUDITOR'S REPORT - ACCOUNTING POLICIES

- the Club is incorporated as a not-for-profit corporation and follows the restricted fund method of accounting for contributions
- Cash and short-term investments are classified as held-for-trading and measured at fair value with changes recognized in net surplus
- Accounts receivable and amounts receivable are classified as loans and receivables and measured at amortized cost
- Accounts payable, accrued liabilities and debentures are measured at amortized cost
- Property/equipment are recorded at cost and amortized when the asset becomes available for use and over its useful life
- Annual dues, mooring fees and initiation fees are recognized when earned and collection is reasonably assured
- the Club benefits greatly from donated services from its members which is not recognized in the financial statements

As an introduction to the Auditor's report, these are the accounting policies applied to our audit and may be of interest in understanding the report.



AUDITOR'S REPORT – Balance Sheet

	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$29,153	\$24,183
Short-term investments unrestricted (3)	449,799	430,703
Short-term investments restricted (4)	215,743	206,516
A/R + Prepaid Expenses (5)	<u>49,260</u>	<u>47,633</u>
	743,955	709,035
Property & Equipment (6)	<u>536,198</u>	<u>519,900</u>
	\$1,280,153	\$1,228,935
Liabilities		
Accounts payable/accrued	\$54,000	\$54,244
Debentures (8)	<u>430,400</u>	<u>426,400</u>
	\$484,400	\$480,644
Net Assets		
Invested in capital assets	\$105,799	\$93,501
Internally restricted (4)	215,743	206,516
Unrestricted	<u>474,211</u>	<u>448,274</u>
	\$795,753	\$748,291
	\$1,280,153	\$1,228,935

Amounts Receivable, Note 5, refers to member fees (debts owing to the club), GST recoverable, and the annual advance to the Social Program.

Notes on reserves, property/plant/equipment and debentures are itemized separately on the next two slides.



Investment and Fund Notes

Note 3 Short Term Investments	<u>2008</u>	<u>2007</u>
Guaranteed investment certificates	\$436,629	\$414,537
Accrued interest	<u>13,170</u>	<u>16,166</u>
	\$449,799	\$430,703
Note 4 Internally Restricted Funds	<u>2008</u>	<u>2007</u>
Building Reserve	\$148,834	\$142,445
Dock Reserve	<u>66,909</u>	<u>64,071</u>
	\$215,743	\$206,516

The club maintains a reserve fund for buildings and docks.

The restricted amounts are not available for unrestricted purposes without the approval of the Board.

Restricted funds are held in guaranteed investment certificates with interest rates ranging from 3.7% to 4.3% per annum.



Property & Debenture Notes

Note 6 – Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2008</u>	<u>Net 2007</u>
Clubhouse	\$727,674	\$253,674	\$473,999	\$470,706
Docks	480,121	480,121	-	-
Site Improvements	280,684	280,684	-	-
Equipment	104,264	42,065	762,199	49,194
	<u>\$1,592,743</u>	<u>1,056,545</u>	<u>536,198</u>	<u>519,900</u>

Note 7 – Purchases

Purchase of Property & Equipment	\$52,898	\$27,534
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Note 8 – Debentures

	<u>2008</u>		<u>2007</u>	
Class W	211	\$420,500	212	\$422,500
Issued during year	10	20,000	6	12,000
Redeemed	(8)	(16,000)	(7)	(14,000)
Balance, year end	213	\$424,500	211	\$420,500
Class D	12	5,900	12	5,900
Balance, year end	225	\$430,400	223	\$426,400

The amortized value of the Clubhouse is \$473,999.

The docks and site improvements have been fully amortized.

The amortized value of equipment is \$62,199.

We issued 10 new debentures in 2008 and redeemed 8 for a total of 213 Wet Debentures valued at \$424,500.

Additionally, we have 12 Dry Debentures valued at \$5,900 for a total financial liability of \$430,400.

In 2008 we invested \$52,898 in equipment.



AUDITOR'S REPORT – Operations

	<u>2008</u>	<u>2007</u>
REVENUE		
Annual Dues	\$92,494	\$92,700
Mooring Fees	234,495	227,131
Social Membership	4,889	4,050
Initiation Fees	10,000	6,000
Other Income	<u>36,116</u>	<u>40,748</u>
	\$377,994	\$370,629

Annual revenue was about \$7,000 more in 2008 over 2007.

This is accounted for by an increase in mooring fees (several new larger boats) and an increase in the number of debentures issued.



AUDITOR'S REPORT – Operations cont'd

	<u>2008</u>	<u>2007</u>
EXPENSES		
Association Fees	\$2,750	\$2,800
Boat Show	3,663	3,788
Communications/Membership	10,699	2,032
Dock Maintenance	10,387	9,698
Environment/Landscaping	3,509	4,971
Fleet	3,141	3,608
General Maintenance/Staff/CH	61,287	30,445
Insurance	19,448	19,620
Interest/Bank Charges	136	1,295
Launch/Haulout	76,098	69,210
Office/General	4,366	7,857
Professional Fees	5,016	3,900
Property Tax	11,185	11,006
Rent	36,573	35,891
Security	16,868	19,288
Social	0	400
Utilities	28,806	23,436
	<u>293,932</u>	<u>249,245</u>
Excess before amortization	84,062	121,384
Amortization	36,600	44,206
Excess Revenue over Expenses	\$47,462	\$77,178

Operations provided \$84,062 of funds plus a net of \$4,000 from debentures shown in a previous slide.

These funds were used to purchase \$52,898 of property and equipment and cover our Reserve target.



Contingencies, Risk, Reserves, Cash at Year End

Contingencies

- it is not determinable when the property will be assessed and how much the tax liability will be
- this contingency liability must be disclosed

Credit Risk

- the club is exposed to credit risk on accounts receivable from members but has adopted credit policies which reduce that risk

Reserves

- as per Note 4 to the audited statements, no additional funds were internally restricted in 2008
- our target of \$32K for Restricted Reserves was offset by the outlay from those reserves for the roof replacement

Cash at Year End

- Statement of Cash Flows for 2008 shows Cash at Year End as \$29,153

The property has not been formally assessed for tax since the clubhouse opened and this must be disclosed as a contingent liability which we do in our Annual Budget.

It is recognized that the club is exposed to risk on accounts receivable from members but we have policies in place to reduce that risk.

Apart from interest earned, we did not fund the Restricted Reserves in 2008 due to an equal outlay from that fund to cover the replacement of the roof.

Our cash at year end, after taking into consideration operational and financial activities, was \$29,153 which will be set aside as the 2009 operations contingency.



AUDITOR'S REPORT – Report Summary

... these financial statements present fairly, in all material respects, the financial position of the club as at November 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Auditor's Report has been reviewed and accepted on behalf of the Club.

It is a favourable report, as you can see by this summary statement.

The auditors were very impressed with the consistency of our financial operations over the years.

This indicates that we made an appropriate adjustment in fees at the correct time with proper consideration given to recruitment, attrition and rising costs.

When these kinds of fluctuations over the years are transparent to the auditor, we are considered a stable and efficient organization.



RESERVE FUND – Initial Board Priorities

- complete and validate the Structured Reserve Fund
- identify future projects against Restricted Reserves, including full Occupancy Permit
- identify and prioritize list of improvement projects and pursue under Unrestricted Funds (rather than Operating Surplus)
- input study findings into various scenarios to determine impact on revenue, expenditures and Reserves
- identify information gathering tools
- identify financial constraints
- contact long standing inactive Debenture holders and attempt to refund debentures to reduce liability (~ \$76K)

Following the November General meeting, the Board established a number of priorities with respect to the Structured Reserve Fund.

First and foremost is to complete and validate the fund study.

From that study, we will be able to accurately identify future projects against the Restricted Reserves in terms of cost and anticipated year.

To date, the Board has always presented a list of improvement projects with the annual budget but its mandate has been to accommodate these projects within the limits of our operating surplus.

We now want to prepare a complete list of such projects and pursue them through Unrestricted Reserves rather than Operating Surplus – the point here is to alleviate pressures on revenue.

All of this will then have to be tested against various scenarios to determine impact on revenue, expenses and Reserves.

The Board will also be looking into a number of different ways of gathering information that will assist in recommendations and decision making.

We also can't look at the club's financial position without considering external influencing factors – these need to be identified.

Finally, we should start locating long standing inactive debenture holders for potential redemption to reduce our liability.



RESERVE FUND COMMITTEE

Committee recommendations to the Board:

- define steps to complete Structured Reserve Study
- propose temporary suspension of annual Reserve Fund allocation in 2009 Budget
- suspend presentation of Long Range Plan for 2009
- better define list of capital projects with estimated costs
- enhance communication to membership (e.g., debentures, clubhouse expenses, capital projects, structured fund)
- consider operating surplus in a fee reduction

The Reserve Fund Committee has met twice since the General Meeting.

We have discussed the Board's priorities, and the Committee has added a number of additional recommendations.

First, to define the step to complete the Reserve Study because it is critical to future planning.

In the absence of the structured fund and the accrued level of existing reserves, propose a temporary suspension to the annual allocation.

Also, suspend the Long Range Plan presentation for 2009.

The committee has asked for a more exhaustive list of capital projects with estimated costs for presentation with the budget.

Because there seems to be some question as to the level of member understanding of various aspects of club finances and operations, find ways to improve communication.

Finally, consider translating any operating surplus into a fee reduction in the next fiscal year.



PROJECTS OVER LAST 10 YEARS

Year	#	Key Projects Identified with Annual Budget	Value
1998	10	Yard lights, runabout, mast racks, cradle frame, entrance paving, dinghy rack, storage shed, website, A Dock T Section, Clubhouse	\$372K
1999	3	Clubhouse, gas to clubhouse, B Dock T Section	\$145K
2000	6	Landscaping, secondary containment, BBQ concrete base, trenching/curbs, heating oven, clubhouse	\$104K
2001	15	Computer, washer/dryer, furniture, bbqs, landscaping, dock repair, display case, painting, shed, clubhouse	\$119K
2002	37	Clubhouse, security computer, flammable storage, grading, shed, repair dock water, motion lights, VHF radio, playground, garbage hut, veranda deck, gardens, replaced exterior stairs, bbq enclosure, table umbrellas, chairs, remote opener, freezers	\$70K
2003	17	Landscaping, dock lighting, flagpole, bbq enclosure, A-Frame upgrade, dinghy ramp, dock repair, curbing, repaired tables, pop machine, extend outside docks, stabilizers, Humber dock anchors, clubhouse	\$72K
2004	20	Club Spirit, dinghy ramp, landscaping, grading, bike rack, gardens, replaced table bases, round tables, stabilizers, work barge, painting, modify service dock	\$50K
2005	9	Great Room flooring, finger extensions, garden edging, bbqs, club sign, sound system, projection system, stabilizers	\$125K
2006	4	Wireless, audio/visual setup, power washers, holding tank repairs, pumpout repairs, stabilizers, finger extensions	\$108K
2007	5	Photocopier, welder, water heater, microwaves, repair water damage, cameras	\$93K
2008	8	Security lighting, security system replacement, Wheelhouse furniture, forklift, washroom refurbishment, painting, roof replacement, door hardware replacement, replace locks	\$85K
			\$1,343K

The Reserve Fund Committee raised some questions on the lack of projects over the years and the need for future projects to be identified.

The Board would like to point out that identifying projects and anticipated costs has been a matter of process in presenting the annual budget for at least 10 years.

This chart identifies the number of projects by year, some of the key projects that were listed by the Board with the budget, and the final cost.

Obviously, from 1998 through 2002, the majority of projects focused on finishing items for the Clubhouse because initial construction exhausted existing reserves at the time.

Over these past 10 years, the Board has a list of potential projects as part of the budget, and those in this chart are the projects that were undertaken.

What is important to note is that to date, the mandate of the Board has been to accommodate annual projects within the limits of the operating surplus.



STATUS OF STRUCTURED FUND PROJECT

- ✓ detail necessary capital expenditures to complete Clubhouse and facilities
 - ✓ 3rd party feasibility study to draft a schedule of expenses to maintain and sustain capital assets
 - ✓ review and adapt study to meet Club needs and priorities (consultative process)
 - ✗ 3rd party validation of final structured fund
 - ✗ Consolidate Long Range Plan and structured fund
 - ✗ Impact study of proposals to adjust cost to membership (e.g., fluctuating fees and dues, reduction for pensioners, increase initiation fees)
 - ✗ Present Structured Fund at 2009 General Meeting
 - ✗ Present consolidated Long Range Plan at 2010 AGM
- ✓ Underway ✓ Commence Feb 08 ✗ Planned

Where are we with the Structured Reserve Fund?

- the committee will soon have a final list of items necessary to complete the clubhouse
- the Board has handed preliminary study work over to a 3rd party consultant for an initial draft
- we expect this report shortly and the Board will work with the committee to review and adapt it to Club needs
- it will then go back to the consultant for validation and finalization
- the final structured fund report will have to be consolidated with the Long Range Plan
- part of this exercise will be testing the impact of the study and proposed projects on various scenarios that will impact revenue and expenses
- the Board anticipates being able to present the Structured Fund at the November General Meeting
- with feedback from all committees, the consolidated Long Range Plan will be presented at the 2010 AGM



External Factors to Consider

1. Property Tax Assessments are ranging from 10-20 times higher across City of Toronto clubs (immediate Contingency Fund need)
2. State of the economy may have negative affect on boating (as stated by yachting associations)
3. Crane and insurance costs may increase
4. Dredging of harbour entrance may be at our expense
5. Environment (compliance and remediation)

As mentioned earlier, we can't look at club finances without considering external factors. As you will see in the budget presentation, some of these are already being taken into account.

There are five key factors that we have to take very seriously.

First, the Council of Commodores has secured legal council and set up a working committee to address the Property Tax Assessments. Most clubs have received their assessments and 50% have increased by 10 times and 50% by 20 times. This will have a significant impact on our expenses and translates into an immediate Contingency Fund need.

Everyone is aware of the state of the global economy and various yachting associations around the country have stated that this could have a negative impact on boating.

Other clubs have experienced problems with cranes and insurance costs, largely because of their use of travel lifts. We do not have that problem, but increased costs cannot be ignored.

Although dredging is a city responsibility, given current economic times it is doubtful that it will fall within their budget which means it would be our expense.

We have not yet been cited for any environmental non-compliance but if we were ever inspected, remediation would definitely be a large expense.



Information Gathering & Communication

- consultation with committees (better engagement of committees to generate proposals)
- market study of comparable clubs to validate our competitiveness and fair value for money
- membership survey (on-line) to validate currency of our mission, values, vision, operational structure, facilities and services
- enhance website for member access to and sharing of information

In part to assist in decision making and also to enhance communication with members, the Board is proposing three main tools for information gathering.

One is better engagement of our existing committees to generate ideas and propose solutions. We have several committees but they largely work in isolation.

Second is to conduct a market study of comparable clubs to validate our competitiveness and fair value for money. We have done this twice over the past 7 years.

Lastly, a membership survey to validate the currency of our mission, vision, values, operational structure, facilities and services.

The Board needs to know your opinions, your understanding of club operations, perceived deficiencies in services, etc to be able to determine where gaps exist.

One way we can improve information sharing with and among members is to make some changes to our website – the Board has been discussing ideas with Dean Brown.



Debenture Information

Debentures ARE:

- a condition of membership (Wet and Dry)
- non-interest bearing
- redeemable upon resignation at original subscription price less any debt owing to Club
- a financial liability to the Club (~ \$430,400)

Debentures are NOT:

- a Reserve Fund item BUT the fact that our Unrestricted Reserves could cover debentures makes the Club solvent

One key point that the Reserve Fund Committee raised was the notion that our Reserves are earmarked for debentures.

So, for clarification, debentures are a condition of membership for Wet and Dry members.

Debentures are non-interest bearing and redeemable upon resignation at the original subscription price less any debt owing to the Club.

As reported every year in the Auditor's Report, debentures are a financial liability to the Club.

Debentures are not, and never have been, a Reserve Fund item.

When our Reserves approached the \$420K, the Board reported to members that should the club be forced to close, we could cover our financial liability to the membership in the form of their debentures.

Our ability to do that meant that the Club was completely solvent.

Our Reserves remain for the purpose of furthering the objects of our club and meeting our obligations under our lease in terms of maintaining and sustaining our property, buildings and facilities.



2009 BUDGET - Revenues

REVENUES	2008 Actual	2009 Budget
Annual Dues	\$ 92,494	\$ 92,700
Mooring Fees	234,495	230,000
Social Membership	4,889	4,000
Initiations	10,000	5,000
Work Hours	3,600	1,500
Live Aboard Income	4,500	4,500
Storage Fees	4,000	4,000
Room Rentals	730	1,500
Interest and Other Income	<u>23,286</u>	<u>3,000</u>
GROSS REVENUE	\$ 377,994	\$ 346,200
LESS:		
Realty Tax Contingency – Building	\$0	\$21,735
Carry Over Contingency – Operations	\$0	\$0
Reserve Fund – Building	\$0	\$0
Reserve Fund – Docks	<u>\$0</u>	<u>\$0</u>
Total Contingency/Reserve	\$0	\$21,735
NET REVENUE	\$377,994	\$324,465

* Auditors noted no Reserves funded in 2008 because inflow & outflow = \$32K for new roof.

Annual and mooring fees are projected assuming capacity and the addition of 5 new wet members.

We hope members will fulfill their work hours rather than pay for shortfalls at \$50 per hour.

The Club is becoming more popular for meetings and social functions, and some increases in rental fees is anticipated.

With anticipated capital expenditures, debenture redemptions and interest rates, we are conservatively budgeting for a reduction in the amount of interest and other income.

A realty tax contingency is shown at an amount that results in no net surplus or deficit for the year. As noted by the auditor, any amount payable upon receipt is unknown at this time. An increase is inevitable and a substantial amount could be payable following reassessment. It is prudent that we budget for this.

As recommended by the Reserve Study Committee, no allocation to Reserves is provided for in this budget.

2009 BUDGET – Operating Expenses

Operating Expenses	2008 Actual	2009 Budget	
Rent	\$ 36,573	\$42,000	Based on lease
Realty Taxes	11,185	24,000	Tax Assessment
Insurance	19,450	21,000	
Utilities	28,806	25,000	
Launch/Haulout	76,098	72,000	
General Maintenance	36,772	44,000	Incl maint projects
Dock Maintenance/Construction	10,387	13,000	Incl maint projects
Interest/Bank Charges	136	0	
Boat Show	3,663	3,500	
Association Fees	2,750	2,500	
Office	4,366	10,000	
Part Time Help	12,350	20,000	Additional staff
WSIB	465	465	
Legal/Audit	5,016	10,000	Legal counsel
Fleet	3,100	3,500	
Fleet Maintenance	41	3,500	
Social	4,000	2,000	
Communications/Membership	3,830	3,000	
Landscaping	3,009	4,100	
Environment	500	900	
Clubhouse	7,700	10,000	
Security	16,868	10,000	Incl security service
Miscellaneous Expense	6,867	0	
Total Operating Expenses	\$ 293,932	\$324,465	
Capital Projects	\$ 52,898		2009 from Reserves
FUNDING SURPLUS/DEFICIT	\$ 31,164	\$ 0	

For 2008, the surplus started with the \$24K cash at the beginning of the year to which the net increase in debentures was added. The surplus was used primarily to increase short-term investments.

The obvious significant increases to expenses are: Rent increase is stipulated in our lease; Realty taxes are expected to increase substantially due to the Tax Assessment being challenged by the Council of Commodores; General maintenance includes identified maintenance projects (replacing damaged doors, bbqs, patio furniture and small appliances); Part time help covers staff as in the past, but also additional help to assist with planned projects and some heavier property work; Professional fees will increase due to the Reserve Study and our contributions towards the Council of Commodores formal complaint against tax assessments; Security includes potential for security staff around launch and haulout

-This is a break even budget. We expect to use all funds in operations. If interest earned is higher than provided or if realty taxes are lower, we would produce a surplus. Taxes could also be higher.

-The Reserve Study Committee has recommended a change in Board mandate to fund capital projects from Unrestricted Reserves; there are substantial funds required for planned projects and redemption of inactive debentures. Due to prudent budgeting and fund management, the Club has sufficient funds on hand to begin many of these projects and no special assessments are contemplated in this budget.

-Extend personal thanks to Stewart Rauch and John Hayward for their work on behalf of the club and their stewardship of member assets.



2009 BUDGET –Unrestricted Fund Projects

Clubhouse Extension	\$100,000	Total Value:
Wheelhouse Completion	5,000	\$160,500
Fire Suppression	5,000	+
BBQ Gazebo Completion	3,000	Inactive Debentures:
Recycling Shed	1,500	\$76,000
Additional Yard Lighting	5,000	
Club Sign (clubhouse)	2,500	Reserve Balance:
Flagpole Memorial	2,500	\$449,799 - 236,500
Painting	5,000	= \$213,299
Cradle Storage Completion	500	
Hydro to BBQ Gazebo	500	
Parking Lot Dust Suppression	10,000	
Reclad A-Frame	5,000	
Security Cameras	15,000	
Water/hydro to Humber Docks	TBC	

TBC = To be costed

This is the list of anticipated projects that can be charged against our Unrestricted Reserves.

The clubhouse extension is necessary to alleviate serious storage problems that are creating safety and fire hazards.

Wheelhouse completion is an outstanding item from original construction (kitchenette and last of furniture).

A sprinkler system is strongly recommended for the clubhouse and could potentially reduce insurance costs.

There are some outstanding items for the bbq gazebo, including permanent wiring. There are also some unfinished projects carried over from last year to be completed – recycling shed, painting, cradle storage

We did add some yard lighting last year but propose to add more.

Original plans included a club sign on the water side of the clubhouse, and there is a proposal to create a memorial at the base of our flagpole.

If we can find an appropriate solution for dust suppression, we will proceed.

Replacing and adding to security cameras to increase effectiveness.

Redeeming long-standing inactive debentures.

Water and hydro to Humber Docks needs to be costed.



2009 BUDGET – Restricted Fund Projects

Landscaping Stonework	\$20,000	
Replace Pumpout	9,000	
Balcony Railing Conversion	5,000	
Modify Dinghy Ramp/Service Dock	10,000	Total Value:
Refurbish Men's Washroom	5,000	\$59,000
Replace Main Dock Ramp	10,000	
		Reserve Balance:
Future Potential Projects:		\$215,743 - 59,000
		= \$156,743
Widen gap between splines	TBC	
Expand Humber Docks	TBC	

Funding of these two projects would be subject to an assessment or increase to Reserve Target.

From the Restricted Reserves we propose:

- landscaping stonework around the patio gardens was in the original drawings and is needed to stop water from overwhelming the gardens and getting under the foundation. There are also repairs needed to the patio stones.

- replace the pumpout which is beyond its useful life and has been a repair expense for the past few years; the pumpout is considered a part of the service dock and therefore a dock reserve expense

- another outstanding project is opening up the balcony railing to remain compliant with the Building Code but allow for a more open view

- the dinghy ramp needs to be reengineered and incorporated into plans to extend the service dock

- refurbish the men's washroom (women's done in 2008)

- replace the main dock ramp

- Two future projects that are yet to be costed, and depending on the level of Reserves, could be subject to either an assessment or increase in Reserve Target:

- Widening the gap between A and B splines

- Expanding the Humber Docks



2009 FEES & DUES

Annual Fees	\$4.50 per sq ft
Annual Dues	\$550

Invoice payable on/before 15 Mar 09*

- payable in full, or
- 2/3 dated 15 Mar + 1/3 post-dated 1 Aug 09 (both submitted 15 Mar)
- photocopy of insurance with cheques (no proof of insurance = no launch)

* Request for consideration (i.e., discrepancy in invoice or extenuating circumstances) must be submitted to the Treasurer upon receipt of invoice and no later than 15 Mar 09

For 2009, annual fees and dues will remain the same.

After applying the annual operating contingency fund to 2010, any operating surplus for 2009 will be considered in setting 2010 fees and dues.

Invoices will be sent within the week and payment either in full or in two cheques is due on or before 15 Mar.

Please note that if you choose the two cheque payment, both cheques are to be submitted by 15 Mar.

Proof of adequate insurance is required under our Bylaws. A copy of your insurance must be submitted with remittance of fees and dues. Without proof of insurance, you place risk on fellow members so no insurance, no launch.

Any request for consideration, particularly discussion of any discrepancy in your invoice, must be brought to the Treasurer's attention by 15 Mar.



DELINQUENT PAYMENTS

If payment is not received by 15 Mar 09:

1. **\$200 fine** after 15 Mar 09 (Bylaw 12.03)
2. Name posted on Notice Board (Bylaw 12.03)
3. Invoice & Notification
 - a. Cease to be a Member (Bylaw 12.03)
 - b. Full payment, including fine(s), in cash/certified cheque due within 7 days of date of Notice
 - c. Date to appear before Board
4. If any debt is outstanding by 24 Apr 09:
 - a. No Launch
 - b. Termination of Membership

As per our Bylaws, the penalties imposed for late payment of fees and dues are as follows:

- \$200 fine for any payment received after 15 Mar 09
- the member's name will be posted as per our Bylaws
- the member will receive an invoice for the penalty plus a notice that the member's good standing has been revoked
- full payment, including the fine is due in cash or certified cheque within 7 days and the member will appear before the Board to request reinstatement
- any debt outstanding by launch, that is 24 Apr, will result in the member's boat not being launched and membership being terminated



APPROVAL OF 2009 BUDGET

Motion:

To accept the 2009 Budget as presented.

Motion to accept the 2008 budget as presented.



ARE YOUR MOORING NEEDS CHANGING?

1. Are you not planning to launch?
2. Will you be leaving the club, permanently or for an extended period?

***Include notification with your invoice payment.**

Just a couple of more quick points.

To help in dock assignments and acceptance of new members, we need to know of any member not planning to launch.

Also, any member planning on leaving the club, either permanently or for an extended period of more than one season.

Please ensure the Board receives this information with your invoice payment.



ARE YOU CHANGING BOATS?

1. You must submit a new Application Form to the Membership Director
2. Your new boat must be approved by the Board before it can be brought into the Club
3. Your old boat should be removed from the Club before your new boat is brought in.
4. Do not assume that your new boat can be accommodated immediately (be prepared to make alternate arrangements for mooring and storage)

Over the past few years, we have had a lot of members change boats – usually to a larger one.

A reminder to members that if you are contemplating a new boat, you do need to submit a new Application Form to the Board.

Your new boat has to be approved by the Board before you can bring it to the Club.

Because we are full, your old boat should be removed from the club before the new one arrives.

Also because we are full, you can't assume that your new boat can be accommodated right away particularly if it is too large for your current dock assignment.

Last, a boat longer than 38 feet generally has to be stored at the south end of the yard which is limited in space and currently full.



Only 74 days until launch!

This concludes our 2009 Annual Meeting.

On behalf of the Board, thanks to everyone for supporting the AGM.

Motion to adjourn.