

MINUTES OF THE BOARD OF DIRECTORS MEETING

Road Runners Club of America

Thursday, March 9, 2006

On the above-specified date, the Board of Directors of the Road Runners Club of America (RRCA) met in regular session in the Arboretum 5 room of the Hyatt Grand Regency Hotel, Houston, Texas. The following Officers and Directors were in attendance: President Bee McLeod; Vice-President Tom Downing; Secretary-Treasurer Dennis Novak; Directors Brent Ayer, Lisa Paige, Beth Onines, John Farrow, and David Epstein. Directors Ken Bendy, David Williams, and Bob Holmes were absent. Also present were Executive Director Jean Knaack and Membership Director Jessica Sleight. USATF President Bill Roe joined as a guest during the meeting.

President McLeod called the session to order at 9:16 a.m. CST.

Approval of Minutes from the February 15, 2006, Board of Directors Meeting. Director Epstein mentioned that Director Bendy had written him and requested a non-business related phrase be deleted. Director Farrow noted a grammatical error involving addition of the word, "the", to a sentence on Page 2 of the proposed minutes. Director Epstein moved, and Director Ayer seconded, that the minutes of the February 15, 2006, RRCA Board of Directors meeting be approved as amended herein. A vote was taken and the motion passed by unanimous voice vote.

Director's Reports. President McLeod requested that Board members maximize their presence at convention sessions. She added that she plans to ask Carl Sniffen to initiate a review of the Articles of Incorporation to reflect the impending reduction in number of At-Large Directors from four to two. President McLeod thanked Director Williams for his active involvement on the Board and with the RRCA. Executive Director Knaack added that a plaque will be presented to Director Williams at the banquet. President McLeod reported that she attended the National Marathon Championship at Napa Valley this past weekend.

Vice-President Downing thanked Jean and Jessica for their help with the awards. There was discussion about the National Awards process. Executive Director Knaack responded that the national office plans to develop awards selection criteria and will review the whole national awards process with an ad hoc committee. Recommendations for improvement will be made at a later date.

Central Region Director Onines reported that she is losing her Illinois State Representative due to health issues. Executive Director Knaack reported that the national office received notice from the Iowa State Representative that he is leaving the state.

Western region Director Paige reported nothing new since the last Board meeting. The State Representatives from Washington and Utah will not be in attendance at the convention. She expects six of her State Representatives to be here. Director Paige again commented on the region's size and associated travel challenges. Executive Director Knaack replied that the national office might be able to help with additional regional director travel funds pending further analysis following the convention. Director Paige noted that the California State Representatives are planning a brain-storming session and will work the matter with Executive Director Knaack. Director Farrow stated that the organization could benefit from holding a national convention somewhere in California; all agreed.

Eastern Region Director Ayer reported that 11 of the 13 states in the region will be represented at this year's convention. As of this past weekend, there is a new Virginia State Representative, making 6 of 13 Eastern representatives replaced in the last two years.

Southern Region Director Bendy was not present but had provided his report to Vice-President Downing for consideration at the meeting. Vice-President Downing will email Director Bendy's report to all Board members. There is nothing in the report that requires immediate action by the Board.

Review Audited Financial Statements and Letters to Management. Secretary-Treasurer Novak commended Executive Director Knaack and the auditors for completing their work in a timely fashion. Executive Director Knaack commented that the 2004 year-end adjustments had not been entered into our accounting system by the previous administration. The good news is that the error was to our benefit, meaning we were reporting lower total net assets than we actually had. Executive Director Knaack reviewed the draft audited financial statements in detail. A significant highlight is that, thanks to sponsorships, our unrestricted net assets increased to almost \$207,000. The Board was cautioned that the rate of increase in net assets most likely will not be repeated in 2006. Executive Director Knaack then reviewed letters to the Board from the auditors, one of which was perfunctory, and another, which contained suggestions for improving financial procedures. No material findings were cited by the auditors. Secretary-Treasurer Novak moved that we accept the draft audited financial statements as presented, and acknowledge the letters to management. Director Farrow seconded the motion. The motion passed by unanimous voice vote.

Review of RRCA Financial Status. Executive Director Knaack requested that the Board take action on our \$206,000 in unrestricted net assets (operating reserves). She wants to restrict \$5,000 of this to the State Representative's fund; \$7,500 for a President's Reserve Fund; and \$100,000 (three months' operating reserve) for an operating reserve fund that could only be accessed through a Board resolution during period(s) of organizational financial crisis. After having approved these three designations, there will still be approximately \$90,000 in

unrestricted net assets. President McLeod asked that the funds associated with the State Representative's reserve and the President's reserve be exchanged, so that the President's fund was \$5,000. She further suggested a slight revision, i.e., State Representative's/**Regional Director's** reserve fund. Criteria can, and will, be developed for administration of these funds.

Director Epstein moved, and Secretary-Treasurer Novak seconded, that the Board restrict \$5,000 from unrestricted net assets for a President's reserve fund. The motion passed by unanimous voice vote.

Vice-President Downing moved, and Director Paige seconded, that the Board restrict \$7,500 from unrestricted net assets for a State Representative's/Regional Director's reserve fund. The motion passed by unanimous voice vote.

Director Epstein moved, and Vice-President Downing seconded, to restrict \$100,000 from unrestricted net assets for the purpose of establishing a Board Restricted Operating Reserve Fund. The fund may only be accessed in times of organizational financial crisis, and only by Board action. The motion passed by unanimous voice vote.

Executive Director Knaack and Director Novak will work on an investment strategy for the Operating Reserve Fund. They will report to the Board at the April meeting.

The Board took a brief rest break at 10:34 a.m. CST, and reconvened at 10:48 a.m. CST.

President McLeod announced the presence of USATF President Bill Roe. President Roe discussed the ideas from a breakfast meeting attended by Jean Knaack, Bee McLeod, Brent Ayer, and other USATF staff. Executive Director Knaack reviewed, and in the presence of the Board, signed a letter of mutual agreement by RRCA, USATF, and Running USA, condemning the practice of "course cutting".

Financial Statement Review. Executive Director Knaack reviewed the February 2006 financial statements. Approximately 55 clubs have taken advantage of the BoardSource program. At this time, there are no red flags.

Executive Director Knaack requested that the Board pass a resolution to establish a temporarily restricted State By State fund where state representatives can submit money to be held in trust by the RRCA for that particular state until such time as the funds are utilized by the state rep. The purpose of the resolution is for audit and accounting purposes. Director Paige moved for the passage of the resolution, and Director Epstein seconded it. It passed by unanimous voice vote.

Review of 2007 Convention Bid. Director Onines presented the Board with a proposal that the 50th Annual RRCA National Convention be held in Chicago on March 28 – April 1. The Alpine Runners of Lake Zurich, IL will be the host club. The host hotel would be the Embassy Suites –Downtown Chicago – Lakefront. Secretary-Treasurer Novak wanted to emphasize the fact that the hotel manager has assured Director Onines that RRCA would be the only convention at the hotel during that time frame. The associated race would be the “Shamrock Shuffle 8-K”. There would be a 5-K walk, also. Executive Director Knaack noted that the RRCA has not yet held a convention in Chicago. Director Onines is comfortable with her volunteer base. Director Ayer moved, and Director Epstein seconded, that the 50th Annual RRCA National Convention be held in Chicago, Illinois, as proposed herein. Executive Director Knaack offered sincere thanks to Director Onines and the Alpine Runners for stepping up to host next year’s convention.

National Championship Race Selection. President McLeod reviewed the recommended national championship events provided by Don Kardong’s National Champ Race Committee. President McLeod proposed adding the 8-K and 10-mile distances to the National Champ Race Series. Director Paige moved to name the five events recommended as National Championship Races for 2007, and add the two distances of 8 K and 10 miles (races to be identified later). Director Farrow seconded the motion. The motion passed by unanimous voice vote.

The five National Championship Races are:

- Debbie Green 5-K, Wheeling, WV, August 4, 2007
- Vulcan Run 10-K, Birmingham, AL, November 3, 2007
- Parkersburg Half-Marathon, Parkersburg, WV, August 18, 2007
- Napa Valley Marathon, Napa, CA, March 4, 2007
- Tahoe Rim Trail 50-K, Lake Tahoe, CA, July 21, 2007

Executive Director’s Report. Executive Director Knaack reported that the first electronic issue of Footnotes was posted to the RRCA web site on schedule, March 1, 2006. Positive feedback has been received. We will develop a new RRCA brochure that is more appropriate for the “Best Feet Forward” campaign and race expos. We will start promoting “National Run@Work Day”, which will take place September 22, 2006. The goal of Run@Work is to engage employers and employees and emphasize the importance of daily exercise. Following a few days off after the convention, Executive Director Knaack and Program Director Sleight will focus on 2nd & 3rd quarter activities.

Membership Status. RRCA Program Director Jessica Sleight reported on her efforts to simplify the membership renewal process for 2006. She believes her efforts have paid off due to the fact that half the members renewed by December 31. We have 25 new clubs, and she is getting a continuous stream of requests

for information on how to join. Jessica has found value in the opportunity to interface with the clubs, and looks forward to associating faces with names here at the convention. Jessica stated that volunteer Jim DiSciullo has been a tremendous help to her and the RRCA in working through the membership database re-design. Janice Routt of Diller-Smith and Associates was also identified as an extremely hard-working and helpful resource. Jessica noted that all the State Representatives have worked to get members to renew and join. She thanked them for their support. In closing, Jessica shared the improved new member recruitment packet. Executive Director Knaack commented that Jessica is one of the most talented people she has ever worked with. Director Paige seconded the well-deserved accolades for the National Office.

New Business. Former Southern Region Director Chuck George joined the session at 11:50 a.m. CST. Director Farrow thanked him for his presence. Director George passed out gifts.

Closure. There being no further business to come before the Board, the session was brought to closure at 11:58 a.m. CST by President Bee McLeod. Director Epstein moved, and Secretary-Treasurer Novak seconded, that the session be adjourned. A vote was taken and the motion passed by unanimous voice vote.

Respectfully submitted,

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