

To: [RASC Council] Open letter to the Board from the NC

Date: Aug 16, 2022

From: Judy Black

Attachments: follows body of this letter

Good evening.

Below is the email sent to Charles Ennis (President) and Dr. Phil Groff (ED). It is our request that the document developed by National Council be seriously considered. It includes all comments and questions asked by every Centre that participated in this exercise. Have a read. We hope NC members will all look forward to a year of understanding and positive change within the Society.

I would also like to send a huge thanks to Ottawa Centre for the letter they wrote that so clearly spoke to all our concerns for our members, our Centres and the Society. Consequently, There are two signatures on the open letter - mine and that of Stephen Nourse (President, Ottawa Centre).

Regards,
Judy Black, Chair
RASC, National Council

----- Message to Charles and Phil

Please distribute this to all Board members for their consideration. It is recognized that with the number and depth of the questions being asked, an answer at the September NC meeting is not possible. However, I would request that a report be given as to where this is headed and if the recommendations for change are being seriously considered.

Attached is the letter and associated documentation consequent to the request for questions for an FAQ. The contents of this email and the attached open letter will also be sent to the NC and President Discussion lists.

Thank you to the Board for being receptive to National Council's request to provide thoughts about the recent fee increase and to provide questions for an FAQ document. Thank you to the Centres that provided input - (alphabetically) Belleville, Edmonton, Halifax, Montréal, Ottawa, Sarnia and Sunshine Coast. A special thank you to Ottawa Centre for their letter that expressed concerns we all have about the RASC and helped set the stage for this exercise. The following documents are included in the open letter to inform the Board of the various fee increase concerns:

- Appendix A: Questions Regarding the RASC Membership Fee Increase - These are the questions Centre want answered. Includes some suggestions for the future.
- Appendix B: Messages from Charles Ennis, President - Thank you, Charles for clarifying some of the challenges and providing part of the answers.
- Appendix C: July 18, 2022: (Bill Haskett, Sunshine Coast) - Thank you, Bill, for providing context for us to consider during this exercise.
- Appendix D: Context/Discussion from Members - This is the compilation of unedited comments, criticisms, and suggestions made during NC and President Discussion List discussions prior to the start of this project and subsequent to its start. No comment or question was deleted during the compilation process. First person references, other than in Appendix D, were changed to third person.)

I hope these will help the Board understand what the Centres expect from the Society at a National level. Centres want to be kept in the loop before decisions are made. Knee jerk / emotional reactions such as what happened in this instance should not be happening in an organization of this age and with this depth of expertise and experience in its membership. The way of doing business with NC at arm's length no longer works. The NC should be viewed as being part of the solution; therefore, the role of National Council as an "advisory council" external to the Board needs to be reviewed and a much closer relationship built between these entities.

Please remember, as we stated in our letter, "What brings in members is the personal touch. Outreach programs, star parties, Centre observatories, loan libraries, and open meetings are what is getting new members to join. Grass roots engagement at the Centre level is bringing in membership." Without the Centres doing what they do, there would be no RASC. Therefore, don't think of our comments as criticism but rather as serious concerns about the operations and direction of our Society. We, as Centres, fear losing more members, having recruitment challenges and perhaps (sadly) some not remaining solvent.

We look forward to working more closely with you to build what we hope will be a stronger Society with a clear view of the needs of its members and prospective members, all the while exciting others of the wonders provided by the skies.

Stay safe. Stay healthy. Starting at your feet, look up! The sky is open.

With regards,
Judy Black
Chair, National Council
President, RASC Halifax Centre

Attachment: 12 pages follow

OPEN LETTER TO THE RASC BOARD OF DIRECTORS FROM THE NATIONAL COUNCIL

The process and communication related to the recent fee increase put in place by the RASC National Board of Directors has been the subject of much discussion at the Centre level. We believe it has evolved into a tipping point event regarding financial transparency and the role of National Council in a 21st Century Society. The Centres need more detail on finances and meaningful input in matters related to the services provided to the Centres and their burden on members.

Centres across Canada had concerns about the recent National Fee increase when it was originally proposed, albeit less regarding the actual amount and more regarding the lack of meaningful engagement with the National Representatives. These concerns further deepened when a “spreadsheet” of financial information was sent out to explain and justify it. The information provided was completely inadequate and raised as many questions as it answered. The “spreadsheet” sent out was only a table of numbers with no ability to check calculations or look at the background behind the numbers. Several numbers did not add up correctly when looked at closely bringing the rest of the data into question. A one million dollar one time donation was left in the 2021 revenue numbers significantly skewing the revenue percentages used for calculations. Initially the percentage increase was downplayed by including the Centres amount, where in fact the National portion of the fee is going up by a whopping 24%. Most of the justification for the increase was primarily related to expense increases, however, only a total expense figure was provided with no further breakdown to permit a proper expense analysis to be undertaken. The straw that broke the camel’s back for us though was the recent communication from the President that basically said, “suck it up, we are the RASC Board, and we know better than you volunteer Centres”. Such a superior attitude is simply unacceptable.

It is particularly disturbing that this National fee increase is coming after what only can be termed an abysmal year for member services from National Office. The much touted and anticipated Driven database system has so far not delivered. In fact, just the opposite. It has significantly increased the workload at the volunteer Centre level, particularly during the first six months. However, issues still remain with database inaccuracies and there are still problems with features such as merge duplicates. Valued features touted at the beginning of the process have not materialized. These include the ability for Centres to edit their own positions and update the system. Instead, we get multiple requests from different people at National to update positions manually throughout the year wasting everyone’s time. Initially the system was set up to channel all donations to National, a situation that took months to correct and took numerous months with constant nagging to compensate Centres for. As some Centres have no faith in the database, they continue to maintain their own email and other administrative listings.

There were significant delivery issues with observer’s handbooks, calendars, and other orders. This created huge membership dissatisfaction and in many cases the people contacted were the Centre executives, again putting more workload on the Centres in dealing with these inquiries.

It took Ottawa nine months of constant nagging to finally get an invoice for their 2022 calendar order. Not only did this skew their financial reporting but makes us question what other revenue is National missing out on?

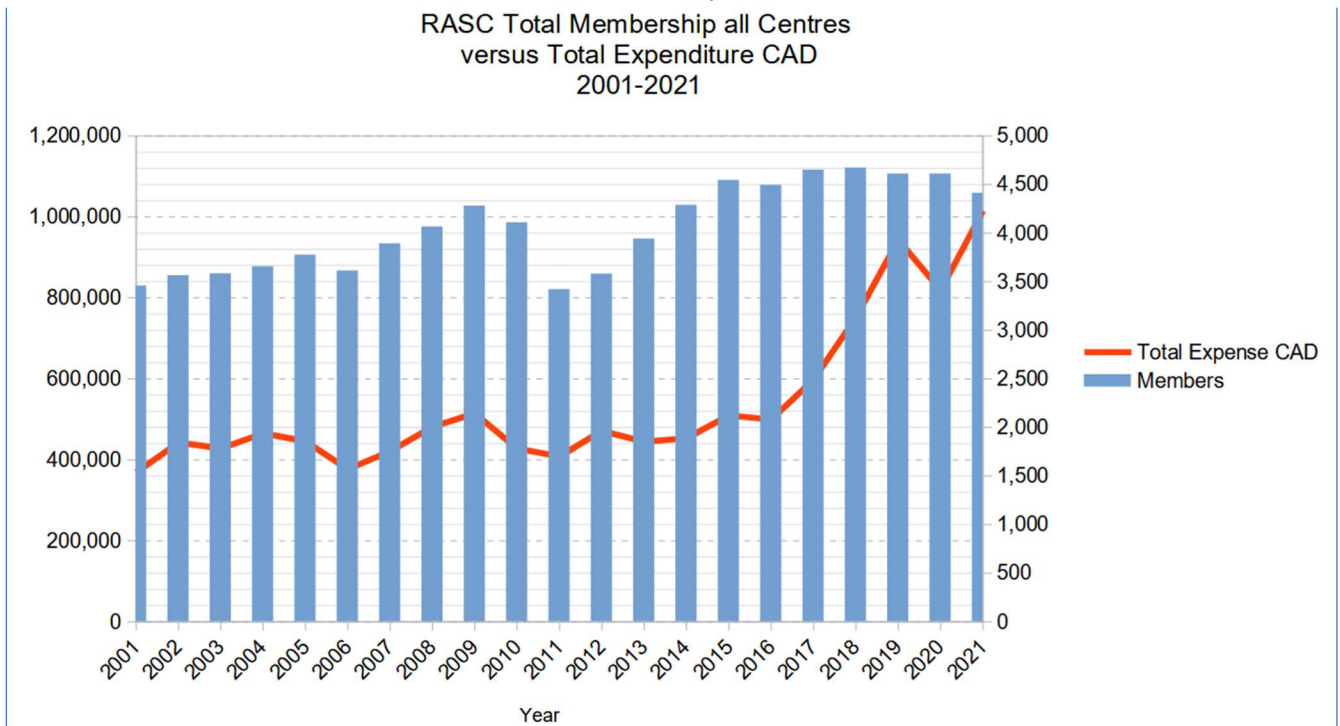
It is all fine and well for National to boast about how well the Society is doing in terms of membership and pat themselves on the back for a job well done, but have you really thought about where that membership is coming from? We suggest that it is actually the Centres that are primarily responsible for the level of RASC membership numbers, not National. What brings in members is the personal touch. Outreach programs, star parties, Centre observatories, loan libraries, and open meetings are what is getting new members to join. Grass roots engagement at the Centre level is bringing in membership, not National big picture programs.

You also have to realize there are options to the RASC, particularly in today’s connected world where groups and get-togethers are easily organized. For example, in Ottawa there are at least two other active non-RASC astronomical observing groups. Many of their members are actually ex RASC, disenchantment with the Society their primary reason for departure. Among them there is a minimal perceived value of RASC National. They see no value in the remote telescope, have no need for the *Observers Handbook* with virtually everything now online, view the Journal as too obscure in many cases and they see National overall as bureaucratic and dictatorial. They do like *Sky News* though and appreciate RASC keeping it alive.

National reps were only paid lip service (if not outright dismissed) during this latest fee increase debate. It cannot be called “consultation” at all. Despite there being a written mandate to consult with National Reps on major items it was not conducted in a meaningful fashion. The saddest part being the lack of recognition of the valuable resources they bring to

the table. It was apparent that no serious thought was given to cost reduction, only to acquiring more revenue. The major rationale for the increase was increased cost of publication and distribution, yet this expense is not even known as it is hidden in the annual totals of the spreadsheet. It appears no review of the Observers Handbook was even considered, let alone undertaken. Serious thought should be given to moving to an online option for Observers Handbook for members versus printing and mailing to everyone.

The following chart illustrates our concern. It shows RASC National expenses versus overall membership over the last 20 years. Up until 2016 expenses were fairly stable, rising generally along with the cost of inflation. However, things changed drastically in 2016 and expenses have increased dramatically. In fact, they have more than doubled in the last 5 years, with membership staying somewhat constant. In other words, National costs per member has doubled, the bureaucracy is expanding exponentially but the actual service level to Centres is declining. The Board's response to this seems to be to double down and raise fees rather than tackle fundamental problems.



There also seems to be a revolving door of people at National Office and we never know who to deal with. We used to have a small but extremely competent and stable staff. Now we have more people but significant churn. Corporate memory is now virtually non-existent and there is no continuity of service. Why? What is wrong?

\$100 plus for a membership may not seem a lot to those on the RASC Board of Directors but we have to think of everyone. We are trying to attract new youths, families, students, those still paying off student debt or trying to buy a home, those who are going to be the future of the society. Many people are struggling with high transportation and food costs. Typically to this demographic a \$100+ membership is a big deal.

We ask that National in compliance with what we believe are legal Society obligations provide complete and detailed financial information to the National Representatives adequate to properly evaluate the necessity for an increase and to provide recommendations on how to potentially mitigate future ones. The information needs to be detailed enough to also determine if what were to be stand-alone projects such as *Sky News*, the robotic telescope, and the telescope museum are in fact independently funded and not being subsidized by member fees.

You have to keep in mind the old adage - perception is reality. The RASC National board of directors has the perception of being an isolated and elitist group out of touch with the general membership, only interested in prestige projects such as the robotic telescope and the telescope museum rather than general membership interests. Members, whether a member of a Centre or unaffiliated, should be treated with more consideration and respect on knowing how the membership dollars are spent. We all have to work within a budget either as a Society, Centre or personally. We all need to cut costs. If items get too expensive or answers are not forthcoming, as it is said, customers walk with their feet and pocketbook and leave.

In our opinion the system is broken. Centres are the engine of growth and deliver the majority of member services actually used and appreciated and yet have virtually no say at the National level. Service levels from National to the Centres and their members have actually fallen, particularly during the last year and yet fees go up 24%! Things need to be restructured so that Centre National reps actually have proper input and say in operations, or you will face the real possibility of Centres breaking away. We propose that a series of serious discussions take place over the next few months on how to enhance the role of the National Council, and thereby the Centres, vis a vis major Society decisions. The goal being to present concrete proposals at the next RASC Annual General Meeting. We can no longer continue with a structure put in place a century ago.

With Regards,

On behalf of all RASC Centres,

Judy Black, Chair
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Stephen Nourse, President
RASC, Ottawa Centre
president@ottawa.rasc.ca

Appendix A: Questions Regarding the RASC Membership Fee Increase

This project was undertaken to help our valued membership understand the rationale for the increase and consequently remain as members. Below are the top-of-mind questions suggested in the NC and President Discussion List discussions prior to the start of this project and subsequent to its initiation.

INCOME

A. Financial Spreadsheets

1. What are the actual working budget spreadsheets? Until a detailed financial statement can be shown, it will be difficult to justify this increase to members. The Balance Sheet requires more transparency on accounts, donations, etc. Accounts should be separated instead of being combined.
2. Where are the funds from the sale of Dupont Street?

B. Membership Services/Fees

1. The Membership Services amounts listed in the Audited Financial Statements are more than the amounts posted on the Note 13 allocation tables.
 - a. What other expenses are attributed to the Membership cost centre as the allocated amounts in Note 13 account for only 61% of the costs listed in the Financial Statement (for example shipping the *Observer's Handbook*, *Sky News*, etc.).
 - b. What are the factors that determine the percent allocations in Note 13?
2. How were the numbers for the expenses derived? One ongoing challenge has been in trying to get an accurate number that would reflect the cost of providing service to a member. For example, is the rent to cover the extra space that is needed for the Dorner Telescope Museum a "benefit of membership" or is funded by donations? At a minimum there should be a membership services list, and perhaps a pie/bar chart of costs.
3. Historically, many have been concerned that membership was carrying more than the members' share of the cost for charity programs. Now that charity revenue exceeds membership, we would like to see the analysis of what the incremental cost of membership for this charitable organization, i.e., imagine we are only a charitable org, and now we want to add member services, what would it cost? Why is it not self-sustaining?

C. Publication Sales

1. Publication sales are lumped together, obscuring what likely are significant problems. For example, it is suspected that the *Observer's Handbook* continues to be one of the largest sources of NET revenue for the RASC, primarily because of the many hours spent by the many volunteers who produce it. But what of *Sky News*, the *Night Sky Almanac*, etc. Are the individuals who produce the material for those publications also volunteers with the only expenses being publication and mailing costs? Is the net revenue of each of those publications positive or negative?
2. *Sky News*, though purchased by the RASC, should be a separate entity since it has staff, and pays wages, expenses, etc. It is a public magazine sold on book and grocery store shelves, much different from our other RASC publications. Could members be provided a choice between purchase of the digital and print versions, or both? (Note from Centre suggesting this question: Please do not give the already noted answer that this would decrease the number being printed and cost more. There has to be a work around this. Are we not trying to be a sustainable Society, and reduce the use of paper and costs of mailing?)

D. Interest and Transfers from Investments

1. Interest and transfers from investments are lumped together. Given the low interest rates in recent years, "interest" likely is a small part of that column. From what "investments" were the larger transfers sourced?

E. Donations and Grants

1. Are we maximizing use of government grants, co-op student placement, etc., to minimize total expenses?
2. Were the large increases beginning in 2018 the result of success with grant applications, and/or a large increase in donations? Despite their very different nature, donations and grants are lumped together which reveals a significant bias. The revenue from memberships increases to 33% when this category is removed. This is higher than in 2000! The revenue from memberships increases to 43% when both donations/grants and other categories are removed. We don't know the rent costs as they are commingled in the Other category.
3. Furthermore, percentage calculations for 2020 indicate memberships increased from 26% to 29% while revenue from 'Publications' reduced from 62% to 29%. Why target membership fees?
4. Adding the ETU Guide to new and renewing memberships as a means of increasing observing increased the cost of servicing all members and removed a profit source for Centres. How many actually use the resource, and what percentage complete the ETU?

F. Endowment vs. Legacy Fund

This is not a question so much as a major concern. A 2018 financial decision was particularly upsetting to members. Apparently on the advice of the fundraising consultant, the directors collapsed the Millman Endowment Fund and put its capital into a non-endowment "Legacy Fund" where the \$ would be accessible.

Apparently, the attraction of money was too much to resist. The argument actually was made that "endowment" is an old term, whereas "legacy" is a modern term! Any financially competent person knows that, short of the collapse of an organization, the principal of an endowment is inviolable. It is the income generated by the principal of an endowment fund that is used to support the organisation, and if properly managed, also to protect the principal from inflation.

The collapse of the Millman Endowment was a slap in the face to those who had donated to it ever since National Council established it three decades ago in the name of one of the RASC's greatest supporters in the 20th century. We fear that the same is happening to Rudolph Dorner's large endowment, which would easily have covered the annual cost of his telescope museum, with its rental space and maintenance. Today, anyone contemplating making a significant donation for long-lasting support of the RASC will look askance at what happened to the Millman Endowment Fund, and apparently the Dorner endowment. The reasons donors part with their money must be respected and not forgotten, hence the purpose of endowment funds.

EXPENSES

1. What expenses are included in annual report items - National Operations, Member Services, Programming Centre? What services does each provide?
2. Total expenses from 2000 through 2016 were roughly constant, aside from a gradual inflationary trend. Starting in 2017 and ballooning in 2018 and the following years, there are fairly significant operating expense increases – now the source of pressure for membership fee increase. Why the big bump in expenses from 2017 onward? Can you provide similar breakdown for expenses, so folks can understand/appreciate the issue? A comparative waterfall chart would be useful.¹
3. Are there any reasons why more details on Expenses have not been released for review? Although it appears that the reporting method on the Audited Financial Statements changed four years ago (different Expense categories and costs grouping), there must be expense details available that were used to prepare the Financial Statements. Is there sensitive data that needs to be kept secret or is it too difficult to publish the details?

A. Office Space, Staffing & Dorner Museum

1. What is being done to cut in-house expenses?

In discussions about the lease, there was reference to an additional rent estimated to be \$40, 980 per annum. Is this under 'leasehold improvements'? If 'yes', then surely this much will not be spent each year? Does it refer to utilities? Please provide a clear breakdown of what this expense entails.

¹ A **waterfall chart** is a data visualization technique that shows how an initial value can be affected by the cumulative effect of sequential positive and negative values. This chart can be used to show either sequential or categorical data. It uses a series of bars that show gains and losses, clearly showing how an opening figure was changed by events and led to the closing figure.

2. The number of staff at the national office has increased. From the 1950s into the 1990s the Society had mainly one employee (Marie Fidler, followed by Rosemary Freeman, and then Bonnie Bird). Provide the "Revenue and Expense" statement about total annual salary costs, and the fraction thereof that is covered by employment grants for young people.
3. Is the huge figure for 2021 mainly the one-time Dorner endowment to support the Telescope Museum (see the August JRASC)? If so, the Dorner donation should not have been included in general revenue. If that is what occurred, the misappropriation resulted in "Net Proceeds" in 2021 of well over a million dollars, on the face of it hardly an argument for increasing the membership fee! For example, is the rent to cover the extra space that is needed for the Dorner Telescope Museum a "benefit of membership" or is funded by the final donation?
4. Provide the breakdown of costs for the Dorner Museum. Membership fees should certainly not be used to cover increased rent from the larger space needed to house the telescope museum. We all know that museums NEVER pay for themselves. They must be supported by donations and usually government grants.
5. In this case, we believe we are not paying for any staff for the telescope museum. There is one key volunteer: Randall Rosenfeld, who does the heavy lifting. When Rosenfeld departs this volunteer job, who will assume this task? Is there any succession planning and possibly the costs of replacement?

B. Robotic Telescope

1. How many / What fraction of the members actually make good use of the robotic telescope?
2. How much of the robotic telescope operating costs can be considered as charitable (= EPO)?
3. Provide a full breakdown for the robotic telescope. Programming for the Robotic Telescope shows as an expense in the annual report. If users pay for access to the scope, where is the offsetting revenue noted in the annual report? Would like to ensure that the yearly net operating cost to RASC is clearly stated. Provide a revenue waterfall.
4. The robotic telescope cannot be seen recovering operating costs through annual user subscription fees. Thus, it needs support through grants or some other means, like increased telescope user fees.
5. The remote robotic telescope is running some programs that serve what is essentially, a fairly privileged group of users. Are we going to consider how this telescope can be used to serve traditionally under-privileged groups of people, i.e., the people who could most benefit from access to such resources?

G. Sky News

1. What happened in 2021 when Sky News suddenly cost the Society \$180,864?
2. Is the *Sky News* income in annual report the net income? If member services and publications contain *Sky News* related expenses, there is no way to determine true net operating cost. Would like to ensure that the yearly net operating cost/profit to RASC is clearly stated.

OBLIGATIONS TO CENTRES - Suggestions for the Future....

1. Inform the National Council Reps ahead of the AGM before the bomb shell is dropped with no discussion. There should be written notifications of price increases to the Centre President and Treasurer as this affects the Centre's finances; many Centres have surcharges and decisions may need to be made in light of any increases. Also, the Board should explain the reason for the increase directly with the members ahead of the actual increase. Right now, people/members are reacting from pure emotions with no substantiating facts for an increase.
2. The info provided does not detail the expense side of the story, which would also help folks understand what is going on. It appears that since 2017 there have been huge year over year increases in operating expenses – now the source of pressure for membership fee increase. Provide similar breakdown for expenses, so folks can understand/appreciate the issue.
3. The RASC Board of Directors should conduct an analysis of revenue and expenditures with an eye to the value of the membership first and the Society second. Most members would agree with the increase provided the Society carries out a thorough examination of what members expect from the Society as part of their membership fees and what should be paid external to the fees. An analysis of services offered to members and their associated costs is needed.

Upside down scenario: if there were no membership services at all, the Society was a simple charity, the operational cost would have to be borne completely by the investment and donations. Obviously, we'd have less staff, but how much less? What is the incremental cost of adding services for particular benefits? There is analysis to be done here!

Appendix B: Messages from Charles Ennis, President

July 13, 2022:

Since attending my first National Council meeting in 2014, I've frequently been involved in discussions regarding fee increases. Too often in the past these discussions went on and on, the actual decision being delayed again and again in the hope that the tide could be stemmed, or some miracle would occur to decrease costs and rendering a decision regarding a fee increase unnecessary. And as the discussion went on, the costs continued to rise and earned revenue continued to shrink. Eventually a governing body must decide. Putting off a decision just makes it even more painful in the future as the amount required to catch up will be even greater.

Earned revenue is the revenue from fees, sales, and other annual sources of revenue. In recent years the percentage of our revenue which is earned has shrunk: As previously reported by the then President Robyn Foret, the approved 2022 Budget illustrated a Member Services cost of \$315,126.29 and a projected revenue, based on the fee structure at that time, of \$261,450.00. Earned revenue is meant to cover Member Services, which includes occupancy cost, utilities, office costs (supplies, equipment), printing, SkyNews costs, and so on. Ideally this dependable revenue should cover our core costs and it currently does not. This forces us to supplement with grant, bequest, and donation revenue which is anything but dependable. Project grants can be used to support specific staff or program expenditure, and our Society has used them for this. However, grants and donations are not something you can rely on: The amounts available vary from year to year and there is no guarantee that your grant application will be approved. Income from investments varies from year to year. There is no way to predict what donations may be made in the future. Donations should be supporting programs, not subsidizing membership.

In the attached spreadsheet you can see the revenue from 2000 onwards. The percentage of operating costs covered by total earned revenue has shrunk from 90% to 36%. The percentage of operating costs covered by membership fees has shrunk from 26% to 12%. The percentage of operating costs covered by publications has shrunk from 62% to 13%.

I thank the National Council for the many suggestions and strategies for staving off fee increases put forward in this discussion. It is a very useful reminder to the senior members of the Board and an education for our newer Directors. We've considered them all carefully. While they all have their merits, no one has, in my opinion, offered anything that hasn't been offered and considered many times before. All of them require shrinking the coverage of membership services even further and increasing reliance on unreliable sources of revenue. This isn't a responsible approach. If the cost to the Society of servicing and supporting a member exceeds the membership fee, then the member could be said to be receiving an excessive "Personal Benefit", and we must avoid that as the CRA will not like that at all.

To increase our earned revenue, the Board has decided to raise membership fees and the prices of core publications (e.g., Observers' Handbook, Journal, and SkyNews subscriptions and cover price).

July 18, 2022: I don't believe that it is possible to ever provide sufficient information that everyone will be happy with regarding a fee increase. This is another thing that I've seen in fee increase discussions over the years: No one seems to agree on how the line items in the budget should be reported. Everyone has their own idea of how it should be done. I've actually heard a representative at a National Council meeting a few years ago suggest that things should not be reported truthfully in order to avoid the CRA calling us out on expenditures. We have a competent professional accountant as Treasurer, a competent firm of auditors, and a professional fundraiser advising us. The Board is confident that the reporting system that we are using properly meets our needs and is compliant with Canadian law. We publish our audited financial statements in the Society's annual report and this information can also be seen on the CRA charitable organization information site.

Alister wrote that times change, that suggestions need to be reconsidered, and that ongoing analysis is required. This is sound advice. The Board has spent a lot of time in recent years working to make ends meet and balancing budgets and is constantly analyzing and reconsidering options. That someone has said this indicates that the Board hasn't previously communicated this effectively to the Centres. I like Alister's idea of creating an FAQ for fee increases. I don't share his optimism about this making the "recurrent exasperation disappears forever", but it is certainly worth examining. Alister commented that he and others have noticed that "the membership no longer votes on the upcoming budget". That's correct. That's been the policy since the new governance structure was created in 2013. We encourage suggestions and input, but the decision is made by the elected Board.

I've already mentioned some of the operational costs such as shipping and publishing. I haven't mentioned inflation, which in 2017 was 1.6 % and is currently 7.2 %. Our former landlord decided last year to convert his building from commercial to residential, so the National Office was forced on short notice to move. Therefore, occupancy costs have increased.

It seems that some out there are trying to compare what we are doing on a national level with a local astronomy club budget. The national level is a completely different scale of operations. We can't run an organization of this scale with unpaid volunteers and one overworked employee as we were before 2017 and expect to survive.

We have a lot of programs, resources, and publications to offer. If we compare annual membership fees to other national organizations, our membership fees are low: To put one child in Scouts or Guides costs \$230 per year. Rather than asking

what's a legitimate increase in fees, or how do we hold them down, we should be asking ourselves, what is membership in our Society worth? No one blinks an eye if an increase in honorariums is suggested, but suggest a fee increase and the opposite occurs. I should point out that several members who have received honorariums (including me) have refused them or turned around and donated them back to the Society. Ever since the Society engaged the services of a professional fundraiser the number of members (including me and fellow National Board members) who don't just renew membership but also make yearly donations to support the Society's programs has steadily grown. This is a clear indication that a growing number of members embrace supporting our Society and believe in the worth of what we are doing. Some out there seem to be telling us that we should hold fees down to a maximum of \$100 as the combined yearly fee for National plus Centre fees, and in doing so are telling us that RASC membership is worth less than \$10 a month to them, but what they want in return is clearly worth much more.

Regards, Charles Ennis, he/him
President, Royal Astronomical Society of Canada

Appendix C: July 18, 2022: (Bill Haskett, Sunshine Coast)

Having stood on the sidelines for this discussion, weighing what has been said by all parties, I feel it is time to contribute. The comments seem to break down into three contexts... relativity, expense, and value.

The “**Relativity**” argument – This is a large percentage increase. That statement, in and of itself, is immaterial to the justification of the increase. It is relative only to what was charged last year. It ignores the fact that had there been a smaller increase last year or the year before, the percentage increase planned this year would be more palatable, even though we would have paid more overall. I would argue that the rate of increase is not the material metric.

The **expense** inquisition – Obviously we need to be able to meet all expenses with a buffer to avoid hardship, possibly inoperability, given contingent expense. Budgets are a human construct. They merely attempt to apply funds to a predicted uncertainty. While covering all contingencies would not be feasible from a planning or a financial perspective, planning a zero-based budget without uncertainty is equally dangerous.

Nat. Council does not do the line budgeting. On the RACI diagram it is the I (and maybe a bit of C, as stakeholders for some things). I believe "Demanding" details with an eye to justify or change line items, as I saw on one disturbing email amongst the clutter, is an attempt to usurp the responsibility assigned to others. We don't need that. We don't want that. That way lay dragons, including organizational paralysis. Plus, as we are neither responsible nor accountable, we lack the appropriate context to even suggest alternatives.

R	<ul style="list-style-type: none">• Responsible• Who is/will be doing this task?• Who is assigned to work on this task?
A	<ul style="list-style-type: none">• Accountable• Who's head will roll if this goes wrong?• Who has the authority to take decision?
C	<ul style="list-style-type: none">• Consulted• Anyone who can tell me more about this task?• Any stakeholders already identified?
I	<ul style="list-style-type: none">• Informed• Anyone whose work depends on this task?• Who has to be kept updated about the progress?

The **Value** proposition – While the first two comment groupings were objective, this one is subjective. It implies a balancing of objectives; a give and take which will vary person to person. We cannot dictate a value for membership, and we should not apply our own value constructs to others. We can only offer a diverse set of benefits that can be monitored for uptake and effect, recognizing the impossibility of being everything to everybody.

I would venture a 4th context... **Materiality**. One of the initial emails on the topic stated, with inferred shock, that \$15 was a 24% increase. The implication is that an increase is likely warranted but 24% feels high. If it was only a 12% increase, would it be more palatable? Are we really doing all this hoo-ha over \$7.50 Canadian? The magnitude increase is \$1.25 a month. While materiality, as with value, is subjective and my materiality is certainly different than that of others, I would venture that those people put off by economic hardship over an extra \$15 should be worried about paying an un-increased fee. That said, people do panic over a perceived delta increase more than a reduction of equivalent value so marketing of the message will be important. While no organization seeks to decrease membership, running at a loss or decreasing services/benefits provided does not lead to a healthy existence.

As an organization we have allocated the responsibility for budget development and operation to others. We are advisory. I say, well done keeping the increase to only \$15 given the background, different/new overhead charges, and requirement to stabilize the organizational support. There are few organizations with our membership number that can provide the service and benefits RASC does with dues at this level.

Appendix D: Context/Discussion from Members

OBLIGATIONS TO CENTRES

- Since RASC Central appears to have no legal obligations to Centres, Centres believe the Society does have some obligations. Centre members are shareholders in the RASC, and need to follow the Bylaws of the RASC and Locally to function as a Centre. There should be notifications by letter of price increases to the Centre President and Treasurer as this effects the Centre's finances; many Centres have surcharges and decisions may need to be made in light of any increases.

INCOME

A. Financial Spreadsheets

- Once upon a time RASC had a national treasurer, Mayer Tchelebon, who divided the budget into three categories, depending on how much of total staff time and RASC resources went into each category: membership, publications, and charitable. This strategy enabled us to more clearly see how different streams of revenue compared to the relevant expense amounts and made informed decisions easier to reach. The costs of rent, salaries, supplies, and utilities were divided appropriately, and assigned to each of those three main areas of RASC operations. It wasn't perfect, but it was easier to see what was going on with the revenues and expenditures. The practice was discontinued not long (within ~ two years) after he finished his term as treasurer in 2012. I remember being rather disappointed, after all the hard work Mayer did to set things to rights after the advent of the Canada Not For Profit Corporations Act.
- It is my opinion that the financial numbers presented are misleading and don't represent the complete picture of society finances. More details are needed to make an informed opinion. This a grossly oversimplified representation. More transparency is needed.
- The revenue from memberships increases to 33% when *Donations/Grants* is removed. This is higher than in 2000! The revenue from memberships increases to 43% when both *Donations/Grants* and *Other* categories are removed. The rent costs are unknown as they are commingled in the *Other* category.
- The numbers are hugely skewed because of the significantly increased amounts from donations and grants in the last couple of years. A great deal of detail is left out in the simplified summary presented to us by national. I'm thinking that we would really like to see the actual, working budget spreadsheets.

B. Membership Services/Fees

- A few years ago, after the last fee increase, it was my understanding that future increases would be tied to increases from inflation. That amount still seems excessive.
- Montreal noted that past fee increases have been absorbed by our centre in order to keep the total cost of membership under \$100. Halifax noted it had a few members over the past couple of years not renew because of increases. Increases also were implemented by their Centre to hopefully acquire net zero or a small profit. However, they can no longer do this and continue to cover their expenses when total cost of membership in the RASC and affiliation with our Centre has significantly increased.
- The year 2000 membership fee income of \$96,278 represents 26% of revenues, and the 2021 membership fee income of \$256,505 only amounts to 12.1% of total revenues. More than double the income somehow represents less than half of the income. Muddying the waters are a lot of donations and grants, which should not be used to cover core membership services. In the context of a proposed fee increase, it would be more germane to see membership revenues compared directly to membership servicing costs.
- I worry that we will lose anyone who is at all ambivalent about renewing membership. It also seems counter intuitive to raise fees when at the same time National was saying that resources are available to help those who cannot afford membership fees. My \$0.02.

- I don't think the robotic telescope should be considered a "member benefit". A member benefit is something that everyone gets with just the cost of joining the society. Thus, the cost of the printed Journal is not a benefit as not all members get it. Ditto, access to a robotic telescope, or a telescope museum.
- This has been an ongoing issue for many years. Now that Centres and Members do most of the work on the Database, it should be easy enough to calculate the cost of the Driven program per member, the cost of printing and mailing *Sky News*, mailing the Handbook (which is put together by many volunteers). The use of the website and mailings of the Bulletin, What's going on at the RASC and all programs that members may use (involves o costs). The rent of the RASC office minus the Dorner portion, phone lines, utilities.

C. Publication Sales

- Serious thought should be given to moving to an online option for *Observers Handbook* for members versus printing and mailing to everyone. Similar to what was done with the Journal perhaps an opt in fee for those who still want a printed copy sent to them. In current times, do members use it at all, versus the internet and therefore we question the value it brings. What are the sales numbers of the OH over the past 5-10 years?
- 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? 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?
- Four items were mentioned, the *Observers Handbook*, *Sky News* as well as two other publications which are sold only. Both the Handbook and *Sky News* 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.
- We should consider raising commercial prices to non-members while members receive at cost.

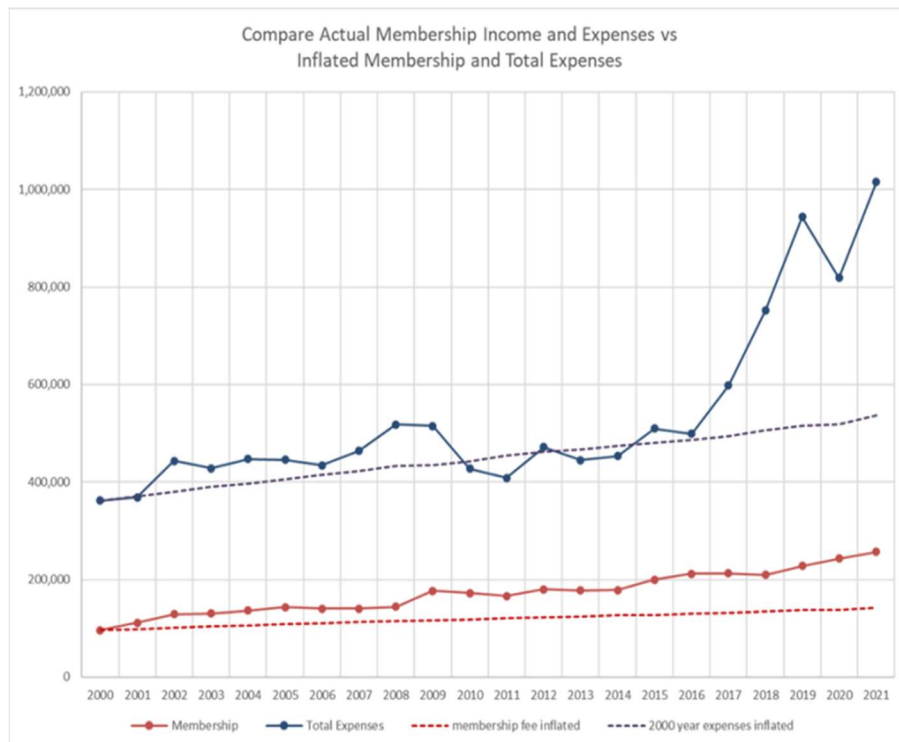
D. Donations and Grants

- I remain deeply concerned that we are leaning too far in the direction of grant-related, short-term youth job creation as a means of staffing the office, with an output heavily slanted toward marketing communications, and at the cost of the RASC's long-standing core programming.
- We have lots of government-grant-supported-youth staff, doing lots of marketing communications. I get the sensation of a revolving door. How well do these young, time-limited staffers know and understand about the RASC? Is this too much of a good thing? Might it be slightly tangential to RASC core objectives? How much time and resources are spent on the applications, hiring, and training involved? Have we run into the Law of Diminishing Returns?
- I worry that we may have lost sight of what the RASC is all about and has been all about for over 150 years. Do we need to look a little more closely? Yes, some short-term grant supported youth staff. But more importantly, we need a robust core staff that fully understands the RASC culture, processes, and *raison d'être*. If we don't look after our members, our members will leave. Members must come first. Without them, the RASC is nothing. We do seem to be churning through a lot of short-term staff.
- Co-op students might be an issue – no skin, not sustainable effort, experience hole.
- Lack of permanent and/or renewable contract long-term employees in key roles is seen as an issue. Corporate memory becomes non-existent when staff are there 6 months or less. Also, for members, it becomes a question of "who do I talk to this time?" members do want a 'human to talk to, not just an email address or voice mail messaging.

EXPENSES

1. The RASC has expended a lot of funds for *Sky News Magazine*, the robotic telescope, a much expanded staff, a telescope museum, and a much larger office to accommodate all these people and initiatives. I worry the Society has grown too fast and is now suffering the ill effects.
2. The question asked was “Why the big bump in expenses in 2017 onward”? From dialogue in forum the prime sources appear to be:
 - A. More paid staff being hired by RASC. Charles infers this in his posts:
 - i. “We can’t run an organization of this scale with unpaid volunteers and one overworked employee as we were before 2017 and expect to survive.”
 - ii. Use of Professional Fundraiser: “Ever since the Society engaged the services of a professional fundraiser the number of members who don’t just renew membership but also make yearly donations to support the Society’s programs has steadily grown.” B.Charles reported that occupancy costs were higher in 2021 also.
 - C. 2021 Publications costs had a big kick up so also now a factor contributing to fee increase.
 - D. Inflation in general.
3. The average “net” based on the spreadsheet is still positive but is considerably less than \$75,000 extra that will be generated each year (assuming you keep 5,000 members x \$15 per member).
4. If you use Year 2000 as a basis for comparison, the compounded annual rate of inflation significantly outpaces membership fee increases.

Posting a correction to the above. Have inflated the year 2000 membership fees and year 2000 operating expenses to compare inflated costs vs actual costs. **Conclusion:** Membership fees have been increasing at a rate somewhat higher than inflation. RASC national expenses were increasing at a rate roughly equal to inflation until 2017 but had big increase in 2017 and most subsequent years.



Robotic Telescope

In spite of glowing reports of exoplanet work by a small number of people, I still question the real value of the robotic telescope to the RASC and its me