

November 2005

It is the intent of the BOD to defer selecting Steve Johnson's successor until the new board is seated in December. With at least two new members joining us, the BOD believes this is the best approach. It is yet to be determined if the BOD will employ a 'head hunting' firm to complete the search for candidates. The search committee already has a number of resumes from highly qualified individuals in hand. Stay tuned.

Our Chairman, Gary Pitts, as provided by the by-laws (and with the agreement of the BOD) has stepped up to fill the vacancy in the meantime. His education and experience more than qualify him to do so. His weekly reports to the BOD are a welcome addition, and attest to his eye for detail. Gary has already implemented some changes as far as who reports to whom in day-to-day business, which may improve efficiency.

With the recent cancellation of an event, the profitability of ProRacing for this year is in doubt. The BOD will be taking a close look at this operation at our December meeting.

Our CFO tells us our forecasted operating income of around \$150K should be reached at the end of the fiscal year. Membership income in August was still around \$18k less than budget, but better than the forecasted figure. Sanction fees exceeded forecasts by about \$37K due to timing of events. YTD membership is still off by about 10%, but since April it has exceeded forecasts and appears to have stabilized. Licenses are behind budget by about 15%, but improving each month (as of the end of August). Again it is believed they will be on budget by year's end. Insurance income YTD is off by about 4%. The Spec Miata tire process (hopefully to be highlighted in a future SportsCar) is expected to net out at around a \$12k loss, but we believe this is money well spent. Personally, I see it as an investment in the future of Club Racing.

From Enterprises there is no public news to report on the tire front, but you may have an announcement by the time you read this column. New president Erik Skirmants gave an over-the-top presentation to the SRF entrants at the Run-Offs. His display included the new transmission (with cable shifter) and an "exploded" look at the new Ford motor complete with the restrictor plate.

The new package is expected to log many miles of testing in the New Year. Erik's presence and presentation did a lot to restore confidence in Enterprises. The compliance in tech this year was the best ever. On Monday, after practice, all cars swapped out intake manifolds and computers (drivers got their computers back after the race Sunday). Also during the week the top ten cars went to the chassis dyno. Word on the street is that all of them came within three horses of each other. This fact was born out by Erik's call to me to say that during one of the last laps of the race, according to his lcard, the entire field circulated within two seconds of each other (fastest to slowest). With all this work, it is safe to say the ten-dollar compliance fee that SRF racers pay per event is money well spent.

Enterprises turned in a profit of around \$8K in August, and sold its seventh SRF for the year. Erik also stated his goal in 2006 is to sell twenty new SRFs.

Our CFO Jeff Dahnert has helped the home office tighten the belt on expenses. He began using a pre-sort business for mailings and this has helped bring the mailing cost in under budget by \$20k this year. A deal with Sprint has resulted in savings on long distance and cell phones of about \$10k a year. Jeff has more than earned a tip-of-the-helmet and please keep-up the good work.

Colan in membership recently gave these breakdowns: Club Racing 55%, Solo 29%, Pro Racing 9% and Rally 7%. This is from the 90% of members who check the boxes of interest on their membership renewals.

Please remember to do so in the upcoming year because this is where a lot of the budget projects are based.

The recent "Member Expo" was a huge success and was highly attended at the Run-Offs with many racecars present. GP winner (and later Presidents Cup) winner Kent Prather's MG was even on display after his race. Once again Barb Lunquist has delivered for our club and deserves a tip-of-the-helmet.

Also a tip-of-the-helmet goes out to R.J. Gordy San Francisco Region R.E., for seeing that all 56 NORPAC competitors at the Run-Offs received a NORPAC Run-Offs 2005 sticker to display on their car while racing in Mid-Ohio.

Once again, it was an honor to be on the stage Friday night to help present the trophies to the Solo Nationals competitors. Next year, with the week's break in between the Solo Nationals and the Run Offs, I hope to make the entire week and not miss so many competitors. Each time I attend the Solo Nationals I like the people and the program more.

Start making plans for Reno! The mini-convention will be here before we know it (January 6th, 7th & 8th). Seminars there will include Spec Miata, Roger Johnson on Solo design, Bob Hubbard (inventor of the HANS) and many, many more. See <http://www.norpaccca.org/> for sign-up details.