



**RCA REQUEST FOR CONSIDERATION
PRESENTED TO THE 2018 COMMITTEE ON DUES AND FEES
November 26, 2018**

On April 1st, 2018, the RCA Membership Model shifted from a model with 2 distinct categories- Sport and Competitive- to the current “Per Seat” fee New Model that includes one base membership category and a regatta seat fee. Information about the model and the original proposal can be found online [here](#).

At that time work was done with the New Model to explore the appropriate fee structure to recover typical participant revenue from recent years. Included in the estimates were costs associated with a new membership system to support the New Model. Several options, shown below, were reviewed to ascertain the appropriate level of fees.

Detailed Costing Model and Fee Structure Options based on a “Per Seat” Fee New Model

Membership Fee Options		Option 1 \$20 Base Membership Fee	Option 2 \$25 Base Membership Fee	Option 3 \$30 Base Membership Fee
Base Fee Revenue*		\$254,000.00	\$317,500.00	\$381,000.00
2018/19	Additional Revenue required to meet Total Annual Cost	\$176,833.33	\$113,333.33	\$49,833.33
	Seat Fee (as calculated)	\$3.26	\$2.09	\$0.92
	Seat Fee †	\$3.25	\$2.00	\$1.00
2019/20	Additional Revenue required to meet Total Annual Cost	\$196,708.33	\$133,208.33	\$69,708.33
	Seat Fee (as calculated)	\$3.63	\$2.46	\$1.29
	Seat Fee †	\$3.75	\$2.50	\$1.25
2020/21	Additional Revenue required to meet Total Annual Cost	\$217,577.08	\$154,077.08	\$90,577.08
	Seat Fee (as calculated)	\$4.01	\$2.84	\$1.67
	Seat Fee †	\$4.00	\$2.75	\$1.75

* determined based on Base Membership Fee X 12,700 RCA participants

† rounded to the nearest 0.25

After review of options presented above the following participant fees were approved by Membership at the 2017 Semi-AGM:

Base Membership Fee was set at \$20 per participant

Regatta Seat Fee was set at \$3.25 per event

The expectation was that this level of participant fees would generate a \$254,000 from Base Membership Fee and an additional \$176,833 from Regatta Seat Fees. This would result in a total revenue from Participant Fees of \$430,833 for 2018/19 fiscal as illustrated in Option 1 above.

We are now able to look at the actual impact of the New Model and provide six-month actuals as well as full year projections for revenue from participant fees. The analysis shown below is based on data collected from the RCA Web Registration System and RegattaCentral. The projections were created from a combination of 2017-2018 and 2018-2019 actuals and anticipated upcoming regatta activity.

Expected, Actuals and Projections for 2018-2019 Participant and Seat Fees

	Expected Revenue from New Membership Model (\$)	Six Month Actuals for Apr 1 - Sep 30, 2018 (\$)	Full Year Projections 2018-2019 (\$)
Base Membership Fees	\$254,000	\$215,915	\$230,920
Seat Fees	\$176,833	\$123,490	\$170,332
TOTAL	\$430,833	\$339,405	\$401,252

The analysis shows the anticipated impact of the New Membership Model on revenue generated from participant fees for RCA in the current fiscal 2018/19:

- Revenue from Base Membership Fees are projecting a shortfall of \$23,080
- Revenue from Seat Fees are projecting a shortfall of \$6,500

The total revenue generated from Participant Fees in 2018/19 is projecting an overall shortfall of \$29,580 when compared with the expectations of the New Model.

In considering proposals for the appropriate levels of Dues and Fees RCA feels it is important to highlight the following anticipated RISKS and known ISSUES in setting a balanced budget for 2019/20 fiscal.

Anticipated RISKS when considering RCA Budgetary Planning for 2019/20

- RCA is awaiting announcement from Sport Canada of a brand new **Sport Funding and Accountability Framework (SFAF)** for 2019/20. In 2017/18 National Budget \$567k of our revenue came from Sport Canada (SFAF). We have been told that our SFAF funding could reduce by up to 10% (-\$60k) over each of the next three years.
- As we move into the second year of a New Membership Model there continues to be uncertainty when considering its impact on revenue from participant fees. A 10% change in activity equates to -\$40k swing in revenue.

Known ISSUES when considering RCA Budgetary Planning for 2019/20

- The projected revenue from the New Membership Model for 2018/19 is showing a shortfall of \$29,580 when compared with what was expected.
- Year on year cost increases reflected in Option 1 of the New Membership Model anticipated an additional revenue requirement of \$19,875 generated through a Seat Fee increase from \$3.25 to \$3.75
- NSF Enhancement Funding provided by the Canadian Olympic Committee comes to an end in 2018. This represented \$125k of 2018/19 revenue that will not be available in 2019/20 to support our Strategic Priorities change agenda.
- In 2018 we were made aware of an increased expectation from Sport Canada for RCA to undertake additional Safe Sport program development within our existing SFAF funding. We expect such activity to cost ~\$30k for 2019/20. This work would include consultation, design and development of an enhanced RCA Safe Sport framework to be rolled out in 2020.

Request for Consideration

While RCA anticipates an ability to absorb some of the financial impact and steps for risk mitigation within existing operations we would ask Dues and Fees to give consideration to the above in the setting of fees for 2019/20.

Tom Hawker, Treasurer and Director at Large
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