

Minutes - KTC Executive Meeting
July 18, 2017 @ 7:00pm
Rick's Home

In attendance: Viki Andrevska, Doug Bowie, Rick Donaldson, Paula Loh, Jim Martin, David Stocks, Bud Nelson, Gill Turnbull, Chloe Wilson

Absent: Julius Breza-Boski, Graham Lord

1. Review/approve minutes of meeting from Tuesday, June 13, 2017

Minutes approved.

2. Try/Learn/Play – review scope of program

Overview: For the 2017 season, 26 T/L/P classes were scheduled and 24 classes participated. The staffing cost was approximately \$1,000. Sessions were planned by the Camp Director and conducted by two KTC staff members. Invitation letter was sent out via the school board to the grade schools. Dates were booked by the schools for May & June (when the Camp Director is on duty for the season). Grade school classes participated from schools within walking distance of the club. The classes were actively supervised on court by teacher and volunteer parents and were one-hour in length.

In the future, the goal is to hold a maximum of two classes per day for one hour each from 11:30am onwards, using Courts 2 & 3. Exceptions to this time may be scheduled earlier in the day on a request basis, only.

A suggestion was made to consider scheduling sessions at the schools instead of at the club. Rained out sessions could be held in the school's gym, if available. Currently there is no cost to the schools. Our cost is approximately \$40/hour for two staff members, plus wear-and-tear on court supplies. To offset the costs consider charging a small fee per child or a flat fee per class and/or applying for a grant.

David will receive feedback from Sam and report back to the Board at the next meeting regarding rates and off-site sessions.

3. KCVI 225 Anniversary – request for donation

KCVI is celebrating its 225th anniversary this year and will be closing in the next couple of years. All funds go to the KCVI legacy fund. The Club will donate one Adult membership, upgradable to a Couple or Family membership if desired, for the Gala Dinner silent auction.

4. Governance – structure and scope of proposed committees for 'Finance' and 'Property'; composition of 2017 Nomination Committee

Jim prepared a draft outline for the proposed Finance and Property Committees, Appendix A.

The concern was raised that the capital project is too big to be handled by the proposed Property Committee and should be separate. Ongoing planning of property maintenance and replacement would be included in the duties of the Property committee, liaising with the Finance Committee.

We will defer establishing a Property Committee until after the capital project is complete and use the outlined structure for future reference.

Doug will chair the 2017 Nomination Committee. Gill and Bud will be on the Committee.

Board members' expression of interest in returning for another term: Bud – yes; Gill – yes; Jim – resign, but will consider being on a Committee; Rick – maybe; Viki – yes, Secretary; Chloe – yes, current position or President; Dave – yes, Vice President; Paula – resign, but will stay on the Board as Past President; Doug – maybe; Graham – absent; Julius – absent.

5. Capital Project – next steps

It was discussed whether we should obtain a written professional opinion regarding the condition of the existing clubhouse (we received a verbal opinion from an industry expert last year).

Motion: The Board is to request a written professional opinion concerning the feasibility and cost of renovating to current standards of the existing two storey clubhouse in its current location or moving it. Jim moved, Chloe seconded. Defeated.

Motion: The Board will approach Bill Anglin of the Anglin Group, based on his expertise and reputation, to be the general contractor/project manager for the Capital Project. Chloe moved, Gill seconded. Carried.

6. Treasurer's Report

We have saved \$4-5,000 to date by using e-Transfers. Membership is 5-6% down at the moment. Jim would like to wait a bit longer before making a recommendation regarding ways to collect membership payments next year.

There have been some delays with collecting fees for lessons, camp registration, etc. This is now being addressed.

Last year \$11,000 was spent on maintenance, compared to \$3,000 this year.

Morning and full day camps are busier this year than last year. It was suggested to have a separate line for Try/Learn/Play in the income statement so we can easily see next year what the expenses are.

7. **Set next meeting date & location** - Tuesday, August 22. Bud will host.

8. Other Business

Court lighting – Rick has asked an electrician to investigate ways to control the lights remotely via the internet.

Property tax – Jim sent a request to reassess the property tax and we are waiting on the opinion.

Member comments – would like regular cleaning of Courts 1 & 7

9. **Adjournment at 9:38pm**

Appendix A

Property Committee, July 16, 2017

Draft Outline

Prepared by Jim Martin

The Property Committee provides property oversight to Kingston Tennis Club Incorporated (KTC) and reports to the Board.

The Property Committee includes members of the Club who have property expertise and particular Board members. The Vice President usually chairs the committee and the Board member responsible for the property/maintenance portfolio is also a member. The President is a de facto committee member.

It is charged with the care and maintenance of the physical assets, keeping them in good and safe working condition, complying with all safety and building codes. The committee ensures that the premises are maintained as a visually appealing and comfortable atmosphere for the game of tennis.

It is also charged with overseeing capital projects.

Care and Maintenance

1. Continually monitor the condition of all physical assets (buildings, courts, lights, fences, furniture, equipment, fixtures) through visual inspection and inspection by specialists as needed.
2. Develop, implement and maintain an effective maintenance program including a written plan.
3. Prepare an annual budget for care and maintenance for Board approval. This budget is a portion of the overall Operating Budget. Care and maintenance expenditures are expensed, that is they are charged to the current year statement of surplus/loss reflecting the utilization of their value within the year.
 - identify what is mandatory and reasonable, e.g. replace failed assets, safety, bring to code
 - identify what is not mandatory but is discretionary and providing financial benefit, e.g. lower cost to operate, save volunteer time
 - Treasurer can provide economic analysis assistance
 - Update the annual budget periodically during the year as need arises
4. Submit the initial annual budget request and later amendments to the full Board for consideration
5. Provide a "project proposal" form for those members wishing to have a project considered by the Property Committee, with response to the applicant in a timely fashion
6. Utilise volunteers who are members of the committee, other members and professionals as needed

Capital Projects

1. Prepare an annual capital budget which supports the KTC mission for Board approval. This budget is the distinct Capital Budget. Capital expenditures become assets of KTC, reflecting that utilization of their value occurs in a period longer than the current year.
 - Identify cost and benefits, financial payback, and project value
 - Treasurer can provide economic analysis assistance
2. In association with members of the Board oversee the major capital project
3. Provide continuity of resources for a major construction project
4. Plan the major project design
5. Select the project team and prepare a capital budget for the design
6. Seek Board and membership approval
7. If financing is required, await arrangement
8. Implement, monitor/control and complete ideally on time and budget

Additional Notes

- Relationship to other committees and members – members may make requests concerning physical assets directly to the Property Committee
- Storage – plan storage for documents, equipment.
- Insurance – the Committee should be aware of insurance coverage handled by the Finance Committee.
- Fire Regulations – The Committee should be aware of maintenance responsibilities regarding fire and other emergency equipment.
- Property by-laws– The Committee should be aware of property by-laws
- Authorization for Expenditure – the Committee Chair has authorization for expenditure for items within the approved maintenance budget and capital budget.

The Finance Committee provides financial oversight to the Kingston Tennis Club Incorporated (KTC) and reports to the Board.

The Finance Committee includes members of the Club who have financial expertise and particular Board members. The Treasurer usually chairs the committee and the President is a de facto Committee member.

The Finance Committee provides oversight with respect to budgeting and financial planning, reporting, internal controls and accountability, audit, investments, financing, and economic guidelines for capital and maintenance projects.

Budgeting & Financial Planning

1. Develop an annual operating budget and, separately, a capital budget
2. Monitor adherence to the budgets
3. Set long range financial goals along with funding strategies to achieve them
4. Develop multi-year operating budgets that integrate strategic plan objectives and initiatives
5. Present all budgets, financial goals and proposals to the Board of Directors for approval

Develop budgets in consultation with members of the Board and staff, with respect to programs in their purview.

Long term goals should address maintaining a suitable level of annual surplus, a cash reserve fund, a fund for maintaining or replacing equipment and a fund to replace the building, courts and lights.

Reporting

1. Develop useful and readable report formats
2. Work with Treasurer and Bookkeeper to develop a list of desired reports noting the level of detail, frequency, deadlines and recipients of these reports
3. Work with Board and staff to understand the implications of the reports
4. Present the financial results to the Board

Communicate KTC's financial and cash position, its adherence to budget, allocation of resources toward accomplishment of its mission, and its support of any donor-imposed restrictions on contributions.

There are currently three short form reports presented at each Board Meeting : (1) revenue by type – current vs prior year to date, (2) operating results/capital spending/ cash flow – latest month end, full year budget, prior full year, and (3) cash position

Internal Controls and Accountability

1. Create, approve, and update policies that help ensure the protection of KTC assets
2. Ensure policies and procedures for financial transactions are documented in a manual, and the manual is reviewed annually and updated as necessary
3. Ensure approved financial policies and procedures are being followed

While each Board Member has a fiduciary responsibility to the KTC, the Finance Committee serves a leadership role in this area. The Committee also plays a role in determining and updating authorities for approval of expenditures, bank account authorities, as well as overseeing that all legal and government filing deadlines are met.

The Finance Committee is required to be involved in other policies with respect to protecting the KTC and managing its risk:

- Personnel policies
- Long term contracts or leases
- Loans or lines of credit
- Internet use and computer security
- Capital purchases
- Disposition of donated assets or stock
- Insurance requirements and reviews
- Record retention
- Gift acceptance
- Charitable tax status

Audit

The KTC Finance Committee oversees audit activity and selects the auditor:

1. Review the draft audit as presented by the auditor
2. Present the audit report to the full Board of Directors
3. Review the management recommendation letter from the auditor and ensure follow up on any issues noted.

Investment

The KTC Finance Committee oversees investments and will draft an investment policy detailing the objectives of the investment portfolio, guidelines on the asset allocation of the portfolio based on a predetermined level of risk tolerance, authorizations for executing transactions, disposition of earned income, etc.

1. Ensure the policy is being followed.
2. Review the policy annually and update if necessary.
3. Review investment choices and select the investment approach.

Financing

The KTC Finance Committee oversees the financing of major capital projects, as required.

1. Draft a financing policy detailing the objectives of financing, covering such matters
 - * degree of debt the club is willing to consider so as to minimize the possibility of financing default and loss of the asset to the lender(s)
 - * security provided to lender(s) over the term of their loans
 - * cost of borrowing (interest, fees)
 - * repayment provisions – term, flexibility to repay
 - * financial covenants - usually two: debt as % value, annual cash flow coverage of annual principal repayment and interest
2. When the time for financing arrives review the financing proposals and ensure the policy is being followed.
3. Review the policy annually and update if necessary.

Economic Policy for Capital and Maintenance Projects

Provide policy through the Treasurer with respect to the economics of capital and maintenance projects.

1. Draft a policy to encourage the annual listing of capital and maintenance project options, along with their costs and benefits, for consideration in the operating and capital budgets. For example:

*For maintenance projects identify if mandatory or not mandatory

- mandatory items have priority: mandatory items include spending to deal with assets that have failed or are near failure – they need to be replaced to function, they are replaced for safety reasons, or due to building code, or for environmental reasons

* If maintenance item is not mandatory, identify benefits and where possible the financial recovery (payback) and financial value of the project; projects with higher value rank higher for selection.

*Capital projects usually have multi-year benefits and costs – identify the benefits and costs, the financial recovery (payback) and financial value of the project, connecting the project to the mission of the KTC.