



**Minutes of the Board of Director's Special Meeting
To Respond to Unit 166 Proposal for Division of Assets
Wednesday, February 14, 2018, 4:30 pm
Bridge Centre of Niagara**

Present: Muriel Tremblay, Wiebe Hoogland, Chris Loat, Lucy McEwen, Chandi Jayawardena

In Attendance: Claude Tremblay, Paul Cronin, John Mackay

Excused: Elinor Grill, Kathy Morrison

#	Item	Action
	Claude chaired the meeting using the minutes from the Special Meeting with Unit 166 Representatives to inform the Unit 255 (U255) Board of Directors about the discussion and the Unit 166 Proposal. The purpose of this meeting is to prepare a counter offer to Unit 166 (U166).	
1	Unit 255 Joining the South Ontario Agreements on Event Scheduling <ul style="list-style-type: none"> • We are in agreement to co-operate with U166 and other Units within District 2 (D2) to ensure minimal or any conflict with event scheduling. 	
2	Unit 255 Joining in the Shared Revenue/Expense Arrangements (STaCs, Kibitzer) <ul style="list-style-type: none"> • We agree to share the revenue and expense from the STaCs according to the number of tables our Unit will generate over the total number of tables of D2. We were informed that during the last STaC, U255 earned \$485. • Chris to contact Andy Risman to get the money owed to us. • We agree to participate to the same extent as the other Units to the Kibitzer. It is our understanding that the cost sharing of the \$10,000 is based on the ratio of U255 membership over D2 membership (400/7,000) less than 6%. For our participation we get 2 free pages in the Kibitzer (i.e. 1 page for Unit Information and 1 page for AGM information) and free advertising for our tournaments (2 pages for Regional and 1 page for each Sectional). For all other advertising U255 will pay at the going rate. • Cost to U255 will be \$140 per quarter - Chris to pay. • Chandi to communicate with Andy Stark to provide input and obtain deadline dates for each issue. 	Chris Chris Chandi
3	Unit 255 Tournament Supplies <ul style="list-style-type: none"> • Unit 166 provided a list of all their equipment. Although the original cost of equipment was \$33,828 the residual value (book value) is only \$2,710. Unit 166 suggested we get our 10.64% of the residual value. After some discussions regarding what value for the tangible assets should be used where no number could be agreed on, Tom Ramsay (mediator for D2) suggested that we get our percentage of all items listed (i.e. BrideMates, bidding boxes etc.). • Wiebe suggested that we get the \$ value of 80 new sets of bidding boxes in lieu of 10.64% of all the tangible assets held by Unit 166. Remove the residual value of the 	

	tangible assets from the balance sheet when calculating the value of money owed to us then add the cost of the 80 sets of bidding boxes. This is to be included in our counter proposal by Claude.	Claude
4	<p>Disposition of Unit 166 Assets</p> <ul style="list-style-type: none"> • We are in agreement of the formula to divide the assets of U166 according to the # of U255 members / U166 members before the spinoff (405/3,806) which comes up to 10.64% of U166 assets. The above-mentioned membership count is according to ACBL's email to Andy Risman. • We discussed restricted funds and U166 was provided with copy of the definition of restricted fund according to Chartered Professional Accountants Canada (CPA) and U166 definition does not meet the requirement. U166 argued that ACBL donated the money in their restricted funds, we requested documentation for such donation. In the discussions, it appears that ACBL is paying U166 to run their NABC tournaments. • Information provided by Paul regarding money from ACBL for the NABC Tournaments: the money from ACBL is provided to pay for the hospitality, registration gifts, prizes, etc. Once the tournament is over the money is no longer allocated to anything restricted. • We are looking to receive 10.64% of all assets on the Unit 166 balance sheet. • U166 to provide ACBL document to clarify the "Restricted Fund". • Since U255 formation, December 1, 2017, the financial statement received from U166 does not include profit from the following tournaments: NABC in Summer 2017, Toronto Sectional in September, the STaC in October and Niagara Falls (NF) Regional in November. • Claude to obtain the financial summary for each of these events to include the profit into the asset assessment for Unit 255. 	Claude
5	<p>2019 NF Regional Allocation</p> <ul style="list-style-type: none"> • U166 stated that the 2019 Regional will stay in Niagara Falls and the sanction will be reinstated. According to D2 the 2019 NF Regional is allocated to U166, therefore the profit for this Regional was intended to be for Unit 166. We need to find a logical and reasonable solution to "sharing" the work and the profit between the two Units. • U255 proposed to get rental of tournament supplies from U166 at preferential rate as follows: first 5 years @\$1.50, next 2 years @\$2.00, the next 2 years @\$2.50 and then \$3.00. U166 to consider. • For 2019 NF Regional U166 proposed 3 options as follows: <ul style="list-style-type: none"> a) Fee per table with complete autonomy to U255 (U166 preferred option) b) Profit sharing of non-controllable expenses c) Bottom line sharing with veto power on any expenses • U166 proposed a sharing formula of 60/40 in favor of U255. U166 said they will require veto power of tournament expenses budget. Proposal with veto to be brought back to BOD of U255. • List of non-controllable ACBL expenses items are: <ul style="list-style-type: none"> - Director session fees, transportation, per diem, accommodation, per table sanction fee, hand record fee, copying costs - US exchange premium - Hotel rental fee and contractual gratuities - Table rental - District 2 \$3 per table levy 	Claude

	<ul style="list-style-type: none"> - Supplies fees • U255 will accept the 75/25 split of profit with input from U166 on the Regional table fees. 	Claude
6	<p>At the End of the Unit Representatives Meeting, U166 Proposed the Following:</p> <ul style="list-style-type: none"> a) \$6,000 check to be paid within 30 days b) \$5,000 loan interest free to be repaid by November 30, 2019 c) supply fee of \$1.50 retroactive to current Sectional d) full support of U166 (5 members) at D2 meeting for U255 to have their Regional (full autonomy) every 2 years e) 2019 Regional 3 options: <ul style="list-style-type: none"> - 60/40 with veto oversight - 75/25 and input in entry fee - \$4.00/table payment from U255 without any controls from U166 	
7	<p>U255 Counter Proposal to U166</p> <ul style="list-style-type: none"> • Unit 255 is entitled to 10.64% of the total assets of Unit 166. In calculating the amount owed to Unit 255 we have made the following adjustments: <ul style="list-style-type: none"> - Remove \$2,710 (residual value of tangible assets) from the total assets - Remove \$2,419 (NDBA reserve held by Unit 166) from the total assets - Add in the profit from tournaments held after the August 31st financial statements: <ul style="list-style-type: none"> NABC (summer 2017) estimated to be \$15,000 Toronto Sectional (September 2017) estimated to be \$5,000 STAC (October 2017) estimated to be \$ Niagara Falls Regional (November 2017) actual - Calculate the adjusted total assets * 10.64% to be our share of cash - Add the NDBA Reserve - Add the \$ value of 80 sets of bid boxes in lieu of 10% of all Unit 166 tangible assets - Resulting in the total amount owed to Unit 255 • Accept U166 proposal # b), c), d). For item # e), we accept the second option: 75/25 split of profit with input from Unit 166 on the entry fee. • Claude to prepare our counter offer and submit to Unit 166. 	Claude
8	<p>Other Items Discussed</p> <ul style="list-style-type: none"> • <u>By-law:</u> After discussion by the Board of Directors, it was moved by Chris and seconded by Muriel to change our By-laws to remove the clause on “borrowing”. All in favor. Carried. Muriel to modify the by-law, send copy to the Board of Directors and post on the website prior to our AGM. • <u>Bank signing authority:</u> Chris informed us that our bank account has been setup and ready for the signing authorities to meet with the bank administrator. Our account has been set up so that we don’t pay a service fee if we have more than \$1000 in the account. We approved the following directors to have signing authority on the bank account: Muriel Tremblay, Chris Loat, Wiebe Hoogland, Kathy Morrison and Chandi Jayawardena based on needing two signatures on the checks. • <u>Official name:</u> Kathy to inform ACBL about our official name: Niagara Area Bridge League Unit 255 Inc. 	<p>Muriel</p> <p>Chris</p> <p>Kathy</p>
	<p>Adjournment</p> <p>Chris moved that we adjourn the meeting at 5:30 pm.</p>	