

**Special General Meeting Minutes**

**Wednesday October 17, 2018**

**1 - Member Registration and Confirmation of a Quorum**- 76 members in attendance, quorum confirmed.

**2 - Welcome and call to order –** George McLachrie, President at 7:10pm.

**3 - Introduction of Moderator/Advisor Mr. Peter Buxton LLB**- Mr. Buxton is a QC trial lawyer, 37 years practicing, has been on a number of boards, ex parks commissioner, 2 provincial boards appointed to Attorney General’s Minister of Health, is present to moderate. He is very versed in the Society Act.

**4 - Background & Board’s Position concerning Motion to be considered**- George McLachrie statement.

* It is important to discuss financial concerns with the coaching contract and explain the role of the BTC board, which seems to be misunderstood by some BTC members.
* GR Tennis Inc. and its sole shareholder is well regarded by many and has been an ambassador for tennis for Burnaby and BTC. This Board provided positive references to support his application to be the Head Pro at the Vancouver Lawn and Tennis Club.
* We would like to continue negotiating this contract to the benefit of *both* parties.
* We must reject as disrespectful some intentionally insulting comments directed as the board.
* The BTC board is professionally managed and includes professionals such as 2 CPA’s, 1 CFA, a former Tennis Coach and others with managerial responsibility.
* It is the elected board’s role and responsibility to determine how contracts should be dealt with and to enter into/conduct contract negotiations on behalf of BTC.
* The BTC board, under the Societies Act, is not obligated to seek consent from the membership to do what Boards are elected to do.
* The Board is required to act according to the By-laws of its Constitution and the Societies Act and has a fiduciary responsibility to do so. “To act honestly, in good faith and in the best interests of the Society.”
* Upon realizing we were losing money on our coaching contract we began negotiating with GRT to gradually improve it. Due to an inability to reach a reasonable contract we filed a notice to not renew in February 2018.
* It is the board’s duty to negotiate a responsible financially sustainable contract for BTC.
* The club has lost money on coaching every year for over 10 years, with losses totaling $80,000 over 10 years – but we should have made $200,000 or more.
* These losses amount to about $100 hidden cost per member each year.
* Elements of the contract we identified needing improvement are:
  + Need clear definition of what services BTC receives for the $16,000 fixed retainer (GRT had asked for an $8000 increase);
  + Make coaching pay is based more on performance;
  + Reduce complaints that requests for coaching have been denied or ignored.
* Over the years BTC effectively gave GRT exclusivity on coaching but issues were identified by BTC over the efficiency of court usage and revenue generation:
* Rental hours on coaching court #6 are under 50% (there are nearly 3000 hrs in a bubble season on court #6 but less than 1300 are used - mostly in prime time);
* Part of the head coach role is to find solutions to fill those off-hours; Instead GRT wanted to use member court #5 in prime time in addition to court #6 – BTC declined.
* Historically requests for coaching clinics had also been ignored by GRT.
* Solutions and ideas proposed by BTC included additional contract coach providers who could work different days/times and offer clinics and drills.
* The court rental rate we had been charging was too low – for many years the base rate was $5 to $6 per hour but the BTC break even rate is $15 per hour. Most clubs rent courts at $25 or more per hour.
* In summary, the practical effect of the coaching contract was:
  + BTC gives GRT over 1000 hours of subsidized court time, the club receives approximately $10,000 for court rental and pays GRT a retainer of $16,000 – more than BTC received from coaching - resulting in losses from coaching.
  + BTC can no longer absorb the financial cost of past coaching contracts and needs to change the contract and coaching model to include accountability for revenue and profit targets. The board has a duty to ensure BTC is getting the best value for money and the best usage of court time – our only real hard asset.

IF this motion is passed it is not binding on the Board but it will place the Board in a difficult situation of being asked to knowingly sign a contract that is financially harmful to the club in violation of the Board’s fiduciary duty to the club. Continued negotiation is the better path to a resolution but that was halted by GRT and then further delayed by this petition. The motion will be discussed by the Board at it’s next meeting.

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**5 - Presentation of Petitioners Information Package** - Greg Rash

The following petition was presented with two motions:

1 - That Glenn Richard’s current contract be renewed materially the same as the previous year for one year; and

2 - Any proposed strategic coaching changes receive the proper input, comments and general agreement from the membership before proceeding to implement strategic changes.

Petitioner key statements and allegations:

* Major changes at the club should be brought forth to the membership for discussion, input and voting prior to the board proceeding with major changes.
* Duty of directors under BC Society Act were not followed regarding honesty, good faith, care and diligence and coaching information provided was misleading or incomplete.
* Challenged board financial data on coaching revenues being a loss over the years (says we should include revenue from Burnaby Open, summer camps and junior development; says the only BTC cost is the $16,000 retainer).
* Additional statements made:
  + Coaching model wasn’t discussed with members and why change it now after 29 years.
  + Why did the board enter into new coaching contracts with a petition ongoing.
  + Is there a report on research done on other including coaching models at other clubs.
  + Minutes should be published on website.

**6 - General comments read from member emails:**

* Fully support board’s decision as the previous contract was unsustainable.
* New contract is fair to all involved, members and all coaches.
* The highest priority must be the club and its members, not some member’s friendship.
* If major changes are not undertaken this year, it will delay the inevitable.
* This initially seemed a precipitous decision to let our coach go given incorrect rumors it was about recouping revenues lost when coach was injured – but its more complex.
* Respect the coach, but we cannot afford to subsidize coaching.
* Some member resistance arose due to lack of transparency on what was happening.
* Board needed to explain what it saw as its mandate in contract renewal discussions, but members can’t expect to hear ongoing details of negotiations.

**7 - General comments among members present:**

* Some disagreed with the way the contract was handled; others supported it.
* Profits may not show it, but profits are there from intangibles.
* We need a head pro to have one person to go to, and this is his livelihood.
* Members have demanded more workshops for years.
* Court 6 needs to be released to members if coaches have a cancellation.
* Past contracts made with head pro were not brought to membership for approval.
* A significant change was needed as the old contract had become stale. The board has the duty and authority to make such a change.
* No clinics had been offered for past 5 years.
* Having a head pro is part of doing business for a tennis club.
* The contract should benefit both parties, including the intangibles we benefit from.
* BTC is making a profit to save for a bubble replacement.
* We owe the board respect and as they did their best to negotiate but GRT chose to leave.
* If court 6 was more available for members there would be more court time available.
* The club is profitable overall even if losing money on coaching.
* A managing coach can hire who they wish to do coaching.
* The board directors put in hundreds of hours, are elected by members and are highly respected in the business community. We should not slam our directors as they are looking out for everyone.
* Many are here due to strong emotions but there is a solution to every problem.
* Some past directors (Larry, Louie) offered to help get the contract back on track.
* If we keep GRT as a loss leader be prepared to pay more in membership fees.
* We need a scale of measurement - the more he performs, the more he makes.
* Court 6 should help the club make money, not be just for coaches.
* We should re-negotiate.
* Other club head coaches have assistants under their control.
* We need better junior support, including head pro dedicated to servicing juniors.
* What happens to other coaches if GRT contract is reached.
* Other coaches have been paying 30% to GRT for nothing in return.

**8 - Motions addressed**

* A potential petition was brought to the table: T*o entertain further discussion on whether these petition questions should be heard and reword #2.* Motion failed due to objections as it needs to be unanimous. (Mr. Buxton - motion is not properly on the floor, cannot come to a vote).
* **2 motions to be voted on**- proposal to amend the 2nd motion to continue negotiation model. Will take unanimous consent brought properly under Society Act. Bring Glenn back under his old contract while we renegotiate a new contract if the board will allow Louie, Larry and Graham to do. Motion to amend. Any further discussion: call for someone to move 2 motions – in petition- (1st) – *Question-* Does the petition become a motion? *Mr Buxton*- It becomes a requisition and puts the motion before the meeting. You must move the motion as its worded.

**Motion #1** **proposed amendment** - To re-hire Jack & Shelley. Mr. Buxton notes that was not a part of the original motion and is materially different and therefore requires unanimous consent of everyone at the meeting. There are objections from the floor. Amendment is defeated.

**Motion #1** is on the floor, “**That Glenn Richard’s current contract be renewed materially the same as the previous year for one year”.**

Call the vote – simple majority of 51 % must be in favour in order for the motion to pass.

**Motion 1 is passed by a majority vote.**

There was discussion about a 3rd motion to bring Glenn back while we continue to renegotiate; however, that wording conflicts with Motion #1 and #1 was already passed. Mr. Buxton notes that Motion #1 already covers part of that. Mr. Buxton suggests idea of workshops for members to voice concerns and make recommendations to the board.

**Motion #2** is on the floor, “**Any proposed strategic coaching changes receive the proper input, comments and general agreement from the membership before proceeding to implement strategic changes.”**

Question about suggesting a draft proposal or a workshop could be part of Motion #2. Louie discusses his idea of negotiating a contract on behalf of the Board. Question is some want to have an amendment of #2. A question about intent. Mr. Buxton states that this motion allows members to provide any kind of input to the Board; however, the Directors, after having received that input, still are charged with doing the business of the club. This kind of motion is highly irregular. Possible board response to this motion could be to state how it will receive input but neither of these motions mentioned an implementation period. Mr. Buxton re-reads the motion and cautions that this motion handcuffs the executive and they may choose legally not to follow it. **Motion 2 is passed by a majority vote.**

George thanks Mr. Buxton and all members for their input. Board will call a meeting.

Meeting adjourned at 9:21pm.

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