



CANADIAN RUGBY FOUNDATION

709 Yates St, PO Box 8003, Victoria, British Columbia, V8W 3R7

Canadian Rugby Foundation Annual General Meeting

June 19, 2017

Meeting held at the Vancouver Lawn Tennis and Badminton Club

Meeting called to order at 12:03 p.m. and concluded at 1:17 p.m.

Rick Bourne generously provided a delicious lunch to those in attendance.

Present in Person

1. Mike Holmes (Chairman)
2. Pat Aldous
3. Rick Bourne
4. Gerald McGavin
5. Neil Duke
6. John Wrafter (Treasurer)
7. Davine D. Burton (Minutes Taker)

Present via Teleconference

1. Michael O'Connor
2. Hans de Goede
3. John Woodward
4. Barry Giffen
5. Mark Wyatt (Vice Chairman)
6. Allen Vansen

1. The Chairman welcomed all to the meeting and confirmed all present in person and via teleconference.
2. The Chairman moved to have the Agenda for today's meeting adopted. So moved by Rick Bourne and seconded by Pat Aldous.
3. As copies of the Minutes of the 2016 AGM were not readily available, the Chairman suggested that they skip the adoption of the Minutes and any matters arising from those Minutes. There was no dissention.

Chairman's Report

A summary of the report was included in the AGM package that was circulated. The Chairman reviewed the contents of his report. He concluded that 2016 was a successful year and that the Foundation's funds were transferred to Leith Wheeler & Associates during 2016 and they are doing a good job at managing the funds.

Monty Heale Fund

Barry Giffen provided a report on this fund. The Fund's 2016 target was \$400,000.00 and it realized funds of \$375,000.00. The Fund provided \$75,000.00 to the National Women's 15s Program (the "Program") in 2016. The Program has requested \$250,000.00 in 2017, which fits within the Fund's target. The Funds' focus is on establishing a legacy, which means not spending all reserves at once. The Chairman thanked Barry for spearheading this Fund and that sentiment was echoed among others present.

National University Championship

The Chairman provided a report on this endeavour. The ultimate goal is to provide a viable feeding system for our National Programs. The first championship game would be in November 2017. He confirmed that Rugby Canada is very supportive of this endeavour. It would be an annual championship with the best of the West versus the best of the East and the game locale would alternate annually between the East and the West, with the first being held in Ontario. Although a location has not yet been confirmed for the 2017 game, Queens and McMaster have expressed interest in hosting. The USA has also expressed an interest in having an all-star Canada versus USA university match, which is being explored by Rugby Canada.

National Club Championship (NCC)



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Hans de Goede provided a report on this endeavour. The NCC would commence in November 2018 with the men and in 2019 with the women. Ideally, if the budget allows, the NCC would occur every year alternating men's and women's tournament -- the men in 2020, 2022... and the women in 2021, 2023.... and so on. Due to weather concerns, the tournament would be held on the West coast for the foreseeable future. The West coast champions would be determined in the Spring of the tournament year (so May 2018 for the inaugural NCC) and the champions for the rest of Canada would be determined in the Fall of the previous year (so 2017 for the inaugural NCC).

There would be regional championships leading to the NCC. The cost of a team going all the way to the championship game is estimated to be between \$7,000.00 and \$8,000.00 each tournament year and the thought is that the Clubs would be responsible for about \$4,000.00 of said total costs.

The Foundation has committed \$20,000.00 per year towards the NCC. Over a 4 year period, that would be \$80,000.00 and the NCC would allot \$50,000.00 and \$30,000.00 towards men's and women's tournaments respectively. This allotment accounts for the disparity in the number of men's and women's teams in the top divisions of rugby across the country.

Treasurer's Report

John Wrafter provided this report We experienced, possibly our finest hour, (year) recording an Excess of Receipts over Disbursements of \$618,145. The Major Items relate to Restricted Donations totalling \$329,236 (Monty Heald, \$120k, Toronto Scottish, \$55k, Rugby Rumble, \$30k, Westshore Velox, \$27k. and Hong Kong, \$26k. being the major donees). The Portfolio recorded an excess of \$377,832.

On the Expense side, Donations totalled some \$123,865. (The largest here being the Hong Kong Fund of \$75k, and The Captains for \$8k). General Expenses totalled a staggering \$63,713 far in excess of the Chairman/Treasurer's promise to maintain within 1% overall or \$35,962. We might add, the Accountants in their wisdom, felt payments relating to Insurance Policies assigned to us are shown as an expense and which came to \$15,574. We have 4 Policies totalling \$450,000. and with the exception of 1 on which we pay the annual premium totalling \$2,118., all others are fully recovered and which funds go into Unrestricted. Investment Fees total \$14,977., a new item by virtue of Leith Wheeler coming on board for a Fee approximating \$20/24,000 annually. Finally, a Fund Raising item which totals \$7,880 relating primarily to a Box for the forthcoming 7's in Vancouver and we expect to recover upwards of \$4,000 in the next few months. If we therefore deduct the above, leaving some \$25,102., we are well within the bounds of our committed 1%. In conclusion, total Asset's record \$3,596,217.

Approval of Reports

Motion: Gerald McGavin
Seconded: John Woodward

Approval of Financial Investors for next year

Motion: Gerald McGavin
Seconded: Michael O'Connor

Approval of Accountants for next year

Motion: Gerald McGavin
Seconded: Michael O'Connor

Memorandum of Understanding with Rugby Canada [Captain's Free to Play Fund]

The Chairman provided a report. A copy of the MOU was sent out to all in the AGM packages. The concept of this Fund is to support age-grade teams and provide funds to implement a non-pay-to-play model. The draft MOU was sent to RC who provided some commentary. At this point in time, there is a tentative agreement with RC.

The Fund will be generated by way of an endowment within the Foundation that would be managed by the same group that currently manages the Foundation. Leith Wheeler would be the investment management firm of the Fund. It was noted that Rugby Canada (RC) may wish to appoint additional individuals.



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It is hoped that the Fund would be increased to 2 million dollars, which would generate about \$70,000.00 per year. RC has committed to matching those monies, which would yield \$140,000.00 per year. A committee to be formed would have annual meetings with the Foundation and RC to decide budget and distribution of funds. RC would spend the money and report back to this committee on how the money was spent. It was acknowledged that there may be more of a need for funding in one given year over other years, so there should be flexibility in averaging out the funds over a specified cycle.

The Fund would get started with a \$300,000.00 contribution from the Captain's Fund, which monies are already in the Foundation. The Foundation would provide another \$200,000.00, for a total of \$500,000.00. 1.5 million would be raised from donors and the goal is 6 donors at \$250,000.00 each. CIBC has committed to lending \$1.5 million at prime plus ½ point (3.6%) amortized over 2 years. The total debt to CIBC would be \$1.8 million, of which \$1.5 million is principle and \$300,000.00 is interest. There would be an annual fee of \$750.00 payable to CIBC to administer this loan.

How CIBC Loan Would be Paid:

Donors would pledge to the Foundation to make the payments to the CIBC required to satisfy the loan. The pledge would be through a written agreement and if appropriate, a bequest in the donors' Last Wills and Testaments. There are commitments currently from 2 donors of \$250,000.00 each, so only 4 more donors to find!!

Pat Aldous asked what happens if there are not enough donors to cover the bank loan. The Chairman advised that the Foundation would only borrow what they have firm pledges for. They would borrow in segments of \$250,000.00 (once a donor for \$250,000.00 is confirmed) and would retain the ability to borrow the rest on a go forward basis up to 1.5 million.

Pat Aldous suggested that the grant committee should have the ability to spend some of the capital if need be. The Chairman advised that that is contrary to the policy Fund and that in fact, the 2 donors that are currently confirmed would withdraw their pledges if the full endowment model is not firmly adhered to.

Allen Vansen (CEO of RC)

Currently the U20 men's are not on a pay-to-play model. As a result of this funding, they have done well and have qualified for the World Championships in the Fall. The U19 men's have one major sponsor of \$150,000.00, which although is greatly appreciated and helpful, still results in a degree of pay-to-play for the players. All other male age-grade teams and all female age-grade teams are on a pay-to-play model. It was discussed that it currently costs about \$792,000.00 / year to run the age-grade teams.

The Chairman suggested that a resolution be put forth to authorize the borrowing of funds from CIBC on the terms that have been offered. The resolution as read by the Chairman was:

The Captain's Free to Play Fund plan as disclosed to the Members (the "Plan") be and is hereby approved and that, notwithstanding Section 5.02(c) of the Bylaws, the Board of Directors are hereby authorized:

- i) to cause the Foundation to borrow up to \$1,500,000 from the Canadian Imperial Bank of Commerce, or such alternative financial institution as the Board may designate, on such terms as the Board may establish; and in accordance with the Plan document.*

Pat Aldous advised that his concern is the reputation of the organization and financial risk in proceeding as proposed. He stated that the Foundation may not be able to accomplish what they are setting out to do; specifically, the name "Free to Play" is problematic because what the Foundation can offer at this time does not come close to what it would actually need to have a "free to play" model. The Chairman acknowledged the sentiment and agreed that they may need to revisit the name of the Fund.

Barry Giffen suggested that the resolution be flushed out a bit more before a vote is taken. He suggested a motion to amend the wording of the resolution to include, "...which Plan must be finally approved by the Board". This motion was moved by Neil Duke and seconded by Rick Bourne.

Pat Aldous pointed out that the MOU still had to be approved by RC's Board. It was discussed that the MOU has been approved in principle by Allen Vansen but still had to be taken to RC's Board.

The Chairman suggested a motion to amend the name of the Fund from "Captain's Free to Play Fund" to "Captains' Assist to Play Fund". This motion was moved by Neil Duke and seconded by Rick Bourne.



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John Wrafter asked when it was expected that RC would provide the Foundation with a decision of its Board re the MOU. Allen Vansen advised that the next RC Board meeting was scheduled for July 5, 2017 and that the MOU would be brought to the Board at that meeting. Hans de Goede suggested that the Foundation meet prior to the July 5th RC Board meeting to finalize the MOU and the resolution and the Chairman agreed that same would be appropriate.

Election of Directors

The Chairman advised that all Directors' terms are up this year.

Directors for 2017 were acclaimed as follows:

1. Mike Holmes, Chairman
2. Mark Wyatt, Vice Chairman
3. Pat Aldous
4. Rick Bourne
5. Dr. Noel Browne
6. Neil Duke
7. Barry Giffen
8. Hans de Goede
9. Randy Heward
10. Jim Kellett
11. Collette McAuley
12. Rod Snow
13. Bill Webb
14. John Woodward
15. John Wrafter, Treasure (non-voting position)
16. RC appointee to be named [* RC is to advise the Foundation of whom their appointee to the Board will be. It is currently Kyle Nichols.]

** Mike Bull has stepped down from the Board.

The AGM was adjourned at 1:17 p.m.