

2019 SCSC AGM – RESOLUTIONS

There are a number of Board initiated resolutions for the members to consider at the upcoming 2019 AGM. These will be discussed in more detail and voted upon by members at the AGM, but to assist with member's consideration, below is some background information on each:

Resolution 1: It is recommended to increase the Annual Administration Contribution Fee by \$100 to a total of \$295 commencing in 2020

The Annual Admin Contribution fee is currently \$195 and is charged annually to one club member per immediate family (where children in that family are under 25). If approved this change will increase the fee to \$295.

Why is this change being proposed ?

With Club operating costs increasing every year, the Board believes it is necessary to increase our Annual Administration Contribution Fee commencing next year to support the sustainable operation of the Club.

This will be the first increase in these annual fees for more than 10 years, during which time our expense base has grown with insurances, NPWS rates/taxes and the utilities of power and gas just a few of the services that have increased significantly in cost over this period.

Please note, the \$55 per member annual subscription fee that applies to all members will not change.

Resolution 2: It is recommended to introduce a Building Levy of \$150 commencing in 2020. This levy will be charged to those members who pay the Annual Administration Contribution Fee.

This resolution proposes to introduce a building levy from 2020. The levy will be charged to those members who are charged the Annual Administration Contribution fee which covers single members and the heads of family units (i.e. the levy will not apply to spouses and children under 25 who are members in an immediate family).

Although it's unfortunate to have to introduce any levy on members, the Board is aiming to minimise its impact with the building levy being applied in the same way as the Admin Contribution levy, as opposed to being levied on all members. The levy amount is also well below the building levies charged in 2017 and 2018 (there was no building levy charged in 2019).

Why is this change being proposed ?

The Board has identified a number of building works that are required to ensure our Lodges continue to offer members 'value-for-money' mountain accommodation. Key capital items identified to date include replacing the heating in the Jindabyne Lodge rooms, updating the drying room at Jindabyne, replacing the carpet in both lodges, replacing the concrete at Smiggins Lodge and replacing all the Bunk Beds at Smiggins Lodge. Initial estimates suggest at least \$80,000 is required to complete these works which will be planned to be undertaken over coming years.

Resolution 3: It is recommended by the Board that the Club enters into an overdraft facility secured by the Jindabyne Lodge with an upper limit of \$75,000

Why is this change being proposed ?

The refurbishment of Smiggins Lodge is well underway and approaching completion in early May. As was indicated in a recent email issued to members from the Board (via David Carr), the project has experienced some cost overruns beyond our expectation and contingency levels. These included rectification work relating to the roof structure, wall framing, replacement of some floor joists, replacement of electrical wiring and alterations to the window specifications outside the Club's control.

These variations have, and continue to be, effectively managed by the Building Committee, minimising costs where possible. However, they have amounted to approximately \$90,000 which has placed additional strain on the Club's cashflow.

As a result, the Board has discussed the trading position and forward projections around cashflow with our accountant. We believe it is prudent to have in place an overdraft facility to ensure there are no cash flow issues as we approach the winter season where we will incur significant operational expenses before much of our accommodation revenue is realised.

As the overdraft is proposed to be secured against Lodge assets to minimise the costs of the facility the Board requires member's approval to enter into an overdraft facility not exceeding \$75,000. The facility is proposed to be secured against the Jindabyne Lodge.

It is the Board's intention to only utilise the facility when absolutely necessary to do so and to discharge the facility when the Club's cash position improves.

If approved by the members, the Board will progress the overdraft transaction so that it is in place for the start of the winter ski season.