



Rascal Inc

Spring Newsletter
October 2006

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Karels T-Bar to Dead Horse Gap - Aug 06

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From the President

UPDATE ON LODGE FIRE SAFETY AUDIT.

Please read this article as the Rascal Committee would like your feedback. Should we do the minimum work required to comply with the fire safety audit or should we adopt a more radical approach and look at a new lodge? Here's your chance to have your say.

In late September 2005 the lodge was subjected to a Council inspection. The inspection was for two purposes: building compliance with lodged plans and fire safety compliance with current NSW regulations. The written report relating to fire safety was received in November 2005, and requires that RASCAL demonstrate compliance with a list of 15 items. Initially we sought assistance from TT Architects and Chubb and subsequently from AE&D (Active Environmental and Development Pty Ltd). The initial assessment was that for some items we already comply, others will require some work that is relatively minor, and others could require major work. This work could involve substantial expenditure. The construction of the lodge as a three storey building presents additional compliance issues compared with two storey buildings.

Rascal has identified three broad options in relation to how we could tackle the Lodge.

Option 1.

Undertake the minimum amount of work necessary to achieve compliance with the SRSC list of requirements. This includes the work to be done by Chubb and the work identified by AE&D, particularly the installation of sprinklers.

This would leave the lodge with no improvements to its current amenities.

A list of requirements for the lodge that would need to be done in years to come in a progressive manner includes the following:

- Dealing with the heat issues upstairs in the summer by some sort of insulation in roof and walls,
- A longer term solution would be to replace the roof with the addition of an extended lounge over the patio,
- Waterproofing in the showers,
- Improvements to water pipes, plumbing and relocation of hot water tanks from the games room to outside the lodge,
- New floor coverings on lower two floors,
- Replace the deteriorating timber bathroom windows,

- New heating system,
- Paint internal, external, and deck steelwork,
- Double glaze all windows to conserve energy,
- Replace upstairs sliding door onto patio,
- Provide full disabled access or self contained flat with living and disabled access ensuite.

Option 2.

Carry out major refurbishment/upgrades and improvements to the lodge, achieving compliance with the SRSC requirements, provide disability access, retaining major components of the existing building, with perhaps some extensions. Bank/member loans would be required to finance this work.

One approach would be to retain much of the existing structure, refurbish it (possibly gut the internals) and then restore the current footprint as budget accommodation much as it is now, with bunk rooms and shared bathrooms. The format of the beds could be varied in some rooms to provide doubles and singles. An extension could provide additional bed capacity with some ensuite rooms and disability facilities and a ramp access.

It would be preferable to:

Retain the deck

Retain the kitchen (or de-install and re-install)

Many of the items identified in Option 1 above will need to be undertaken, including:

- Insulation of roof and walls to help with summer heat
- Water pipes and drains
- Relocate hot water tanks
- Refurbish bathrooms
- Replace all timber windows in bedrooms and bathrooms - double glaze
- Do something about the games room
- Fit new carpets/floor coverings
- Provide enhanced/new drying room
- New central heating/ducting
- Rectify rising damp in besser block walls
- Paint interior and exterior including the steel deck

Some of the possible development items include:

Provide more car parking spaces (this is likely to be mandatory as spaces are related to bed capacity). One way to do this would be to retain the existing spaces, build a concrete platform above the current carpark to give direct access to the current top floor, and provide easier access from the road.

Remove some of the walls between bedrooms

Extend some/all existing bedrooms towards the lake (say ground floor, possibly second floor)

Extend lounge over the current paved patio

Build additional bedrooms/ensuites

Build facilities for disabled persons together with access

Option 3.

Bulldoze the existing lodge and build a new one.

The approximate size of the current building is 300sq metres (plus deck, car parking, barbeque area, landscaping etc). Rebuilding costs for a larger lodge of 400-500 sq metres could exceed \$1million based on building costs of \$2000 per sq metre.

Perhaps a two storey building with a bigger foot-print would be the way to go, to avoid issues of three storey buildings.

This would be a major project taking up to 3 years from the start of planning to completion and occupation.

Rascal does in fact own two blocks of land; the existing lodge straddles the blocks. Sale of one block of land would raise money to defray building costs, Rascal would end up with a new lodge on one of its current blocks. Other sources of money could include bank loan, member loans/debentures and recruiting new members, say 100 over a three year period with an increase in the joining fee to say, \$1000. There a couple of scenarios:

Scenario	Current cash reserve	New members 100@\$1000	Sale of block	Bank loan	Member equity	Total
1. Sell one block	\$150k	\$100k	\$350k	\$400k	0	\$1m
2. Retain both blocks	\$150k	\$100k	0	\$400k	\$350k	\$1m

The repayments on a bank loan of \$400k at 7.5% over 20 years are approximately \$40k per annum. Rascal's current surplus per annum is approximately \$30k, so with

increased income from new members, adjusted annual subscriptions and accommodation rates, then Rascal would be able to service such a loan.

(by way of comparison, repayments on other loans are as follows:)

Loan @ 7.5%	Repayments over 20 years	Repayments over 30 years
\$500k	\$48k pa	\$42k pa
\$400k	\$38.4k pa	\$33.6k pa
\$300k	\$28.8k pa	\$25.2k pa

In the case where Rascal retains both blocks, member equity of \$350k is necessary as Rascal could not service a loan of \$750k. Approximately \$1000 per adult member per 350 members would generate \$350k. It would be possible to pay off the bank loan of \$400k over the next 20years, then re-borrow \$350k from the bank to pay back members, and then pay off the second bank loan over the following 20 years. Consideration would need to be given to whether the member loans attract interest, at what rate and what kind eg cash or "in-kind" by way of accommodation credits.

It has been suggested that re-incorporation of Rascal into an "equity-based" organisation could be worth investigating to assist in encouraging members to make cash contributions. In this case, should a member leave the club, then they would be able to realise (some of) their equity.

There are, no doubt, numerous variations on these options.

So, where are we at?

The lodge has had a second visit in September 2006 from the Snowy River Shire Council to assess our progress towards complying with the audit.

At that meeting, we were advised that the SRSC expects to see substantial compliance with the audit requirements before winter 2007, otherwise they will issue us with an order to close the lodge.

Chubb has been asked to carry out work to upgrade signage. The alarm system is now connected to the Jindabyne fire station via a dedicated telephone line.

We have received the report from AE&D with advice on how the lodge meets/doesn't meet the Building Code of Australia standards and recommendations for methods of compliance.

The AE&D report has been sent to the SRSC for their assessment.

Essentially the AE&D report recommends:

- the installation of a sprinkler system,
- upgrades to the smoke/fire detection system,
- installation of new doors to most/all rooms and exits together with dampers should we retain the grills associated with the heating system.

Ball-park estimates to do this work are in the order of \$150,000.
Rascal could (just) fund this work from accumulated cash reserves.
We are now getting quotes from potential suppliers of the required services.
The Committee's view is that should quotes be less than \$150,000 the we should go ahead with the work.

If quotes exceed this figure, then we should look at the other options.

What do you think we should do?

Time is not on our side as we face being closed next winter should we not be substantially compliant beforehand. With a good deal of effort we could achieve compliance by winter 2007, but we could not rebuild in that timeframe.

Here's your chance - let us know what you think.

Richard Emerton, President



Angela Cornell at Mt Hutt NZ - September 2006

Lodge Manager Report

Dear members,

Urgent repairs to the lodge electric heating elements have been carried out at the beginning of the ski season and further follow up maintenance completed in September.

Termites have been discovered in the lower level skirting boards in August. Damaged boards have been removed and pest consultants are providing advice. We have had a pest inspection 11 months previous that did not detect termites, moisture or mould. Initial reports are that termites will not reach the top floor which is largely timber including structural.

The October working bee will, along with other tasks, remove wood that could be hosting termites in the grounds such as untreated sleeper steps and stumps, on the pest controller's recommendation.

The Committee has decided that the master switch in the outside meter box of the lodge will remain on all year.

The central heating switch in the meter box will be operated by members as required and switched off when the lodge is vacated.

The water heaters in the games room cupboard will both remain on with their inlet taps open all year.

This decision was made to minimise confusion, prevent damage to water heaters and ensure mains power is on to the fire panel.

The Fire system is now connected to the Fire Brigade and Jindabyne Fire Station.

We have occupancy most weeks of the year and the previous system was complicated and **not saving us money**. A new sign will be displayed to remind members to leave the mains power on.

Some lodge improvements are delayed pending resolution of the fire engineering problems and the committees determination of the direction forward.

Michael Stomps
Lodge manager