

Charge to the Committee

A Financial Planning Committee of Bob Probasco (chair), Mike Coopersmith & Barb Strole was appointed by board president Ron Krueger. A report is to be given to the board at its July 18 meeting which will include:

- a. Financial plan for the unit;
- b. Recommendation concerning possible purchase of a dealing machine and/or table scoring devices;
- c. A plan for the routine replacement of bidding boxes, boards, cards, and card tables.

Summary of recommendations

- A. Maintain a reserve equal to the expenses of the Labor Day sectional, about \$5000 in 2009.
Aim to realize a profit from unit & sectional games.
Hold hospitality expenses to zero for unit games (except Christmas) and \$175-225 daily for sectionals.**
- B. Defer the purchase of a dealing machine and Bridgemate scoring devices.**
- C. Allocate \$550 annually for durable assets and to replenish paper stocks for unit & sectional games.**

Qualifier

These conclusions should be revisited in a few years, after reliable statistics have been collected over time. Some of the data used to develop these proposals was incomplete or even hypothetical.

Unit 448 Income & Expenses: 2010 budget: \$23,300

Income			Expenses		
60%	\$14,000	Entry fees: sectionals	40%	\$9,300	Director fees & ACBL costs
26%	\$6,000	Entry fees: unit games	22%	\$5,200	Hospitality
3%	\$825	ACBL dues reimbursement	21%	\$5,000	Rent (Comfort Inn)
5%	\$1,200	Charity	5%	\$1,200	Charity
5%	\$1,200	Other (tickets, meals, donations)	5%	\$1,200	Logistics
			3%	\$600	Promotion
			3%	\$600	Education
			1%	\$200	Misc.

A **regular source of income** is ACBL's dues reimbursement, which has averaged around \$850 over the past two years. Additional **regular but erratic income sources** are sectional tournaments and unit games.

Irregular sources of income are scratch amounts from sales of tickets, meals and the occasional donation.

Charity income is basically a push, since whatever comes in will go out to the designated charity.

a. Financial plan for the Unit

The committee recommends the unit maintain a **reserve** about equal to the expenses of the Labor Day sectional. The reserve should be used only to pay unexpected losses from sectionals or unit games. Such an occasion might arise when a severe drop in attendance (caused by weather or another factor) produces less income than was anticipated. Almost all years will see no spending of reserve money.

The unit sets **entry fees** for both sectionals and unit games. The committee recommends those fees be maintained at levels consistent with making a profit each year. Fees for 2010 are \$6 for a unit game and \$8 for a sectional game. (Local club games are \$5.50, with an occasional dollar surcharge for a special game: charity, club championship, youth, NAP.)

A major variable in recent years has been **hospitality costs**. We recommend hospitality costs for sectionals continue the formula of the Lilac 2010 sectional. The Lilac 2010 sectional allocated \$575 for the weekend: snack costs of \$75/\$75/\$100 and hostess payments of \$100/\$100/\$125 for Fri/Sat/Sun. The Sunday/Swiss lunch (21 teams) brought in an additional \$300 (60 players @ \$5) most of which was spent for the lunch. The Labor Day sectional will have a fourth day for another \$175.

Sectionals			Hospitality Costs			Unit Games	
Winter	Lilac	Labor	Totals	Totals	Jan–Nov	Christmas	
\$803	\$420	\$766	\$1,989	2009	\$2,637	\$211	\$2,426
\$841	\$575	[\$750]	\$2,166	2010	TBD	\$180	TBD

Hospitality costs for unit games could be zero since the Comfort Inn rental agreement includes coffee. For one-session unit games, volunteers supplying snacks should suffice. For two-session unit games, pot luck offerings should suffice. There seems to be little need to hire a hostess for any unit game before December (if then).

Jan	Feb	Mar	Apr	June	Aug	2009 Unit Games	Totals	Sep	Oct	Nov	Dec
14.5	12.5	20.5	11	26	12	# Tables @ \$24	192	9.5	27.5	13	45.5
\$348	\$300	\$492	\$258	\$624	\$282	Table income (net)	\$5,897	\$228	\$636	\$312	\$2,417
\$120	\$110	\$48	\$54	\$156	\$11	Net Profit	\$133	\$22	\$183	\$76	-\$647
\$228	\$190	\$444	\$204	\$468	\$271	Total Expenses	\$5,764	\$206	\$453	\$236	\$3,064
\$116	\$100	\$164	\$88	\$260	\$120	Rent	\$1,613	\$95	\$265	\$130	\$275
\$95	\$75	\$135	\$75	\$150	\$80	Director's fees	\$1,140	\$70	\$135	\$90	\$235
\$17	\$15	\$25	\$13	\$31	\$14	ACBL fees	\$229	\$11	\$32	\$16	\$55
		\$48	\$28	\$27	\$57	Hospitality	\$2,637	\$30	\$21		\$2,426
		\$72				Misc.	\$145				\$73

The December unit game (a.k.a. Christmas Party) is a special beast. It has become a tradition for the **Christmas Party** to be heavily subsidized by the unit. While some believe this tradition is outdated, others consider it a virtual birthright. Finding a balance between subsidy and contribution will be a recurring opportunity for the board to reconcile differing (and occasionally bizarre) opinions. Since the subsidy/cost ratio needs to be determined by early autumn (shortly after the Labor Day sectional), we suggest the amount of subsidy be limited to the anticipated annual profit of the unit games. This has apparently been the practice for some years.

Since *cost-free bridge* seems to upset some persons who play only one session, we recommend a modest modification. As a starting point for further rabid discussion, we recommend half-price bridge for each Christmas session and a nominal fee for the meal. Let the games begin.

Sectional profits vary widely, based on attendance and expenses. If the 2010 Labor Day sectional does not show substantial profit, the unit may need to tap the reserve and raise the entry fee for future sectionals.

2009				2010				
Winter	Lilac	Labor	Totals	Sectionals	Totals	Winter	Lilac	Labor
129	114.5	209.5	453	# of Tables	282	158.5	123.5	TBD
\$3,964	\$3,486	\$6,500	\$13,950	Table Fees (Net)	\$8,952	\$5,079	\$3,873	TBD
\$4,264	\$3,725	\$6,896	\$14,885	<u>Total Income</u>	--	--	--	TBD
-\$75	\$327	\$1,508	\$1,760	<u>Net Profit</u>	\$838	\$741	\$97	TBD
\$4,339	\$3,398	\$5,388	\$13,125	<u>Total Expenses</u>	--	\$5,721	--	TBD
\$600	\$600	\$1,100	\$2,300	Rent	--	\$1,080	--	TBD
\$803	\$420	\$766	\$1,989	Hospitality (inc. lunch)	\$1,416	\$841	\$575	TBD
\$2,936	\$2,378	\$3,522	\$8,836	Dir/caddies/supplies	--	\$2,720	--	TBD

b. Recommendation concerning purchase of a dealing machine and/or table scoring devices.

2010 costs: \$4400 dealing machine
 Barkley Bridge \$3088 Bridgemate II master unit and 20 table-top scoring units

The membership (and the committee) are divided concerning acquiring increased technology. Accordingly, the committee recommends kicking the can down the road, deferring any purchase of these items until more players and directors have become comfortable with the technology used at some tournaments and other clubs.

The arguments **against** purchase center on cost vs. return. Also, the directors are not leading the charge to change their ways. Some believe the machines would actually demand more time of the director.

A major complicating factor is the geographic disparity of local clubs. While one dealing machine could easily suffice for both Spokane and Spokane Valley clubs, table scoring devices would be limited to a single site. Who would have priority?

More importantly, if the unit purchases these items, would each club director reimburse the unit? A nominal charge of one dollar per game for use of the dealing machine and the use of the master Bridgemate would not seem excessive. At \$8/week and \$400/year, the purchase price could be recovered in 20 years (about the time they might need to be replaced?).

The **advantages** of the technology are substantial...for one particular group of players: those who want to improve their game skills by reviewing hand records and opening leads. Consult the Idaho Falls web site: <http://www.idahofallsbridge.com/id37.html> [Side note: the unit 448 web site would need to be upgraded or changed to reflect these more useful displays. That alone could have multiple benefits.]

Generating 28 deals requires only a split-second for the computer. Machine-dealing 28 decks and inserting them into boards might take a half hour, or 15 minutes with two persons. Given the slight complexity of using the **dealing machine**, it would seem prudent to assign the machine to one person (who is savvy with both computers and mechanics) who would generate all deals, fill the boards and receive payment in the form of occasional free plays (and, undoubtedly, considerable static from various players).

Bridgemate scoring devices would free up considerable time for the directors. Accuracy should be improved, once the players become accustomed to the system. Penultimate results would be readily available.

Some questions to be considered:

Would enough players benefit from the technology?

Would the club directors be willing to use the technology?

Would more players attend because of the increased info available at postmortems?

c. A plan for the routine replacement of bidding boxes, boards, cards, and card tables.

The committee recommends budgeting \$400 each year for routine replacements of durable items. Using fresh cards, excellent boards and sturdy card tables sends a very positive message about our unit to all players.

Current number	Item	Cost to replace	Life exp. years	Annual cost
				\$371.99
40	card tables	\$90.00	15	\$240.00
158	bid boxes	\$13.00	40	\$51.35
3	32 set boards	\$80.00	40	\$6.00
2	36 set boards	\$90.00	40	\$4.50
168	card decks	\$1.67	4	\$70.14

Another \$150 should be allocated annually for paper items for sectionals and unit games.