

BOARD OF DIRECTORS

SCCA BOARD OF DIRECTORS MINUTES | Jan. 27-31, 2010

The SCCA Board of Directors met Jan. 27 – 31 at the South Point Hotel and Casino, in Las Vegas, Nev., in conjunction with the National Convention.

Present BoD Members

Todd Butler –Secretary, Philip Creighton, R.J. Gordy, R. David Jones, Bill Kephart, Robin Langlotz, Michael Lewis - Treasurer, Bob Lybarger, Marcus Merideth, Lisa Noble - Vice Chair, Dick Patullo, John Sheridan, Jerry Wannarka -Chair

Present SCCA Staff

Aimee Thoennes – Executive Assistant, Terry Ozment- VP Club Racing, Rick Ehret – VP Finance, Howard Duncan – VP Rally and Solo, Eric Prill – VP Marketing & Communications, Jeff Dahnert – President & CEO, Colan Arnold – VP Member Services, Peter Lyon - Risk Management, John Bauer – Club Racing Technical Manager, Kevin Yaghoubi – Club Racing Technical Coordinator, Pego Mack – Rally Manager

President's Report

Jeff Dahnert: Positive year-end spike in revenue due to licenses, and true-ups from Regions.

ACCUS meetings coming up. Dahnert feels it is good that SCCA is on ACCUS. Gives visibility into other sanctioning bodies.

Strategic Plan: Dahnert wants to change things around, have BoD set policy and strategic plan, and Staff builds operating plan to achieve. This will not happen overnight, but wants to start discussions.

Sheridan: need to focus on overall, not one specific area (eg not just National racing).

Dahnert felt PRI show was very successful. New sponsorship program came out of that. Lots of positive sponsor contact.

Prill: SCCA holds a partner meeting yearly to brief on SCCA programs and activities. The plan going forward is to do this ahead of PRI then spend rest of PRI with individual partners where they are not in a group setting.

Finance Report

Rick Ehret: Revenue up over projected. Income from TA, agreement with Pro for services, Net operating income ~\$190K for Inc. \$107K for Enterprises, \$ 120K for Pro. Investment accounts very good. First time in years we have contributed to Investment account, and no margin loan for operations needed over this winter. Key was departments and operations watching budgets and managing efficiently.

2010 Budget discussion: BoD asked to approve revised 2010 budget from prelim version reviewed in Dec BoD.

Record retention policy drafted and being reviewed with Legal.

Club Racing

Terry Ozment: Starting to track participation in all programs including Time Trials now. Challenge is training TT organizers to submit Observers reports.

Asking for BoD action on Tow Fund payout. Requesting that instead of paying down below 3 positions as is done currently if Division finishing positions 1-2-3 are not in attendance, use that money back in the pool. Change required to make fewer funds go farther with more classes. This will make top 3 in Division more important. In 2009 this was \$0.67/mile over 300 miles minimum.

Motion: Merideth/Patullo to approve Club Racing to change Runoffs supps to handle tow fund as described above. Approved unanimous.

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Much discussion on tracking drivers/participants, getting consistent timing and scoring results, and potential for national registration system. Tracking on Regional/Divisional level for participation vs more granular at driver level.

AS/Runoffs report: The report is out on the AS/Runoffs. Club Racing scheduled to report to the BoD in May on proposed changes for 2010 Runoffs. BoD requesting that rationale behind actions implemented (or not implemented) be explained at that time.

CRB Appointment:

Motion: Merideth/Sheridan: Approve Tom Start to CRB replacing Russ McHugh. Approved Unanimous

Member Services

Colan Arnold

Membership: 2009 not a good year. 10% decline in membership numbers. Multiple reasons. Top to bottom review of programs between Arnold and Rick Meyers. Plan to increase incentive for individual referrals and restart membership contest. 1st place: Skip Barber, 2nd place tires donated by Tire Rack, 3rd place, SCCA merchandise credit. Second part of plan is incentivize Regions to recruit and retain members via reduction in sanction fees. Per Arnold, "worst case" scenario is break even if successful for incentives.

Spouse and Family Membership. Looking for approval to reduce Family membership cost from current \$101 to \$85 and eliminate Spouse membership. Recommend make effective 4/1.

Motion: Sheridan/Merideth to approve reduction in Family membership dues to \$85 effective 4/1/2010. Approved Unanimous.

Volunteer Incentive Program: Info shows that membership pool is not as broad as expected, narrow group of high time volunteers. Request to increase payout to high time volunteers. \$36K in program.

Motion: Langlotz/Gordy to approve payout for Volunteer Incentive as described as described in briefing book. Effective for 2010. Passed Unanimous

Data Collection: Multiple reasons for implementing: customer requests for common Registration systems, data to make decisions on programs, automatic driver renewals. Current Registration System: AVECtra not designed for Regional use per event. Looking for registration system to use across board for race, solo, rally, TT. This system should then feed central data base. Idea is to find a common system and offer to Regions but not make mandatory. Process: Recommendations and directions to be presented to the BoD.

Marketing

Eric Prill

Dept is really 3 in 1: Sales, Marketing, and PR

Consistent branding to keep SCCA in title, but sponsor comes first. This is the industry standard practice.

Several smaller deals generated from PRI, there may be some longer term relationships come out of PRI. SCCA members and buying power still recognized. Learned some things about contingencies at PRI. Many companies more interested in National Championships vs individual event payouts due to high amount of money to do the full season payouts.

New PR manager coming onboard to replace Erin Cechal in few weeks.

Rally/Solo/Foundation

Howard Duncan:

Working with Solo to see about incenting cross participation between Solo and Rally.

Rally participation about even with 08. Will defer RoadRally direction strategic planning to May. Financials have improved by 40% over last 3 years. Still negative but improving. National program developed. Trying to develop Regional and National RallyCross (RX). RX has youngest demographic of all SCCA programs.

Motion: Kephart/Creighton Approve Ken Cashion RX Divisional Steward for Rocky Mtn Division. Approved Unanimous

RoadRally was nationally focused, has shifted to Regional focus.

Motion: Lewis/ Kephart Accept RoadRally rules changes as proposed in BoD Agenda Page 34 -36. Approve Unanimous (Appendix A)

Solo: Lincoln, Nebraska worked well as Solo National site. City of Lincoln figured \$4-5M economic impact of Solo Nationals in the community. The Solo Nationals were featured in their brochure promoting region development. Launching e-newsletter for Solo community. Positive response to direct communication with user community.

Motion: *Patullo/Lybarger* Approve Bruce Bellom to Solo Safety Committee. Approved Unanimous

Foundation: Change bylaws based on discussion at Dec BoD to provide effective distance from Foundation and adjust number of BoD members on Foundation BoD. Reviewed Colorado state laws and legal review/consult to craft bylaws change.

Discussion:

Duncan, goal is to have Foundation be more proactive and less direct prodding by SCCA Inc.

Jones, for Foundation to be successful Foundation BoD needs to be active and involved.

Motion: *Lybarger/Merideth* Approve replacement of section 4.A of Foundation Bylaws as recommended. Approved Unanimous

Motion: *Sheridan/Patullo* Approve the interim Foundation Board of Directors Larry Dent, Bev Heilicher, R David Jones, Michael Lewis, Lisa Noble. As the new By Law change takes effect, the interim Board will stand until March 15th. Approved Unanimous

FSAE Update: Potential partnership activity. Discussion about SCCA potentially hosting a FSAE event? There is interest in centralized hosting. No concrete actions at this time.

Old Business

Motion: *Lewis/Sheridan* : Appoint Merideth as Asst Treasurer. Approved Unanimous. Merideth abstain

Motion: *Lybarger/Lewis*: Approve Minutes Dec 2009 Meeting. Approved Unanimous

Open Items

Director DuJour. Sit in on other committees. BoD volunteers needed. Noble to circulate spreadsheet for signups. Thoennes walked BoD thru script. Town Hall Script for Thursday night. Old BoD seated. New BoD in front row.

Litigation Briefing

Pete Lyon

No new activity since Dec.

Legal to give info on loss ratios per program in May.

Follow up to e-voting and chat rooms. Legal opinion generally frowns on e-voting and any records should be in accordance with formal document retention policy.

Record Retention Policy: Still under development, need to classify various documents types. Question of Institutional memory vs documents retention formality. Formal policy will be presented to the BoD.

2010 Insurance Handbook is out and is already online.

BoD meeting with CRB

Tactical Plan: Needs update and review of tactical plan at Convention by CRB. Many objectives achieved, one objective when originally written was reduction in number of classes. This was not achieved, but given changes to Runoffs structure, may need to re-think this particular objective.

Discussion on what constitutes a rules change and a rules change season? CRB activities during the year: E&O, Safety, rules stability and definition of rules changes vs clarifying intent etc. Currently the Club Racing Board is authorized to:

- Clarify a rule – characterized as adding/subtracting/changing language to reinforce the intent of the rule without changing the core definition.
- Make specification changes – this includes weight, track, restrictor sizes, and other items typically contained within a vehicle specification line.
- Classify cars.
- Correct errors and omissions.
- Implement rule changes for all classes in cases where parts are no longer available and such a shortage would negatively affect the ability to compete.
- Recommend rule changes and car reclassifications to the Board of Directors for approval.

In general, BoD comfortable with above guidelines.

CRB sets supps for Runoffs. Requesting schedule flexibility for supps due to class combination issues at Runoffs, may have to do some juggling later in season for class combination at Runoffs. Requesting language in the supps that the schedule may be modified up to Aug 16. BoD favorable to this request.

CRB Challenges:

Program Vision in 5 Years.

Marketing Plan for more club visibility.

Ownership of National program and Divisional scheduling.

GCR Other items:

Rearranging 3.4.2 and 6.4. No issues.

Prelim review of draft Runoffs schedule and discussion of session times.

Motion: *Lewis/Gordy* Move to accept revised budget for 2010 as presented in page 9 of BoD Agenda. Approved Unanimous

Motion: *Sheridan/Gordy* Approve the following change to GCR 9.3.29.C.

Effective 3-1-2010 for all SCCA National Races, the SCCA field logo will consist of the National Series logo (figure 4A). For SCCA Regional races and Drivers Schools, either the SCCA field logo or the National Series Logo will be acceptable. Approved Unanimous.

Liaison reports:

COA

Jones: Review of notes. Question is to what extent do we release information in the case of protests or technical legality?

Discussion, technical clarification vs protests. Per GCR, non-compliant ruling will be published, compliant ruling will not be. BoD Liaison (Jones/Langlotz) will monitor.

Stewards

Gordy: Emphasize support role of Stewards in successful events. Execs starting with forms changes and consistent message. Gordy asking for feedback from other BoD members as we work with Regions. CRB liaison to help link Stewards and CRB, this was in place for GCR re-write. Discussion about having more permanent liaison function between Exec Stewards and CRB.

Discussion, should BoD give Exec Stewards the ability to waive staffing, and or safety requirements? Decision to support Execs and allow them flexibility to change staffing requirements. Regions looking for flexibility. BoD should encourage a common sense interpretation to rules. BoD direction to Exec Stewards, use flexibility GCR currently provides. New process will allow the Club a way to track implementation in the Observers Reports.

GCR allows for CS to deal locally with safety, but nothing explicit on staffing. Gordy to take recommendation to CRB for GCR rules changes needed if needed.

RXB Report:

Creighton/Kephart Liaison

Strategic Plan Overview.

RX is in growth process, developing Regional, Divisional, National. Working on building Regional program primarily. Requesting additional RX board members, looking for younger flavor. Still fleshing out National Championship program. Some sentiment that National program will take care of itself if we build strong Regional/Divisional program.

Emphasis on developing strong Safety Steward program. Have manual but no process for training. Some feeding from Solo Safety but needs to translate from pavement to dirt.

Promotional video's, none specific to RX, promo material comes from Solo. There is a good YouTube video.

What does RX need from BoD for support?

Comments, web site information access. RX wants to get own RX focused e-newsletter, working with Rick Meyer on this. Director support at events requested. RX seen as an entry-level step into SCCA.

There are other competing RX competitors in the business. SCCA is the leader in this area. 80% (estimate) of market.

Difficulty of finding sites. Harder than solo. One specific example brought up is heavy equipment auction sites , possible charity tie in. RX requested assistance from SCCA staff in making corporate contact.

Fees structure, \$25-75 depending on events. Competitive with competition.

Rally Report

Lewis/Butler Liaison

Strategic Plan 2010 Overview

Make SCCA leading membership org for promotion of RoadRally. Bring more people into National championship. Build Regional Rallies and encourage diversity for Rally types (course events, tour events, night, TSD, etc). Regional events and National events, no Divisional.

What can BoD do to help? Answer website hard to navigate for both existing and new members.

RRB wants to drive towards social networking. Facebook page created unofficially for real-time chat during Town Hall. Increase diversity (age, gender, ethnic affinity) thru outreach discussed. This is bigger issue than just RRB and deserves BoD focus.

Page 34 in BoD Agenda, Rules for Organizers, approved on Wed.

Making USRRC the National Championship event. Similar to Runoffs. Get number of points at regional/national events to accumulate points then USRRC is champ race. Proposal for 2011 is coming.

Planning Committee

Kephart

Proposing focused meeting, in 1-2 months out for several days to do it justice. Proposed KC for meeting. BoD supports. Need both long range and short range planning and view of big picture.

Kephart brought up web site issues (heard repeatedly from Program Boards and regions). Staff to look into this.

Issue of timing on materials prepared for BoD meeting. BoD expressed a preference for target date of 2 weeks before meeting.

Appendix A

Action Item: RRRule Changes for Organizers

Proposed Changes to the Rules for Organizers (RFO)

December 11, 2009

Note: Numerous formatting changes to the (RFO) have not been listed.

Cover

Change: The revision date to 11/09.

Page ii

Change: Edition 35 to Edition 37 (Edition 36 was made but never approved by the SCCA Board of Directors. As some copies of Edition 36 may exist, this will be Edition 37.)

Page iii

Delete: (list of the SCCA RoadRally Field Staff)

Chapter 2.C.3

Delete: The RRB requires committees to charge higher entry fees for non-member entries. A minimum difference of \$10.00 between SCCA member and non-member entries shall be required for each event. The committee may also impose an additional late entry fee of up to \$10.00.

Substitute: The committee may also impose an additional late entry fee of up to \$10.00.

Chapter 6.D

Delete: The following statement must appear on the entry form: "The entrant warrants that an auto insurance policy with liability limits of not less than \$20,000/\$40,000/\$10,000 is in force for the vehicle entered."

Substitute: A statement must appear on the entry form whereby the entrant warrants that an auto insurance policy with the liability limits specified in the current RRRs is in force for the vehicle entered.

Chapter 14.A.6

Delete: The following statement: "The entrant warrants that an auto insurance policy with liability limits of not less than \$20,000 / \$40,000 / \$10,000 is in force for the vehicle entered."

Substitute: A statement whereby the entrant warrants that an auto insurance policy with the liability limits specified in the current

RRRs is in force for the vehicle entered.

Chapter 17.A

Add: (to the end of the paragraph) The preceding applies to **NCR/NTR ONLY**.

Chapter 17.E

Add: 5. **NGR ONLY**. (See Article 21.B.2 of RRR)

Chapter 18.A

Add: (to the beginning of the paragraph) **NCR/NTR ONLY**.

Chapter 18.B

Add: (to the beginning of the paragraph) **NCR/NTR ONLY**.

Chapter 18.G

Insert: (After the words, "one leg") . . . or scoring opportunity . . .

Chapter 18.J

Add: (to the beginning of the paragraph) **NCR/NTR ONLY**.

Chapter 19.A

Insert: (at the beginning of the paragraph) **NCR/NTR ONLY** except as noted.

Insert: (at the end of the paragraph) **NGR** events utilizing mileage for scoring shall also comply.

Chapter 20 D

Delete: In the interest of safety, organizers shall avoid the use of signs which are obscure, small, difficult to see at rally speeds, or appreciably removed from the rally course.

Substitute: In the interest of safety, organizers shall avoid the use of signs which are obscure, small, backward facing or otherwise difficult to see at rally speeds, or appreciably removed from the rally course except where safely provided for within NGR GI's.

Chapter 23

Add: (to the chapter title): **(A through K – NCR/NTR ONLY)**

Chapter 23.A

Delete: NCR/NTR only.

Chapter 24.A.1

Add: (to the end of the second sentence) except where already built into the timeframe of an NGR.

Chapter 24.B.1

Add: (to the beginning of the paragraph) **NCR/NTR ONLY**.

Chapter 24.B.6

Add: (to the last sentence after "the leg") . . . or reoccurring scoring opportunities . . .

Chapter 24.C

Delete: (the entire title)

Substitute: **DISCARD OF A LEG OR SCORING OPPORTUNITY – INDIVIDUAL SCORING ADJUSTMENTS**

Chapter 24.C.1

Insert: (after "that leg") . . . or scoring opportunities . . .

Chapter 24.C.2

Insert: (after "discard a leg") . . . or scoring opportunities . . .

Chapter 24.C.3

Insert: (after three occurrences of "discard a leg," and one of "that a leg") . . . or scoring opportunities . . .

Chapter 24.C.4

Insert: (after two occurrences of "discard of a leg") . . . or scoring opportunities . . .

Chapter 24.C.5

Insert: (after "discard a leg" and "However, a leg") . . . or scoring opportunities . . .

Chapter 24.C.6

Insert: (after "discard of a leg") . . . or scoring opportunities . . .

Appendix B.E.1

Insert: (after "leg-by-leg") . . . or scoring opportunity . . .

Appendix G Five Weeks Prior 1

Insert: (at the end of the second sentence) . . . for **NCR/NTR**.