

ROYAL CANADIAN LEGION KINGSWAY BRANCH #175
MINUTES OF THE EXECUTIVE MEETING
TUESDAY 17 SEPTEMBER 2024

The President opened the meeting by ritual at 6:30 p.m.

The meeting was chaired by Comrade S. Danyi

ROLL CALL:

Present: Comrades R. Torrie, Etmanski, W. Hyshka, R. Wills, C. Wills, J. Hyshka, Criss, Deugau, Morrill, Danyi, Simon, N. Danyi, D. MacIntosh, Walsh, Werner

Excused: Comrade Fecteau (holidays), Wiebe (sick)

Absent:

Guests:

LAST POST

<u>Name</u>	<u>Age</u>	<u>Deceased</u>	<u>Service (if applicable)</u>
Lisa Twigg	66 years	22/July/2024	
Harry Grace	83 years	24/Sept/2024	
Sharon Gearing	82 years	19/Aug/2024	

MOTION TO ACCEPT THE AGENDA:

Motion to accept the agenda were made by Comrade W. Hyshka

CARRIED

COMMITTEE REPORTS

TREASURER: Comrade N. Danyi

Revenue: Revenue is down by \$96K (12%) year-over-year (YoY). This drop is primarily driven by:

- A 66% decrease in special event revenue, down \$44K.
- A 23% decrease in rental revenue, representing a \$20K decline.
- A 13% decrease in canteen revenue, down \$68K.

Despite the decline in revenue, our gross margins have held steady at 41%, compared to 40% at this time last year. This indicates that cost control measures have been effective in maintaining profitability, despite inflationary pressures.

Canteen Performance: The canteen remains the largest driver of cash flow, generating \$436K YTD, which represents 67% of total revenue. However, the canteen's monthly revenue has shown a concerning downward trend over the past three months:

- June: \$71K
- July: \$42K

- August: \$40K

While this may reflect the summer holiday season, the YoY decrease suggests a potential ongoing issue. This will need to be monitored closely as we enter the fall season.

Cost of Goods Sold (COGS): COGS have decreased by 13% YoY, aligning with the revenue decrease. This proportional reduction in costs is noteworthy, as it has occurred despite inflationary pressure. This effective management of COGS has allowed us to maintain stable gross margins.

Building Expenses: The building continues to be our largest expense, accounting for approximately 50% of our total expenses. Building-related costs have increased by \$23K or 11% YoY, independent of any interest charges. These rising costs are placing additional pressure on our overall financial position.

Building Operating Ratio: The Building Operating Ratio, calculated as Gross Profit from all events, canteen, and rentals divided by building expenses and wages, has decreased to **0.68x**, down from **0.97x** last year. This means that every dollar of building revenue can now only cover \$0.68 of building costs, compared to \$0.97 last year. This declining ratio is a significant concern and will need to be addressed through either increased revenue or a reduction in building costs.

Liquidity Ratio: Liquidity, defined as the Legion's ability to meet its short-term obligations with its available assets, has weakened. The Liquidity Ratio has decreased to **0.56x** from **0.79x** last year. This means that for every \$1 of liabilities, we only have \$0.56 in liquid assets, compared to \$0.79 last year. A lower liquidity ratio signifies potential difficulty in covering short-term debts, and it emphasizes the need for more immediate cash flow management.

Debt to Total Assets: The Debt to Total Assets ratio remains unchanged at **0.13x**. This ratio indicates that we are in a relatively safe position in terms of asset coverage, with the book value of our building and land standing at \$11MM. In the event of asset liquidation, this ratio suggests we can comfortably cover debts. However, if we exclude real estate and focus solely on operational assets, the coverage ratio improves to **0.47x**, however this number would require reliance on Alberta Gaming and Liquor Commission (AGLC) funds.

Credit Line and Debt Service Coverage: As of the end of August, there was \$39K available on our credit line. Unfortunately, our debt service coverage ratio remains negative, as it was last year. This means that regular cash flows are insufficient to cover debt obligations, which requires us to cover debt payments either by reducing expenses, using cash reserves, or potentially tapping into the credit line to pay the mortgage. Our total debt servicing costs amount to \$216K per year (principal and interest), consuming 54% of our gross profit.

Interest Expenses: Interest expenses have increased by 71% or \$40K YoY, largely due to the variable rate tied to the Bank of Canada's prime rate increases last year. However, with the recent Bank of Canada rate decreases, we anticipate some relief in interest costs going forward

Cash Burn: Our average cash burn per month is averaging \$23M based on trailing 3-months.

Based on this average we have enough cash to cover 2.5 months using all of our available non-restricted cash as well as the full extent of our credit line.

Overview: The 175 Kingsway Legion has experienced a decline in revenue, with key financial metrics reflecting both external challenges and internal trends. As we review the year-to-date (YTD) performance, there are areas of concern, particularly around event-driven income and the rising costs associated with our building. Despite these challenges, we are managing expenses in line with reduced revenues, but several ratios indicate a need for immediate action and strategic adjustments going forward.

Financial Year-End (FYE) Reporting: We have submitted our FYE reports to Ellis Group Accounting, and the finalization is expected in approximately two weeks. We plan to send the drafts to the bank within the next few days. I would like to extend a special thank you to Debbie for her meticulous efforts in reconciling 33 accounts line-by-line over a 12-month period. Her dedication made it possible to complete this monumental task within just six months.

Conclusion and Next Steps: The financial situation of the 175 Kingsway Legion requires immediate attention, particularly in improving our revenue streams and managing building expenses. With a liquidity ratio of 0.56x, it's critical that we enhance our cash position, either through raising funds or controlling expenses further. The declining canteen revenue also warrants closer monitoring to determine if the decrease is seasonal or indicative of a larger trend, along with declining special event and rental revenues. We must also explore opportunities to increase our debt service coverage ratio, potentially by restructuring our debt or finding additional revenue sources.

Further discussions are necessary to map out a clear strategy for addressing these challenges and ensuring the financial stability of the Legion in the coming months.

I so move my report.

Seconded by Comrade Criss

CARRIED

TREASURER: Comrade R. Wills

No Meeting this month,

BMO - We have our Annual Credit Renewal due by 31 Mar. They are now asking for our end year without the audit.

Class Action Lawsuit- No Change

AGLC – Waiting for response

I so move my report.

Seconded by Comrade N. Danyi

CARRIED

WAYS & MEANS: Comrade Criss

Still patiently waiting on applying for the Oilers 50/50 program. Right now, 50/50 program is full so will keep an eye on it for when a spot opens up. Applied for the New Horizon grant that will be going towards upgrades for the banquet rooms such as new chairs, stage, and hopefully new POS system.

Want to thank everyone who bought tickets to the Farmers Market raffle. Tickets was sold out raising \$750.00 for the raffle. Winners are:

1st Prize \$250.00 Mayfield Theater gift card Marie Shortreed

2nd Prize \$150.00 Gas Card Kim Earles

3rd Prize \$100.00 Grocery Card Ron Megley

If you know of anyone or a company that can donate prizes or any other fundraising ideas, please contact Steve Criss at 780 278 1233 or at steve.criss@kingswaylegion.ca

Seconded by Comrade W.Hyshka

CARRIED

MEMBERSHIP: Comrade C. Wills reported that we have 1186 members for 2024 in good standing.

Ordinary	Associate	Affiliate	Life Members
459	437	265	25

I so move my report.

Seconded by Comrade Criss

CARRIED

NEW MEMBERS: Comrade C. Wills 6 New Applications 1 Transfer 2 Reinstatement

New Members

Ordinary	Associate	Affiliate
John (Adam) Bailey	Jo-Ann Jacques	Janice Kindrat
	Heather Newton	
	Seann Haver	
	Jason Pedersen	

Transfer

Robert Hawkins
Dartmouth NS Br 160

Reinstatements

Rhonda Kirk-Dasiuk	Terence Kindrat
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For a total of 9

I so move my report.

Seconded by Comrade N. Danyi

CARRIED

PUBLICITY: Comrade Simon/Hazen No report

SPORTS: Comrade Nelson No report

BUILDING & GROUNDS: Comrade W. Hyshka

During the summer I have had help from many people, all these people I would thank muchly. Claude and other people who have helped him that he brought with him, also Roger and Rick. This last month we have been working on getting lighting changed out and repaired, we have run into some roadblocks, but we are slugging forward. We have been working on other repairs that are required. We are having some difficulty with getting some quotes for the outside.

I so move my report.

Seconded by Comrade Etmanski

CARRIED

HISTORIAN: Comrade Deugau

I've added the Battle of Britain to the current display

I so move my report.

Seconded by Comrade W. Hyshka

CARRIED

SICK & VISTING: Comrade Wiebe No report

ENTERTAINMENT & SPECIAL EVENTS: Comrade J. Hyshka

Upcoming dates and bands are as follows:

September 20/21 – Trick Ryder

September 27/28 – Dean Henry

October 4/5 – TBD

October 11/12 – Sparkling Tones – MOVED TO THE MAPLE LEAF ROOM

October 18/19 – Trick Ryder

October 25/26 – Dean Henry

UPCOMING EVENTS

Saturday, September 28, 2024

Elvis Show featuring Bruce Stewart

Dinner and Show \$65.00

Dinner is Roast Suckling Pig with all the trimmings

Show only - \$35.00

At the Door - \$45.00

Doors – 5:00 pm

Dinner – 5:30 pm

Show – 7:00 pm

Tickets available at the Branch or Eventbrite

**all prices are GST applicable

Saturday, October 12, 2024

Oktoberfest

Traditional German Meal

The Friday and Saturday dance will be held in the Maple Leaf room

Regular prices for the dance remain the same but you

have the option to purchase dinner tickets

Watch for more information and dance the night away with

the Sparkling Tones

Jimmy the Janitor

“Maritime Canada’s Best... Good Clean Fun”

Sunday, November 24, 2024

Show only - \$30.00 plus GST

Doors open 6:00 pm

Show at 7:00 pm

Saturday, November 30, 2024

Twilight Time

Dinner to be determined

Show only - \$35.00

At the Door - \$45.00

Doors – 5:00 pm

Dinner – 5:30 pm

Show – 7:00 pm

Tickets available at the Branch or Eventbrite

**all prices are GST applicable

December 31, 2024

New Year’s Eve

“The Diamonds Band”

I just wanted to give a great big thank you to Kelly and Trick Ryder for coming to my rescue ONCE AGAIN when I had a band cancel again. With very little time, they took that spot and helped us out. I so move my report.

Seconded by Comrade N. Danyi

CARRIED

POPPY: Comrade D. MacIntosh

The GEPF is a new split in their meetings

- 1) Poppy representatives
- 2) Directors

There were only 4 voting representatives for the poppy meeting

Kingsway

Norwood

Treasurer

Secretary

4 bursaries were forwarded to the Directors for approval.

Also forwarded for approval were the following:

\$50,000 to HyMarc

\$50,000 to AB/NWT Command Poppy

We are still waiting on word back from Command in the two previous recommendations that have been approved by the Directors of GEPT.

- Service Dogs
- Mounted Troop

I so move my report.

Seconded by Comrade W. Hyshka

CARRIED

SERVICE OFFICER'S REPORT: Comrade Walsh

I have completed 1 request for Poppy Fund assistance, completed 2 miscellaneous requests via telephone.

Motion 175-24-017 Walmart Cards \$ 300.00

I so move my report.

Seconded by Comrade Criss

CARRIED

HONOURS & AWARDS: Comrade Fecteau No report

CORRESPONDENCE: Comrade C. Wills read email regarding the 2025 pilgrimage of Remembrance Call. Application portal will be closed on 31 October 2024

I am sitting as an executive member serving on the Poppy Committee. Generally, I attend four meetings a month, the Greater Edmonton, the Kingsway Finance Committee, the Kingsway Executive and General meetings. These amount to approximately 6-8 hours plus travel time unpaid every month. Recently I have learned to balance and record the pull tickets which takes a few more hours a week. The Poppy campaign is about to begin and I suspect I will be spending many more hours every day and over the next couple of months serving the Legion.

This is all volunteer time, and I recognize not a much time as some other members of your executive serve and yet in the last few weeks it has been implied online that as a member of the executive, I have been treating people poorly. I also overhead at the meat draws that the reason there were so few people there was because of the executive.

I am feeling attacked by both members and non-members alike. I do not see anyone standing up for the executive they voted in or anyone stepping forward to fill the positions and the executives that they are unhappy with.

If there are members who feel I have mistreated people, please let me know who and when so I can address the situation. If I have done something that has cased people to stay away and not support their Legion let me know so that I can correct my behavior.

My parents have brought 4 new your members to your Legion in the last few year, 3 of which are serving on this executive.

Please take it upon yourselves to stand up for your executive as or let me or your President know if you would like me to step down.

Comrade Donna MacIntosh

CADET LIAISON REPORTS: Comrade Fecteau No report

SGT-AT-ARMS: Comrade Etmanski

Honour Guard for Harry Grace, a 30-year veteran, will be held at Fort Saskatchewan Cemetery on Monday 23 September. Tune tba

I am requesting volunteers for the Honour Guard and the Colour Party

Volunteers are needed to help with the set up on 25 September.

I so move my report.

Seconded by Comrade W. Hyshka

CARRIED

MANAGER'S REPORT:

Have not received a snow removal contract yet. He starts in November and finishes in April.

The cost last year was \$5000.00 plus gst per month.

We need to get the insurance signed, I just realized that the inventory includes pots and pans and tables and chairs, so the inventory needs to be more than 2500.00.

Stan is back at work, but Lise is still out sick.

The entertainment needs to have contracts, so we know what we are paying the entertainers

I feel that we should get a budget from each of the committees, so we know what we are spending

For the shows we need to put the cutlery out in the seats that have food or have the people at the buffet to watch the tickets so people who did not pay for food do not eat.

Comrade W. Hyshka moved the report.

Seconded by Comrade Criss

CARRIED

OLD BUSINESS:

NEW BUSINESS:

COMMENTS FOR THE GOOD & WELFARE OF KINGSWAYS BRANCH # 175

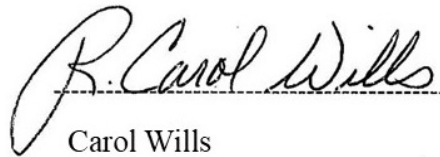
Comrade Criss advised that he and Joe Luce will be looking at dates for Music Bingo

Motion: To adjourn was made by Comrade W. Hyshka
The President closed the meeting by ritual.

The meeting adjourned at 7:45 P.M



Robert "Mac" Torrie
President
Kingsway Legion Branch #175



Carol Wills
Executive Secretary
Kingsway Legion Branch #175