

**Strategic Planning Committee
Report and Recommendation
July 12, 2019**

Committee Members:

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Introduction

The Strategic Planning Committee (SPC) was established in March 2019 at the Special General Meeting (SGM). The committee was initially chaired by Richard Brower and was later assumed by Nicholas Hsu.

The goal of the SPC is to understand the current state of the Richmond Curling Club (RCC) and to provide guidance to the Board of Directors (BOD) on the long-term viability of the club. The committee meet in-person on three occasion since March 2019 and this *SPC Report and Recommendation* is the culmination of the committee members' efforts. The committee will disband afterwards.

Fact Finding

During the SGM, there were statements made publicly about RCC and its financial state by members of the BOD and members/guests attending the meeting. These statements were part of the investigation made by the SPC. Below highlights the fact finding conducted by the SPC:

- The club's financial state is not in good shape but it can be fixed.
- There is a lack of foresight on upcoming capital projects required for the club.
- Janice Froese has the necessary skillset to help move the club forward.

Discussion

The club's financial state is not in good shape but it can be fixed.

The clubs financials was summarized by the Guido Amantea, current Interim Treasurer of the BOD and it was confirmed that the club is losing significant money the last few years. The two main factors attributing to this lose is that expenses have increased while revenue has decreased. This has reduced the club's cash reserve to almost nil and exposes the club to liquidity issues due to the nature of the club's cash flow.

The review of the club's expenses was being conducted once the ice had been removed in late April. Several large operating expense items were being proposed to reduce the operating cost of the club including removing the earthquake and flood endorsements on the property insurance for savings of approximately \$16K, switching payment provider to lower merchant fees, and outsourcing the printer and the maintenance to RICOH.

Although a thorough review of the club's expense is required, this is likely not sufficient to completely resolve the current operating loss. The club will need to examine how to generate

more revenue. Members from the committee suggested an annual facility fee to members that is paid only once regardless of the number of leagues the member participates in. This has been successful in helping other clubs like Marpole Curling Club significantly improve their financial situation.

There is a lack of foresight on upcoming capital projects required for the club.

Additionally, the committee examined the statements made during the SGM that related to the cost of large capital projects such as a roof replacement and plant equipment upgrades. The SPC discussed the issue with members of the BOD and had an independent review performed by committee member Keith Switzer. No official quotes were received on the cost. The remaining life of the major projects like the replacement of the roof and the ice plant could not be determined as this would require a depreciation report, which would cost money to produce. However the SPC discovered that the roof condition and ice plant, although requiring maintenance, were in decent shape. Furthermore, upon comparing other clubs major capital projects, the replacement cost of each project was found to be overstated when compared to the statements made during the SGM.

It is concerning that the BOD does not have a clear idea on the state and cost of major capital projects required by the curling club as it ages. This should be part of the fiduciary duties of the BOD. Additionally, it is disappointing that statements were made by members of the BOD during the SGM relating to these large capital projects without proper due diligence. This has caused confusion and anxiety among members of the club and the public. It is understandable that there could be friction among members of the BOD but this should not absolve them from their fiduciary duties and to act in the best interest of the club and its members.

Janice Froese has the necessary skillset to help move the club forward.

RCC long-time club manager, Doug Bradley, retired at the beginning of the season. Currently Janice Froese has been hired to fill in the majority of the club managers' responsibilities. RCC has been fortunate to have had a dedicated club manager for such a long time with the skillsets necessary to manage most of the club functions. Going forward, it is unlikely that the club will be able to find another club manager that can "do everything".

Janice Froese comes from a recreation facility background. Although she is new to curling, the curling club has sufficient skills in this area with direction from the BOD, ice technicians and members as her support. The club lacks other skills necessary to move the club forward such as being experience in writing grant applications, managing and developing staff, providing oversight of a recreational facility (such as maintaining cleanliness and first-aid), budgeting and expense management. In RCC's current financial situation having an experienced recreational

facilities manager is necessary. Furthermore, it is expected that after having a season with such significant changes that the BOD will examine their policies and update it.

Recommendations

Based on the facts gathered and through discussion among members of the committee, the SPC has arrived at 3 recommendations for RCC's BOD. These recommendations are not an exhaustive list, but it is focused on the mandate of maintaining the long-term viability of the RCC. Below are the 3 recommendations of the SPC:

- A capital contingency fund should be created with details of when the need for large capital project is required and should be initially funded from the general revenue of the club.
- A communication strategy should be developed and implemented including an appropriate review and update of the governance and policies of the club.
- At the next Annual General Meeting (AGM), the BOD should propose a reset of the directors or a vote of confidence motion in order to allow the club to move forward from the past season.

Discussion

A capital contingency fund should be created with details of when the need for large capital project is required and should be initially funded from the general revenue of the club.

The definition of strategic means "relating to the identification of long-term or overall aims and interests and the means of achieving them". The club's vision is to be a premiere curling club, but it lacks a clear means of achieving it.

Without the building and its equipment, the RCC would not exist. This facility allows the club to achieve its vision. Therefore, it is of utmost importance that the building and equipment is properly taken care of in the immediate and the long-term.

From the fact finding of the SPC, it is apparent that there is a lack of awareness among BOD and members on the long-term plan for the facility. Problems are handled in the immediate and there is little information on a plan of refreshing the building and equipment. Fortunately, the problems relating to the facility have been relatively minor but going-forward the chance of large capital cost to replace aging building and equipment will only become more likely.

Ultimately, the SPC is recommending establishing a capital contingency fund but this requires information that RCC currently lacks. The club can begin to set aside money once the current

operating challenges have been resolved but the SPC would like the club to set aside money with a clear purpose.

Like how condo strata are managed, a depreciation report could inform the BOD of when the large capital projects will be required in the future. This level of information would flow into the decision-making and policies set forth and enable staff to execute with a clear purpose. It is expected that eventually this information will flow into pricing and expense management decisions at the club.

A communication strategy should be developed and implemented including an appropriate review and update of the governance and policies of the club.

The events that transgressed during the SGM clearly shows that the communication at RCC among the BOD, staff and members is not working. The SPC recommends that a communication strategy be developed in order to address this problem. An examination of how the club communicates and the medium it uses needs to be reviewed. Overarching this need, the BOD must ensure that it has the proper governance and policies in place that enables the communication and to respect people's privacy.

An example of policy direction from the BOD could include developing strategic goals for the club that can improve communication among groups as to explain why certain actions are taken at the club and to guide management staff in their decision making.

At the next Annual General Meeting (AGM), the BOD should propose a reset of the directors or a vote of confidence motion in order to allow the club to move forward from the past season.

As a result of the fractious nature of the SGM, the SPC sees a need to give members an opportunity to demonstrate majority support for the volunteers attempting to turnaround the club. The opinions of the vocal few versus the silent majority needs to be clearly addressed for the club to move forward.

The SPC is recommending that at the next AGM, an informed process to the membership, should occur that either reset the directors on the Board or a vote of confidence motion that allows membership to have their equal say in the matter. Ultimately the goal of this exercise is to give the BOD a clear mandate of support to move the club forward.