

Minutes of KTC Board meeting  
February 16, 2022  
By Zoom

**Present:** Tracey Corrigan, Bob Goddard, Isaac Jones, Donna Lounsbury (Chair), Taco Meuter, Nerissa Mulligan, Simon van der Plas, Jason Taylor, Alma Thayer, Gary Wilson (Secretary), Zaoting Zhang, Asia Zolnierczyk

Meeting chaired by Donna Lounsbury and opened at 7.05.

1. Agenda approved.
2. Minutes of January 13, 2022 approved.
3. Clubhouse and Courts Project.
  - a) Jason reported construction is progressing well, although supply chain issues might delay things. Most likely mid- to late June for completion.
  - b) Unlikely to have use of court 7 before everything is completed but possible we'll be able to use court 1 before then. Jason will invite Doug to March's meeting so he can give a firsthand report to the Board.
4. Alma joined the meeting at 7:15 (4:15 California time). She pointed out that we haven't had much opportunity to get to know each other as Board members and asked each member to describe what brought them to tennis.
5. Committee Reports

a) Facilities & Infrastructure

Gary reported that the F & I committee will meet the first week of March when it is expected progress on the clubhouse might make planning for how stewards will carry out their work clearer.

He also spoke about the need for the club to be proactive about reducing the amount of trash members leave behind that stewards and volunteers have to deal with. Newsletter articles and signage at the club can help with project.

b) Treasurer (Treasurer's and Finance Committee report attached)

Taco reported we've drawn down around \$233,000 from our mortgages to pay for construction invoices. He tries to group invoices for payment to reduce need for it to be reviewed by a lawyer.

Our application for an Ontario Trillium Grant to help fund the clubhouse restoration was unsuccessful but we'll submit another application for courts 1 and 7 resurfacing.

Taco's aim is to have at the end of the year a cash buffer of \$200,000 to cover the cost of court resurfacing (about \$130,000) but still have an adequate reserve for unexpected costs.

Regarding tennis camp fees, it was pointed out we can expect costs to rise similar to those that led to the 7% rise in membership fees. As well there is the need to ensure adequate revenue to be able to pay for our mortgage.

**Moved by Taco, seconded by Simon** that tennis camp fees be raised by 7%. Carried.

<b>Proposed Tennis Camp rates for 2022 (per week)</b>					
		Regular 5-day	(2021)	Short 4-day Week	(2021)
<b>Members</b>	Full Day	270	250	230	210
	Morning	170	160	145	135
	Afternoon	145	135	115	105
<b>Non Members</b>	Full Day	295	275	245	235
	Morning	195	185	170	165
	Afternoon	170	160	135	125

Taco also pointed out court fees for both guests and pros' lessons have \$15 for many years. Also with our mortgage in mind,

**Moved by Taco, seconded by Alma** that court fees for guests and for pros' lessons be raised from \$15 to \$20. Carried.

#### c) Programs

Isaac spoke to the Camps section of the report with particular emphasis on the progressive tennis approach that is based on skills development. Instructors with a Tennis Professionals Association (TPA) certificate will be familiar with this concept. We plan to work with Tony Roth to train our instructors in how best to teach skills development.

It is also recommended our messaging about camps highlight skills development. We envision our tennis camps teaching kids to play tennis, similar to sailing camps teaching kids to sail.

Regarding court usage, to balance camps time with member access the proposal is mornings, 3 courts from 9:30 to 11:30, 4 courts 11:30 to 12:30; afternoons, 3 courts 1:30 to 4:30.

#### Private Lessons

This will be looked at in detail when court 1 is available.

#### Tournaments

There are some experienced volunteers willing to help with tournaments. Although Rachel has found work in her field it's possible we will have another student intern to work with us including in tournaments.

**Moved by Isaac, seconded by Tracey** that Arjun Devnani be appointed as Tournament Director, Carried.

## Clinics/Teaching Programs

Pressure on court time important issue in discussions with Tony in running the various programs he'd like to have. How members as opposed to non-members registered in the programs should be treated regarding court booking was raised.

It was decided that the Board will wait till next meeting to review the Programs proposal, taking into account the results of the Finance committee discussions with Tony.

### d) Membership

Asia said having fewer courts available because of the clubhouse restoration, the committee thinks it advisable to reduce temporarily court bookings to four per week.

Moved by Asia, seconded by Jason that members temporarily will be able to book courts only four times per week, excluding paid clinics and lessons. Carried.

Discussion about the difficulty last summer in booking courts suggested that last year's total members of 608 was too high. Asia said the committee believes 500 is a more appropriate number while still providing needed revenue.

Moved by Asia, seconded by Jason that KTC will cap its membership to 500 and will review this decision by the June Board meeting at the latest. Carried.

Asia reported recruiting volunteers is continuing slowly, but some of the tasks of a volunteer co-ordinator might be included in the job description being drafted for the senior steward and operations manager.

A committee has been struck for the gala opening to celebrate the clubhouse restoration. Suggestions by the Board for funding the event included a modest ticket price combined with an amount from club funds.

Asia described the work being done to list the duties of the new position of senior steward and operations manager. David Corrigan was consulted since he had duties similar to those being envisioned for this position. It should be specified who on the Board the incumbent reports to clarify workflow.

Moved by Asia, seconded by Alma that a senior steward and operations manager be hired at \$22.00 per hour. Carried.

### e) Governance

Bob reported on his discussions with the Queen's Business Law Clinic in advising us in making sure our by-laws are compliant with the new Ontario-Not-for-Profit Corporations Act as well as being in the best interest of the KTC. There is no charge to us for this service.

Moved by Bob, seconded by Jason that KTC enter into a retainer agreement with Queen's Business Law Clinic (QBLC) for the following purposes:

1. Attending to the appropriate corporate steps of the Client in order to bring the Client and its corporate documents in compliance with the Ontario Not-for-Profit Corporations Act;
2. Advising as to the drafting of certain by-law provisions for the Client; and
3. Advising as to the relevant differences between the Ontario Corporations Act and the Ontario Not-for-Profit Corporations Act.

Furthermore, that QBLC receive its instructions from Robert Goddard, Chair of the Governance Committee. For the purpose of certainty, pursuant to this motion, no instructions will be given to repeal, replace, modify or add to the KTC bylaws without sanction of the KTC board, obtained by a vote of the board, approving of the repeal, replacement, modification or addition. Carried.

f) Communications

Tracey reported a sub-committee consisting of Donna, Taco and her is comparing a new club management system, Tennis Director, with our current system, Jegysoft. Big advantage with TD is it would manage payment transactions, but Jegysoft might be able to do this but perhaps at greater expense. Transitioning to a new system is also an important consideration.

g) Other business

Ad for Kingston This Week will be discussed by the Communications committee.

Next meeting Wednesday, March 23.

**KTC - TREASURER'S AND FINANCE COMMITTEE REPORT – February 16, 2022**

Committee members: Taco Meuter (chair), Donna Lounsbury, Alma Thayer, Simon van der Plas

**Borrowing**

Last year we signed a borrowing agreement with Scotiabank to borrow up to \$350K in a fixed-interest loan and up to \$150K in a floating-interest facility. As of last month, we've drawn \$233,136.58 on the first facility and \$5,085 on the second. This has been used to pay invoices of about \$200,000; meanwhile, 10% of the loans remain in trust with our lawyers as a construction holdback.

**Cash Position**

Cash and equivalents at January 31, 2022 were at \$676K. This reflects the drawdown on the mortgage, as well as the inflow of the bulk of donations we had gathered with the National Sports Trust Fund (\$123,816.51). We paid a second construction invoice earlier this month, reducing cash by \$114,000, and a third invoice of \$74,000 is due at the end of this month. Cash and equivalents today is about \$563K: membership fees are beginning to trickle in.

**Donations and Grants**

We have received the NSTF donation report for the Quarter ending December 31, 2021, and we will submit another grant request (for \$22,112). Donations continue to come in, albeit more slowly.

Last year we applied for a \$220,700 grant from the Ontario Trillium Fund, but we were not successful. We will continue to seek new grant opportunities, and in particular, we will submit a new OTF application in the next cycle. This application will focus on the renovations of courts 1 and 7 in the coming two years.

### **Finance and Executive Committee Activities**

Following up on our previous discussion of tennis camp rates, we have fleshed them out as follows:

<b>Proposed Tennis Camp rates for 2022 (per week)</b>					
		Regular 5-day	(2021)	Short 4-day Week	(2021)
<b>Members</b>	Full Day	270	250	230	210
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The increase in rates reflects a similar rationale as the membership rate increase, i.e., to anticipate the inflationary cost increases hitting all sectors of the economy, and to help pay for our substantial expected annual mortgage outlays (in the region of \$25-30K) over the next several years. We again settled on increasing rates by about 7%.

**Motion:** *To increase tennis camp fees by approximately 7% as indicated above.*

**Court Fees:** We haven't increased court fees in a very long time, so propose to increase them to \$20 this year, for guests as well as for pros.

**Motion:** *To increase court fees from \$15 to \$20.*

**Head Steward / Club Manager:** We propose to combine the position of a head steward with that of the steward supervisor performed last year by David Corrigan into a Head Steward / Club Manager, at a rate of \$22/hour, with Luke Webb in mind.

**Motion:** *To hire Luke for the position of Head Steward / Club Manager (precise title TBD) at \$22/hr.*

### **Noble Tennis School**

We held discussions about the proposed partnership with NTS. We discussed charging NTS court fees to make things more transparent, and reducing KTC's administrative burden of the arrangement; also, a big stumbling block is the retainer proposed by NTS.

In order for KTC not to lose money on the partnership, we will propose an arrangement that will see the NTS fee structure increased and balanced better.

With respect to private and semi-private lessons provided by NTS, we recommend simply charging court fees of \$20 per hour per court, exactly as we charge our regular pros.

**Draft Budget:**

<b>2022 OPERATING BUDGET</b>									
							2022 Budget	2021 Actual	
MEMBERS							\$0	\$0	
• Fees (500 members vs 608 in 2021)							123,000	139,971	
• Lessons- net							15,000	14,662	
• Guest fees & Ball Machine							2,500	2,716	
• Donations (Membership)							2,500	4,129	
• Clubhouse Sales – net							0	1,191	
• Socials and Tournaments - net							0	-337	
• Parking Revenue – net							0	-1,261	
• Wages - Stewards							-30,500	-28,954	
• HST							-12,500	-15,441	
• Interest Income							800	2,459	
• 2019 OTF grant amortization							21,531	21,531	
• Wage Subsidy							0	0	
<b>CONTRIBUTION, MEMBERS</b>							122,331	140,666	
<b>JUNIOR CAMPS</b>									
• Revenue							70,000	102,969	
• Supplies							-5,000	-6,402	
• Wages							-37,500	-54,991	
<b>CONTRIBUTION, JUNIOR CAMPS</b>							27,500	41,576	
<b>SHARED COSTS</b>									
• Advertising							1,500	1,821	
• Amortization							53,896	41,261	
• Bank Charges							1,500	1,443	
• Contract Services (pro admin, TLP)							500	200	
• Insurance (incl builders risk 540							8,800	2,340	
• Interest Expense							2,433	0	
• Building Development Costs							2,500	677	
• Office (includes bookkeeper)							6,000	5,799	
• OTA fees							1,545	1,236	
• Professional Fees							6,000	5,670	
• Property Tax							16,000	14,755	
• Repairs and Maintenance							6,000	5,170	
• Software expense							3,500	3,406	
• Transportation									
• Utilities and Communication							5,500	5,223	
<b>TOTAL, SHARED COSTS</b>							114,131	89,001	
<b>REVENUE less EXPENDITURES</b>							35,700	93,241	
<b>Net REVENUE less EXPENDITURES</b>							35,700	93,241	

<b>2022 RESULTING CASH FLOW</b>									
NET PROFIT						35,700			
Add Amort, Interest						34,798			
EBITDA						70,498			
Increase (-) in Property Tax?						-3,822			
Investing and Financing									
Purchase capital (expected outflow)						-871,300			
Borrow Funds						383,630			
Mortgage P&I						-14,000			
Grants, NSTF donations given						148,000			
Change in cash and equivalents						-286,994			
Beginning Cash & Investments						487,000			
Ending Cash & Investments						200,006		487,000	

The \$200K ending cash position for this year is the estimated amount necessary to complete the court renovation portion of our project in 2023, and maintain our minimum recommended cash buffer of \$100K going forward (assuming no grants or major additional donations).