

## Chief Rat

I ran on the promise that I would do my best to continue to clean our club up and get things looking and running better. We've a long way to go, but have a great group of committed board members that really do want the best for the club.

Looking to the future, we're going to be doing more of the same. Making incremental changes to rules when we see an opportunity to make things more fair/clear, cleaning up the old boats, improving the grounds are all avenues we are pursuing to keep the club healthy now, and for years to come. Our goal is the continued success of the club, and I hope that comes through in our decision making process. If you don't agree with something, please, e-mail/call me/have a conversation.

## Report of the Paper Rat / Secretary

### Change of Insurance Broker

One of the things the Paper Rat does is to look after the Club's insurance policies. Arthur J Gallagher Canada Limited is now the insurance broker for the Club which is a change from The Magnus Group who had been our broker for at least 7 or 8 years. The reason for the change goes back to a meeting of sailing clubs in 2021 organized and hosted by Ontario Sailing on Zoom. There were approximately 35 clubs from all over Ontario on the Zoom call. Three individuals from Arthur Gallagher spoke and made their pitch for clubs to use them as their insurance broker. They're the Canadian arm of a large international broker and had identified sports clubs across Canada including sailing clubs as an area they wanted to move into. At the time they were already the insurance broker for Sail Canada. Subsequently they became the insurance broker for Ontario Sailing, and it seemed appropriate for us to follow the lead of our national and provincial sailing organizations. We did so and our policies which were up for renewal as of June 1, 2022 were renewed through Gallagher. Their quote was slightly lower than the quote we received from our previous broker. Gallagher also now operates The Skippers Plan which is an insurance plan for boat owners.

We have three insurance policies: a property and liability insurance policy, a marine policy for the RIB / committee boat and a directors and officers insurance policy. The total cost this year was \$10,219 excluding PST. In recent years in the categories of annual expenses insurance been second only to Grounds and is more that we pay in rent to the City and to the Outer Harbour Sailing Federation (OHSF). Rent going forward for this year was \$9,468.75 inclusive of HST.

There are two matters which have come up that need to be voted on at the AGM.

### Exemption from Requirement to have Audited or Review Engagement Financial Statements

The Club became subject to the Ontario *Not-for-Profit Corporations Act* (the "Act") in October of 2021. It provides that a not-for-profit corporation which our Club is must have audited financial statements or review engagement financial statements unless the members vote each year for the Club to be exempt from that requirement. A review engagement is a lesser standard than audited financial statements but still requires a review by an accountant. As far as I am aware the Club has never had audited financial statements or review engagement financial statements. I suspect that is because the Club's financial records are not complicated, and revenues are less than \$100,000 per year. Retaining an accountant to produce audited financial statements or review engagement financial statements would seem to be an

unnecessary expense. For consideration by the members, the following resolution is put forward for approval. The exemption is only available to not for profits with annual revenues of less than \$500,000 and that are not public benefit corporations. Public benefit corporations are charitable corporations and non-charitable corporations that receive more than \$10,000 in a financial year in the form of gifts or donations from non-members or from the federal government or a provincial or municipal government or an agency of any such government. The Act specifies that the resolution approving the exemption is an extraordinary resolution which requires that it be approved by 80% of the votes cast. The proposed resolution is as follows:

“Be it resolved that as the Club is a non-public benefit corporation and had annual revenues in its March 31, 2022 fiscal year of less than \$500,000 the Club shall not appoint an auditor and shall not have an audit or a review engagement in respect of the Club’s financial year ending on March 31, 2022.”

### **By-law Amendment Re Virtual Meetings**

The Act permits annual general meetings and special meetings of member to be held by telephonic or electronic means that permit all participants to communicate adequately with each other during the meeting provided the by-laws so provide. The current version of the Club’s by-laws do not so provide. However, we were able to hold the last two annual meetings via Zoom pursuant to a special regulation passed by the Ontario government as one of their Covid-19 measures. The regulation was due to expire on September 30 of this year but was extended until September 30, 2023 which allows us to hold this year’s AGM on Zoom. It is uncertain whether the government will extend the regulation beyond September 30, 2023.

It seems appropriate to take the opportunity at this year’s AGM to amend the Club’s By-Laws to allow for annual general meetings and any special meetings of members to take place virtually with the use of products such as Zoom and Microsoft Teams. It does not mean that all future AGMs will be held by electronic means, but it gives the executive the option to do so. The proposed resolution is as follows:

“Be it resolved that the by-laws of the Club be amended to provide that if a meeting of the members is called by the directors or the members then the directors or the members calling the meeting, may determine that the meeting be held entirely by telephonic or electronic means that permits all participants to communicate adequately with each other during the meeting.”

Approval of this resolution requires a simple majority of the votes cast.

### **Membership**

The big membership project for the year was updating our records in terms of which boats are owned by which member. At the start of the year we only had records of the owner of less than 25% of the boats, and through a lot of hard work and the participation of members we now know the owner of over 95% of the boats. At the same time, we were able to identify over 20 boats/trailers that were abandoned and they were auctioned off raising proceeds of over \$5,000 for the club. The proceeds were used to purchase a shipping container and build over 40 new lockers inside, which will be available to members in 2023. Steve Pelletier led this project and has done an absolutely excellent job in terms of design, craftsmanship, and project management.

We currently have one abandoned boat at the club that belongs to Richard Bartkowski. The contact information that we have for him is no longer valid, so if any member has his current information and is able to pass it along that would be much appreciated.

The biggest challenge facing the club is a lack of engagement and a 'sailing scene'. It's not uncommon to be at Water Rats on a beautiful sailing day and find the club completely empty. One of the best days I sailed this year was a sunny 30 degree Saturday in August with warm water and a 15kt breeze. I enjoyed a wonderful sail and only saw two members at the club, who were not sailing. On any beautiful summer day we can see how busy the harbour is, or how active the docks are at our neighbouring clubs while Water Rats is largely inactive outside of the Tuesday night Laser racing. This year about 25% of the boats remained winterized, on trailers, covered in tarps for the entire summer. Many more of the boats go unused, and by my estimates somewhere around 50% of the boats at Water Rats are not used. The causes are varied: covid has had an impact on traffic patterns, and many members now find it difficult to get to the club. Water Rats for many years has been 'full'. As people's lives have changed where they sail less or not at all, we haven't had room to bring in new members. As the membership this is very challenging for me; a large share of the boats at Water Rats are unused, and yet I also have had to turn away most applicants because the club was full. This hardly makes sense for a sailing club to be turning away those who want to sail in order to store unused boats. To this end, we will be making a good chunk of time at the AGM to discuss and solicit ideas on how we can revive Water Rats as place that people come to sail.

One change the executive would like to make is to increase the number of Catamarans permitted at the club to 55 from 50. Admitting new members who are keen to sail can help to revive the club. With the space made available from the auction, we have room for new Laser and dinghy members, but Catamarans are limited by rule. Of the 50 Catamarans we have, 21 were not rigged (mast down all year). Approximately 30 in total are not being used; the remainder have had their masts up for years but do not appear to ever leave their spots. The numbers clearly show that the Catamaran fleet at Water Rats is dying, and admitting new members who wish to sail can help to strengthen the fleet.

Another issue that we identified during the boat inventory was that many members had more boats than were permitted by our rules. In some cases it was Catamaran members with a Laser, Catamaran members with another dinghy, or dinghy members with three or more boats. Some members were told by previous executives that they could have an extra boat. Other members had brought down additional boats without permission. A key principle that we want to have for the club is one of fairness, and so we changed the rules to allow all members the same privilege and assign a fee to the additional boat storage. The feedback has been quite varied. Members who were previously not allowed to have an additional boat have jumped at the new opportunity. Members who had been given special permission to have an extra boat were upset with the introduction of a fee. Members who were not using their extra boats sold them. A couple members said they knew they were not allowed to have as many boats as they had and were happy that we created a way to get them back inside. Other members not affected by the rules said they were happy to see a decrease in 'corruption'. We've collect a lot of feedback on this change, and will continue to monitor to ensure that the changes made improve the sailing experience for members.

Overall, we are making progress towards to reviving Water Rats as a community of sailors. We are in a much better position to address issues and we've made some changes to improve member's sailing experience. There is still a ways to go though, and we need to be creative and try new things. I'm very hopeful that in the near future Water Rats will have an active and vibrant sailing experience.

**Party Rat**

Party Rat: Held 2 BBQ with lots of volunteers. Planning a January Holiday Party if enough interest.

Not Running for next year, though there is interest from