

Minutes – KTC Executive Meeting

October 30th, 2018 @ 7pm

Location: Douglas Library, Queen's University

In attendance: Chloe Wilson, Mike Bartlett, Dave Stocks, Gill Turnbull, Bud Nelson, Paula Loh, Taco Meuter, Doug Bowie, Bob Goddard

Guests: Mike Preston (Capital project designer), Dora Nomikos and Scott McNeely (Capital project committee)

Regrets: Viki Andrevska, Nerrissa Mulligan

1) Capital Project

a) Mike Preston and the **capital project committee** gave a presentation of the current state of the project with detailed drawings. Several changes have been made as a result of input and discussions by the committee to enhance the functionality of the building. The board thanked Mike and the committee for the presentation. **Attached is the Capital Project committee report – Appendix A**

b) Renovation Committee update.

There was much discussion on where to go next. Bill Anglin has been asked to quote on the cost to provide a quote to the clubhouse renovation/rebuild but was unable to provide information to the board for this meeting due to illness. Chloe will pursue this with him and Jason Emery-Groen. The cost to date is \$5000 to Jason.

Motion: Chloe moved to approve up to \$2000 in total for Bill's portion of the cost estimate for a club reno and Jason's new build. Seconded by Taco

Motion carried

The Information regarding the reno/rebuild needs to be clarified before it can be taken to the members. There are many unknowns at this time. Chloe is interested in presenting a concept to the members at the AGM for further investigation. The quote from Bill Anglin will determine if this avenue is worth pursuing.

2) Minutes

The minutes from 26th September were approved. These will be sent to Nerissa Mulligan for posting to the website.

The minutes from 23rd October were further amended with regards to the eligibility section and approved:

Eligibility of candidates. While the by-law is unclear, the board agreed to allow Paula Loh and Dave Stocks to proceed with their candidacy. Nominations close on the 22nd November (7 days before the AGM). Nominations to be posted at least 14 days prior to the AGM

3) **Treasurer's report - see Appendix B**

Taco presented the report and there were several questions regarding steward and camp wages and capital expenses. Paula requested more information on the breakdown of the hours the stewards and camp staff worked. Taco to send out the finalised audited statements to the board for approval before the AGM.

4) **Finance Committee Update**

Taco presented a cost analysis table. Different scenarios were discussed as to some of the variables.

5) **AGM Logistics**

- a) Bill Cannon was asked to chair the AGM but is unavailable so **Chloe** will chair the meeting.
- b) Nominating committee update - see **Appendix C**
- c) Candidate info – there was some discussion on information provided by the candidates for the election. It was decided that a written submission limited to 150 words could be distributed (for those candidates that wished to) prior to the AGM. Each candidate would also be allowed to speak at the meeting.
- d) Receipt of 2017 AGM Minutes - This is a formality to receive the minutes but there may be some questions. The AGM minutes were distributed to the members on January 19, 2018 with feedback requested by February 6, 2018.
- e) Approval of the agenda – see **Appendix D**
- f) **Target date for sending Annual Report - November 15th. Reports for inclusion to be submitted to Chloe by November 10th**
- g) AGM refreshments – Gill will take care of.
- h) Ballot format/printing – Chloe will take care of.
- i) **Proxy Submittal deadline – To be submitted to Viki by 5pm on November 28th**

6) **Other business**

Paula raised the topic of communicating with the members regarding the status of the capital project. The board voted to send the following email:

Update on the Capital Project

The board has not been able to reach a consensus on the capital project. Please provide helpful feedback to board members when you see them, send comments to the club's general email account ktc@kingstontennisclub.com , and be sure to attend the Annual General Meeting on Thursday, November 29th at 6:30PM to have your voice heard and to participate in the election of the next board.

7) **Meeting adjourned at 10.30pm**

Appendix A

Report by the Capital Project (CP) Committee to the KTC Board

October 30, 2018

Members: Paula Loh (Chair), Scott McNeely, Mark Nelligan, Dora Nomikos

1. COURT SURFACE OPTIONS

Paula explored the option of installing and maintaining clay courts with court contractor Chris Smith. He discourages the installation of clay courts, calling them the expensive "Cadillac" of tennis courts. He recommends a rubber cushion surface as a viable alternative to provide some cushioning underfoot in combination with the easy upkeep and maintenance/utility savings of hard courts. A rubber surface is applied on top of an asphalt base, the same base as you would for conventional hard courts, which is then painted. The paint lasts 7-10 years and the cushion lasts 20 years before it needs significant repair.

It is recommended that we explore the opportunity to apply a rubber cushion surface when rebuilding the courts. The cost is approximately \$13,000 extra per court to upgrade to the rubber cushion surface. The additional cost is relatively small compared to the long-term benefit to players' joints and extending their years of playing tennis.

Applying a rubber cushion surface works best on a stable base. Chris Smith has provided his opinion that the heaving of the four-part concrete slabs will likely necessitate repairs of the rubber every 2-3 years, at a cost of \$2-4K each time, depending on severity. He stands by his original recommendation to remove the concrete slabs, regardless of the final surface applied.

2. LIST OF CAPITAL PROJECT INVOICES PAID TO DATE [document submitted]

Total payments from 2013 to July 28, 2018 total \$64,882.76. We received a corporate donation of \$9,238.39 from Eric Davies and John Armitage to pay for Forefront Engineering fees from 2013-2015. The total spent by the club is \$55,644.37.

Fees for audits/reviews have not been included in this list. The club began doing audits because Infrastructure Ontario requires five years of audited/reviewed statements with any loan application. However, audited statements are required by the Ontario Corporations Act for corporations with annual revenues > \$100,000 (and is also a good business practice) – we should have been doing them all along, regardless of any future financing applications.

3. 2019 Capital Project Budget as of September 30, 2018 [document submitted]

Costing includes project management and a 12% contingency on costs. Costs for all options have been included, such as site drainage, removal of concrete pads, and installation of a rubber cushion surface.

These figures are estimates based on quotes supplied from 2015 onwards from different sources. We will not have an accurate project cost until the clubhouse design is finalized, infrastructure specs are finalized, and the project is put out to general contractors for tender.

Pre-development studies and soft costs	\$ 72,815
Clubhouse construction costs	592,600
Infrastructure costs	867,693
TOTAL	\$1,596,780

4. CLUBHOUSE DESIGN

On September 27, 2018 Paula and Scott met with Mike Preston to discuss the preliminary one-storey clubhouse layout. We reviewed the items noted on page 3 of the CP Committee Report of August 29, 2018. Scott presented a re-worked layout with some ideas to relocate/reallocate uses of the space. Mike had previously mentioned that he had other commitments and could not begin work on revising the drawings for a couple of weeks.

On October 23, 2018 all committee members attended a follow-up meeting with Mike Preston to review the next iteration of the clubhouse design.

Amendments/features incorporated:

- Exterior staircase for basement access at north-east corner
- Utility Room relocated to basement
- Storage room for Court Supplies located at north-east corner
- Exit at south end reduced from double door to single door
- Covered patio at south end extended eastwards to full width of building
- Hip roof incorporated into south end of building
- Two 12-seater picnic tables included on approximately half of covered patio
- Wall of cubbies for junior campers installed outside Office wall near south exit door
- Exterior storage along the south wall adjacent to Napier Street reorganized to move Garbage/Recycling away from the covered patio
- Kitchen serves multi-purpose as “Camp Office & Kitchen”
- Donor wall and trophy case along interior wall leading from main entrance to east door
- Flatscreen TV mounted high in south-east corner of lounge

Following discussions of October 23, further revisions were incorporated in the design:

- A hip roof was added to the north end of the building
- Bicycle rack installed beside window of service counter
- Include the option for after-hours access to showers/changerooms, in addition to after-hours access to the universal washroom. The design now includes a corridor that can provide access only to the universal washroom (a lockable door separates it from the showers/changerooms) or access to both areas.

A sliding door secures the major areas of the clubhouse (lounge, service counter, office) whenever after-hours access to the showers/changerooms is provided.

On October 26, 2018 the committee received the current iteration of the design for review. To be presented at the October 30, 2018 board meeting.

As noted on the floor plan:

TOTAL FLOOR AREA - 2146 SQ. FT.

OPEN PATIO AREA- 734 SQ. FT.

COVERED PATIO AREA- 566 SQ. FT.

TOTAL PATIO AREA- 1300 SQ. FT.

Invoices Paid To Date (net of HST)

Supplier	Description	Date	Net
Sue Bazeley	Stage 1 Archaeological Assessment	Oct 15 2013	\$ 2,857.00
Les Higginson	Property Survey	Apr 23 2014	3,000.00 *
Mike Preston	KTC Design Presentation Retainer	Apr 29 2014	1,250.00
Mike Preston	KTC Design Presentation Final	May 26 2014	1,250.00
Shahriar Izadi	KTC Design Presentation Retainer	Apr 29 2014	1,250.00
Shahriar Izadi	KTC Design Presentation Final	May 26 2014	1,250.00
Mike Preston	Design - Initial Retainer	Oct 21 2014	5,000.00
ASC Environmental	Phase 1 Environmental Site Assessment	Mar 12 2015	1,800.00
Mike Preston	Design - Concept Approval	Jun 26 2015	10,000.00
Mike Preston	Design - Interim Payment	Oct 25 2015	5,000.00
Mike Preston	Design - Fee + disbursements	Oct 25 2015	606.78
Fotenn	Planning Consultant for Minor Variance	Nov 17 2015	2,171.26
City of Kingston	Minor Variance Application	Nov 2015	2,034.90
Ken Dantzer	Architectural Renderings for Presentation	Nov 13 2015	2,000.00
ASC Environmental	Designated Substance Survey Report	Nov 19 2015	3,000.00
Forefront Engineering	Doug Prinsen, Civil Engineer	2013-2015	9,238.39 #
Mike Preston	Design - Final Payment for 2015 Design	Apr 24 2016	3,500.00
Forefront Engineering	Site Plan revision for Ontario150 grant	Aug 27 2016	295.75
Forefront Engineering	Site Plan revision for Ontario150 grant	Sep 30 2016	422.50
Mike Preston	Design - One-Storey Initial Design	Jun 26 2017	2,400.00
Forefront Engineering	Site Plan update, Bill Anglin meetings	Oct 28 2017	1,287.50
Forefront Engineering	Drainage plan; pre-consultation with City	Jul 28 2018	5,268.68
TOTAL, including contra/donation values			\$ 64,882.76
Less: Corporate donation by Eric Davies & John Armitage			<u>9,238.39</u>
TOTAL SPENT BY THE CLUB			<u>\$ 55,644.37</u>

* Les Higginson survey contra payment of 6 years' Couples membership, 2014 to 2019

Forefront Engineering fees donated by Eric Davies' & John Armitage's company, 2013-2015

PENDING EXPENSES

Mike Preston	2018 Contract Retainer	5,000.00
HDR Architects	Preliminary Designs for Renovation/Rebuild options	5,000.00

BUDGET FOR 2019 KTC CAPITAL PROJECT - as of September 30, 2018

Note: All figures exclude HST All Funds in Cdn. \$

	BUDGETED AMOUNT	ACTUAL COST TO DATE	COST TO COMPLETE
PRE-DEVELOPMENT STUDIES & SOFT COSTS			
Designer & Architect - Preston & Wilson	\$19,000	\$0	\$19,000
Structural/Mechanical/Electrical Drawings	6,000	0	6,000
Civil Engineering - Forefront Engineering	15,000	6,556	8,444
Geo-Technical Study - ASC Environmental (2015 quote)	6,200	0	6,200
City of Kingston - Site Plan Application Fee	4,801	0	4,801
City of Kingston - Development Charges & Impost Fees	4,695	0	4,695
City of Kingston - Building Permit Fees	5,462	0	5,462
City of Kingston - Fees to Relocate/Connect Utility Services (Sewer, Water, Gas, Electrical)	689	0	689
Independent Quantity Surveyor (required by Lender)	5,000	0	5,000
Legal Fees incl. Registration of Mortgage for Loan	1,500	0	1,500
Interior Designer (flooring & colour selections)	1,000	0	1,000
Sub-Total	\$69,347	\$6,556	\$62,791
5% Contingency	\$3,467	\$0	\$3,467
Sub-Total Soft Costs	\$72,815	\$6,556	\$66,259
CLUBHOUSE CONSTRUCTION COSTS			
Project Management Overhead & Fees	\$62,000		
General Costs (Consultants, Inspection, Rentals)	15,400		
Site Work (Site Servicing, Landscaping, Asphalt Reinstatement)	62,000		
Demolition & Disposal of Existing Clubhouse	27,000		
Concrete (footings, frost walls, interior slab)	66,300		
Masonry (stone front elevation)	14,000		
Metals	2,200		
Carpentry	92,500		
Thermal	100,000		
Doors/Windows	33,500		
Finishes	47,400		
Specialties	4,300		
Mechanical (Plumbing & HVAC)	30,000		
Electrical	36,000		
Furniture - Indoor & Outdoor			
Equipment (Food & Beverage, TV, Sound System)			
Sub-Total	\$592,600		
12% Contingency applied to all costs except project management	63,672		
Sub-Total Clubhouse Hard Costs	\$656,272		

INFRASTRUCTURE COSTS			
Project Management Overhead & Fees	\$71,000		
General Costs (Inspection, Surveying, Rentals)	14,300		
Site Work (Excavation & Landfill, Fencing, Build/Rebuild 5 Courts, Remove Concrete Slabs)	272,540		
Sub & Surface Drainage for Courts 2 & 3 and Hill Street Sewer Connection	95,750		
Sub & Surface Drainage for Courts 1, 7 & 8 - estimate	40,000		
Sub Drainage for Clubhouse & Lawn area - estimate	5,000		
Seal & Paint 5 Courts	45,000		
Additional cost to apply Rubber Cushion Surface to 5 Courts	67,000		
Net Posts & Nets for 5 Courts	6,000		
Back Board on Court 7 - Rally Master 10' x 24'	10,262		
Court Dividers (Netting) for Courts 1, 7 & 8	2,406		
3 Court Benches with Canopy/Shade Cover	3,750		
2 Court Benches without Canopy	1,400		
Portable Bleacher - 3 rows x 15' long	1,625		
Concrete (exterior slab for patio)	54,000		
Thermal (Hardie Panel storage enclosures)	25,000		
Electrical - Lighting for Courts 2 & 3	79,300		
Sub-Total	\$794,333		
12% Contingency applied to all costs except project management & court sealing/surfacing	73,360		
Sub-Total Infrastructure Costs	\$867,693		
TOTAL: Soft Costs / Clubhouse / Infrastructure (A)	\$1,596,780		
FINANCING			
(20% Minimum Contribution to Project Cost Required by Lender)			
20% of Project Cost Cash Contribution Required	\$319,356		
Less: Contribution To Date	6,556		
Balance of 20% Contribution Remaining (B)	\$312,800		
Capital Funds			
Cash Balance as of Sep 30, 2017	\$383,497		
Plus: Projected Surplus from 2018 & 2019 Seasons	170,000		
Projected Cash Balance as of Sep 30, 2019 (C)	\$553,497		
Projected Cash Surplus in excess of lender's required 20% Contribution (C) - (B)	\$240,697		
Balance Required through Loan + Fundraising (A) - (C)	\$1,043,283		

NOTES

1. Refundable Security Deposit to City to be posted prior to starting construction - amount TBC (previous estimate was \$30,000)
2. Budget is based on 2017 preliminary design for 2,175 square foot one-storey clubhouse
3. Major features include: site drainage, removal of concrete slabs, construction of eighth court, installation of lights on Courts 2 & 3, application of rubber cushion surface.
4. Costs are estimates for budget purposes and not firm quotes
5. A budget cost of \$1,366,593 was presented at 2017 AGM. Maximum loan of \$800,000 approved by the membership; balance of estimated cost of \$183,099 dependent upon fundraising success.
6. If all work proposed above is part of final project, additional funds of \$243,283 are required, based on projections of capital funds to September 30, 2019 and a loan of \$800,000

Appendix B

Treasurer's Report October 23, 2018

Operating Budget *(Statement on page 2.)*

2018 Collection of **Revenues:** \$233,419 (2017: \$246,750). Revenues are down 5.4%, mainly because of lower full time camp revenues, and gross lesson revenues. Membership revenues did increase, a bit more than expected (\$120K vs \$118K).

Cash Position: Cash flow to the end of September is \$65,222, down from last year as a result of lower income from camps and non-budgeted capital expenditures. Cash at the end of September is \$454K.

Members: Total 511: Adult 176, Student&Jr 58, Couple 136, Family 141. Total Membership Revenues this year was \$120,205 (budget: \$119,500; 2017: \$117,841).

Camps: The Tennis Camps brought in \$73K, down 15% (2017: \$85K). Net revenue is also less than budgeted originally: \$28K compared to \$41K last year. This is due in part also to slightly less than budgeted, but still substantially higher wages compared to last year (\$39K vs \$32.5K).

Lessons: Revenue from lessons are below last year's: \$19K vs \$25K. Net lesson revenue is also less than budgeted: \$5,200 vs budgeted \$7,000 (2017: \$7,900). In the draft budget net revenues still show as \$8,9K, but this does not recognize \$3.7K in final payments due to the pro, for which the invoice came in October. These payments are recognized in the bottom line and EBITDA.

Shared Costs: Lower than expected software expenses, steward wages and utility costs, as well as higher interest income on GIC's reduced net shared costs by \$6K (\$7K compared to the budget).

Take Away: This was a year of difficult headwinds such as the large increase in the minimum wage that affected both our own cost base and the discretionary cash available to young families, our traditional camp customers. At the same time, we did not have a continuous offering of lessons and that also impacted the bottom line. Our net income declined from \$103K in 2017 to \$88K. Nevertheless, we managed to turn around several years of declining membership, and we engineered a substantial increase of 86% in our interest income by moving into longer-term assets.

Kingston Tennis Club					
2018 OPERATING BUDGET					
		YTD Actual	2018 Budget	2017 Actual	2016 Actual
		Oct-Sep 2018			
MEMBERS & GENERAL REVENUES					
	Fees	120,205	119,500	117,841	121,229
	Lessons - net - less \$3680	8,904	7,000	7,858	7,609
	Guest fees	2,415	3,300	3,610	3,023
	Donations	3,204	2,200	2,956	1,603
	Clubhouse Sales - net + \$5.50	(642)	300	(98)	1,032
	Socials and Tournaments - net	1,007	200	68	198
	Parking revenue - net	39	0	(304)	296
	HST	(12,049)	(12,000)	(11,697)	(12,289)
	CONTRIBUTION, MEMBERS & GENERAL	119,409	120,500	120,234	122,701
JUNIOR CAMPS					
	Revenue	72,836	85,900	84,980	79,774
	Supplies	(5,790)	(5,200)	(3,519)	(6,379)
	Try, Learn, Play (2017 Wages)	0			
	Wages	(38,743)	(40,100)	(32,575)	(32,419)
	CONTRIBUTION, JUNIOR CAMPS	28,302	40,600	48,887	40,976
SHARED COSTS					
	Advertising	(860)	(700)	(865)	(545)
	Amortization ***** not yet calculated	(3,000)	(2,900)	(2,515)	(2,763)
	Bank Charges	(1,411)	(1,300)	(1,296)	(6,096)
	Bookkeeper	(5,075)	(5,100)	(4,425)	0
	Insurance	(1,870)	(1,800)	(2,024)	(2,264)
	Interest Income	6,709	4,800	3,596	1,066
	Office Supplies	(1,165)	(1,500)	(1,304)	(1,938)
	OTA Fees	(1,545)	(1,500)	(1,545)	(1,545)
	Professional Fees	(3,310)	(3,500)	(3,192)	(5,180)
	Property Tax	(12,506)	(12,400)	(11,542)	(9,716)
	Repairs & Maintenance	(5,125)	(5,000)	(4,491)	(11,418)
	Software expense	(2,410)	(4,300)	(4,047)	(4,521)
	Steward Wages	(24,619)	(27,400)	(28,021)	(29,153)
	Transportation	(241)	(200)	(188)	(223)
	Utilities & Communication	(3,396)	(4,200)	(4,214)	(4,051)
	TOTAL, SHARED COSTS	(59,823)	(67,000)	(66,072)	(78,347)
	REVENUE less EXPENDITURES - RECURRING	87,887	94,100	103,049	85,330
	HST Recovery - non recurring	0	0	0	32,097
	REVENUE less EXPENDITURES	87,887	94,100	103,049	117,427
	ADD: Amortization *****	3,000	2,900	2,515	2,763
	EBITDA	90,887	97,000	105,564	120,190
	LESS: Capital Spending	(23,483)	(15,300)		(14,573)
	Increase in Working Capital ***** adjusted	(2,183)	0		(5,523)
	Cash Flow after Working Capital Changes	65,222	81,700	105,564	100,094
CASH:					
	Beginning, Total cash and cash equivalents	389,073	389,073	283,509	183,392
	Ending, Total cash and cash equivalents	454,295	470,773	389,073	283,509

Appendix C

Report of the Nominating Committee

October 30, 2018

Members: Paula Loh (Chair), Sunil Chaudhry, Nerissa Mulligan

The nominating committee held two meetings. At its second meeting of October 16, 2018 the list of nominees was reviewed and the decision made that the committee would submit all nominees to the board. Nominees are listed by position in alphabetical order. We continue to seek a person(s) to run for the position of Secretary.

The incoming board is to be comprised of a minimum of 5 and a maximum of 12 persons. These totals include the position of Past President, which is a non-elected position.

Nominations for the Executive Committee

President – Paula Loh, Chloe Wilson

Vice President – Dave Stocks

Treasurer – Mike Halinski, Taco Meuter

Secretary – Gill Turnbull

Nominations for Members-at-Large

(7 or 8 positions available, depending on outcome of election for President)

Viki Andrevska

Mike Bartlett

Julius Breza-Boski (nominated by Haley Woodford and Len Guttenberger)

Jean-Francois (JF) Duplessis

Hugh Geiger

Bob Goddard

Nerissa Mulligan

Bud Nelson

Appendix D



Agenda for the 2018 Annual General Meeting

Thursday, November 29, 2018 at 6:30pm
Ongwanada Resource Centre
191 Portsmouth Avenue

1. Call the Meeting to Order (5 min)
2. Receipt of the Minutes of the 2017 Annual General Meeting (5 minutes)
3. Treasurer's Report (10-15 minutes)
4. Finance Committee Report (10-15 minutes)
5. Appointment of Auditors (5 minutes)
6. Capital Project Committee Report (20 minutes)
7. President's Report (20 minutes)
8. Elections (20 minutes)
9. Other Business
10. Adjournment

Refreshments to follow