

MINUTES OF THE BOARD OF DIRECTORS MEETING

Road Runners Club of America
Saturday, January 21, 2006

The Board of Directors of the Road Runners Club of America (RRCA) met in regular session Saturday, January 21, 2006 at its National Headquarters office in Columbia, Maryland. The following Officers and Directors were in attendance: President Bee McLeod; Vice-President Tom Downing; Secretary-Treasurer Dennis Novak; Directors Brent Ayer, Ken Bendy, Beth Onines, John Farrow, David Epstein, David Williams, and Bob Holmes. Director Lisa Paige was absent. Also present was Executive Director Jean Knaack.

President McLeod called the session to order at 9:43 a.m. EST.

Approval of Minutes from the November 21, 2005, and December 14, 2005, Board of Directors Meetings. Director Epstein moved, and Director Bendy seconded, that the minutes be approved as amended. The motion passed by voice vote with all in favor except for one abstention. Vice-President Downing abstained as he was not present for the December 14 session.

Director's Reports. President McLeod announced the appointment of Irv Newman as Chairman of the Audit Committee. President McLeod stated that she and Executive Director Knaack would work together on setting personal goals for the Executive Director position. As well, annual performance expectations and a formal review process will be developed. President McLeod distributed the conflict-of-interest policy sheet to Board members for review, completion, and signature. President McLeod presented a resolution condemning cheating during road races. Vice-President Downing moved, and Director Holmes seconded, that the Board of Directors pass such a motion. A voice vote was taken and the result was unanimous in favor of the resolution. Director Williams was out of the meeting room at the time of this vote.

President McLeod proposed that our monthly Board teleconferences (held in the months we do not meet in person) be moved to the third Wednesday.

Awards Committee Report. Executive Director Knaack stated that the Awards process is well underway and the office is getting positive feedback for its involvement this year. Director Bendy reported that Southern Region is making good progress on its awards process. He will coordinate with the other Regional Directors to develop a "best practices" for the awards process.

Communications Committee Report. Director Ayer reported on the Communications Committee's work to publish Footnotes per our resolution to provide an affordable, printed publication for our membership. Director Ayer and Executive Director Knaack reviewed in detail the history of Footnotes with a principal finding that production and postage costs have consistently outstripped advertising revenues. Even in its best year (1989), Footnotes lost over \$30,000. This detail was provided to the committee members for feedback which Director

Ayer summarized for the board. Director Ayer facilitated discussion with all board members present about the concept of a print magazine. A reminder was given that the resolution passed last year included the stipulation that the publication had to be affordable.

Executive Director Knaack presented her vision of communications for the next three years. In summary, following is Executive Director Knaack's three-pronged approach to address communications:

- Provide, beginning in January 2006, a quarterly, hard-copy, Inside Track to club presidents and stakeholders, expandable to include more club officers, depending upon our capability to fund;
- Provide by March 2006 an online magazine (the Footnotes replacement), complete with color photos and advertising;
- Provide the annual report, and perhaps mail it to all members in the future if funding permits.

Director Ayer moved, and Secretary-Treasurer Novak seconded, that we post a quarterly version of Footnotes on the RRCA web site, with the first issue available prior to this year's convention. The motion passed by unanimous voice vote.

Executive Director Knaack reported that the RRCA web site gets an average of 100,000 hits a month.

There was agreement that membership needs an opportunity to hear about Footnotes' background and an opportunity to provide input on our communications plan. It was concluded that Director Ayer will do a brief summary on the history of Footnotes at the convention's business meeting. He will be prepared to provide a detailed review if the situation so warrants.

Director Ayer reported there is a new New York State Representative, Heather Marcellis, immediate Past President of the New York Flyers running club.

Review of RRCA Financial Status. Executive Director Knaack led the Board through a review of current financial documentation. She also plans to deposit more money into our investment account. The auditor wishes to meet with the Audit Committee the first of February. Executive Director Knaack recommended that the Board pass a resolution to engage the accounting firm of Murray, Johnson, and White to perform the 2005 audit and prepare the tax forms. Secretary-Treasurer Novak made such a motion, and Director Holmes seconded it. The motion passed by unanimous voice vote.

Secretary-Treasurer Novak suggested that specific questions about the 2006 budget be asked rather than going through each line of the budget; Executive Director Knaack already provided the Board line by line documentation. Concerning membership dollars, Executive Director Knaack reported that 494

clubs had renewed as of January 18. In addition, we have gained 11 new clubs and 224 clubs have not yet renewed. Two clubs that didn't renew in 2005 came back in 2006. If all clubs renew, we will end up with 730, so we are about three-quarters of the way there. If Executive Director Knaack's budget projections are accurate, the RRCA will finish 2006 with a surplus of approximately \$30,000.

Director Williams moved and Director Holmes seconded to approve the 2006 budget as presented. The motion passed by unanimous voice vote.

Developing a Board-restricted reserve fund. Executive Director Knaack introduced the topic of a reserve fund, but recommended that we take action on this matter at a future meeting. Once the upcoming audit is complete, she would propose that the Board pass a resolution to establish a restricted operating reserve fund that takes approximately \$100,000 to \$120,000 from our 2005 net profit. These funds would be board restricted funds to be used during a period of serious financial hardship. An investment strategy would need to be developed and adopted if we pursue the development of an operating reserve fund. All agreed this would be a prudent action.

Executive Director's Report. MBNA has requested our mailing list and we have a contractual obligation to provide MBNA such information upon their request. Director Holmes stated that this might conflict with our privacy policy. Executive Director Knaack will work with legal counsel to review the MBNA contract and obligations.

Executive Director Knaack has drafted her goals and objectives for the RRCA for 2006. In her efforts to launch Footnotes, she will re-engage the editorial board. Executive Director Knaack expects the new website to be launched in the second quarter of the year. The next issue of Inside Track will be published by the end of this month, and "Keeping Pace" will continue to be posted on the web site by the end of each month. Dermik will be a sponsor this year, but their participation will be reduced. They will visit six or seven high-profile events in 2006 as opposed to the over 30 events in 2005. Executive Director Knaack continues to work on relationships with media outlets. "Run to Work Day" will be renamed "Run@Work Day" for 2006, and Executive Director Knaack is pursuing sponsorships. There will be more emphasis on health and fitness, and getting started in running.

RRCA's 50th anniversary is coming up. History reveals that the first convention was held before RRCA was actually incorporated, so there will be a 50th anniversary of the convention in 2007, followed in 2008 by the 50th anniversary of RRCA. Executive Director Knaack recommended that the Board start thinking about how to distinguish these events and recommends the creation of a 50th Anniversary Committee. The Hurricane Fund has generated over \$21,000; and we are working with Gulf Coast clubs to disburse the entire fund by February.

Convention Update. Convention planning is going well and the agenda is full. The convention website is impressive and easy to use. Executive Director

Knaack noted, for the record, that the Houston Striders have been great to work with.

Annual Business Meeting Items. President McLeod went over the Board meeting schedule for the convention. Following discussion, it was determined that the Board will start its meeting Wednesday afternoon. This will enable Board attendance at the State Rep session. The business meeting should include a Treasurer's report, an Executive Director's report, and a Communications Committee report. Elections will be held and we will report out on the bylaws amendment on for-profit clubs that was approved at the convention last year. Membership asked the Board to review the for-profit voting rights structure. It was felt that the only one proxy voting form will be required as the only item of business to be voted on appears to be the election of officers.

Annual Reports – due January 25, 2006. Executive Director Knaack reminded those present that their annual reports are due to her by this coming Wednesday.

Nominating Committee Update. President McLeod reported that the Nominating Committee is completing its work and should be on schedule with their report.

New Business. President McLeod reported that Carl Sniffen, Chair of the Roads Scholar Committee, has asked the Board to consider financial support for his committee members to help encourage their attendance at the upcoming Houston convention. The committee would like to meet face-to-face for a formal review of this 10-year old program. Following discussion, Director Bendy moved, and Director Ayer seconded, that \$250 per person be offered to the members of the Roads Scholar committee to help offset convention expenses. Those who attend will need to submit receipts for reimbursement, and the committee will be required to submit a written report of their proceedings to the Board. The motion passed by unanimous voice vote.

Closure. There being no further business to come before the Board, the session was brought to closure at 4:11 p.m. EST by President Bee McLeod. Director Epstein moved, and Secretary-Treasurer Novak seconded, that the session be adjourned. The motion passed by unanimous voice vote.

Respectfully submitted,

David B. Epstein
Director-at-Large
Road Runners Club of America