

**SAR ANNUAL BOARD MEETING & MEMBERSHIP MEETING  
AUGUST 22, 2015  
Tanque Verde Guest Ranch**

**START MEMBERSHIP MEETING**

**8:30**

1. Approval of Minutes from June 2015 meeting.
2. Introduction of Guests
  - a. Mike Miller is present. He has been a SAR member for 2-3 years and has been running with WOG. He is interested in what SAR does for the community as a whole. He works with a strategic and community planning firm but is starting his own firm in a couple of weeks.
3. Office Manager Report (Lucas)
  - a. We currently have 1030 members, which is up significantly: we added 150 members since last month, due to our successful membership drive.
  - b. We have new membership shirts in a new color.
  - c. We have 600-700 old shirts left. We will bring them to races and make them available in a grab bag.
  - d. The computer may need to be replaced soon.
4. Treasurer's Report - comparison to budget (Keith)
  - a. Financial Reports, Total Revenue in/out. Handout. Shows a simplified revenue/ expenses allocations and shows surplus/deficits for each race. The total amount of money SAR is left with after all races are paid up hovers around \$30,000 each year. Membership dues and other revenues are currently on an upward trend. We are in a positive mode and are ensuring that our expenses do not outweigh the revenues. We have been gradually growing, which helps us become a better organization.
  - b. State of the Union. We are in good financial shape currently, but if you look at how much SAR spends each year, it varies a lot. The surplus - if the profits stopped - would not last long. We need to think about this surplus money in terms of opportunity for growth and decide how to best utilize it for membership purposes.
  - c. The SAR Race Allocation Spreadsheet attempts to compare each race. SAR's share of surplus, director profit, etc. Race directors pay for insurance based on the number of registrants, so some of the numbers need to be adjusted.
  - d. Budget/Awards for Rob Bell
    - i. We tabled that review at the prior meeting. It is a popular program and the goal is to expand it. We are going to have a SAR Board pick and a Community pick. It currently gets lost in the middle of the Saguaro race, so it will now be its own separate event. Rob Bell's Friends had given us \$5,000, which is sitting in a CD. It has not been earning a lot of interest. We had about \$300 in interest which we pulled out, and will roll over the principal into a new CD. We also have a donation of \$300. We will do a plaque again and a gift certificate.
    - ii. Children's Fitness fund. The website is still not working for everyone. We extended it until the end of the month. The fund will be 10% of race profits + donations, so we will have \$3,000 to allocate.
5. New Business
  - a. Election of SAR Board Members. No board nominations came in. Tim makes a motion to nominate all current board members. The motion is carried unanimously.
    - i. Steve Felde nominates Tim as board member. All in favor. The motion carries unanimously.
  - b. Mike Miller bio.

- i. We have a proposed member on the floor. Mike came to the meeting last year, he sat through a couple of regular meetings. Mike announced before and during the V Day race, helped set up and tear down at several races. He is interested in membership and communications. He runs with several of us at WOG. It is important that members that join our board have prior volunteer experience.
- ii. Mike has been the most passionate potential member.
- iii. Mike steps out and the Board discusses the nomination. Motion on the floor by Don Branaman to accept his application to be a board member, SteveO seconds. Unanimous approval by the board.

**END MEMBERSHIP MEETING**

**9:15**

**Annual Board Meeting**

**9:30**

1. Election of Officers for 2014

- a. President. Sheryl nominates Tim as president. No other nomination. Steve Felde moves to close the nomination for president and Sheryl seconds.
- b. VP1. Steve Outridge is nominated.
- c. VP2. Diane Manzini is nominated.
- d. Treasurer (hold for discussion of Keith's proposal)
- e. Membership Secretary. Dari Duval is nominated.
- f. Recording Secretary. Amelie Messingham.
- g. Materials Manager. Doreen Davis.

Randy moves to approve the nominated slate of nominees. Sheryl seconds. No discussion, all are in favor. The motion carries.

2. Keith - Paid accountant

**10:00**

- a. Treasurer Discussion. Keith does our taxes, reports, and provides all these services on a volunteer basis. Keith is proposing that we pay a monthly fee for these services. The office manager, the timers and race directors all get compensated.
- b. He is proposing that a financial manager position be established, which he would offer to hold. In this position, he would keep accounting records, consolidate accounts, prepare accounting and tax documents each year, and improve the way we keep our records. He carries malpractice insurance, and would work as a 1099 contractor.
- c. Part of what made him think about this was the discussion about hiring a marketing professional. He is committed to the running community and he enjoys being the treasurer. His services should be valued equally with the services provided by others to the board who are compensated.
- d. The IRS has changed its oversight over non-profits, reporting has expanded dramatically. The risk that SAR has now is substantially greater than what it was 10 years ago. The ongoing compliance and filing is significant and Keith spends a huge amount of time preparing those reports. Keith explains the treasurer and the financial adviser could be the same person. There are controls that are easily put in place (such as having 4 signers for checks, regular reports etc.) His role as treasurer is not to handle money but to report money.
- e. The board discusses thoughts that Tim had about a third party accounting firm.
- f. Greg Gadarian says that best practice would be to have the treasurer separate.
- g. The difference between the financial manager and the treasurer is that the financial manager looks through the financials from a race, gets expenses handled. The financial manager does all of the bookkeeping, tax returns, and all the grunt work. The treasurer only reports the results to the board.

- h. Mike moves to have a financial manager position established, based on increased oversight by the government, and the amount of money being handled by SAR; Alyssa seconds. Discussion. The financial manager is not a board position and would be an independent contractor. All board members approve, except for Keith who abstains.
  - i. Greg Gadarian provides that we have the option to go out and introduce an RFP in the community for bids. He does not recommend this. We can hire Schlottman CPA to be the accounting firm that will be our financial manager.
  - j. Keith steps out. Discussion: in the best interests of SAR, if we hired Schlottman CPA to be the financial manager, we would find a new treasurer to do the reporting. Nomination for Greg Gadarian to replace Keith as volunteer treasurer. Keith would remain as board member at large.
  - k. Ron makes motion to accept Keith's proposal for Keith at Schlottman CPA to be hired as our Financial Manager under a one year contract effective September 1<sup>st</sup>. Motion is seconded. Discussion: Keith will provide a letter of engagement before September 1<sup>st</sup>. All in favor. Keith abstains.
  - l. Gary makes a motion to have Greg become treasurer, Alyssa seconds. All in favor of Greg Gadarian becoming treasurer.
- 3. Run Tucson & SAR: a proposal to buy races** **10:45 a.m.**
- a. Proposal from Randy to purchase 4 races from SAR (Get Moving, MMD, BE Tucson and Sunrise) and to manage a 5<sup>th</sup> one (Saguaro).
  - b. Many have talked to Randy already. Randy directs 5 SAR races currently, he's also managed and created other races.
  - c. Proposal to buy the 4 races for a total of \$68,000 payable over the next 5 years.
  - d. The board discusses whether this is in the best interests of SAR. Below are some questions and items raised during the discussion:
    - i. RUN Tucson ownership would provide a clarification as to race ownership, and would ensure that the brand does not get entangled in conflict of interest.
    - ii. SAR would get first right of refusal to additional races being involved with SAR and being added to the calendar.
    - iii. While it is legal, RRCA prefers for board members not to make money from races, because of the perceived conflict of interest.
    - iv. There is risk, from a business standpoint. Randy by buying the races would be taking on the risk of the races not performing well in the long run.
    - v. Randy sees Run Tucson becoming a full racing and running company. Expand on the coaching business, doing ladies running camps, and teaching about coaching.
    - vi. There is a question as to what to do with the Triple Crown if RUN Tucson purchases Meet Me Downton and Get Moving Tucson but not the Saguaro race.
- 4. FitKidz** **11:30**
- a. Schedule. The last 3 Fitkidz races of 2015 will be Sabino, the Pumpkin Run and Get Moving Tucson. Next year, Kara expressed an interest in adding Cinco de Mayo to the roster. There will also be Dave's Run and Meet Me Downtown. The idea is to have 3 races per semester. Last year we had 800 chipped time finishers.
  - b. Sponsors. TMC, Spirit Messingham, Cinco de Mayo Race Director and others.
  - c. Budget/Current Financials (Diane). We have about \$6,300 in sponsorships. We expect there will be about \$5,500 in expenses for the year.

- d. Scholarships? (Steve). Programs like Girls on the Run. TMC is very interested in a curriculum for boys and creating our own local program instead of pouring money into a national program. It is very important that we keep the FitKidz program and that we keep expanding it since it is a local program.
- 5. Lunch 12:00
- 6. Grand Prix and race calendar for 2016 1:00
  - a. Update on Oracle. The Oracle director had sent the flyer so that it would be added to the mailer. Oracle should manage the race financials, not us. We have a contract with them through 2015. They will chip time this year. They asked that there be no free entry to this race this year.
  - b. Spring Cross Contract. The Board reviews the proposed 1-year contract. Proposed distributions of profits would be 1/3 to race director, 1/3 to SAR, 1/3 to charity. Discussion about moving the date of the race. Shane leaves the room. SteveO makes a motion to accept Shane's contract. Randy seconds. Discussion - last year the race was still run like a B race, there was no shirt or hat. It is now on the Grand Prix and Shane wants to make it an A race. All are in favor.
  - c. Race contracts - an update. Cinco de Mayo, Jim Click, Valentine's Day and Sabino Canyon will all need a new contract.
  - d. Motion by Randy that the 2016 Grand Prix remain the same slate of races as it was in 2015. Sheryl seconds. Discussion: would the fee structure remain the same for each of these races. Agreement that it should be the case. All in favor of both.
- 7. Communications - Media and Email Blasts 1:30
  - a. Marketing Coordinator Discussion. Shelved.
  - b. Winterhaven?
    - i. We had 800 people at the event last year, and it has become too big to manage at that location. This event raises a lot of food for the food bank, so the race directors are trying to find a location that would be holiday-inspired.
    - ii. Meet me at Maynards could be an option, maybe add one on a Sunday. La Encantada is another option. Zoo Lights.
  - c. Newsletter - review of how Email version is going
    - i. Dari, Monica and Gina work on it. Still the same newsletter even though we no longer print it.
    - ii. Is it working? Readership is probably down. It's been digital for 2 years. It gets a bit buried in all the mailings. The amount of effort that goes into it is not generating the impact that it could. There are 6,000 people on the list.
    - iii. We could do a print one at the end of the year with a survey to see if people feel it should keep being printed.
    - iv. On the day that it comes out we should send an email blast, post it on facebook and on the SAR website.
- 8. Timing
  - a. Greg feels we should have another timing box. Right now the IPICO light reader with two boxes \$5,500 is the regular price and discounted at \$3,900. Very solid unit. Greg just bought a 200 foot internet cable, so we could use it for splits. This could also be used as a back up system if the main system fails. Motion to give Greg authority, for up to \$4,500, to purchase the system (including tax and shipping) as he deems reasonable. SteveO seconds. All in favor, none against. Greg abstains.

- b. Opportunity to get a chip credit by using Active. We would by the chips ahead of time, and the credit would be issued per registrant at the time they sign up for the race through Active.
9. Compass Affinity Program. Keith.
- a. We have an affinity program with Compass
  - b. If people sign up for an account SAR gets a nominal amount deposited.
  - c. As far as benefits, members could get a credit card with the SAR logo.
  - d. It is free but ties up to a commercial enterprise.
  - e. For the promotion we could put that in the newsletter, announce it etc.
  - f. Keith will call Compass to confirm we will move forward with the program.
10. Adjourn 4:00