



KINGSTON RADIO CONTROL MODELLERS

**MINUTES of the Regular Meeting
Monday, September 21st, 2009**

Called to Order: By Byron MacLean @ 7:35 with 16 members & guests.

SECRETARY'S REPORT: Presented by Wilfred Hill
Moved to accept by: Gary Vincent Seconded by: Brian Fisher

TREASURER'S REPORT: Presented by Rolly Siemonsen
The bank balance is \$6391.73 and the book balance is \$4916.73. The difference is due to two outstanding checks. The club, as of this time has no outstanding debts. As of this meeting we have 88 members. We did not do a weed and feed for the field this year.

The Father Day Fun-Fly made	\$581.03
The Electric fun-fly made	\$344.41
The IMAA made	\$821.89
The club fun fly cost	\$ 92.09
Total profit	\$1655.24

Moved to accept by: Cliff Smith Seconded by: Mike Siemonsen

C.F.I.'S REPORT: Presented by Cliff Smith
Cliff presented wings to Jim Murdoch. Jim thanked the members present for their encouragement and assistance in helping him attain his wings.

MAINTENANCE & PROJECTS: Mike Siemonsen reported that some work still had to be completed on the east end of the clubhouse. It was reported that the wood stove is still in good shape, with the possible exception of the vertical stovepipe. The wood supply still appears to be abundant. Mike Siemonsen and Cliff Smith have offered to split the old fallen tree.

OLD BUSINESS: Byron MacLean wished to thank Roger Harrison for helping him as the pig roasted. Byron also thanked the wives who took on the task of wrapping the baked potatoes and shucking the corn on the cob. Cliff Smith thanked Rolly Siemonsen, Jay Kingston and all those who helped in the canteen. He thanked Gary Droppo, Wilf Hill and David Henderson for their grillwork. The club gave a rousing round of applause to thank Cliff Smith for his successful running of the canteen, and to Byron MacLean for his tremendous roasted pig dinner with all the trimmings.

NEW BUSINESS: Some Thoughts on KRCM Financial Practices by Gary Droppo as read by Rolly Siemonsen in Gary's absence.

Background

Over the years, KRCM has done fairly well in keeping its finances in order. However, there has occasionally been some concern about its true financial situation and appropriate fee structures.

Several years ago, a major step was taken in setting up a Fun Fly Account with the stated purpose of separating Fun Fly associated incomes and expenses from general revenues. This has enabled us to quickly understand our situation, such as, are our Fun Flys a financial drain? (It so happens that over at least the past 4 or 5 years these events have actually been subsidizing KRCM routine operations, and helped delay the need for any Membership Fee increase.)

Current Situation

This year, as in a couple of recent years, it is projected that the Fun Fly account will once again have a considerable surplus. (Its official ceiling is set at \$2000). This account has purchased certain items, such as barbecues or coffee machines, which are directly associated with the events. It is not there to purchase major items (porta-potties, etc.) that are Club infrastructure, nor should it be used to replace building roofs, etc.

Recently, as the Fun Fly account has reported its annual surpluses, these have been turned over into General Revenue.

The Problem

There is a tendency to become dependent upon the Fun Fly surpluses to subsidize Club operations, or to help cover some emergency repairs. For example, should our current grass-cutting arrangement no longer work out, KRCM may have to purchase a mower (think \$6000) and then either continue to pay someone to mow or operate via a roster of Club Members to mow. There is no money set aside to cover such a large outlay, and this would require a major fee increase or bank loan to be paid back from (less dramatically) increased fees. Or, some kind of damage, such as a building fire, could require significant repair expenses outside of any insurance coverage.

This is not a good business practice. There is a better way.

Proposal: KRCM should set up a Contingency Fund. Any surpluses from the Fun Fly Account would be placed there each year. This Fund would then require a special Motion to withdraw money from.

This would result in our having an Operating Account, where all Membership dues, Auction commissions, etc. go and from which all Operating Expenses are managed. Membership dues would have to be adjusted accordingly to maintain this Account with a suitable balance. Should this Account happen to grow and seem to be getting "rich", we could vote to transfer some money into the Contingency Account.

As time goes on, we would have a strong financial picture, be able to budget for routine operations and still have a capability of handling some future contingency without an emergency increase in funds. As well, there would be no tendency for us to see what appears to be a “pot of gold” sitting in the bank, just waiting to be wasted. (A few years ago, there was talk of drilling a well. Within the watershed of an abandoned dump! Not a great idea, even in the pre-Walkerton, low regulation days.)

Now is the time to do this, as we are in a very favourable and fortunate financial situation. It is merely a paper transfer of funds along with clearly defined rules for the use of these three components of the Clubs finances (By-law change?).

Rolly reported on further investigation into the BFL Canada Insurance proposal. At present MAAC will cover us at our three registered flying sites, the club field, the Thompson Drill Hall, and the Varty Lake float fly site. BFL has offered a \$2M and a \$5M policy for \$10.00 and \$16.50 per member respectively. For the \$2M policy there is a minimum payment of \$330.00 and for the \$5M policy there is a \$500.00 minimum payment. The deductible for each claim would be \$2500.00. Rolly and Cliff Smith contacted their own home insurance carriers and found that they would be covered while flying. It was decided not to pursue the offer any further.

Rene LeBrun had told Cliff Smith that the application for the use of the Thompson Drill hall was under review by the Base Commander, but that he was hoping for a November start.

Byron reported that the Gatineau air show was a great success, with the Lancaster bomber from Warplane Heritage and other fighters from Vintage Wings. He also talked about the Boyd's Pitts display.

Byron introduced Mike Bowschar and Gus MacGillivray

Motion to adjourn by: Gary Vincent, Seconded by: Mike Siemonsen

MEETING CLOSED AT 8:35 PM.

Next meeting
Monday, October 19th, 2009, 7:30 PM
at the RCAFA Club