

**MINUTES - KTC Executive Meeting**  
**March 28, 2017 @ 7:00pm**  
Gill's home

**Present:** Viki Andrevska, Doug Bowie, Rick Donaldson, Paula Loh, Graham Lord, Jim Martin, Gill Turnbull, Chloe Wilson

**Absent:** Julius Breza-Boski, Sam Faris, Bud Nelson, Dave Stocks

1. **Meeting called to Order at 7:10pm**
2. **Review/approve minutes of meeting from Wednesday, February 15, 2017**  
Approved.
3. **New Member Outreach Committee – do we want to do it again? Who will coordinate it?**  
Positive feedback was received from the new members last year so we will continue to outreach. Paula will ask Bud if he would like to do it this year as part of the Membership Director role. [Note: Gill has since volunteered to be the coordinator.] The first social last year was well-attended and continues to be free for new members.
4. **Junior Open House – David Lea from OTA to attend; coordinator needed**  
David Lea has attended for two of the past three years and has agreed to do so this year. Viki will be the coordinator.
5. **Social Events – update**  
The cost for social events will be \$15/person. Gill will need a person to coordinate the activities for the first social. Gill will organize the food.  
Other social coordinators: June – Isabelle Pollock; July – TBC; August – Sunil Chaudhry & Lynne Hanson
6. **Hiring – update**  
The hiring committee (Dave, Rick and Julius) interviewed seven candidates over the past two Saturdays. The hiring committee is pleased to announce that Joshua Malm and Mallory Phillips have accepted offers to be stewards this summer. The hiring committee is still debating hiring one more steward who may work part time. They will advise the board once that person is in place. 88 hours are to be covered by the stewards (2016 in-season office hours were: Mon-Fri 7:30am-9:00pm; Sat, Sun, Holidays 8:00am-5:00pm). The stewards need to be actively supervised. We have a manual for the stewards that was compiled by Alma Thayer last year.
7. **Capital Project Report – Appendix A**  
We are waiting for the report from the Queen's Geological Engineering Students.  
Jim and Paula gave a summary. We need to sort out the financial part of the capital project.
8. **Treasurer's Report – Appendix B**

Collection methods this year are 70% e-transfer / 30 % cheque so far. Paula will turn the early-bird rates off after March 31, 2017. Chloe will send a reminder email on Wednesday, March 29.

Infrastructure Ontario (IO) – 4% lending rate. Jim would like to get more options from other financial institutions. The financial institutions would like to see the appraisal first to give their quote. Collateral finance was also discussed.

The assessed property tax was paid (as required) but Jim filed a “Request for Reconsideration” in February. The Ontario Government has 180 days (to Aug. 12) to respond in writing. KTC can then appeal if desired.

It was noted by Jim that not using the credit cards will slow down the process but e-Transfer is going better than anticipated.

## **9. Governance - by-law revisions**

The file with Queen’s Business Law Clinic was closed as of March 1. Discussion continues. Jim suggested that the proposed by-law be placed online for discussion so we can all see and respond to comments made. Alternate dates for the AGM were discussed, such as December or spring, but the Board decided to leave it as is in late-October. We will keep September 30 as our financial year-end.

Suggestion: 2-year term for Directors, with 2 terms x 2 years, max. If a member has been on the Board for four years then he/she will need at least a one-year break and then can run again. Approved.

**Motion: Graham moves that section 5.05 Election (from the latest draft governance by-law) include no nominations from the floor. Defeated.**

Section 11.03 Dissolution of the KTC - suggestion made to find a similar provision to be able to give the KTC's assets to another organization that is involved in tennis, instead of distributing proceeds to the members. Graham will look into this to present at the next meeting.

## **10. AGM for OTA is on April 8 – Paula and Jim to attend; approve travel expenses**

Travel expenses to attend the OTA's AGM were approved. Paula and Jim will report back after the meeting.

## **11. Next meeting date & location - Tuesday, Apr 25. Jim will host.**

## **12. Other Business**

Chloe will place two ads on Facebook for \$7/day per ad for both junior camp and membership, to run for two weeks.

Jim would like to regularly provide the Board with a full financial report before the meetings. Jim reported back to the Board that the bookkeeper is doing a good job.

Gill will research where to print t-shirts with KTC new logo (we used online company Acme last year).

Rick reported that several shingles have fallen from the roof and that two sections are in poor shape. Snow has melted from most courts. Doug and Rick will put up some nets this Saturday.

## **13. Adjournment at 9:47**

## **Appendix A**

### **Report on the Capital Project to the KTC Executive by Paula Loh March 28, 2017**

#### **Site Investigation by 4<sup>th</sup>-Year Queen's Geological Engineering Students**

The students made an initial site visit on February 10 and returned to conduct the survey on March 11 from 10:30am – 3:00pm on a very cold day. They covered all the grounds within the fences, taking readings on a grid pattern. Rick & Doug were in attendance. The students are due to present the report to their class and professor on March 28. We expect to hear from them and receive their report a few days later.

#### **Financing information from Infrastructure Ontario (IO)**

1. IO has reviewed the KTC appraisal (from September, 2013) and has provided the following comments:

Our current zoning is “Open Space 2”. The club’s property would have to be rezoned to allow residential development, which is expensive and takes time, with no guarantee that it would be approved.

The Rayner & Associates appraisal of \$2.2 million is based on residential development value (“best use”) and, due to the restricted land use of the current zoning, the value would be less. A new appraisal would need to be conducted by an IO certified appraiser.

In summary, an updated appraisal will be needed that is based on the actual “as is” or “as built” value. If we need to borrow funds in the \$1 million range, the loan-to-value may now be an issue; ie. the amount we are eligible to borrow would likely be less than \$1 million

As reported last month, the club could sustain a maximum loan of \$900K, based on an interest rate of 4% over a 25-year term, per Jim. IO now lends up to 60% of collateral value (it used to be 80%). The club’s only collateral is the land.

2. With regard to the option of obtaining financing from additional sources for further phases of the development, the following is an IO standard clause:

**Borrower Additional Indebtedness** – The Borrower shall not, without the Lender’s prior written consent, incur any additional indebtedness or guarantee or act as surety or agree to indemnify the debts of any other Person, except for indebtedness resulting from Permitted Liens and trade related expenses incurred in the ordinary course of business.

This does not preclude receiving additional loans from any lender, provided that any new financing is within the debt servicing and security parameters agreed to in the IO Financing Agreement. IO generally requires a 1<sup>st</sup> position to secure financing.

## Appendix B

### Treasurer's Report – Jim Martin

#### 1. Collection Progress

##### Comments:

- Collection revenue** this year to date (Mar. 25) is almost \$ 58 k (Column A) , ahead of the \$ 37 k collected last year to same date (B). But, online registration opened Mar. 15 last year and by Mar. 31 collection was \$ 64 k (C). For the comparable 25 days last year to April 8 (D),the early bird expiry, collections were about \$ 123 K. At early bird expiry last year 81 % of full year memberships and 28% of full year camp revenue was collected. The next 2 weeks in 2017 will be telling.
- Collection methods** were dominated by credit cards last year (85 %, Column D) and this year it is about 70% e-transfer / 30 % cheque so far.

|                               | A           | B           | C              | D            | E             |
|-------------------------------|-------------|-------------|----------------|--------------|---------------|
| <b>Revenue</b> \$ 000         | This Year   | _____       | Last Year_____ |              | Last Year     |
| As of                         | Mar. 25     | Mar. 25     | Mar. 31        | Apr. 8       | Annual Report |
| days online registration open | 25          | 11          | 17             | 25           | Reference     |
| early bird expiry             | Mar. 31     | Apr. 8      | Apr. 8         | Apr. 8       |               |
| Membership                    | 42.0        | 27.3        | 48.5           | 97.8         | 121.2         |
| Camps                         | 14.5        | 9.3         | 15.4           | 22.3         | 79.8          |
| Donations                     | .9          | .4          | .8             | 1.4          | 1.6           |
| Other                         | .4          | 0           | .2             | 1.3          | 20.6          |
| <b>Total</b>                  | <b>57.7</b> | <b>37.1</b> | <b>64.3</b>    | <b>122.7</b> | <b>223.2</b>  |

| <b>Collection Method</b> | <b>% Use</b>      | <b>(by \$)</b> |    |    |
|--------------------------|-------------------|----------------|----|----|
| E-transfer               | 68                | 5              | 3  | 5  |
| Cheque                   | 29                | 2              | 10 | 10 |
| C Card                   | 2.6 ( pre Mar. 1) | 93             | 87 | 85 |
| Cash                     | .2                |                |    |    |
| Debit                    | .2                |                |    |    |

Source: Jegysoft for A, B, C, D. Audited Annual Report for E.

## 2. Financing For Major Project II

Opened discussions in Feb & March 2017 with:

- Chartered Banks (RBC, TD, BMO, CIBC, BNS). These were considered in 2015, when Infrastructure Ontario (Ontario gov't corporation) became KTC's preferred lender.
- Credit Unions ( Kingston Community- KCCU, Kawartha, Alterna ) – new
- Federal Government lender( Business Development Corporation - BDC) - new
- Written proposals sought from banks, KCCU, BDC and Infrastructure Ontario.
- Compare alternatives –to examine features between institutions - negotiate
- Seek funds on best terms (explicit costs- interest, fees; Implicit costs - flexibility).
- Lenders want: KTC plan, budget, appraisal, security, return of principal & interest on time.

## 3. Property Tax

- While assessed property tax is being paid in full (as required) KTC filed a “Request for Reconsideration” Feb. 12, 2017.
- 45 Napier value rising much faster than residential trends in Kingston.
- Paid \$ 9.7 K in property tax 2016.
- 2016 Assessed value \$1,080 k ( Land \$ 966 k, Yardwork and Buildings \$ 115 k )
- Ont. Gov. has 180 days (to Aug. 12) to respond in writing. KTC can then appeal if desired.

## 4. Cash Position - Building Fund + Reserve

|           |         |         |               |                                      |
|-----------|---------|---------|---------------|--------------------------------------|
| RBC       | Cash    | 19.4 k  | no interest   | (transfer to Tangerine for interest) |
| Tangerine | Savings | 203.1   | 1.25 %        | Apr. 5                               |
| Tangerine | GIC     | 100.0   | 1.00 %        | Sept. 21                             |
|           | Total   | 322.5 k |               |                                      |
| Reference |         | 283.5 k | 2016 Year End | Sept. 30                             |