

July 2006

It is with a heavy heart that I start this month's column off with news of lay-offs in Topeka. The layoffs are solely due to the cash shortfall; they were not related to performance. With the departure of Barb Lundquist, the future of the University and Foundation is up in the air. Being a foundation board member, I am very concerned about getting the programs back up to full speed. The board of the foundation is meeting during the Run-Offs and I will report back to you then.

All of this cash crisis stems from a signed sponsor renegeing on a contract to the tune of Two hundred fifty thousand dollars for ProRacing. Jim Julow is in negotiations as this is written for a settlement. The projected Pro shortage of three hundred thousand for this year has been cut in half by the five hundred dollar increase in entry fees. With the new management in place many things are looking up for the 2007 season. Herb Fishel has come onboard the Pro board and his leadership and industry contacts can only help to right this listing ship. The Speed TV contract renewal is underway. The bank note for Pro has been restructured and repayment on the principle is underway. The future of Pro is the number one topic facing this club and the BOD.

Many have asked why Jim Julow has not traveled out to events as much as his predecessor did. This is because of the cost of travel and the fact his time is needed elsewhere putting his fingers in the dyke so to speak. But I must say with each contact I have with him my respect for him and his industry knowledge grows. He is indeed the right man at the right time for this job.

Jim has told the BOD that way too much time, resources and money has been spent on the Pro side and his mission is to concentrate on the "club" side because that is the core of our business. Jim has floated some great club ideas like an East & West Coast Run-Offs with all three parts of the club operating at once at the same site. Hopefully at our August meeting the BOD will get the full proposal. Remember at our May meeting Jim had only been on the job sixty days.

Yes the SCCA and Fran Am lawsuit has been settled. It is good to have this behind us. As part of that settlement, there were specific non-disclosure agreements, which preclude us from providing any further information on the subject. The SCCA and its related parties will not comment on any of the specifics, answer any questions, confirm, or deny any statements made by any other parties.

Some more demographics for you: 56% of our regions hold races, 97% of the regions hold Solos. Solo puts on 1200 events a year (three to one over club races) for 91 thousand participants. With 65-70% of them being club members. Right now Solo has the best and largest sponsorship in the club with the Tire Rack package.

As of June 15<sup>th</sup> the Run-Offs had 443 entrants. Some of the enhancements for these years Run-Offs are access & transportation to local attractions, Monday-Thursday Kids Zone (SORRY NO day care), and a wizard of Oz trivia contest. Also there are plans for an inaugural photo of drivers and volunteers. Also negotiations are on to make the paddock Wi-Fi. Also there is a Regional Road Trip challenge, that is the region with the most workers and drivers will get a free 2007 event sanction, free national dues to the winning regions participants along with a trophy.

Monday night will be the welcome to Topeka dinner at the track (Wizard of oz theme), Thursday night will be the Disco fever party (moved from Saturday to include more drivers. Also as this is

written the schedule is being revised to make sure EVERY class has at least one stand alone qualifying.

Now that the twenty-four races for the Run-Offs motion has passed the CRB has the direction to begin the process of class consolidation and present new classes in an effort to bring newer model cars to the track to compete. Car classes are not meant to be forever and this club if it is to survive needs to bring newer cars to the track. Especially a place for the World Challenge cars, which attract a younger crowd. Also there will be NO 2007 nationals this December.

The BOD has agreed to look into the possible sale of Enterprises.

Here is a recap of the May financials for the club. Membership revenue came in slightly above budget for the fifth month in a row, which is a very good trend for the club. However, Insurance revenues are running behind for the month and YTD. Car counts are down in Club Racing and Solo events which has a negative effect on insurance. This means that the entry fees are down because of this. Pro racing may be self sufficient in any given month in 2006, but overall they will not be able to meet all of their obligations. This will continue to put pressure on our cash flow situation in 2006 for the club.

Now from a competitors note, the Seattle double national runs a close second to the Rosecup when it comes to the tradition of Northwest club racing. This year's event was the best one on record of the 12 or 14 so that I have competed in. So a tip-of-the-helmet goes out to the NW region crew for making it happen.

Until next month:

Duck-Out.