

A Message from the President

Dear Members,

I think it is about time that I updated you on where we are at, especially since we are having the Extraordinary General Meeting (EGM) at 5 pm (1700hrs for us military types) on 29 June 2018.

We have fairly well settled into the Browns Bay Bowling Club (BBBC) now but it hasn't been without its challenges. The gaming machines are a polarising subject as I got some flack having them installed, especially on Facebook. Even the vote from the BBBC meeting was 70/30 for but that meant that 1 in 3 was against them. Anecdotally, however it appears that the most users are the BBBC members.

The only generated income now for the East Coast Bays RSA (ECB RSA) are the membership subscriptions, the gaming machines and any interest we get from the proceeds of the sale of the old building. At the moment we have 1260 members and about 250 of those are over 90 years of age and their membership is free. Out of the membership subscriptions we pay an annual \$10/head capitation to RNZRSA, \$0.43/head to the Auckland Districts RSA and \$0.40/head to Clubs NZ for Returned and Service Members (\$4.00/head for associates). That doesn't leave much left for operational expenses!

What about the money generated by the gaming machines? We introduced them the week of ANZAC and they have been relatively successful but we are entering the winter months and that will slow down. However, they are heavily regulated. The compliance cost is still prohibitive i.e. IRD collects 23% of the take, Problem Gambling takes 1.5% and the Department of Internal Affairs (DIA) takes about \$600/month for the electronic monitoring. There is not much left over. The more the machines are utilised the more money is left over to spend on "Authorised Purposes". We always knew it was going to take time to build up revenue from them.

The proceeds from the sale of the ECB RSA building has got us through to this point. We needed to ensure that the proceeds were relatively protected. For that reason, we have been developing an East Coast Bay RSA Trust. Some of you will know that the development of a trust deed is not an easy process. The advice from our solicitor is not to make it too prescriptive as it will bind future trustees to the thinking of the past and not able to advance with the changes of environmental circumstances of the time. Too loose and there are little controls.

What we didn't want was the money to be fritted away. The key elements of the trust are the people who make up the trustees. We need to ensure that the money generates sufficient income for the purpose and values of the RSA creed. Essentially to continue with the welfare delivery to our Returned and Service members.

After the AGM we needed time to develop a robust trust deed so we place the money on term deposit for 180 days, with interest payable each quarter. That has sustained us through ANZAC Day to the present and is due for maturity on 30 July 2018.

We need to both to sustain the East Coast Bay RSA (Inc) and prudently invest the remaining funds for the future. Wherever we are in the future there will be administrative costs in running an office. If it doesn't work out with the BBBC then we will still have to have a registered office somewhere, the memorabilia and other records will also need storage.

We have the advantage of having Graham Gibson, President of the Auckland RSA on our executive. The Auckland RSA has already been through a lot of what we have experienced and have an established trust. Some parts of their trust have been placed into a combination of bank generated interest with the remainder placed into "Managed Funds". That has been quite successful for them and the Auckland RSA has been able to both keep a high profile and manage funds for the benefit of the welfare of Returned and Service members.

The Trust document is almost complete and once the proposed structure, objects and purposes, Board configuration and the proceeds of sale distribution into the trust has been signed off by the membership then any final tweaking to ensure legal robustness will be through our solicitor. We can then submit the document through to the "Companies Office Societies and Trusts Register" and then it will have "Charitable Trust" status.

The high-level trust deed proposal to our members is as follows:

- The name of the Trust will be the **East Coast Bays RSA Trust**.
- The Board **must** consist of the **President, Two Vice Presidents** and the **Treasurer**.
- There shall be not less than four nor more than seven trustees.
- The Trustee Board should, when appropriate, have an Executive Member (*preferable female for gender diversity*), a Welfare Representative and an Independent Advisor.
- The Trustees may co-opt Trustees who are considered to offer professional expertise in managing trusts with or without remuneration as determined by negotiation.
- **\$4,040,000** from the term deposit will be deposited into the new trust account on 30 July 2018 and **split \$3,640,00** into a growth managed fund with the remainder of **\$400,000** as an operational fund. This is for administration purposes and appropriate grants.

The full draft trust deed will be available at the East Coast Bays RSA and any comments (*hopefully helpful ones*) can be fed back to ecbrsa@extra.co.nz. I can't emphasise enough that I want to get this trust deed right so that it is both future-proofed and placed in the hands of those who have the interests of the East Coast Bays RSA at heart.

Yours sincerely,

Kerry Kay
President, East Coast Bays RSA