

October 17, 2023

Marina Info

Purchased the Marina on December 13, 2013.

The purchase price was \$200,000 – SRA borrowed \$150,000 and \$50,000 came out of the reserve/operating account.

At that time there were approximately 30 slips for rent. Now there are approximately 70 slips. Lease rate of available slips was barely over 60% in the beginning. Now they are 100% with a waiting list to get a slip.

With the purchase of the Marina, we were to have a maximum of 100 slips with the reserve right for Oak Island to acquire 10 of those 100 slips. Oak Island is now called Belle Island.

All improvements such as the Pavilion, tennis courts, bacha ball, pickle ball courts, basketball courts, shuffleboard, playground equipment, were all made mostly through donations and volunteers to do the work.

Since SRA owns the Marina, all 127 units have rights to the Marina and has been recorded on their property deeds making your property worth more than without it. All other units in the associations in Saddle Ridge must buy an easement to use the Marina. The cost used to be \$1500 but now is \$2000.

Between the time the Marina was bought, and a separate entity and Board and lease agreement was established, December 31, 2017, SRA was paying for the taxes, insurance, loan to BWD and operating expenses for the Marina. To better manage the Marina, software was purchased, and finances were handled by volunteers. This separation prevented intermingling with SRA finances and saved account fees.

SRA board met with Jesse Spankowski to set up a lease arrangement for the Marina to be run by individuals with an interest in boating and recreation, but also had business experience. The Marina was set up as Saddle Ridge Marina, Inc. We wanted to make sure it was a good investment and could operate on its own.

Since then, Marina has been paying for the loan payment at the bank, their taxes, and repaying the loan for operating cash to get started with. They also have paid for additional docks and their insurance. They are pretty much self-supporting. One of the big expenses this last year was the new shoreline.

The previous treasurer went through the books of that period between December 2013 and December 2017 to get a starting figure for what SRA had really put into the operating of the Marina. Both the President of SRA, Robert Moss, and the President of SRM, Tom Benson agreed on the figure that was owed to SRA, which was \$57,618. This has been being paid back to SRA starting with the lease payment on January 1, 2018. There is no signed promissory note or loan papers, only the word of these two gentlemen. As of this writing, October 17, 2023, the Marina owes us \$28,359. The loan at the BWD for the original loan of \$150,000, balance as of this date is \$37,875.71.

Due to more traffic in and out of the Marina, the road needs to be replaced. That is an expense that needs to happen now not later. The slips are going to be raised this next year from \$725 for owners, to \$800 and from \$900 to \$1000 for non-owners. According to DNR for Swan Lake, the Marina must have 10% public slip rental. Right now, they have about 20%. So, they are in compliance.

SRM came to us, SRA, to ask for a loan to help with the new road. We went to the bank and asked about adding \$50,000 to the existing loan and that would change our rate from 4.25% to 6.78%. That is quite a bit of money to be throwing down the drain. So, since we have extra in our operating account, due to not being able to get contractors scheduled to do work this year, SRA is going to loan SRM \$50,000. That will not only help them out, which is us since we own it, it will save us an extra 2.5% interest. This will in no way affect us by not doing the work that needs to be done on our own association projects next year. We do have a promissory note in place signed by all SRM board members and SRA board members.

Respectfully submitted,

Joy Smith
SRA Treasurer