

Corinthian Vintage Auto Racing, Inc. (CVAR)
Minutes of Board of Directors (BoD) Meeting
Saturday, 21 January 2019
Holiday Inn Express and Suites
640 Old Mexia Road
Fairfield, TX 75840
(903) 389-2300

1. Attendees, in last name alphabetical order:

Cindy Barron
Elliott Barron
John Bergendahl
M.C. Callas
Duncan Charlton
Rick Fisher
Kevin Ford
Tom Giertz
Louis Gladfelter
Don Gwynne
Merl Hansen
Herb Hilton
Karl Jackson
Mike Jones
Chris Langley
Mike Love
Lou Marchant
Jack Marr
Greg Matlack
Gary McFarlane
Doug Mains
Stirling Mulacek
Jeff Norris
Tom O'Grady
Doug Oliver
Danny Piott
Mike Rogers
Russ Rosenberg
Steve Smargiasso
John Strnad
Clyde Stutzman
Jeff Walker
Bobby Whitehead
Bill Wolff
Jean Womble

2. Call to order: The meeting was opened at 12:01pm by the President, Herb Hilton.

3. Consent Agenda: Minutes of the previous meeting, 01/20/2018. Russ Rosenberg moved they be accepted as written; Steve Smargiasso seconded the motion, which carried unanimously. Approved

4. Election Results: Herb Hilton announced the election results. The listed slate was elected.
President – Herb Hilton

Vice President – Russ Rosenberg
Treasurer – Louis Gladfelter
Secretary – Don Gwynne
Director – Steve Smargiasso
Director – Bill Wolff
Director – Danny Piott – 3 year term
Director – Clyde Stutzman – 1 year term

5. License and Membership Report: Herb Hilton reported 170 current competition licensed members, and another 195 expired. There are 11 Lifetime Members, 11 Corporate Sponsors, and 12 Associate Members. There are 34 current Novice licenses, and another 51 that are expired. Recently, we have been averaging 12 to 15 Novices per school.

Texas Non-Profit Corporations are required by the Texas Secretary of State's office to record a Registered Agent, to receive official correspondence, etc. Currently, CVAR's Registered Agent is Bill Johnson. Russ Rosenberg moved to replace him with George Kopecky. Bill Wolff seconded the motion, which carried unanimously.

6. Treasurer's Report – Louis Gladfelter handed out paper copies of an Income Statement January – December 2018, broken down by each event plus a column for SG&A. Bottom line is the organization lost \$31,111.34 in CY2018. Details of expense categories for each event was presented. CVAR's books are kept on a cash basis, not an accrual basis. Louis expressed his thanks for a large amount of work on this by Tom O'Grady. Overall, the sheets showed that 2018 represented the third straight year with a net loss. Miscellaneous points discussed included:

- Tony Parella recently reaffirmed SVRA's intent to forward approximately \$5,000 to CVAR per an agreement that CVAR would receive \$50 per each CVAR member that registered to race with SVRA at COTA in 2018, and just over 100 did so.
- In 2018, CVAR received \$8,650 from the NUART "Can-Am" group to give them track time at our event at MSR-Cresson, but we won't likely receive same in 2019.
- Our contract with Connie Stephens at Hallett changed after the first 2018 Hallett event, with pros and cons depending on registration numbers.
- CVAR currently pays each corner worker \$375 per weekend. Discussion about how many workers should be planned per each station.
- At times, corner staffing was not clearly budgeted, and some events accepted and paid more volunteers than actually required. Now, a worker budget will be part of each event's planning.

Louis Gladfelter moved that the Treasurer's Report be accepted. Russ Rosenberg seconded, passed unanimously.

Merl Hansen noted that bank service charges on credit card race registrations via DLB/Mylaps/Speedhive run about 3%, and previous efforts to find cheaper alternatives were unsuccessful. Steve Smargiasso moved that Merl be authorized and directed to explore whether DLB could add e-check ACH deposit as a payment method, to avoid credit card fees. Russ Rosenberg seconded, and it passed unanimously. Don Gwynne recommended PayPal also be considered, and volunteered to report back to Merl whether PayPal would allow race registrations be allowed as "Friends & Family", i.e., no overhead charge, or must it be handled as an insured commercial transaction.

Tom O'Grady noted that if we have one more year of losses like the prior three, it would put the organization in a risky financial position. There followed an extensive discussion of ways to balance the budget. Bill Wolff expressed dismay that we took a significant loss at TMS yet donated \$57,000 to the Morgan Adams Foundation. He felt that we should have covered expenses to the break-even point, then donated the remainder. Several members, including Gary McFarlane and Bill Wolff stressed a belief that CVAR and SVRA are not actually a good fit, and that we should stop promoting SVRA to our own detriment. Bobby Whitehead noted that there is a potential for Eagles Canyon Raceway to become a big plus in the future, given all the improvements there recently. Similarly, feedback from the Texas Motor Speedway event indicates it has potential to become a flagship event for CVAR.

BREAK was declared at 1:35pm.
RESUMED at 1:54pm

Discussion of income increase and cost control measures continued.

After further discussion, including the need for implementing more formal cost control (budgets) for each event, Steve Smargiasso moved that the event registration fee be raised from \$400 to \$500, with real efforts towards providing some actual racing on Fridays, not just TTP. Student registration of \$500 to remain unchanged. Corporate sponsorship to be raised from \$125 to \$225. Changes to be effective immediately. Don Gwynne seconded. 6 Board Members voted for, so the motion passed.

Louis Gladfelter moved that after registration closes, requests for event credit must be directed to and approved by Herb Hilton and Merl Hansen. A non-refundable \$50 "restocking fee" will be withheld. No cash refunds. Event credits must be used within 13 months after issuance. Russ Rosenberg seconded, passed unanimously.

7. Authenticity – Steve Smargiasso discussed an approved Group 1 request that electric power steering be allowed. CVAR already allows fitting of power steering to Group 1 cars, including fitment of GM power steering parts onto Ford products, etc. The electric power steering components fit out of sight under the dash, and are less expensive. The proposal was reviewed and approved by the Competition Committee per the established rules change process.

Steve also discussed his intent to establish an unofficial list of marque subject matter experts (SMEs) to assist the Authenticity Chairman and Group Representatives when questions specific to a particular marque and model come up.

Steve noted that the concept of Authenticity Points and Tech Declaration Sheets has not been consistently used for several years now. He intends to establish a small committee to find ways of incentivizing authentically prepared cars.

Gary McFarlane constructed a scales platform that makes it easy to accommodate different track widths and wheelbases. Each time a car is weighed, it is noted in the Log Book.

8. Chief Steward's Report – Jack Marr said that for 2019, Sunday morning warm-up sessions are being eliminated. Only a small number of drivers go out during the warm-up sessions at present. In their place, drivers can request "hardship laps" from the Chief Steward on a case-by-case basis. This will free up almost an extra hour, allowing longer races. Currently, many drivers don't compete in Saturday feature races lest they experience a car problem that would keep them out of the Sunday points race. To address this problem, feature races in 2019 will be moved to Sunday afternoon after all the points races are complete. Jack wants inputs on whether members would prefer 3 longer races or 4 shorter races per weekend. So far, it looks like the majority prefers 4 shorter versus 3 longer.

9. Registrar's Report – Merl Hansen noted that last year's changes to late fee policies didn't seem to have any significant impact on timeliness of race registrations. After discussion, no changes were made.

10. Safety Steward's Report – Greg Matlack introduced himself to the attendees.

11. Old Business – Nothing discussed.

12. New Business –

Herb Hilton discussed the reasons behind the problematic 2019 race schedule. It has taken us several years to get Hallett back to the fall as desired. In fairness to SVRA, they had to move their COTA date because Formula 1 moved their date. For 2019, a driver can count seven races for CVAR Championship Points, including the SVRA event at COTA if they choose to do so.

Bill Wolff moved that Herb should negotiate with MSR-H to get CVAR out of the 2019 fall date by subletting the race date to some other organization. Russ Rosenberg seconded and the motion passed unanimously. Two things at stake are not losing our deposit, and not losing the date after 2019.

Russ Rosenberg and Clyde Stutzman discussed a large-screen slide presentation on "CVAR – An Analysis." Source of data for the analysis was DLB/Speedhive event records. Rather than recount the content, a copy of the entire slide presentation will form an attachment to these minutes.

Following this presentation, an extensive discussion of the concept of creating a new "Group 8" for newer cars. The discussion highlighted deep differences of opinion both for and against the concept. Setting aside the pros and cons, Bobby Whitehead noted that in light of the vote to increase registration fees, adoption of a controversial "Group 8" at the same time would constitute a "double whammy" upset to the membership, and should not be adopted at this time, if ever. Jack Marr noted that adding another separate race group would inevitably result in less track time for the currently established groups. A dispute arose whether establishment of a "Group 8" would constitute a rules change, which would require following our established rules change process. Those in favor of establishing a new group argued that it would not constitute a rules change, others felt differently. The issue was not resolved.

Russ Rosenberg moved to survey all currently paid-up Competition Licensed Members whether they support or oppose establishment of a separate race group for newer cars. Clyde Stutzman seconded the motion, which passed with 5 votes in the affirmative. Herb Hilton to send an e-blast survey (not a binding vote).

13. Member Inputs –

Mike Rogers moved that a Group 3 Formula Vee rules proposal (which has been reviewed and approved by the Competition Committee) be adopted. Russ Rosenberg seconded, and the motion passed unanimously.

Jeff Norris asked whether the experimental FP2 rules are continued. Answer is that someone with an FP2 car can compete under the "non-conforming" car rules.

Bill Wolff moved that a Saturday Night Party Committee be formed to enhance social value, and volunteered to chair the Committee if approved. The motion stipulated that each event's party budget be set at \$500, and if any more was to be spent, it must come from contributions or sponsorships, not from CVAR budget. Russ Rosenberg seconded, and the motion passed unanimously.

Bill Wolff recommended that a survey be conducted of the last two years of people who used to race with us that are not showing up, to learn the reasons why. Clyde Stutzman said he can provide the needed information, but that someone else would have to actually do the polling.

18. There being no further business, the meeting was adjourned at 4:38pm

Respectfully submitted,

Don Gwynne
CVAR Secretary