



Marina Committee meeting minutes

Marina Committee Meeting January 9, 2019

Time: 4:00 p. m.

Call in: +1 646 558 8656 (US Toll) or +1 408 638 0968 (US Toll)

Meeting ID: 376 840 849

Venue: Tennis Center

Present: Mark Zeitchcheck

Roger Ward

Anthony Hai

Frank Baldino

Jack Collins

Juan Carlos Isaias

Rick Herron

Bernard Lackner

James Watkins

Minute's recorder: Raiza Ginarte

- **Submerged Land Lease Renewal Update : Guest Marina (land is under 25 year lease w/state that began 10-22-92)**
 1. We started the renewal process 6-22-17, 120 days prior to the exp. of the SLL per the existing SLL agreement renewal requirements. The State failed to determine what they required to satisfy the renewal in time to issue a new lease prior to the Oct 20, 2017 exp, so we requested a 12 month TUA in order to complete the process with the state to renew the lease. During that 12 month period, we've satisfied per States request, a new Riparian Easement for the section of seawall held by Holdings, letter of operational constraints (MRP & 30yr loan) and drafted a new rule change to the SLL extended term qualification requirements. As of today, we've renewed the TUA for another 12 months on Oct 1st, 2018 as final approval of a renewed lease which was scheduled to be completed by Aug 2018, would not be completed in time due to rescheduling to December for rule change approvals by the BOD with the State. As of January 2nd the proposed rule changes have been accepted and are open to the public for comments until January 18th (21 days) and if no comments, the rule paragraph 18-21.0005 will become affective and will qualify the Club for a renewed lease term of up to 25years. The state may still not grant us a term of that length, we could still be assigned a lease term for the minimum 5 years, but we are prepared and have proper lines of contact to assist with being granted the longest term possible.
- Mr. Hai: can you explain the rule change please?
- Mr. Watkins: under the requirements for the submerged land lease we added in the following four points:

- The facility or activity provides access to public waters and sovereignty submerged lands for the general public on a first-come, first-served basis; or
 - The facility is constructed, operated or maintained by government, or funded by government secured bonds with a term greater than or equal to the requested lease term; or
 - The applicant demonstrates that an extended term is necessary to satisfy unique operational constraints; or
 - The facility is in compliance with an existing extended term lease.
 - Mr. Hai: but what is the change?
 - Mr. Watkins: rule number 3 and number 4. What it means is that we qualify up to 25 years. Before only public marinas were able to get that length of term and now it includes both public and private marinas. As a private marina the longest we were able to obtain before was a 5 or 10 year lease.
 - Mr. Hai: so that makes the slips worthless.
 - Mr. Herron: the State has no reason to deny it. Historically they always continued to renew the lease.
 - Mr. Hai: you have seen the same in other places?
 - Mr. Herron: yes, it is everywhere. We are just one among the many other places that the State has leases with.
 - Mr. Hai: so if we get the 5 or 10 year lease term does that make the slips worth 10k or 15k a foot?
 - Mr. Watkins: well the value of the slips will still be there.
 - Mr. Herron: I don't think it has anything to do with the value of the slip.
 - Mr. Watkins: also remember that we sell right of use, other places sell actual ownership and other marinas don't sell slips at all.
- **Marina Renovation Project & Financials Update:**
 1. Project was scheduled to begin June 1st, 2018 with completion of Oct 15th, 2018
 2. Project was delayed 6 weeks and began on July 12th, 2018, due to DERM and Building dept. Structural division delay as the inspector had us in the system as a building rather than a Marina.
 3. Project was substantially completed and Temp CO obtained Nov 6, 2018 and opened in time for season and to host the B&G event that started on the 6th.
 4. We are currently working on the last few punch out items, which will be completed by end of month.
 5. The FPL electrical run from the FPL manhole 398' to the vault location was completed after 4 weeks on the 12th of Oct.
 6. Due to delays with cost, permit and FPL, we pushed the construction of the vault to phase 3 to begin May 1st with vault build of 2 months and 8-12 weeks for FPL to install their equipment. Shooting for Oct 1st final.
- Mr. Hai: are you going to get a permanent fence?
 - Mr. Watkins: the fence is a separate issue that we are working on.
 - Mr. Baldino: that would be for the gap between the dock and the seawall right?
 - Mr. Watkins: yes, along the mansion and the spa dock. I have two quotes so far from two different contractors and we are meeting a third company next week to see if we can get at least 3 estimates for that job. We are working on a design where you put the anchor sleeve into the seawall with steel pins that go in, and then you screw in the aluminum post, and then run marine graded stainless steel cable through.
 - Mr. Ward: do we know what the cost for that is going to be?
 - Mr. Watkins: the old quote I had it was actually the entire length from the mansion to the spa, we'll have to get it adjusted.
 - Mr. Hai: probably a couple hundred thousand?

- Mr. Watkins: the prices ranged from 70k all the way to 300k depending on the material and design. The company that came today I asked them to do just the mansion section, then the spa section and include installing it on the actual dock.
- Mr. Ward: is there a need to install the fence on the actual dock?
- Mr. Watkins: is an option, it not absolutely necessary that we have it but I just want to get the quote since the gap is in between the float and the wall the concern is if you fall from the float and you can't swim or get stuck, remember we have the corrugated steel wall there as well and someone can land on it and get hurt as well.
- Mr. Herron: I would like to make a motion to acknowledge the amazing work Jim did throughout this process of the project. Having it done on time and without major disruption to the members.
- Mr. Watkins: it was actually supposed to be done in four and half months and even with the delay we had it was done in four months.
- Mr. Herron: is that why the sailboat was having problems with their boat?
- Mr. Watkins: no, what is happening is in the main marina where you have your 50amp is 125v-250 and out here in the guest marina it appears to be 215v instead that where you have the difference. As Mr. Herron was mentioning I believe having an auto boost transformer could help when there is shortage in voltage like that so it doesn't fry the electronics on the boat.
- Mr. Collins: this will most likely be irrelevant in four months when both boats are swapped out
- Mr. Hai: and the permanent power?
- Mr. Watkins: what we were able to complete over the summer dealing with FPL has been challenging but we were able to get the electrical run done, it was changed three or four times due to FPL requiring that we run the power from the main line from the manhole along the roadside. The run from there to the vault was 398' which was great because anything over 400' would have been a lot more difficult to do. We were able to complete that run in four weeks, started the 17th of September and was done October 12th. It required a 6'x 7' trench with nine 6" conduits inside all encased in concrete.
- Mr. Hai: and they did the work for us.
- Mr. Watkins: VOS engineering was the company that actually did the work. They are an FPL approved contractor for those types of heavy projects. As a matter of fact they were already completing other projects for the buildings so they are very familiar with the island.
- Mr. Hai: is that part of the budget? Or a new item?
- Mr. Watkins: it went into the budget; the estimate in the beginning was around 1.2M for the electrical. We were not expecting that the cost of the FPL run was going to be 400K, it was original set for 200K based on what they had originally told us which later changed with county requirements. However even with that price change we are still within budget for the project. When we build the vault we are estimating 250K for it, when we get to the final number we are looking at 170K over what was originally proposed which was 6.6M, right now we are 30K to 40K under budget.
- Mr. Baldino: so the final number for the project is about what 6.8M?
- Mr. Watkins: yes, that is the estimated end completion number.
- Mr. Herron: when phase 3 of the vault being constructed and power put in the guest marina, does that mean that the marina will be out of service during that time?
- Mr. Watkins: no, we had already prepared for something like this to happen so the marina is running on temporary power which is basically the same power we had before on the docks. We are still using no less that what we had before. If you take notice on the seawall we have those white transformer boxes feeding into the units on the floats for the spa and the mansion. The power has been used since we finished the floating docks and we have had no complaints. The outer dock is feeding of the preexisting transformer that is over in the green area.
- Mr. Herron: so when we make the switch how many days will you be down?
- Mr. Watkins: they estimated no more than 3 days, but we will be able to do it in sections to be able to move people around and minimize the disruption.
- Mr. Herron: will you do all the docks at one time or certain docks on certain days?
- Mr. Watkins: it will be done all at once, no more than 3 days without power and all the electric will be coming from one central location.

- **Slip Sales & MP Payback – Go over resale log**
- Mr. Watkins: the last item is the slip sales and MP payback. For 2018 we had 3-60' slips that were sold. Slip number 6, 16 and 4 generated 980K in sales which are 99K to the Club, 49K to the Club and the other 49K to the payback on the MP. We have a balance of 63K left to pay (not including the interest) by May of 2019. It was a 10 year loan; with the new slips for sale list that we sent out we have BA1, BA2. There is a possible buyer for slip 39 as well as talking to some other members who have come to me inquiring about purchasing a slip so we are looking good in finishing up the payment on the MP.
- Mr. Hai: ok so after the MP is paid does it go back to 5%?
- Mr. Watkins: no, it was agreed that it stays at 10% to pay for the new project loan.
- Mr. Hai: do we have a preliminary 2019 budget?
- Mr. Watkins: I will bring that for the next meeting because I believe is still not fully approved by accounting.
- Mr. Ward: we are working on revising it, there are no substantial changes in the marina side but other things have changed. Just so you know the Club is picking up some things from the Marina like the pavers that were replaced along the mansion, and we are also going to pay for the railing. If I am correct all of this is going to come out of the Club Capital account.
- Mr. Watkins: I just want to comment that our budget for this project was approved in 2016 and two years after we were able to keep those numbers and I got BMI to absorb 200K in cost of materials and labor that went up.
- Mr. Baldino: what was the outcome this past year in regards to people coming over as part of the events that you do in the marina?
- Mr. Watkins: this past year we had Coral Ridge Yacht Club, Neptune Flamingo and Lighthouse Point. Next month we will have 20 boats more or less as part of the Marine Max group that will be coming over.
- Mr. Baldino: and compared to previous years did 2018 report more revenue, or less revenue regarding these events?
- Mr. Watkins: it is slowly going up.
- Mr. Hai: Bernard, how do you view these strangers coming onto the island?
- Mr. Lackner: we have done extensive studies regarding the people that come through the Marina in their boats and found out that there are a lot of members who arrive without letting us know how many guests they will be bringing. It has always been a challenge especially during the holidays; we just have to tighten the control during those times more than ever to make sure that everybody goes through the process and is within the established limits when it comes to their guests.
- Mr. Watkins: we actually keep a log for the weekends and holidays that details the name of the member, their membership number, how many guests they brought, name and size of the vessel as well as time of arrival. This list is sent weekly to the membership group for review and enforcement of rules if any member was over the limit.
- Mr. Ward: I believe that Anthony is asking a little bit of a different question. The point is when you bring Coral Ridge Yacht Club or Lighthouse Point with 20 boats, those are organized events that Jim is fully aware and prepared for. These yacht club guests have minimums that they have to meet and certain requirements to be able to host the events. From the Club perspective we get revenue and the slip owners whose slips are used get revenue too. The real benefit out of those event is over the last 8 or 10 years we have gotten at least 10 memberships out of it. If you think about it is 2.5M dollars for 10 memberships that we were able to get from events like these.
- Mr. Zeitcheck: and these boats are high end boats, when the B&G event took place Marine Max brought a few boats that were very well received by the members and had a lot of exposure.
- Mr. Watkins: I just wanted to comment that for 2018 preliminary we budgeted for 974K for end of year profit and ended up making 1.47M
- Mr. Lackner: I think probably the most amazing thing was keeping the disruption to a minimum. There was some concern that during the project people would stay away but very few people stayed away.
- Mr. Ward: we had members ask when will they start construction and the project was half way through but they hadn't realized it because there was minimum noise.

- Mr. Watkins: most of it because the hydraulic hammer that they used was very quiet, we sat to have lunch while it was operating and you could barely hear anything.

Meeting adjourned: 4:35pm

Next meeting: March 6th, 2019