

Revised August Minutes

SFR Board of Directors Revised Meeting Minutes August 6, 2025

Mike Smith called the in-person meeting to order at 9:15 AM. Members in attendance were Blake Tatum, Bill, Booth, Greg Hoff, Mike Smith and Linda Rogaski. Members not in attendance were Trish James and Joe Montana. There were sufficient members to complete a quorum.

Minutes

Blake motioned and Bill seconded the minutes from the July meeting be approved as submitted. The motion passed.

Financials

Bill reported that the Laguna Regional event made money. At this point, we have a \$ 57,822 profit from the event. Bill stated the profit was due to controlling expenses, a large driver turn-out and some workers not electing to take the \$100 a day stipend.

The Profit and Loss statement from January 1 - August 4, 2025 states that our income is \$643,595, Accrued Expenses -\$785,790. Accrued Expenses includes a prepayment to Sonoma of \$105,000. Our net YTD is -\$37,202, continued improvement over previous periods.

Year-to-Date analysis - Who is Our Customer, Who is our Competition

Mike did an analysis of drivers' participation by Region. He showed a chart showing that 73% of participating drivers are SFR members, approximately 20% are from other Regions. Mike also provided a chart showing the class participation by event. Our two most popular classes are Miata's and SRF. Miata's are holding their numbers. However, SRF participation numbers are declining. We will look at how best to handle small participation regional classes in 2026.

Discussion followed:

- Most drivers today are affiliated with a Prep Shop which is much different than the past.
- Out of Region drivers are most interested in competing at Sonoma or Laguna.
- How do we build Thunderhill Participation?

Mike provided a review of the Laguna calendar. The chart showed renting organizations, days rented per event, type of racing, sound level and entry fee. The majority of days rented are organizations providing track day events.

Mike has been speaking to the RE's from Oregon Region and CalClub. They plan on continuing the conversations, and potential collaboration, to help build West Coast racing numbers.

Discussion followed on how we can compete with track day entities, or should we be looking at a different business plan? If yes, how do we build that?

Discussion followed on potential issues/solutions for the Region:

- Should the Region charge more for "Premium" events, e.g. Sonoma and Laguna, and if so, how to optimize participation and revenue?
- How to build a plan that focuses on building participation?
- How to design a marketing plan to build participation?

Sonoma Schedule

It was agreed that having a sliding entry fee with early birds getting a discount has helped with knowing entry numbers. This allows the Region to write a more complete schedule earlier.

It was agreed we would divide Group 4, giving Formula Continental its own group. In addition, Groups 6 and 7 would have an extra test session.

2026 Schedule

After discussion it was agreed we would negotiate with the tracks for the following dates:

February or March	Drivers School	Thunderhill
March	Regional	Thunderhill
April	Majors	Thunderhill
June	Regional	Laguna*
September	Regional	Sonoma*
October	Regional/Enduro	Thunderhill

*Premium events

Marketing Budget

In anticipation that the 2025 Thunderhill dividend will be around \$250,000, \$125,000 would be needed to offset the projected loss for 2025 of \$125,000. That would leave the Region approximately \$100,000. Mike suggested we look at using approximately that \$100,000 for marketing/outreach. Discussion followed who the Region should be outreaching to, what we can offer, how do we build our product and better sell it. It was agreed that we would spend the next couple of months gathering information from different race groups, prep shops, drivers, etc. and then make a decision on what will work best to build a marketing/outreach plan.

The long-term goal is to get every group to an entry number of 45.

NORPAC Cash

With the dissolving of the NORPAC Division funds were dispensed to each of the Regions. SFR received approximately \$6000. After discussion it was agreed we would use the funds to cover the cost of the Crows Landing auto-x site for a Region-wide auto-x event. Mike will work with the Bay Area Chapter to ask them to organize the event.

By-Laws Update

The By-laws have not been updated since 2015. It was agreed it is time to review them and see if additions, corrections or revisions are needed. It was decided this will be done over the off-season.

Outside Financial Review

Some members have recommended there be an outside financial review of the books. After some discussion it was agreed Mike will research an independent accounting firm that would do the following tasks and at what cost.

Objective: Evaluate the linkage of San Francisco Region and the Thunderhill Properties to ensure that there is no risk to the non-profit status of the non-profit entity. Evaluate the sources and uses of funds in the non-profit entity to evaluate how funds are directed and used for club operations.

Tasks:

- Review the bylaws and monetary or other exchanges of value between the two entities. Of special note, review the "Dividend" that Thunderhill Properties pays the Region.
- Evaluate the corporate structures of the Region and Thunderhill properties. Is any of the corporate structure of Region and Thunderhill properties putting the Region nonprofit status at risk?

- Review the sources and uses of funds in the Region's operations (the non-profit entity). Assess how the uses of funds are going toward club operations. Also assess the use of the "Dividend" above.
- Review the Region's accounting processes to ensure the processes meet common and generally accepted processes and principles.

Mike will report back at the next meeting and the Board will discuss appropriate next steps

Thunderhill Properties Board Member

It was recommended that Umberto Milletti be asked to serve on the Thunderhill Properties Board. The members of the SFR Board agreed unanimously.

The next meeting will be September 4, 2025 at 5:30 via zoom. Mike adjourned the meeting at 3:10PM.