

AHRMA BOARD OF TRUSTEES MINUTES
MARCH 4, 2009
HOLIDAY INN – DELAND, FLORIDA

NOTE: *Unless indicated, all votes were unanimous.*

Trustees present: Craig Breckon, Tom Bentley, Robert Goodpaster, Dave Janiec, Dick Mann, Fred Mork, Corky Root, Beno Rodi, Debbie Poole (incoming) and Jeff Smith. Not present were Mark Hatten and Matt Hilgenberg. Proxies were held by Fred Mork for Hilgenberg and Craig Breckon held a proxy for Mark Hatten. Discussion of proxy voting resulted in noting when and how proxy votes would be noted in the minutes. Also present were Executive Director, David Lamberth and Communications Director, Tim Lile. The meeting was called to order at 8 a.m.

Installation of Officers

Janiec opened the meeting in public session, recognizing the members in attendance and introducing the board members. He welcomed Debbie Poole to the Board and Mark Hatten and Corky Root back onto the Board. Janiec noted that this was an open session of the Board meeting.

The first order of business was the election of officers. Janiec asked for nominations for Chairman of the Board. Breckon nominated Janiec, seconded by Smith. No further nominations were made and Janiec was elected by unanimous vote with Rodi not present. Nominations for Treasurer was opened and Mork nominated Smith. Mann seconded. No further nominations were extended. A vote was taken and with all but Goodpaster voting for Smith and proxies without exception. Nominations for Secretary were open and Breckon nominated Hatten seconded by Root. Mann nominated Poole and seconded by Root. No further nominations were extended. A paper vote was taken and Poole was elected as Secretary.

Minutes approval

The minutes from the last meeting were not available from the closed session¹ and would be completed in a week. The minutes would be distributed and approved electronically.

Treasures Report

Janiec called on Smith to review the Treasurer report. Smith explained that the 2008 accounts were extremely complex and had only recently been passed for review to our external CPA. He preferred to wait until the review document was available. Lamberth indicated he had the review electronically and would arrange for it to be printed during the morning. Smith mentioned that in the early documents he had seen it was clear that 2008 would reveal a loss of not less than \$69,000. Lamberth felt that the loss would be closer to \$74,000. When the Lamberth. took over the enormity of AHRMA's financial position came out. It was discovered that some bills had not been paid which were generated in 2008. Billings for Vintage Views ads were sometimes sent out 4 months late. There appeared to be no follow up system so there was \$17,000 uncollected accounts receivable on the books. Smith commented that Lamberth has shown great energy and activity in attacking the Association's problems. For instance the accounts receivable have been reduced to around \$6,000. Lamberth explained other savings which to date exceed \$43,000; however, because of the heavy front end financial load there might be a need to draw on reserves early in this year.

There was a short discussion of the proposed 2009 budget. Smith had suggested that the basic premise would be 20% lower attendance in 2009 than the actual attendance for 2008. Based on this, the revenue line should have shown a figure about \$180,000 less than that for 2008. It was decided to define the budget later in the day.

Lamberth noted that the membership in early December was 4536 and as of February 2009 was 4801. This is a positive trend after the decline experienced in 2008. Smith brought up dues reminders for membership renewal, membership problems and re-canvassing of past members. Lamberth assured that all these avenues and more will be attempted.

A discussion of the 2008 financial results ensued. Lamberth noted the poor financial year that will show a significant loss for the year of 2008. Lamberth reviewed pre-entry attendance summary for Arizona and Florida events. AHRMA accounts receivable report was reviewed and noted the accounts receivable was reduced from \$16.8K in December to \$6.7K as of 2/23/09 for a net change of \$10K. Some write offs of \$2.5K may be needed in 2009. Membership numbers were reviewed with respect to AHRMA Vintage Views mailed. Lamberth noted that in Dec. 2008 membership was 4536 and as of Feb 2009 was 4801. Cost savings comparisons were reviewed and savings noted. Lamberth noted cost savings of approximately \$43,000. It was noted that there is a strong chance that \$25,000 might need to be pulled from the reserve funds to continue to operate through 2009.

Alex Moroz presented a recap of the ACP event. The ACP built a VMX track specifically for the ACP event. Gatorback feedback was good with strong entries noted. Moroz expressed concern on the Southeast region where additional work is needed. Southeast regional coordinator and south Central Region co-coordinator are a concern. The plastic stakes used for laying out the grass track at Gatorback worked well and Moroz recommend that AHRMA consider purchasing these plastic stakes for future use. The cost is less than \$1,000 with a return on investment of about one year.

Bentley talked about road racing cost savings noting decrease per-diem, decreased number of workers and Smith felt that these savings could be substantial. Lile asked if financials could be displayed event by event and Lamberth stated it was possible. Mann asked about ACP VMX and PVMX comments. Moroz stated VMX track left in 18 turns for safety. Smith felt track was good. Poole felt VMX track was mediocre and Root felt VMX track was good.

Janiec asked to review the three town hall meetings that were held during Harm's bike week events. Breckon stated that the comments taken at the Savannah town hall covered schedule concerns, i.e. more northeastern ½ miles. Pre-entry fees incorrect on forms in VV. Breckon raised question of Collier letter and AHRMA response to the letter the promoters option races and letter in response. At the Off Road town the AMA letter to promoters regarding the April 30, 2009 deadline for the AMA to no longer sanction AHRMA events was discussed. Moroz stated that he felt that securing insurance for off road events should not be a problem for promoters. It was noted that today's meeting with AMA President and CEO will address this issue. Smith noted a positive attitude at the meeting and reported that the AMA letter was a great part of the discussion since information unknown to the Trustees in attendance was already on the internet.

The road racing town hall meeting had low attendance. Some of the issues that were discussed are how can riders help and suggestions for improvement to Vintage Views. Discussion followed regarding raising funds for AHRMA and reducing expenses with consideration to "Friend of AHRMA" fund raising. Janiec mentioned that a Vintage Views should address the rule regarding M2005 RR and DT helmet standard regarding flip up chin guard helmets. No flip-up type helmets are allowed even though M2005.

Bentley discussed issues about the benevolent fund funds that are in the Merrill Lynch account. All benefit applications have been approved but two applications are still pending from 2008. Bentley felt we should update Vintage Views and the web site regarding the Benefit fund and Merrill Lynch funds.

A discussion regarding Vintage Views postal rates occurred and Root made a motion to explore smaller printing and periodic rate. Goodpaster seconded the motion.

A budget discussion regarding budget cycle, one month budget to actual with Executive Committee review and approval current working version. Janiec called for a motion to move \$25,000 from Merrill Lynch with a cash flow analysis to follow if Lamberth felt operations would require this transfer. Root made the motion and Smith seconded. The vote was unanimous. Goodpaster wanted to consider how the note would be repaid. Janiec reaffirmed that the board will repay the note with a strong intent to keep the fund intact.

Discussion of the Merrill Lynch account and funds allocation followed and Janiec and Lamberth will draft a document for approval explaining the fund.

Lamberth reviewed a packet of information relative to options of printing Vintage Views. A smaller format sample was presented with data on savings. 36 pages in the smaller format would yield \$1100/month savings. Size conversion may be an issue with a small savings in postage. Lile expressed concern about 4 color ads looking correct and expressed concern of timing of the conversion during the racing season. Further, the number of page jump (4 to 8) is a problem. Lile presented ideas to save money in other ways. Discussion followed about the concerns and membership issues regarding this change.

Smith expressed concern of the direction of the Vintage Views regarding production costs and the concept of a news letter concept versus a Vintage Views with a magazine concept. Janiec asked if we should proceed with the smaller format and asked the Board to approve this for further study. Smith suggested mailing the Vintage views at the periodical rate. Lile reviewed the postal regulations and the printing/delivery timing. Further discussion about the first class and overseas rates and the proposed increased rate to members. A motion to further study the printing options and periodical rate was made by Root and seconded by Goodpaster and unanimously approved.

Budget discussion continued regarding membership and ridership concerns. Due to the current situation it was decided that the approach to the 2009 budget would be to accept the current budget which Lamberth has been using but use the one, two and three month projections to track actual progress and be prepared to change direction and focus as actual numbers dictate. The E.C to be responsible for review. A motion was made by Mork, seconded by Root and passed unanimously. Smith made a proposal to increase the annual membership fee. Raise race membership rates to \$75 and nonrace membership to \$50 and adjust other memberships (foreigners) this should happen at a date certain, say December 1st, 2009, which is the first day of AHRMA's financial year. It was noted that many other specialist Associations have higher fees than AHRMA. Until the date certain we should allow members to avoid the increase by paying one extra year on top of what they already hold. This would drive funds into AHRMA at a time when we need them urgently and although we might have a fall off of membership in 2010 AHRMA would be set up with a strong stream of revenue for subsequent years. The board decided to take up this discussion later in the meeting.

Janiec stated that the 2008 financial review and make necessary changes and include the Executive Directors comments and include Treasurer comments and send to the board and emailed for comments and review.

Discussion regarding Smith's earlier 2009 proposals to increase membership rates and offer life membership for members over 65 years of age at a ten year rate of \$75 per annum. Discussion followed regarding the life membership offered by AMA and the resulting loss of membership revenue.

Mann made a motion to increase the AHRMA annual membership rate to \$65 on December 1, 2008 plus renew their current membership at the current rate for 2 years prior to December 1, 2009 and a life time membership of \$650 for members aged 65 years only after the decision to not use the AMA sanctioning. Smith seconded the motion. Vote was 10 for and Root and Janiec opposed.

Mann made a motion to review and/or modify the membership rates if AHRMA stays with the AMA. Breckon seconded the motion and the vote was eleven for with Smith opposed.

Discussion of the minutes from the last meeting and corrections were suggested. Root made a motion to approve the confidential minutes from the last meeting with corrections. Breckon seconded the motion which passed with Poole abstaining.

Discussion on the issue of competing organizations that advertise with AHRMA. AMS Racing and Vintage Iron were discussed and it was suggested that Vintage Iron had no conflict. It was recommended that the AMS trophy should be returned and a letter sent to not accept AMS ads. Board instructed Lamberth to no longer accept AMS advertising in Vintage Views and/or on the AHRMA website.

Breckon made a motion that the AMS "Off-Road Mechanic of the Year" trophy should be returned and a letter sent to not accept AMS ads and no action about Vintage Iron. Poole seconded the motion and the vote was unanimous for approval of the motion with no exceptions or refusals.

Mann made a motion that AHRMA start a perpetual "Off-Road Mechanic of the Year" trophy. seconded the motion and the motion and the vote was unanimous for approval of the motion.

Other New Business

Mann made a motion to cease any complimentary AHRMA memberships except selected legends. Smith seconded the motions. The motion was defeated by a vote of two Mann and Smith for and eight against with both proxy votes abstaining.

Discussion regarding the complimentary memberships and Lamberth would recommend the criteria that AHRMA would award complimentary memberships.

Bentley made a motion that the Lamberth to calculate the number of complimentary AHRMA memberships and after consulting with the regional coordinator to recommend who should have complimentary AHRMA memberships. Breckon seconded the motion and the vote was ten for and two abstaining.

Smith made a proposal to create criteria for the nomination committee for Trustee on the AHRMA web site and Vintage Views. A suggested criteria could be published and could include the following; must be an AHRMA member and in good standing for at least 1 year, must display leadership and volunteer qualities, no one has been a party to a suit against AHRMA or any of its officers or officials, no staff members who have been terminated for cause, no former staff members or consultants until two years after leaving their positions in AHRMA, no felons, no principals of companies or organizations.

Breckon, Janiec and Smith offered to be on the committee to be in position in time to vet the 2009 proposed nominations. Breckon will be the chairman of the committee.

Discussion regarding a two day Trials followed and Smith pointed out that a two day Trial causes no cross pollination in Trials as members do only Trials on a two days and unlike VMX which does VMX at a two day event with riders competing in VMX and PVMX or Trials

Discussion about Regional and National Coordinator and the definition of their role in AHRMA. It was suggested that a panel will review and send the Board for review.

Janiec reminded the Board about the confidentiality of some of the content of the closed session meeting and then adjourned the meeting.