

BMW MOA Open Session Board Meeting
October 25, 2003
St. Louis, MO

Present: President Larry “Hawk” Hawthorne; Vice President Deb Lower; Secretary Rob Nye; Directors Greg Feeler, Michael Friedle, Chuck Manley; Director and Mileage Contest Coordinator Karol Patzer; Director and Ambassador Liaison Sue Rihn-Manke; Executive Director Ray Zimmerman; 2004 Rally Chair Jackie Hughes; Managing Editor Sandy Cohen; Advertising Director Ted Moyer; Club Coordinator Sam Lepore; MOA Bookkeeper Michelle Wood; Nominating Committee Chair Jim Shaw; Election Committee members/Ambassadors George and Mae Glascock; Recording Secretary Marilyn Roberts.

Hawk Hawthorne announced Don Hamblin’s resignation and his assumption of the presidency. Hawk filled vacancies in the board: Deb Lower was appointed Vice President to fill that vacancy through 2005. Rob Nye was appointed Secretary through 2004 to fill the vacancy left by Deb Lower’s appointment as Vice President. Sue Rihn-Manke was appointed Director through 2004 to fill the vacancy left by Rob Nye’s appointment as Secretary.

Jim Shaw asked for a clarification from the board to the members of Don Hamblin’s reason for resignation, stating that the press release on the BMW MOA website was vague. The board noted that there were two separate items on the website regarding Don Hamblin’s resignation one of which is Don’s actual resignation letter he posted on the Forum and the other was the official press release. The board felt that as the forum post was from Don it should not be amended and that the press release was as complete as possible given the nature of Don’s employment.

Secretary’s Report—Deb Lower

Corrections to the July 2003 minutes are as follows. Under the Rally Disaster Relief Fund in the Communications & Marketing Committee Report in the motion for assistance to the Yankee Beemers, change the year from 2003 to 2002, and change the word “refund” to “assistance.” Under the Project e! report, change “Phase 2” to “Phase 1.” Brian Mullins **moved**, seconded by Michael Friedle to accept the minutes of the July 2003 open session as amended. Motion carried.

Deb Lower entered into these minutes a recap of the August 19, 2003 teleconference, which was announced at the July 2003 open session board meeting. All directors and officers plus Ray Zimmerman participated in the call. At that time Don Hamblin was president, Hawk Hawthorne was vice president, Deb Lower was secretary and Rob Nye was a director; Sue Rihn-Manke was not on the board. At Hawk’s request as chair of the Communications & Marketing Committee, Ray Zimmerman gave a recap of the latest deliberations with Grace & Company about the cost overruns and not meeting deliverables for Project e!. Ray has prepared a letter stating BWW MOA’s concerns. Regarding BMW MOA’s due diligence efforts, BMW MOA might have had more requirements/changes than other clients contacted during due diligence. During

preliminary meetings with Grace & Company, BMW MOA was clear in its needs for online secure validation for Rally Registration, Membership and Country Store. The bottom line is that Grace & Company is over budget and behind schedule. Hawk moved and Deb seconded to authorize Ray, Greg and Rob to reaffirm on behalf of the board the Project e! original proposal requirements analysis and quoted price with current vendor (Grace & Associates) and conduct further research into an alternate vendor. Motion carried.

Continuing the review of the August 19 teleconference minutes: Deb will distribute the Operations & Governance Manual, which was compiled by Marilyn Roberts and Deb, to all committee chairs. It is expected that each committee will recommend changes and all board members will review the entire manual. The board then discussed the “Duh” editorial, which appeared in the August 2003 issue of the *BMW Owners News*. The board recommended that this issue be deliberated by the Communications & Marketing Committee and brought back at the October meeting. Some board members expressed their support for member information on these issues. Don Hamblin informed the board that he had received an invitation to the AMA/MRF National Summit on Motorcycle Sound and did not respond to the invitation; some board members asked why the board did not know and why no one was sent as an observer. The press was not invited to the meeting.

2004 Elections—Jim Shaw

Jim Shaw pointed out that in addition to his presence at the meeting, George and Mae Glascock, who comprise the Election Committee, were also in attendance. The mandate is that there will be two candidates for each position. The open positions will be President, Secretary, and two Directors, which are the Director positions currently held by Chuck Manley and Sue Rihn-Manke. Jim asked for the support of those in the room to encourage good people to run for office; the more qualified people we have the better off we will be. Jim asked for space on the website to promote the election, and he asked members to inform him if they intend to run for a position.

Treasurer—Brian Mullins

Brian Mullins reviewed the Statement of Investment Policy and Guidelines. Michael Friedle **moved**, seconded by Karol Patzer to accept draft #2 of the Statement of Investment Policy and Guidelines marked September 15, 2003. Motion carried. Jim Shaw asked if BMW MOA will have tax obligations due to excess earnings; Brian didn't think we would have that problem.

Brian praised Michelle Wood for her work as bookkeeper, and willingness to improve her skills by taking accounting courses. The production of monthly financial statements by Wolf Nilges Nahorski has not been on a timely basis but has improved recently. Dues and rally revenues are above budget, while advertising revenue is below budget. Publication expense is below budget, member services expense is on budget, rally expense was above budget, Country Store (St. Louis only, does not include rally) expenses are below budget, and office and administrative expenses are below budget due to less travel and lower board expenses. Our net operating income is ahead of budget.

Unrealized gains from investments are improving but are still below our cost. Net sales in Country Store are three times higher at the rally than they are through the St. Louis office; cost of sales for the rally is roughly twice that for the St. Louis office. Overall, BMW MOA is in a sound financial condition.

Executive Director's Report—Ray Zimmerman

Contract Summary—Contracts for *Anonymous* book production and printing are in process. Sandy Cohen has recommended MorrArt for production and Kingery Printing for printing. Action will begin soon on contracts for *BMW Owners News* Art Director and Advertising Director, which expire in January 2004.

Membership—Growth has dropped off recently but a drop has been historically normal during the month of October. The Nation Safe Drivers roadside assistance program has been successful and has provided income to the BMW MOA. The use of the Smart Mailer program for mailing *Anonymous* books has continued to save money over use of the USPS.

International Council (IC) Meeting—Ray Zimmerman and Don Hamblin attended the meeting in Germany last September. Mobile Tradition is now responsible for Council Coordination and Communication, which should result in good flow of information from BMW AG. The IC has a new structure, which consists of Classic and Type Clubs; Europe; Americas; and Asia/Pacific/Africa. Eight clubs were newly accepted into the IC. The IC gives two awards. The Prof. Dr. Gerhard Knochlein Award is more hands-on than the Friend of the Marque award, and we can recommend recipients of this award, as well as the Friend of the Marque. The Friend of the Marque is given for dedication to the marque. This year's Friend of the Marque award was given to Paul and Voni Glaves. The recommendation to the IC from the BMW MOA was originally for Paul Glaves, but it mentioned Voni's accomplishments as well, which prompted Holger Lapp, head of Mobile Tradition, to recommend also giving the award to Voni. Jim Shaw asked if there has been any more discussion within the IC about the BMW MOA using our traditional logo instead of the IC logo. Ray replied that there has been no discussion in two and a half years.

Managing Editor's Report—Sandy Cohen

The magazine has been mailed on schedule for the last quarter. The new printing contract with Kingery Printing has resulted in substantial savings; this is due to a new proofing system. Craig Vechorik will be a new contributing editor with his "The Past Lane" column focusing on vintage, pre-1970's BMWs. Craig has also consented to be a tech editor for vintage bikes, and will be listed in the magazine's masthead as such. Rex Hosea's large collection of photos taken at this summer's rallies can be used for various projects, for example, the rally ad in the November issue. RFQs for *Anonymous* book production and printing were sent out, with recommendations given to Ray Zimmerman. The *Anonymous* book promotional flyer for advertising has been produced and printed and will be mailed to Ted Moyer by next week. Sandy attended Bob Beach's 80th birthday party, the BMW MOA open house, Boston's "A Machine in the Garden"

exhibit, the Larz Anderson European Classic, and Daytona's Biketoberfest to cover the Thunderbikes race. A 2004 production schedule was submitted to the board.

Advertising Director—Ted Moyer

Ted reported a very difficult sales year. The fourth quarter of 2003 is down and total sales are down 9.9% for 2003. Low sales in the fourth quarter are due to advertisers' closing budgets for the year end. In addition, BMW Motorrad USA has not been advertising the motorcycle side, but the apparel side has stayed with us. The number of advertisers is flat or stable but the size of ads changed significantly and there is not as much color. Lead conversion has picked up in the last few weeks and Ted is beginning 2004 sales. The *Anonymous* book deadline has been moved up to coincide with the annual agreement process. There are no issues or problems that need to be solved, but focus and patience are needed.

Finance & Operations Committee Report

Ray Zimmerman reported that fiscal year 1st, 2nd, and 3rd quarter actuals have been loaded in QuickBooks. Financial statements for the first eight months of the year have been validated by Wolf Nilges and Nahorski. Monthly reports are available to the board. Financial graphs indicate that Income is on track with the budget, Cost of Goods Sold shows that we are beginning to spend less, Other Costs are under control and under budget, and Net Income increased in July with income from the rally.

Communications & Marketing Committee Report

Ray Zimmerman gave an update on Project e!. eEvents has been loaded and customization has been done in order to have online rally pre-registration for 2004. eBilling has been loaded, but customization is needed for member join/renew to go live. eOrders has been loaded and Verisign is ready for online Country Store ordering. Rob Nye gave a demo of what has been accomplished so far in Phase 1. Before starting the demonstration Rob Nye thanked Sandee Lumpkin for her extra effort for the C&M committee on the upgrade. Phase 1 should go live on January 1, 2004. As of October 14, we are \$10,000 beyond the revised budgeted amount. This is due to parts of the project that were not in the original estimate from Grace & Company and installation costs due to Smith Bucklin. An estimated \$7500 will be needed to finish the project. Rob Nye indicated that a letter of understanding between BMW MOA and Grace & Company agrees to no payment until the project is completed.

Greg Feeler discussed the web organization plan. The Web Media Team has produced a web strategic plan draft and they are interested in receiving board feedback within the next 30 days. The web team is more organized now than it was in July; a process is in place for updates to the site. Rob Nye has preliminarily split on paper the member and non-member portions of the website.

The site was moved to a new hosting plan with Verio, which provides for unlimited bandwidth and transfer. From January 1 to August 1 the site averaged about 29,000 visitors. Twenty-two thousand hits alone were to the Iron Butt thread.

Awards & Recognition Committee Report

Ray Zimmerman reported the following awards to date: 28 Honorary Lifetime Memberships, Paul and Voni Glaves received Friend of the Marque awards from BMW AG and the International Council, 87 Helping Hand awards, and 3 Exemplary Service awards. Hawk Hawthorne has updated the website wording for the Helping Hand award.

Rally & Events Committee Report

Michael Friedle gave a brief report on the 2003 Almost Heaven Rally held in Charleston, WV. Attendance was a record 7,198, and the profit was also a record due to the large attendance and the additional vendors, which totaled 116. The multi-venue aspect of the rally was an experiment and it is not a blueprint for the future. Of the surveys handed out at the rally and later dispersed via the magazine and website, 393 were returned: 209 at the site, 123 up to September 20th and another 60 from September 20th to the present. One third of the survey respondents camped while two thirds stayed in motels. The two most frequently listed independent notes on the survey forms were suggestions to return to a single venue, and comments about the poor sound system. Michael stated that the sound system was tested during the full dress rehearsal of the closing ceremonies, and that the Civic Center sound crew worked on the problem to no avail. Greg Feeler suggested a standardized survey be put in rally packets at all future International Rallies. Chuck Manley will write an article containing a detailed summary of the survey, including the following motion, for publication in the *BMW Owners News*. Michael Friedle **moved**, seconded by Chuck Manley that the board instruct the Rally Site Search Committee, based on member input after the Charleston rally, that the BMW MOA return to the single venue format. Motion carried, with Michael Friedle abstaining.

Other events:

*The BMW MOA will have a presence at five of the Cycle World International Motorcycle Shows this winter and spring. They are Seattle, New York, Atlanta, Chicago and Minneapolis. At the four shows attended last year the BMW MOA netted 150 new members.

*The BMW MOA will provide support at Daytona next spring in the form of space provided by BMW of Daytona; the BMW MOA will provide food and/or drink.

*The BMW MOA had a presence at this year's Larz Anderson Classic. Michael Friedle sold 8 memberships in the pouring rain in return for about \$40 in shipping of supplies.

By the next board meeting Michael Friedle will compile a local rally manual for distribution. Clubs will have input, and Michael envisions the manual as an online document.

BMW Motorrad USA plans to have an event in Asheville, NC early next year.

There will be a discussion of International Rally site zones, and perhaps a rotation of zones beginning in 2008.

Jackie Hughes gave an update on the 2004 Northwest Passage rally. Publicity for the rally will trace the Lewis & Clark route through photos and stories. Jackie presented a

slide show of the site's facilities and handed out information packets. The fairgrounds will bring in additional showers at its expense and there are other shower facilities off-site. Deb Lower, Sue Rihn-Manke, Ray Zimmerman and vendor chairs Sam Munn and Jane Johnson will travel to Spokane for a site visit in the middle of November. Commercial vendors are already contacting the Commercial Vendor Chair, which indicates a possible good turnout of vendors. There will be plenty of on-site food. For the benefit of older Ambassadors and staff who may be carrying supplies, a shuttle will run from the official motel to the rally site; that is the only shuttle that will run at the rally. BMW Motorrad USA will send its demo and apparel trucks. A rally train will not run unless other arrangements can be made. Amtrak does not want to commit, and Amtrak may be out of business by July of '04. Scheduled events include an off-pavement school given by an outside company (cost is \$199/day with a motorcycle provided), a GS orienteering ride, flattrack races on Friday night, and although not confirmed, five days of Reg Pridmore CLASS schools. If CLASS falls through, there are others in the wings to provide track school.

Club Coordinator—Sam Lepore

Eight clubs have been added since the February report. There are currently 210 active clubs. Having club new/renewal forms and money sent directly from the clubs to the BMW MOA office makes Sam's job a lot easier. Forms for the '04 *Anonymous* book updates have been mailed. Foreign clubs will be listed on the website now that there is more room on the website. Court Fisher has been compiling that information. The United Sidecar Association has applied for and received a club charter; however, the club is not specifically BMW and may have applied to receive free advertising in the *BMW Owners News*. The Communications & Marketing Committee will look into whether clubs that are not specifically BMW can be issued a BMW MOA club charter.

Ambassador Liaison—Sue Rihn-Manke

Joe Katz from Florida was appointed as an Ambassador during the morning's closed session board meeting.

Consumer Liaison—Rob Lentini

Ray Zimmerman read the report mailed to the board by Rob. The biggest issue is the failure of rear ends on K1200LTs. The main issues relative to the failures are 1) the cause is unknown and 2) customer service problems. Relative to other complaints, 15 issues have been closed since April of this year. Three issues remain open, including the K1200LT final drive failures.

BMW MOA Foundation

Dave Celento, the new president of the Foundation emailed a list of questions to Foundation trustees. A few of the questions concerned the relationship between the Foundation and the BMW MOA but most of them were questions about the Foundation, which would be better answered by the Foundation's legal counsel. Ray Zimmerman will communicate to Dave that he should contact the Foundation's legal counsel to answer questions about the Foundation, and then get back to us on the working relationship.

Old Business

Deb Lower reported that Rob Lentini wished to remind the board of the importance of the member survey. According to past action, another survey is scheduled for 2004. Ray Zimmerman will look into it.

Plaques were presented to Michael Friedle and Josh Ascher for co-chairing the 2003 rally. Embroidered Kermit chairs will be shipped to Michael and Josh when they are available. A plaque for Don Hamblin for his exemplary service to the organization will be mailed to his residence.

The board received a copy of the proposed budget for review from Ray Zimmerman for action at the next board meeting. Ray requested comments. Comments about the proposed budget, which was submitted in closed session, should be sent to Ray Zimmerman by the end of November for redistribution to the board to ratify at the January 2004 board meeting.

Deb Lower reviewed Version V draft of the Operations and Governance Manual with the board for additional changes. Some minor changes were made including the following to ref: 302.1. Editorial Policy: The Managing Editor shall seek approval from the Executive Director in any area the Managing Editor judges to be controversial. Executive Director shall advise the President prior to making content changes. . Michael Friedle **moved**, seconded by Greg Feeler, approval of Revision V of the Operations and Governance Manual draft dated October 25, 2003 as amended. Motion carried.

Hawk Hawthorne made changes in the board standing committees. Greg Feeler was appointed chair of the Communications & Marketing Committee. Rob Nye was removed from the Awards & Recognition Committee and appointed to the Finance & Operations Committee. Sue Rihn-Manke was appointed to the Awards & Recognition Committee.

The process by which board minutes are approved and when they are approved for distribution via the web and magazine, was tabled to the Communications & Marketing Committee.

Brian Mullins **moved**, seconded by Karol Patzer, to increase the maximum food allowance in the Travel Policy to \$30 per day. Motion carried.

The board adjourned to closed session.

Report of Closed Session Business

The board discussed number 306.4 of the newly adopted Operations & Governance Manual which relates to local (chartered) clubs maintaining their requirements to qualify as clubs chartered with the BMWMOA . The Communications & Marketing Committee will report back with changed wording.

The Rally Site Search Committee presented proposed rally sites. A site for 2005 was chosen by the board and will be announced to the membership at the beginning of the rally Spokane.

Joe Katz was awarded the title of Ambassador.

Regarding the August 2003 editorial in the *BMW Owners News*, Ray Zimmerman and Hawk Hawthorne will meet with with AMA and MRF with the goal of improving BMW MOA's relationship with those organizations.

New Business

Greg Feeler **moved**, seconded by Chuck Manley, approval of 306.4 of the Operations & Governance Manual adopted earlier to read as follows: "Each club must continue to meet the chartered club requirements of the Bylaws that only five members must be current BMW MOA members, a list of whom must be submitted with the renewal application." Motion carried.

Hawk Hawthorne set the date of the next board meeting as January 31, 2004 in St. Louis.

Rob Nye **moved**, seconded by Greg Feeler, to adjourn. Motion carried.

Submitted October 30, 2003 by Marilyn Roberts
Recording Secretary

Approved October 31, 2003 by Rob Nye
Secretary, BMW MOA