

MINUTES - KTC Executive Meeting

April 25, 2017 @ 7:00pm

Jim's home

In attendance: Doug Bowie, Rick Donaldson, Sam Faris, Paula Loh, Graham Lord, Jim Martin, Bud Nelson, David Stocks, Gill Turnbull, Chloe Wilson

Absent: Viki Andrevska, Julius Breza-Boski

1. Review/approve minutes of meeting from Tuesday, March 28, 2017

Approved.

2. Club Manager Committee – update

The committee has been meeting approximately monthly and developing a list of tasks that encompass the club activities. These tasks are each assigned to a staff or board role. The job is not done, but Chloe will send the list out as it stands to the board and members can give input where applicable.

3. Advertising – update on Facebook ads

-See Appendix A for report on Facebook ad campaign geared at raising club awareness in Kingston and promoting the junior camps.

4. Staffing & Pros – update

-Isaac Jones and Emile Flavin will both be called Club Pros, and their rates will be \$50 or \$55/hr. Paula is waiting for confirmation from them. [Note: Their rate has been set at \$50/hr]

-Jeff Elwood's rate will be \$65/hr.

-We have a policy of no more than 2 courts being used for teaching at once, and not more than 1 court during camps.

-Jeff will teach approximately 10 hours per week. His goal is to reach as many people as possible through group clinics rather than private lessons.

-Paula is hoping to have the coaches self-promote as they are contractors. They will be given Facebook access and have been encouraged to put up posters at the club.

Staffing

-Dave will not be the steward supervisor this year (will put his time towards camp supervision)

-Alma has offered to do this role (as a bridge to the club manager position). She would prefer it to be a paid position since she views it as a professional role but would likely consider doing it for a low rate or as a volunteer. If she volunteers she would scale back what she had outlined as a steward supervisor role last year.

-We would ask Alma to document her hours/role to help us develop the Club Manager role.

Motion (Paula): That Alma Thayer be approached to be the steward supervisor and she will coordinate their training and be responsible for their orientation and ongoing supervision.

Seconded (Bud)

Carried

-Alma will be asked to do the role as a volunteer position.

-We have hired Jack Rowlett as a part-time steward. We have two full-time and one part-time stewards.

5. Guest Fees – proposal by member, Donna Lounsbury; off-season policy

-See Appendix B for Donna's proposal.

-We currently limit guests to 3 times per season to prevent people from just playing as guests instead of purchasing a membership.

-Typically we have one or two people on the board who make decisions on these types of requests (guests, out of town, etc) on a case-by-case basis. We will continue with this.

Proposal to change guest fees as follows:

-Prior to the season, guest fees accumulate and must be paid within 1 week of official club opening date (ie. the office is staffed)

-We will delete the guest fees for those who have since joined as members.

-In-season, we will implement a 14-day grace period to pay for guest fees (Jegysoft locks the member's ability to access online court bookings after this time)

-We will encourage members to use Club Credit system for small purchases (carries over year to year). Camp parents can also use this for the canteen.

6. Queen's Tennis Club – proposal by member, Michael Stych

Move to defer to next meeting (Doug)

Carried

7. Report on the OTA's AGM, April 8, 2017

Next year is the OTA's 100 year anniversary. June, 2017, will be Tennis Day in Canada. Reminder that they have a resource area for clubs on their website that can be useful for board members.

-The OTA is planning to build a training centre in the GTA

-The OTA wants to produce more grand slam winners. The way to do this is to get more people playing tennis.

8. Donations & Bequests

- We received an enquiry from a member about if and how someone can include the KTC in their will. We will consider publicizing this option to the membership.
- We haven't been exploring donations since the capital project was postponed. Viki will put together a proposal for the next meeting on this. She believes it will be best done when we have a project to attach it to.

9. Capital Project – design by Mike Preston; timeframe; geological results; cost options

Drawings

- We reviewed a set of drawings provided by Michael Preston. The ground floor layout is shown in Appendix C.
- Question of whether storage is adequate for in-season storage (off-season entire clubhouse can be used for storage). Rick and Doug will assess storage needs for maintenance equipment.
- We'd like to see an elevation from the east side. Paula will ask Michael for this.

Geological Results

- The opinion of the students was that the concrete and rebar are in good shape on courts 2 and 3. Court 1 also quite stable. Courts 4, 5, 6 and 7 are more worn out. This isn't as precise as if they were actually drilling.
- Their opinion would be to keep the concrete on 2 and 3, but if we're trenching around these anyway we should try to improve drainage.
- The concrete pads are likely helpful since the courts stay level (unlike court 7)
- The problem isn't groundwater (water table), it's surface water that seeps in and freeze/thaws. The concrete pads are floating in clay soil. The clay soil absorbs water. The freeze/thaw cycle causes the concrete pads to tilt and shift like a raft which causes cracking at edges. So improving drainage can help.
- It will be a challenge to get uniform surface on 1, 7 and 8 since court 1 is on a concrete pad. But removing the pad on 1 is a big job, and we're not sure it would help anyway. Court 7 might be uneven because of a past water main leak and it's possible that we'll be able to build stable surfaces without the concrete pads (if we can instead prevent leaks).
- Consider adding drainage around 2 and 3, 1, 7, 8. We will give direction to civil engineer that we want to consider this.

Budget and Timing

- See Appendix D for project and timing options
- We believe we are in good position to do the project in the Fall of 2018. This would give us an opportunity to fundraise and to apply for a Trillium Grant.
- However it's also questionable that we'll get a Trillium Grant since the intake for grants is now only once a year and competition is high

-Some like the idea of doing option A – we could potentially do the court work (option A) this fall. But then we would need 3 years to build up enough equity to get a loan for next phase. So this would mean 3+ years with a portable clubhouse.

Motion (Paula): That we plan to begin construction on the capital project in the fall of 2018 to include the full proposal (option C in Jim’s Capital Project Options).

**Seconded (Gill)
Carried**

10. Treasurer’s Report – budget for 2017 season

See Appendix E for the Treasurer’s Report. Jim will go over specific areas with the relevant board members in individual meetings

11. Set next meeting date & location - Meeting on Tuesday, May 23. Graham will host.

12. Other Business

Rick believes the roof needs repairs as many shingles have blown off the east and west sides. We will wait and see if we get leaks and if so consider tarping at that point (cost would be approximately \$900).

High School Tournament Dates:

KASSAA May 9th

EOSSAA May 16th

13. Adjournment

Meeting adjourned at 10:00pm

Appendix A

Facebook Promotions Summary

1. Local Business Promotion – KTC

Cost: \$97.92

Duration: 2 Weeks (March 31 to April 14)

People Reached: 10,138

10,138
People Reached

31,230
Local Impressions

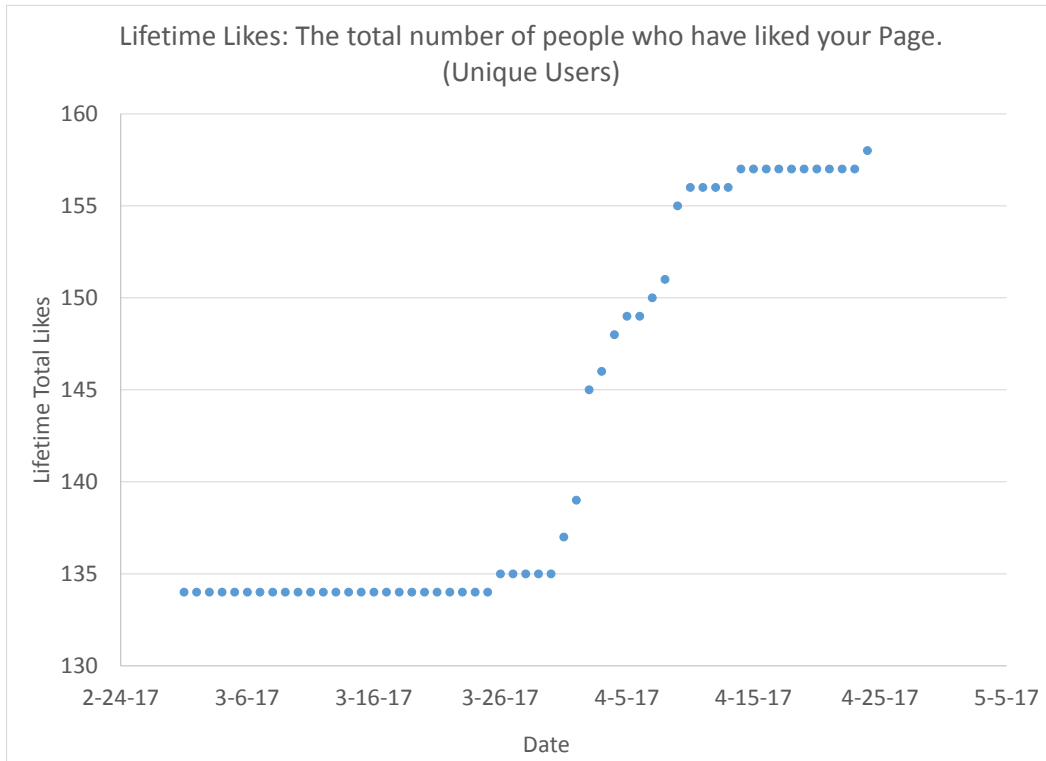
\$97.92
Total Spend [?]

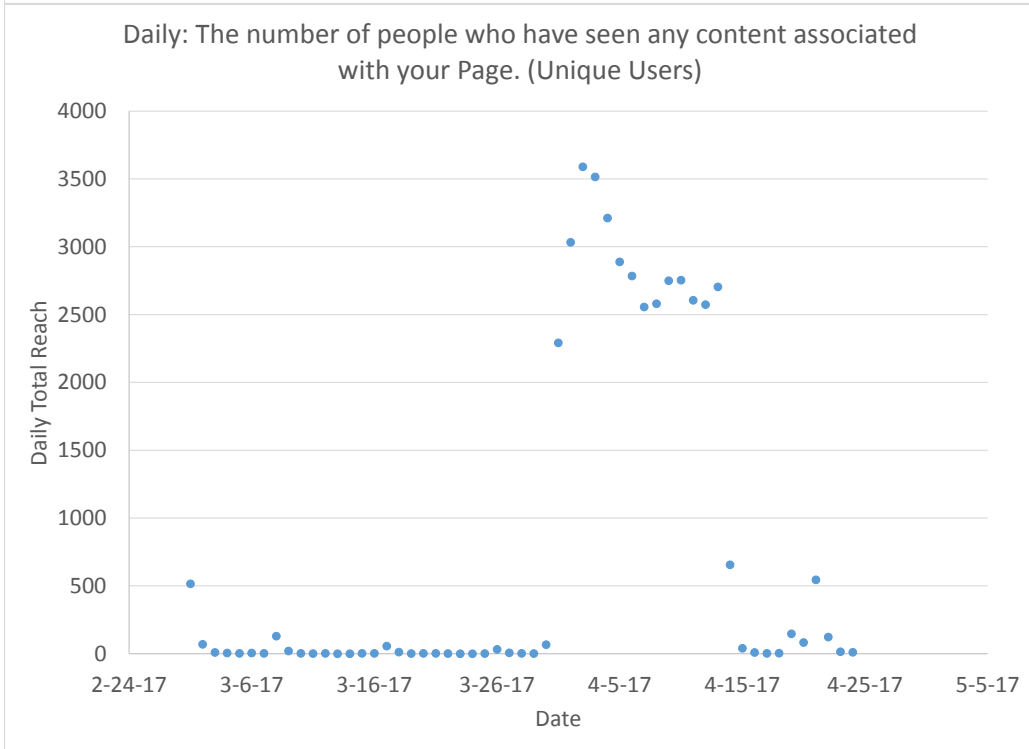
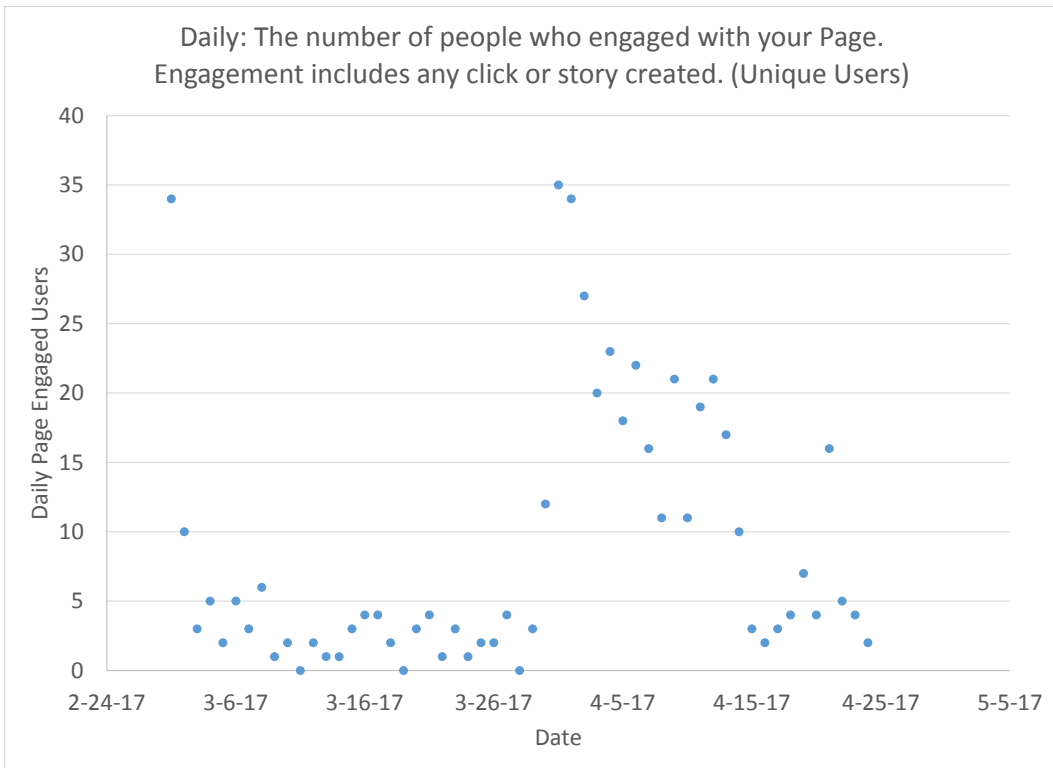
Actions | People

Link Clicks 32

Page Likes 4

Comments 2





Any Effect on Membership?

2017 Paid	2017 Pending	2017 Total (?)	2016
103.6	3	106.6	108.7

Total Paid and Pending in 2017 is down 2% compared to this time 2016 (if we count pending – I’m not sure how reliable an unpaid registration is)

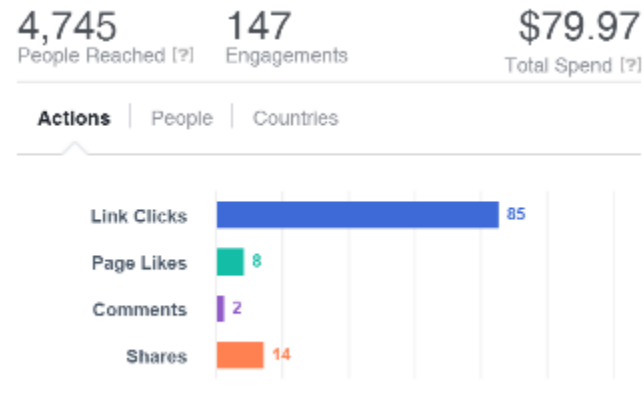
2. Boosted Post – Junior Camps

Cost: \$79.97

Duration: 2 Weeks (March 31 to April 14)

People Reached: 4,745

Post Engagements: 147



Any Effect on Camp Registration?

2017 Paid	2017 Pending	2017 Total (?)	2016
33.8	9.9	43.7	36.5

Total Paid and Pending in 2017 is up 20% compared to this time 2016 (if we count pending – I’m not sure how reliable an unpaid registration is)

Appendix B

Proposal to KTC Executive – Guest Fees

Current rates are \$15 per guest. For two guests playing a doubles match with two members, the cost is \$30. And if the guests are visiting for the weekend or long weekend (Easter, Victoria Day or Canada Day), the costs can easily mount to \$60 or even \$90 per weekend. This seems excessive for members who may have the same guests (say adult children who grew up playing at KTC) visiting two or three times a season. I expect what then happens is that members choose to circumvent the rules, and sign their guests up as other members who aren't playing that day. The club thus loses revenue. And members too feel annoyed that they are incentivized to side-step the rules because of high fees.

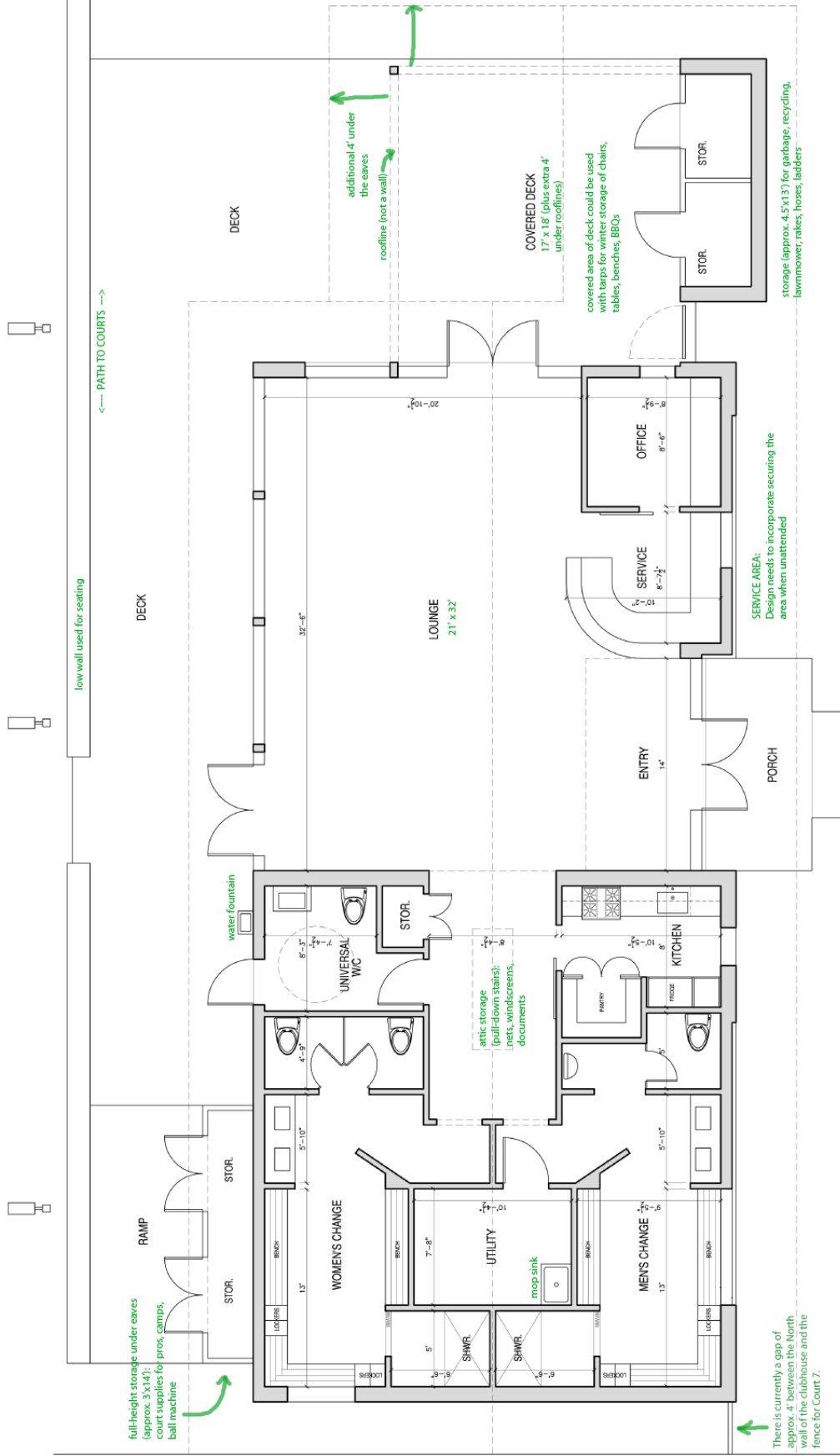
I propose that you keep in place your one-time guest rates (\$15 per guest), but also offer members a seasonal booklet of guest passes. For example, each member might be entitled to a five-pass booklet for \$50. This would ensure that the number of guests on the courts is not excessive, but also provide members who have regular guests a somewhat discounted price. On the revenue side, I expect that the club will be better off. There will be unused guest passes (they shouldn't be able to carry them over to the next season) and probably many more paying guests.

I hope you will give this proposal consideration.

Many thanks,

Donna Lounsbury

Appendix C



MICHAEL PRESTON DESIGN

KINGSTON TENNIS CLUB - GROUND FLOOR PLAN

Appendix D

KTC Capital Options A, B, C Cdn \$ 000 USE: SCOPING ONLY error margin +/- 30 %
 Apr. 23, 2017 SUMMARY HERE CASES A,B,C and 2015 – 6 Attached J. Martin

	Year		2015-6		2017-8 (inflated)	
	Remove Concrete pads ?		Yes	No	Yes	No
	A	address courts 2,3 with lighting		260	210	294
	demolish clubhouse,		20	20	23	23
	address courts 1, 7, new 8		205	180	232	204
	use temporary (portable) clubhouse for 3+ years		TBD		TBD	
	Total		485	410	549	464

Spending Allocation high % courts, low % portable clubhouse

B	address courts 2,3 with lighting		260	210	294	237
	demolish clubhouse – leave open space		20	20	23	23
	build new 1 story clubhouse on lawn		675	675	763	763
	Total		955	905	1,080	1,023

Spending allocation 23 % courts %, 77 % clubhouse

C	address courts 2, 3 with lighting		260	210	294	237
	demolish clubhouse,		20	20	23	23
	address courts 1,7, new 8		205	180	232	204
	build new 1 story clubhouse on lawn		675	675	763	763
	Total		1,160	1,095	1,312	1,227

Spending allocation 38 % courts, 62 % clubhouse

	Courts			Clubhouse			Cost \$ 000	Debt Finance assuming \$ 283 cash \$ 100 2017 \$ 100 2018
	2, 3 + Lighting	1, 7, new 8	4,5,6	Demolish Old Club	Portable on Lawn	Build 1 Story on Lawn		
A	YES	YES	X	YES	YES	X	464	very easy
B	YES	X	X	YES	X	YES	1,023	within limits
C	YES	YES	X	YES	X	YES	1,227	near limit *

(a) Suggestion: reduce cost of clubhouse in 2017-8 \$ below cost to do court work, which is \$ 464 (concrete pads not removed) to \$ 549 (concrete pads removed)

KTC Capital Option A Courts 2, 3, 1, 7, 8 + Clubhouse: demolish, use Portable \$ 000 Cdn
 April 23, 2017 DRAFT USE: SCOPING ONLY as APPROX error margin +/- 30%

Summary	@ 2015 Q1 \$ Prior Studies	Construction Fall – Spring	Current \$ inflated	Cumulative Current \$ inflated
-Courts 2, 3 with lighting	260	2017-8	294	
<i>Keep concrete pads</i>	210		237	
-Demolish clubhouse	20	2017-8	23	
-Courts 1,7, new 8	205	2017-8	232	549 Total
<i>Keep concrete pad</i>	180		204	464 Total ex pads
-Portable	need for 3 years or more to build up \$ for KTC equity contribution to new clubhouse need cost estimate for portable (lease or buy/sell ?)			

Courts 2, 3 with lighting

Construction Timing

Alt. #1 Remove concrete pads	2017-Fall	\$ 285	then Paint	2018-Spring	\$ 9	Total	\$ 294
If do not remove pads		\$ 57 less					\$ 57 less
		\$ 228 net			\$ 9		\$ 237 net

Demolish clubhouse + Courts 1, 7, new 8 + temporary portable clubhouse

Construction do same time as Courts 2, 3 – better construction, surface levelling, less cost escalation

Demolish clubhouse	2017 Fall	\$ 23					
Courts 1, 7, new 8		\$ 218	Paint	2018 Spring	\$ 14	Total	\$ 255
If do not remove pad Ct 1		\$ 28 less			same		\$ 28 less
		\$ 213 net					\$ 227 net

Portable to be determined

Cash Flow	Capital	Surplus (Deficit)	Financing	Cash	Ending	
Assume EBITDA = 100	Spend	Before Financing	Borrow (Repay)	Change	Cash	
2016 actual	88(a)	0	100	0	100	283
2017 budget	100	(441)	(341)	58	(283)	0
2018 est	100	(23)	77	(58)	19	19
		<hr/>				
	464					
2019 est	100	100			100	119
2020 est	100	100			100	219

(a) \$ 88 k Recurring; \$ 120 K with hst recovery – non-recurring

KTC Capital Option B courts 2, 3, demolish clubhouse, new 1 story Clubhouse \$ 000 Cdn
 April 23, 2017 DRAFT USE: SCOPING ONLY as APPROX error margin +/- 30 %

Summary	@ 2015 Q1 Prior Studies	Construction Fall – Spring	Current \$ Inflated	Cumulative Current \$ Inflated
Courts 2, 3 with lighting	260	2017—8	294	294
<i>Keep concrete pads</i>	210		237	237
Demolish clubhouse	20	2017-8	23	open space
New 1 story clubhouse	675	2017-8	763	1,080
<i>Keep Concrete pads save 50</i>			57	1,023
<i>Reduce clubhouse by \$ 175 to \$ 500</i>			198	825

No portable, no court 8 - use court 8 open space

Capital cost \$ 825 "budget" clubhouse + courts 2, 3 to \$ 1,080 1 story quality clubhouse + courts 2,3

Cash Flow	Capital Spend	Surplus (Deficit)	Financing Borrow (Repay)	Cash Change	Ending Cash
Assume EBITDA = 100					
CY	Cash Inflow				
2016					283
2017	100	(228)			
	(5) int	(23)			
		(424)	675*	95	378 *constr. Loan
2018	100	(9)			
	(30) int	(339)	348*	70	448 *constr. loan
		(1,023)	1,023		
			(1,023) refinance with term loan 614/ cash 409		
			614 **	(409)	39 ** term loan
2019	100	0	(80)	20	59

2020 and beyond for 8 to 9 more years, repay loan – builds cash at \$ 20 k per year

Note: pay off \$ 614 k ** at rate of \$ 80 k per year P + I @ 4 % in 9 to 10 years

Debt \$ 614 k is within a conservative appraisal debt/ value ration and repayment at \$ 80 k per year
 P + I meets 1.25x debt service coverage ratio.

KTC Capital Option C courts 2, 3, demolish clubhouse, courts 1,7, 8 new 1 story Clubhouse
 \$ 000 Cdn April 23, 2017 DRAFT

USE: SCOPING ONLY as APPROX error margin +/- 30 %

Summary	@ 2015 Q1 Prior Studies	Construction Fall – Spring	Current \$ Inflated	Cumulative Current \$ Inflated
Courts 2, 3 with lighting	260	2017- 8	294	294
<i>Keep concrete pads</i>	210		237	237
Demolish clubhouse	20	2017-8	23	
New 1 story clubhouse	675	2017-8	763	1,080
<i>Keep concrete pads</i>	<i>save 50</i>		<i>save 57</i>	1,023
<i>Clubhouse \$500 k</i>	<i>save 175</i>		<i>save 198</i>	825
Courts 1, 7, new 8	205	2017-8	232	1,312
<i>Keep concrete pads</i>	<i>save 25</i>		<i>save 28</i>	1,227
<i>Clubhouse \$ 500 k</i>				1,029

Cash Flow	Capital	Surplus	Financing	Cash	Ending
Assume EBITDA = 100	Spend	(Deficit)	Borrow (Repay)	Change	Cash
CY					
2016					283
2017	100	(228)			
	(7) int	(23)			
		(424)	(772)	872*	100
		(190)			383 *constr. Loan
		(9)			capex + int
2018	100	(9)			
	(30) int	(339)	(292)	392*	100
		(14)			483 *constr. loan
		1,227			
			1,264		
			(1,264) refinance with term loan 781/ cash 483		
			781**	(483)	0 ** term loan
2019	100	0	100	(80)	20
					20

2020 and beyond for 8 to 9 more years, repay loan – builds cash at \$ 20 k per year

Note: pay off \$ 781 k ** at rate of \$ 80 k per year P + I @ 4 % in 12 to 13 years

Debt \$ 781 k requires KTC appraised value of \$1.3 million or above (@ 60 % debt/value) ; repayment at \$ 80 k per year P + I meets 1.25x debt service coverage ratio with 20 k spare cash . New Court 8 could generate \$ 17 k more revenue per year (@ \$ 225 wtd. avg. fee; excludes any Camp increase).

Capital to Replace All Surface Assets (in 2015-6 Cdn 000 \$, excludes inflation and currency variation)
From KTC 2015-6 files + "factor" estimate for Cts 4,5,6 USE: SCOPING ONLY as APPROX. 10-Feb-17

Central	Courts 2, 3	With Lighting		Clubhouse Demolition	
•	Remove concrete pads	2 @ 25	50	* old clubhouse	20
•	Rebuild courts	2 @ 30	60		
•	Reinstall net posts	2 @ .5	1	Temporary Clubhouse -rent	tbd
•	Painting	2 @ 4	8		
•	Lighting		100	New "Modest" Clubhouse	
•	Fence	east	8	* Soft Costs	75
		north	10	* Hard Costs 1 story	
		south	10	2,000 sq. ft. @ 250 / sq. ft.	500
•	Pedestrian gate	east	1	furniture, contingency	100
•	Ped, maintenance gate	south	3	Total, new "modest" clubhouse	675*
•	Covered bench	1 @ 4	4		
•	Court extension	west	5	<i>*@ Nov. 19, 2015 4,000 sq. ft. 2 story</i>	
•	Tree removal		tbd	<i>clubhouse hard costs</i>	<i>1,076</i>
	Total Courts 2, 3		260	<i>- cost reduction of 401</i>	
North	Courts 1, 7 and new 8 (no lighting)			South Courts 4, 5, 6 (factor estimates)	
•	Remove concrete pad	Ct 1 @ 25	25	* Remove concrete pad	3 @ 25 75
•	Rebuild courts	Ct 1 & 8 @30, 7 @25	85	* Rebuild courts	3 @ 30 90
•	Reinstall net posts	Ct 8 @ 2, 1&7 @1	4	* Reinstall net posts	3 @ 1 3
•	Hitting Wall	west	20		
•	Painting	3 @ 4	12	* Painting	3 @ 4 12
•	Prewiring	all at 10	not included		
•	Lighting	150	not included	* Lights- remove, replace	150
•	Fence	east	8	* Fence	east 8
		north	10		north done
		south	5		south 10
		west	8		west 8
•	Ped. Gate	south	1	* Gates – already done (Cts 2 & 3)	
•	Maintenance Gate	west	2		
		south	2		
•	Benches	2 @ 4	8	* Benches	2 @ 4 8
•	Tree removal	west	5	* Tree removal	west 5
•	Court curtains	2 @ 2.5	5	* Court curtain	2 @ 2.5 5
•	Court extension	west	5	* Court extension	5
	Total Courts 1, 7, new 8		205	Total Courts 4, 5, 6	379
TOTAL 260 + 205 + 20 + 675 + 379 = 1,539 + 200 hst = 1,739 error margin: +/- 30%					

Appendix E

Kingston Tennis Club Treasurer's Report

April 24, 2017

1. 2017 Operating Budget, Cash Flow, Capital Budget, Funds for Capital Project including Debt with discussion on Appraisal value - distributed to Board April 17, 2017
2. 2017 Financing Update - circulated to Paula, Gill, Graham, Bud, Doug April 20, 2017
3. Capital Options – distributed to Board via Paula April 23, 2017
4. 2017 Accounting Statements @ Mar. 31, 2017 – distributed to Board April 24, 2017
5. Site Investigation
Queen's Geophysics Report – Rick, Doug, Jim
Drilling to Consider– discussion with Frank's drilling (referred by Queen's Mining Dept.)
6. OTA Discussions – Financing, Fees, Charitable #, Tennis Balls
7. **Collection Progress @ April 24, 2017 in 000 \$**

	2017	2016	\$	variance	%	2017 Full Year
Budget						
Memberships	103.6	108.7	-5.1	-5		122 (85 % collected)
Camps	33.8	36.5	-2.7	-7		80 (42 % collected)
Donations	2.6	1.5	1.1	+73		3
Lessons - gross	2.3	1.6	.7	+44		
Parking – gross	1.1	1.7	- .6	- 35		2.9 gross
Total	143.5	150.0	-6.5	- 4.3 %		

8. Pending Payments @ April 24, 2017 in 000 \$

Memberships	\$ 3.0	18.4 to Budget
Camps	9.9	46.2 to Budget
Donations	.1	
Lessons	.8	
Guest Fee	.2 (# = 10)	
Parking	.2 (# = 7)	
Total	\$ 14.2	

9. Cash 000 \$ \$ 406 k 2017 Budget year end \$ 384 k 2016 actual year end \$ 283 k

RBC	22.7	
Tangerine	283.3 @ 1.25 %	July 5, 2017
	100.0 @ 1 %	Sept. 2017