

## National Council Discussions regarding Fee Increase

Morrie Portnoff (VP/Alt. NC Rep. Montreal)

June 18, 2022 08:57 AM

Good Morning

Since it was announced at the last meeting that there will be a fee increase of \$15/year (this will push the fee for the Montreal Centre to \$112/yr.) I was wondering if the other centres have discussed this with their Board/Execs and informed their members? I did mention it to the Montreal Board/Execs (not the general membership) and as expected the feedback was not very supportive. A few have mentioned they may not be renewing their membership. Sad since one is a very long time RASC member. Others have mentioned that the Observers Guide has perhaps outlived its usefulness as a print document and should be a digital document or application. Others suggested the Guide's retail price be increased since it is sold at the retail level to offset any membership fee increase.

These initial comments are what was mentioned to me by my fellow Execs.

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Morrie Portnoff (VP/Alt. NC Rep. Montreal)

Jun 18, 2022, 2:13 PM

Yes I am well aware of the supply and cost of paper for printing. It is most frustrating for sure.

That aside, I also heard that the handbook brings in funds. Perhaps part of the answer is to inform the National Reps ahead of the meeting before the bomb shell is dropped with no discussion. Also for National to explain the reason for the increase directly with the members ahead of the actual increase. Now people/members are reacting from pure emotions with no substantiating facts for an increase.

There is 1 week until the GA and AGM. Perhaps National can send out a memo concerning the fee increase to all RASC members to attend the AGM (it is free) and hear first-hand about the fee increase and ask questions. Naturally a very small percentage of members will partake but continue to complain and threaten to leave. So be it. But it is essential for National to be transparent to the membership. When I asked earlier why the minutes of the Executive Council Meeting have not been published for the last 2 years on the Member section of the website, I got no answer. Only that the minutes must be approved and revised if necessary. Is this to imply no minutes have been officially approved or revised for the last 2 years. To the average member who looks for these, it appears that decisions are being made with no explanation to the members themselves and information is being hidden.

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Alister Ling (Edmonton NC Rep)

Jun 18, 2022, 1:53 PM

Morrie, those are valid points for an individual perspective.

I think there is room on the finance committee for concerned members to participate in a sub-group on service analysis and associated costs. My information might be outdated, I recall that the Handbook sales brought in a considerable net profit that funded/subsidized member services. Perhaps the concerned members could check the budgets that are available on the web site? Since you're in the publishing business, you are in a good position to convey the relationship between print run and per unit cost. Perhaps the software database system is capable of simply not mailing out the Handbook to those who don't want it? Print run stays the same so overall cost goes down? Extras are donated. Trickier, like any municipal/federal budget, is mitigating the downward spiral of reducing services that subgroup 1 doesn't want, but subgroup 2 does and vice versa. I'm sure many folk living on the island of Montréal don't want to pay for Champlain bridge maintenance, and that some folk in the Montreal Centre don't agree with components of your Centre's surcharges. I wonder what the percentage is of the key volunteers and outreach folk who love the Handbook who are also the ones providing other services to those who don't feel the need for the Handbook?

These are just personal questions I have, not speaking as a Centre rep. Always hoping that more volunteers will step forward.

Alister.

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Stephanie Rashid-Michalik (RASC Office Manager)

Jun 20, 2022, 4:58 PM

Hi Morrie,

I hope this email finds you well. All the centres (to the best of my knowledge) have yet to discuss the increase with their membership. You bring up some pretty valid points, which I will discuss with Phil as well as the board.

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June MacDonald (NC Rep N.B. Centre)

Jun 23, 2022, 3:50 PM

Hello to All,

I agree with Morrie's comments re the fee increase. It was a surprise to me - I had no inkling (but wondered anyway) if there would be a fee increase considering the past few years. Maybe I missed some indication that there was a fee increase on the horizon. Our centre is having the last business meeting before the summer on June 25 & I'll be including the fee increase in my report. I absolutely know the kaffuffle this is going to cause. I also have the strong sense that we will lose members over this & some of them are currently council (board) members. As mentioned, feelings will be paramount & I'm anticipating members won't understand the need for the increase - especially considering the current economic situation. It's just one more increase in costs I'm afraid will cause members to decide it is just one too many & drop their membership. I'm hoping that the reason for the increase will be explained in detail at the next council meeting or the AGM, so that we may take more information back to the membership. It will be battle to convince members that it is needed.

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James Edgar (Observer's Handbook Editor)

Jun 23, 2022, 4:07 PM

The Annual Report will be out this afternoon or this evening. Be sure to read the Treasurer's Report.

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Donald Town (NC Rep Belleville)

Jul 4, 2022, 9:35 PM

The following request was sent to Charles Ennis, RASC President; Catherine Carr, Treasurer; and Phil Groff, Executive Director requesting additional information that can be shared with our Centre members:

As per the brief information item in the last National Council Meeting (NC22-2 12 June 2022) – see Item 4 of the Minutes, Item C. Other:

"Robyn: note that 2 new board members will be coming on-line at the GA. At the March BoD there was a vote for a fee increase of \$1.25/mo or \$15/year to cover increased costs of servicing members."

A request was made to have details regarding the \$15 per member fee increase (a 24% increase) unanimously passed by the Board (BOD22-05-09: Watson/Robinson).

A number of our Centre members have questions regarding this significant increase, indicating that they will terminate their membership when it's time for them to renew.

As Centre Reps, we need a complete background on why this increase was necessary so that we can attempt to explain it to our members.

The only rationale given was the difference between revenue generated by membership fees (\$256,505 in 2021) and the expenses allocated to Member Services (\$260,312 in 2021).

The \$3,807 shortfall (\$0.77 per member) hardly makes the \$15/member increase seem justified, especially since the Treasurer's Message in the 2021 Annual Report stated "revenue exceeding expenditures by \$1,105,031".

Although some data was reported in the 2021 audited financial statement, the numbers reported under the Member Services expenses do not agree with the details listed in Note 13 – Expense Allocations.

Please provide additional details that we can share with our Centre members.

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Catherine Carr (Treasurer)

Tue, Jul 5, 11:52 AM

Good morning Don,

Thank you for getting in touch with us and requesting more information. I am working with Phil and Charles to provide you and our members with additional details regarding the fee increase. You'll hear more from us later today or tomorrow

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Don Town (NC Rep Belleville)

Tue, Jul 5, 12:38 PM

Catherine,

Thanks for getting back to me promptly. I am looking forward to receiving the information as we are conducting our monthly Centre meeting this Friday. Additional details on the Member Services costs would be greatly appreciated as the limited information in the financial statement did not reveal why the substantial increase was projected.

Also, is there any documented requirement that member services costs have to be funded solely from membership fees?

A substantial surplus plus a fee hike has to be explained in simple terms - there are a lot of negative reactions that could lead to our Centre pulling out of RASC.

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Morrie Portnoff (VP/Alt. National Rep. Montreal)

Jul 5, 2022, 1:54 PM

Good Afternoon.

We (The Montreal Centre) will be having our bimonthly BOD meeting where the fee increase as well as the lack of posting of EC Minutes on the website will be discussed.

Past fee increases have been absorbed by our centre in order to keep the total cost of membership under \$100. However we can no longer do this and continue to cover out expenses.

The reason for the increase was explained as the increase in shipping and printing costs amongst other cost increases. Four items were mentioned, the Observers Handbook, SkyNews as well as two other publications which are sold only. Both the Handbook and SkyNews showed a profit and the other two are commercial retail products whose prices could be increased to reflect the cost of production. Members should not have to subsidize these. Also the retail price of the Handbook can also be increased to cover the higher production costs.

So until a detailed financial explanation can be shown it will be difficult to justify this increase to our members. Also during the AGM when the fee increase was being "discussed" one of our long term members, Carl Jorgenson mentioned he will not be renewing his membership do to the fee increase. Carl has been a member of the Montreal Centre for decades and serves as our Secretary amongst other roles (Double Star Certificate) and recipient of the Centre's highest honour, The Charles Goode Award. The response was that he could ask the Membership Committee for financial help in covering his renewal. This was an insult in my opinion. Let's hope RASC Board/Executives reach out to the membership at large and clearly explain why the fees are being raised. Please do not tell us that we should eat one less Happy Meal to cover the \$15.

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Judy Black (President Halifax, NC Co-Chair)

Jul 5, 2022, 6:12 PM

As a member of the RASC, I want to know why. As our Centre's Board rep on the NC, I need answers to provide to my fellow Board members. As Co-chair of the NC, I need to understand both sides of this issue - from the RASC Board and from the Centre reps.

- 1- As a member, I'd like to know why profits from sales of materials cannot subsidize those being sent as part of membership. To Morrie's point, why aren't commercial prices raised and members receive these items at cost?
- 2- About the \$1M+ profit that was realized due to a bequest/donation. Why isn't some of that designated for this purpose? We subsidized the acquisition of Sky News and other publications but wonder why the RASC can't help keep membership fees down.
- 3- We have had a few members over the past couple of years not renew memberships because of increases, and I will openly admit that these increases were also implemented by our Centre to hopefully acquire net zero or a small profit.
- 4- Questions for years have risen regarding "where does the money (membership fees, grants, bequests, etc.) get spent?" Where are the priorities in spending allotment? Documentation provided at the AGM do not provide the details that many of our members want to see in order to understand the full financial picture. One of the main roles of the NC is to advise the Board - yes? The Board needs to provide a mechanism for consultation with the NC before the reps approach their Boards to discuss the rationale, and perhaps listen to

those NC members with expertise that may assist with this challenge. I'd hate too think that not doing so could potentially result in more members deciding not to renew membership. It would be a loss to us all - financially (nationally and locally) not to mention on a personal level where former member expertise and camaraderie at events is lost.

As a representative of our Centre and as chair of the NC, I am requesting three things:

- 1- An open discussion to be held with the NC at a special meeting sometime during the summer or at the NC's first meeting in September. If the latter, the whole meeting may have to be designated for this purpose.
- 2- A document be prepared by the Society for sharing with NC members as part of this discussion. This would bring everyone up to speed and reading off the same page, literally and figuratively.
- 3- Although the increase has been approved by the Board, the increase should be held off until a proper discussion results in understanding and agreement from both sides of this issue.

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Morrie Portnoff (VP/Alt. NC Rep. Montreal)

Jul 5, 2022, 6:19 PM

I believe the \$1M donation is an undesignated donation. So it can be used as needed (responsibility), unlike a designated donation.

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Charles Ennis (President)

Jul 5, 2022, 6:34 PM

Hi Don:

We'd be happy to provide details to you. As soon as we've had an opportunity to assemble what is needed we will share them with you.

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Alister Ling (Edmonton NC Rep)

Jul 6, 2022, 12:12 AM

Personally (no time to have Centre input yet!) I believe it is crucial to NOT increase fees without rationale and without a range of options. The large donation gives us a one-year breather (we obviously don't want to run a deficit over many years), to analyze, consult, and discuss before implementation.

I can picture a task force of concerned members and National Council Reps dialoguing with the board, generating an FAQ that all members can digest.

Sure, one option is to increase fees. Another is to pare back services 2, 5, 9. Another is to pare back services 1, 5, etc.. We can have a number of experts discuss particular line items, like Morrie in the book business, help answer the FAQ as to why going to a smaller print run increases the cost per member and where the sweet-spot might be. There could be pros and cons, opinions as to why some services should be considered "lost leaders" and their cost covered by profit of another line. It's easy to imagine scenarios where 80% of members think a product or service should be ended, but that is one that is highly valued by key, long term volunteers and should be kept in order to not piss off the ones who contribute most. And so on.

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Patrice Scattolin (CF de Montreal NC Rep)

Jul 6, 2022, 7:45 AM

The tragedy here is that \$15 increase will hit some centers more than others. National doesn't care, they take a cut of everything, it's of no concern to them where the problems lands.

In any event, it's clear that the Board of Director, in approving such a large increase, is ok in losing a bunch of members. Maybe they forget that it's the scale of the RASC that makes it viable as a going concern. By spreading the fixed overhead that National office brings to the table to a broad enough base make it is palatable to members. They should look at Quebec's FAAQ that is spreading the same kind of overhead on 1/4 of the membership and see that there is a maximum amount of \$\$\$ you can change just for someone in an office 9/5 that doesn't readily bring value to the table and a website to renew before people lose interests.

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