



Minutes for the 2017 Annual General Meeting

**Tuesday, November 14, 2017 at 6:30pm
Ongwanada Resource Centre
191 Portsmouth Avenue**

1. Call the Meeting to Order at 6:35pm by Allan Manson – Chair

2. Agenda approval

Motion: Igor Kozin moved, Claire Tremblay seconded that by-laws be moved after election, defeated.

Motion: Heidi Traulsen moved, David Reid seconded that the election be moved after the president's report, carried.

Motion: Elaine Davies moved, Taco Meuter seconded the agenda be approved with the amendment. Carried.

3. Receipt of the Minutes of the 2016 Annual General Meeting

Motion: Jocelyn Purdie moved, Heidi Traulsen seconded to receive the minutes.

Dave Reid stated that the Minutes of the 2016 Annual General Meeting need to be corrected because the motion that he moved and Lars Thompson seconded was not correctly recorded in the minutes.

Motion: David Reid moves and Heidi Traulsen seconds that the minutes should be corrected to say that David Reid moved, and Lars Thompson seconded that there must be a vote of the general membership with a 55% majority of votes cast establishing membership approval before any financial commitment is made on the capital project. Approve 34, opposed 6. Carried

The Chair concluded: Subject to checking the tape and if it shows that the motion to correct was in error, then the correction will not be made. If the correction stands, because this makes a huge difference to how the capital project proceeds, the Chair ruled that the proposal becomes, rather than an adoption, a recommendation. And then the recommendation gets circulated, if the correction stands, to the general membership.

Minutes approved as corrected. Majority approval.

4. Treasurer's Report - Jim Martin

Jim Martin reviewed 2017 treasurer's report. Financially speaking, the 2017 season demonstrated the ability of the KTC to generate a \$100k of annual savings from regular recurring operations. The surplus is needed to enable KTC to eventually fund replacement of its aged surface assets. Prioritization, well implemented capital spending & financing, and a steady hand long term are needed to make this happen.

Turning to the 2017 season, there are two main contributions to KTC - membership and junior camps. Both contributed significantly but more can be done to increase the revenue. Membership Fees collected were lower by 2.8 % reflecting a 7.8 % decline in members from 524 in 2016 to 483 in 2017. A rule-of-thumb suggests a capacity of 75 members per court. This year with 483 members and 92% use of the courts affect the court availability and financial outcome. Costs directly related to Membership Fees -Steward Wages, Hst- declined. Canteen & Merchandise, Socials and Tournaments and Parking Revenue were near break-even in 2017, as planned. The other categories rose: Lessons, Court Rental Fees, Donations and Other Contributions.

Junior Camp fees collected were up 8 % reflecting higher camp utilization later in the season. Supply costs were lowered and camp staff wages were similar year over year, notwithstanding more junior camp attendees to look after. The Junior Camp contribution rose 18 %, possibly the best Junior Camp financial contribution yet.

Shared costs (recurring) – savings of \$11K in 2017 in comparison with 2016. Advertising – up in part due to new KTC logo design but both years well below 5 year average. Bank Charge reduction reflects not using credit cards and continuing with near free e-transfers, cheques, debit and cash for receipt of payments. Insurance costs were reduced slightly in line with declining clubhouse and court value. Interest income was higher as savings increased and higher interest rates requested – at on-line bank Tangerine. Office costs rose due to the inclusion of a much appreciated contract bookkeeper for the first time at KTC. OTA fees were held steady and a fee stabilization plan at a comparable level was worked out for future years by President Paula Loh. Property taxes continue to rise. We asked for reconsideration but it was denied and we decided not to appeal on the advice of a property appraiser. Repairs and maintenance were held to minimum dollar levels.

In summary – A budget was introduced early in 2017, for the first time at KTC, on a line by line basis and with input from Board members. With major capital planning likely to take place in 2018, the goal in 2017 was to generate cash and save it. A target was set to achieve \$ 101.4 k savings in the 2017 season from recurring activities. Comparing actual to goal the result came in near target due to higher contributions from Junior Camps and lower Shared Costs, which offset a steady but lower than budgeted Membership contribution. \$100 k in savings was achieved.

Questions

A question was raised whether the schools - any secondary or post-secondary pay for use of our courts for tournaments or practise. It was confirmed by Jim that the secondary schools paid courts fee of \$1.5K. Queen's University were using the courts in the fall and the revenues that came from them is around \$3k.

A comment was made that our generosity may have a negative consequence in sense of taking pressure off the public tennis courts.

The savings on repairs and maintenance expenses were big; a question was asked to explain this. Rick explained the \$7k dropped in the expenses from 2016. Several trees were removed in 2016 and umbrellas were bought in the year before, hence the bigger costs in the prior years. There is no budget yet for the next year but some things have to be maintained. It was mentioned that it may be a false saving in the moment because we defer maintenance of the courts in anticipation of the capital project.

Another question was asked about the shingles from the roof of the club house. Rick mentioned that during the winter about 90 shingles blew off the roof. The roof was examined by a contractor in the spring; no repairs have been done at this point.

Igor Kozin thanked Jim Martin for the great work.

5. Appointment of Auditors

Wilkinson's opinion: The financial statement present fairly, in all material respects, the financial position of Kington Tennis Club as at September 30, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Motion: Taco Meuter moved, David Reid seconded approval of the 2016-2017 Audited Financial Statements. Carried.

Motion: Jocelyn Purdie moved, David Reid seconded reappointment of Wilkinson & Company as Auditors for 2017-2018 at a fee to be negotiated by the Treasurer, carried.

6. President's Report – Paula Loh

Paula gave an overview of the 2016-2017 season.

A Bookkeeper (Kristine Barker) was hired last year and will be returning to this position for the next 2017-2018 season. A hired person provides continuity, something that is lost when key members leave the Board.

The Club Manager Committee (Chloe Wilson, Chair) was formed to evaluate the hiring of a part-time club manager to provide continuity and expertise. Giving that we want to maximize available funds for the Capital Project, the decision to pursue this position was postponed.

Alma Thayer volunteered as the steward supervisor this year. She took on the role in late-April and jumped in to learn the role of the stewards while overseeing their training. Alma's feedback on the position is that the stewards need daily supervision to do an effective job and sees this ultimately as one of the duties of a club manager.

A Junior Camp Committee (Doug Bowie, Chair) was formed to evaluate the results of the Junior Camp survey conducted during the 2016 season and to make recommendations for the 2017 season. The suggestions made worked very well to increase the revenue and usage of the courts.

Sam Faris took on the staff role as our Camp Director for 2017 season. Sam began the season by offering our complimentary Try/Learn/Play one-hour sessions to many classes from local grade schools, then effectively ran the camp sessions.

Lessons were taught this year by Emile Flavin, Isaac Jones, and Jeff Elwood. We were fortunate to have three enthusiastic coaches sharing their skills with us this season and look forward to their potential return next year.

Our club once again hosted the local and regional high school tennis competitions, KASSAA and EOSSAA, in May. The convenors (KTC members David Stocks, Brian Bontekoe, and Dan Fruhling) thank the KTC for supporting high school tennis in Kingston and Eastern Ontario.

The Queen's Tennis Club approached us with a proposal to rent three courts for a two or three hour period on a weekly basis over the fall months for recreational drop-in play by Queen's students who are not KTC members. The Board supported this utilization of the courts during an otherwise quiet weekend time that also served to introduce the Club to potential new members.

Board member Graham Lord continued with the work that Jocelyn Purdie spearheaded last year to overhaul the Club's by-law. After several iterations, we are presenting the final version to the membership at the 2017 AGM for approval.

We introduced a new club logo this year. To expand our source of revenue, we welcome bequests from members (and non-members) and will establish a fundraising program. Once we have determined the Capital Project cost, we can move forward with fundraising plans for the KTC.

Paula gave background information on our capital project that officially began in 2012. The capital project will be discussed more in details under another agenda item.

Paula mentioned the important role that many members of all ages volunteer in a variety of ways every season to help the club operate efficiently. We are especially happy to see the younger members of our club getting involved.

Paula was a president for four years and is stepping down.

Questions/Comments:

Discussion developed regarding applying again for a grant and fundraising. Paula addressed the questions saying we can still apply for a grant even though it was unsuccessful but she believes it is more realistic to proceed with fundraising from the people that care about KTC (members). Fundraising is difficult to do if we don't have a capital project to attach a campaign to. Viki Andrevska proposed that if each member were to donate only \$200 x 500 members, we could easily raise \$100,000 towards the capital project.

Michael Stych said that while the Queen's Tennis Club is now recognized by Queen's, the university has limited tennis facilities. They depend on and appreciate the assistance that the KTC provides by way of court time for practices and for the rec club. The Queen's Tennis Club could not exist without our collaboration.

Motion: Dave Reid moved, Lars Thompson second to approve the President's Report, Carried (unanimous).

With the KTC annual report 2017 reports on Infrastructure & Maintenance, Tournaments and Socials were also distributed with the 2017 Annual Report.

A suggestion was made to project the KTC annual report on a screen at the AGM in addition to electronic distribution.

7. Elections

Voting Results

A secret ballot was performed. Sunil Chaudhry and David Stocks scrutinized for the four officer positions. All four executive positions were affirmed and acclaimed:

President	Chloe Wilson
Vice-President	David Stocks
Secretary	Viki Andrevska
Treasurer	Taco Meuter

Bud Nelson and Heidi Traulsen nominated Claire Tremblay from the floor for a member-at-large. Claire agreed to stand.

Motion: Lars Thompson moved, Taco Meuter seconded for the members-at-large as a group to be affirmed and acclaimed. Carried.

The following members-at-large were elected:

Mike Bartlett
Doug Bowie
Sam Faris
Bob Goddard
Nerissa Mulligan
Bud Nelson
Claire Tremblay
Gill Turnbull

8. Replacement of KTC By-law

Graham Lord introduced the new by-law and thanked people that spent a lot of energy working on the new by-law. The new by-law was passed by the Board and was distributed by email for members' comments. Discussion developed and here are the final amendments to the by-laws at the AGM meeting:

Amendment to 5.05d: Moved by Lars Thompson and seconded by John Sylvester that All Officer and Director positions shall be opened for further nominations from the floor at the Club's AGM. Carried.

Friendly amendment added to 5.01 "and the past president" after the Officers of the Corporation.

Motion: Graham Lord moved. Jocelyn Purdie seconded the new by-law with the two amendments above added. Carried.

9. Vote on Capital Project budget

AGM recommendation to the members by voting.

Jim Martin spoke about debt capacity for a capital project.

Suggestion: Do not exceed moderate debt threshold of about \$ 700 k new long term debt (25 yr. 3.90 % fixed rate). Short term financing of Hst on the project would be an additional \$ 138 k on a \$ 1,067 million project financed with \$ 700 k new debt, \$ 363 k cash. If grants are received, or there is major fundraising, this can increase the ceiling for project spending.

Keep \$ 100 k in reserve. This is to cover adverse circumstances, e.g. debt servicing for 2 years in event operations falter but will still maintain principal and interest payments. Assumes additional savings of \$ 80 k more in 2018. The annual buffer (revenue not directed to debt servicing) for \$ 700 k of new debt is \$ 31.7 k which is available for maintenance of capital assets not covered by the major project, working capital and any adverse cash flow items. It represents 42 % of EBITDA with 58 % of EBITDA dedicated to servicing debt. Coverage ratio is 1.72x.

Questions:

The clubhouse design has been downsized from the 2015 proposal and there will be no sources of revenue off-season. There is forecast in the above debt proposal of \$31.7k to cover the working capital and other adverse cash items. A suggestion was made to the new Board members to consider potential financing from the membership in addition to fundraising.

Paula explained: Option #1 – Clubhouse & Court Lighting & Build/Rebuild Of 5 Courts Budgeted Cost: \$1,366,593 Demolish Clubhouse; Build New Clubhouse; Build Eighth Court; Rebuild Courts 1, 2, 3, & 7; Install lights on Courts 2 & 3

Questions:

A member pointed out that the recent club house location is not ideal and the stewards are disconnected from the courts. Another member suggested the problem about the stewards can be fixed by remodeling the old club house.

Paula explained Option #2 – Clubhouse & Court Lighting & Rebuild Of 2 Courts Budgeted Cost: \$1,150,142 Demolish Clubhouse; Build New Clubhouse; Rebuild Courts 2 & 3; Install lights on Courts 2 & 3. No construction of the eighth court in this phase.

Paula explained Option #3 – Court Lighting & Build/Rebuild Of 5 Courts Budgeted Cost: \$750,141 Demolish Clubhouse; Build Eighth Court; Rebuild Courts 1, 2, 3, & 7; Install lights on Courts 2 & 3. No Clubhouse, we will need a portable structure in this phase.

Option #4 was not explained because there was a motion from a member. The motion will be considered if neither Option #1, #2 and #3 achieve the 55% approval threshold during voting at this meeting.

Jocelyn Purdie suggested combining Option #1 and Option #2.

Motion: Jocelyn Purdie moved, Sunil Chaudhry seconded that Option #1 and Option #2 be combined and pursued depending on fundraising success and subject to a debt cap of \$800,000.

The Chair clarified that the motion was a procedure to combine two options into one, authorizing a debt load of \$800,000. One option was subject to fundraising, while another was subject to financing in order to fund the budgeted costs. That is, that we approve Option #2, and also in theory approve Option #1 if

the fundraising and finance reach the project cost, with a debt load capped at \$800,000. The vote took place by a show of hands by those present. Proxies were not included.

Motion carried.

Voting then took place for the Capital Project on the combined option #1 and #2 from above:

Results from people who cast ballots before the vote began: 9 against option 1 or 2; and 7 for option 1 or 2.

Results from those who voted in person and by proxy: 36 for motion and 23 against.

Total: 43 For, 32 Against

Since 57.3% voted in favour, the AGM recommends to the Membership that Option 1 or 2 be pursued depending on fundraising success and subject to a debt cap of \$800,000.

10. Other Business - none

11. Lars Thompson moved, Lorna Sim seconded adjournment. Meeting adjourned at 10:26pm

Refreshments followed the conclusion of the meeting.

Approved by Chair: December 10, 2017

Chair's Note:

1. After the meeting, the audiotape of the 2016 AGM was checked and this confirmed that the Minutes as originally prepared were word-for-word accurate in stating the 2016 Reid/Thompson motion. Therefore, there should have been no correction.
2. If there is any disagreement about the meaning of the 2016 Reid/Thompson motion, the audiotape of the debate [19 minutes] is available. I suggest that the Board consult the transcript of the 2016 audiotape and decide the meaning of the 2016 Reid/Thompson motion.
3. While the interpretation of the 2016 Reid/Thompson motion may affect one's view of the impact of the 57.3% approval by the 2017 AGM, this result cannot be ignored. Either the result stands as having been approved by the membership, or at the very least, it is the 2017 AGM's recommendation to the membership.
4. Note that the 2017 AGM was conducted under the old by-laws which provided that "*Meeting of members*" includes an annual or a general meeting of the Members of KTC".

Allan Manson