



Minutes of the 2020 Annual General Meeting  
7:00 p.m., December 1<sup>st</sup>, 2020  
Via Zoom

**Agenda**

1. Call the Meeting to Order (5 minutes)
2. Receipt of the Minutes of the 2019 Annual General Meeting (5 minutes)
3. By-law amendment (10 minutes)
4. Financial Reports (20 minutes)
  - Treasurer's Report
  - Finance Committee Report to Clubhouse Working Group
5. Appointment of Auditors (5 minutes)
6. Report on Clubhouse Project (45 minutes)

7. President's Reports (15 minutes)
8. Election
9. Other Business
10. Adjournment

### **Board Members Present**

Doug Bowie  
Bob Goddard  
Julie Hoffarth  
Arsalan Ijaz  
Donna Lounsbury  
Taco Meuter  
Nerissa Mulligan  
Jason Taylor  
Cole Vezina [Secretary for this AGM]  
Chloe Wilson [President]  
Gary Wilson [Chair]

### **1. Meeting called to Order at 7:00 p.m. by Gary Wilson—Chair**

Total attendees: 73

### **2. Receipt of the Minutes of the 2019 Annual General Meeting**

Moved by Taco Meuter, seconded by Igor Kozin, to accept the Minutes of the 2019 Annual General Meeting. **Carried.**

### **3. By-law amendment**

Moved by Gary Wilson, seconded by Jocelyn Purdie, that by-law 5.02—Election and Term—be amended to the following: with the exception of the ex-officio directors, the directors shall be elected by the Voting Members in accordance with the provisions of this by-law. Each director shall serve for a maximum of two terms, with each term consisting of two years. The Past President may serve for an additional one year following the end of his or her term as President. Should a Board member subsequently wish to serve on the Board again, he/she must wait one year to be elected, unless earlier appointment by the Board as per section 5.04. To ensure some continuity within the Board, elections will be staggered so that by 2022 half of the Board (Group

A or Group B) will be elected each year. (Group A will consist of the President, Treasurer and four members-at-large. Group B will consist of the Vice-President, Secretary and the remaining members at large).

Speaking in favour of the motion, Jocelyn said the amendment will allow for continuity on the board so that current board members are able to mentor new board members.

Q. This amendment has the president in the same group as the treasurer. I thought there was some discussion on this, and it was decided to have them in separate groups?

A. We missed that. It does seem like an appropriate amendment. We can make this change in the coming year.

Q. Well why don't we make the amendment?

A. Okay, so instead of the President and Treasurer, group A will be President and Secretary, group B will be the Treasurer and Vice-President.

Q. How will we make the decision for the different terms for members at large for the first vote?

A. That will be decided in the coming year.

Moved by Jill Turnbull, seconded by Jocelyn Purdie, that the by-law amendment be amended so that group A will consist of the President, Secretary and four members-at-large, and group B will consist of the Treasurer, Vice-President, and the remaining members at large. **Carried.**

The bylaw will now read (amendment to amendment in italics): with the exception of the ex-officio directors, the directors shall be elected by the Voting Members in accordance with the provisions of this by-law. Each director shall serve for a maximum of two terms, with each term consisting of two years. The Past President may serve for an additional one year following the end of his or her term as President. Should a Board member subsequently wish to serve on the Board again, he/she must wait one year to be elected, unless earlier appointment by the Board as per section 5.04. To ensure some continuity within the Board, elections will be staggered so that by 2022 half of the Board (Group A or Group B) will be elected each year. (*Group A will consist of the President, Secretary, and four members-at-large. Group B will consist of the Vice-President, Treasurer, and the remaining members at large.*) **Carried.**

#### 4. Financial Reports

##### *Treasurer's Report*

*Taco Meuter summarized the 2020 Treasurer's Report from the 2019-2020 Annual Report*

Q. What is included in the two categories amortization, and building development costs?

A. This includes all our new assets from the infrastructure project. We had amortized almost all our assets before this. Building development costs include those costs that were related to previous work that had been done. In consultation with the auditors we decided to cost out expenditures on clubhouse working group expenses.

Q. We were amortizing \$3,000 a year, and now \$26,000. Also, why do we have \$40,000 in building development costs?

A. Half of the new additions were written off at those particular rates. Building development costs were related to court development that we are not doing anymore. We didn't do the underground piping and drainage.

Q. In the audited reports it breaks these costs down, can we have these sent to us?

A. Yes

Q. Question about professional fees—a new bookkeeper was hired?

A. We did, but he is actually under something else. Professional fees are really only for the auditor. This year they also prepared our tax return, so it is a bit higher than the year before.

Q. Can you tell us the cash we have at the end of this year?

A. It's around \$406,000.00

Q. What is the problem with the auditors that these statements weren't ready for the AGM?

A. Because of COVID-19 there was more of a process in sharing documents with the auditors. There was also a difference in the numbers from bank statements and the number from QuickBooks. This is still to be resolved. Not sure what happened, just a book keeping thing.

Q. On page 9 of the financial report, what did court rental revenues consist of?

A. From people who rented the courts. The total was \$3,700. This included rental fees from the ball machine, and guest fees as well.

Moved by Taco Meuter, seconded by Bud Nelson, that the treasurer's report be received.

**Carried.**

### ***Finance Committee Report to Clubhouse Working Group***

***Donna Lounsbury summarizes the Finance Committee's findings and recommendations to the Clubhouse Working Group and Smith Business Consulting***

We explored seven different options, three of which were for renovating the existing clubhouse, and two for the clubhouse on the lawn—two were for other projects with the clubhouse. We pulled together lots of data by looking at previous work done on the capital project, the feasibility of the lawn clubhouse, and contractor estimates going back to 2017. An executive summary of our findings and recommendations was shared with Smith Business Consulting in April 2020.

Our conclusions also included cost range estimates and impacts on debt. We made no recommendation regarding a specific clubhouse option. Our most important recommendation related to debt financing—and this was before the impacts of COVID-19 were fully realised. Our overall conclusion was that we didn't recommend a high level of debt financing. We feel we can't necessarily rely on the same flow of EBITDA, cash from operations, as we have four or five years ago—stable cash flow is very important to carrying significant debt. The cash we have in our coffers now is \$100,000 less than last year. We feel \$300,000 is available for the capital project.

We believe it will be seriously problematic to have debt levels around \$700,000 or above. Moreover, high debt means fewer funds available for other priorities such as junior development, ongoing maintenance, and marketing and promotion. Another reason that we don't want to have a lot of debt is that we are a volunteer run community tennis club, not a professionally managed organization that can be laser-focused on profitability. Finally, it is estimated that the lawn clubhouse will be significantly more expensive than the option to restore and expand—leaving court costs aside, the building itself is estimated by the Finance Committee to cost about \$300,000 more than the renovated clubhouse, and by Shoalts & Zaback to be about \$250,000 more.

Moved by Donna Lounsbury, seconded by Chloe Wilson, that we receive the finance committee report. **Carried.**

## **5. Appointment of Auditors**

Moved by Taco, seconded by Igor Kozin, that we appoint Wilkinson & Company LLP as auditors. **Carried.**

## **6. Report on Clubhouse Project**

*Bob Goddard, and Jason Taylor, summarized the Special Supplement: Realizing our Vision for a new KTC Clubhouse document.*

Q. I Want to thank the board for the great work during such a difficult time, as well as for the increased transparency and communication to the membership. I just wanted to say I really enjoy what has been proposed. I enjoy the green space on the lawn—I wouldn't want to arrive to a

building there. Yes, this year at the height of the summer there was pressure on bookings. Having isolated courts is encouraging for beginners. There is a great deal of nostalgia for the building, we're a community club and this building is certainly a part of our community.

Q. What does the finance committee feel comfortable with for an annual debt payment?

A. The amount of debt we feel comfortable with is \$400,000–\$500,000 for the project as a whole. It's going to come down to what we can afford from year-to-year. We have to look at cash from operations, which is currently quite low.

Q. When you're looking at cash flows for this it means looking at the term of the loan as well as the interest rate. It seems like we should look at the payment rather than the total dollar amount?

A. I agree, we have to look at the term of the loan, etcetera. Perhaps annual debt payments of \$20,000–\$25,000 would be reasonable. Although...this is just my view about being fairly prudent about these things.

Q. Is there air conditioning?

A. No

Q. Where is the utility room?

A. The utility room is in behind the outdoor water filter, behind the men's washroom.

Q. Does anything have to be done to the foundation?

A. We talked to the architect about this. It is not something that he is terribly worried about. Two or three years ago we had a structural assessment, they climbed under the floor and looked at the foundation, they thought it was pretty good. The feeling is we wouldn't need a whole new foundation. There will be foundation work for extended portion, but that is already budgeted.

Q. Why have we decided to insulate the clubhouse?

A. The only thing that was decided was insulating the roof... not sure about the rest—it's not for the purpose of winterization, it's just considered good practice. Also, in the spring or fall it will make the early/late season more tolerable.

Q. Has there been discussion about a satellite site for the camps?

A. There have been discussions with the city, but that has not been interwoven here.

Q. Is there enough storage for everything.

A. We'll shove it in there!

Q. Has it been confirmed that no elevator is required.

A. Yes, no elevator is required.

Q. I have heard there is an underground creek, will that be addressed.

A. I have no idea what you are talking about.

Q. Are there plans to renovate court 1, and 7?

A. The plan is if this were to go forward it would be perfect timing to redo the courts, we feel we should build this into everything, we could be redoing courts one and seven shortly after finishing the clubhouse. The fall after or something like that.

Q. How much square footage does the expansion add?

A. Whatever it shows on the floor plan. One floor plan shows the existing footprint compared to what is planned. There have been many recent changes, so we aren't 100% sure. We can let you know.

Q. Has there been consideration to developing the back part and raising the whole thing to two stories.

A. We've considered it, the more we add the bigger the cost. We feel we've opened up a lot upstairs through redesign—moving the staircase, etc.

Q. I just wanted to say that the membership should be fully informed on what is going on, and that they get the opportunity to hear the whole discussion. I would like to know when there can be a follow up discussion session about this? I do find the new design is attractive. It seems to be mostly a new building, is it really a restore? What historical aspects will be saved? A quick note on court privacy if we were to move the clubhouse and add an eighth court—we can install court curtains! These new courts can be wider than any of the current courts. I just want to be able to enable discussion amongst members.

A. It seems the membership is really quite impressed with the level of communication from the board this year. So, I can say quite confidently that there will be a way for the membership to communicate to the board about this project.

Moved by Jason Taylor, seconded by Chloe Wilson, that we receive the clubhouse working group report. **Carried.**

## 7. President's Report

*Chloe Wilson summarized the President's Report from the 2019-2020 Annual Report*

Q. I Want to thank the board, great work this year! I like what was presented by the CWG. What does the board have planned for addressing dropping revenues in the coming years?

A. We are conscious of that. We are always thinking of what we can do to increase the revenue from camps—Not a specific plan but an awareness. Camps are obviously important.

Q. Do we feel that our revenue prior to 2017 was close to the upper limit. Do we think that there will be room to grow?

A. The only thing to increase revenues is to increase prices—we've always tried to keep these down. We have always talked about pushing KTC products more, maybe sponsorship, maybe other ways to generate more revenue. The SBC did generate data on price increases, and sources for revenue that will help guide us on that.

Q. Are we bringing the restore and expand clubhouse project to the membership for a vote? If we affirm the board now we will be going forward with the project?

A. It's not a blanket affirmation of the project going forward. We aren't 100% committed to it. We believe that we have been communicating and incorporating a lot of feedback. We think we have come with a project that meets the needs of the club. We can't say that there will absolutely be a vote.

Q. I feel there should be a vote just to know from the membership that you'll have peace of mind that the membership is behind you. Obviously, we need to have a special meeting with the membership.

A. The vote for the board tonight is not a vote necessarily to go with the project, but an affirmation of the process the board is following. So far, this board has shown a commitment to following a process and getting confidence. We want to get a project well supported. At this time, we are exploring this avenue because we feel it could be the right fit for our club and what the membership wants. We will continue to explore this option and solicit feedback from the membership. This could mean a special meeting—or getting feedback in other ways.

Comment. In a democratic process we vote for who will represent our opinions. These people have a mandate. I don't want to see us repeatedly addressing this issue. We should have faith in the process of our board and subcommittees. I am absolutely done with having unsolicited opinions from other members in my inbox. I don't want to hear everyone's opinions, I trust that feedback will go to the board, and that they will take that feedback into consideration and share it with us if it is important to be shared with the membership.

## **8. Election of Board of Directors**

*No nominations from the floor, all candidates unopposed.*



**Officers:**

**President**

Chloe Wilson

**Vice President**

Alma Thayer

**Treasurer**

Taco Meuter

**Secretary**

Gary Wilson

**Members at Large** (eight positions available):

Doug Bowie

Bob Goddard

Julie Hoffarth

Arsalan Ijaz

Donna Lounsbury

Nerissa Mulligan

Jason Taylor

Cole Vezina

**9. Other Business**

None

**10. Adjournment**

Meeting adjourned at 9:30 p.m.