

## BOARD OF DIRECTORS MEETING MINUTES

A regular meeting of the Board of Directors for Family Motor Coaching Inc. was held on Saturday, March 16, 2024, in Tucson, Arizona, and via Zoom conference. The National President and Secretary were both present. National President Gary Milner called the meeting to order at 1:14 p.m. A quorum was established for the meeting.

Members present:

Gary Milner	National President
Paul Mitchell	National Senior Vice President
Pamela Richard	National Secretary
Barbara Smith	National Treasurer
Phyllis Britz	Board Member
Bill Dees	Board Member
Bob Golk	Board Member
Dianna Huff	Board Member
John Jacobs	Board Member
Connie Jones	Board Member
Ken Lewis	Board Member
Dennis Martin	Board Member
Bill Newton	Board Member
Bob Weithofer	Board Member
Rett Porter	Immediate Past National President (non-voting member)

Staff present:

Chris Smith	Chief Executive Officer (non-voting advisor)
Aaron White	Director of Membership Services (via Zoom conference)

National President Gary Milner called on National Secretary Pamela Richard for the Secretary's report.

National Secretary Pamela Richard noted that the Board of Directors meeting minutes from November 14, 2023, were approved as distributed and are available online.

President Milner called on Barbara Smith for the Treasurer's Report (Attachment #1).

Treasurer Barbara Smith noted the report was included in the meeting handouts, and she supplied additional information for the board. She said she has worked very hard to keep the board members informed. The operating loss year to date is \$380,000. She noted that some of FMCA's investments had been liquidated in February, the investment advisers recommended a rebalance. The investments sold were the lesser-performing items in the portfolio, and an attempt was made to minimize the taxes paid. The gains in investments through a strong market kept FMCA afloat during January and February. Barbara reported that the \$668,000 withdrawal was for bills that came during Rett Porter's administration, and the remaining \$340,000 was from bills due in Gary's administration. Barbara asked Chris to research data on the program that would keep the program sustainable. She noted that

investment results were favorable and FMCA made back three quarters of the money withdrawn from investments already.

Treasurer Smith reminded the board that it takes overhead to complete the conventions, and that fact is noted in the overall results. Barbara pointed out the need for an additional revenue stream.

Treasurer Smith shared that she was asked to review FMCA's revenue sources. Income comes from membership dues, Tech Connect+, convention registrations, the FMCA store, and affiliate payments. Barbara reported that the Tucson convention is expected to come in at a loss when overhead gets applied. Barbara commented that FMCA cannot do business as usual. She reported that the general liability insurance premium amount has increased. She asked the board members to talk to her outside the meeting if they have suggestions for income.

Treasurer Smith also distributed the year-end results and the first quarterly financial report.

The Treasurer's Report was accepted for file.

There was no unfinished business.

President Milner called on Bill Newton for discussion on Area Rally Promotion.

Northeast Area Vice President Bill Newton stated he asked for this agenda item because he was denied an article in the magazine to promote the Northeast Area Rally. He shared that he was given the opportunity to provide something for the "Readers Write" column, and it turned out well. Chris noted that there is a P&P on what FMCA does for rallies. He also said that with 12 fewer pages, it is hard to find space.

President Milner called on Treasurer Barbara Smith for discussion of the 2023 Audit Report. ***Barbara Smith moved to accept the audit report. The motion was seconded and carried.***

President Milner discussed the upcoming Redmond, Oregon, International Convention. He reported that planning for Redmond is moving forward.

President Milner called on Bill Newton for discussion on RV Basics. Bill noted that there were about 40 signed up for the RV Basics class in Tucson, and he was surprised to learn it was cancelled. Gary said that he didn't think they had enough to make the class worthwhile. The instructors come out of the Eastern Area, and paying their mileage to Tucson and back would have been expensive. Gary noted that when the class first started, they had well over 100 signed up. The instructors also need time to work on RV Basics II. RV Basics and RV Basics II are both planned for Perry and Gillette.

President Milner called on Chris Smith for discussion of the volunteer coordinator positions. Chris noted that he would like to delay the discussion until after the event in Tucson. Paul Mitchell noted that the staff in Tucson has been extremely helpful in providing information to the volunteers.

President Milner called on Chris Smith for an update on T-Mobile. He noted that there is a different type of billing for this plan than what we have had in the past. Chris commented that while they were working on the billing platform, Family Motor Coaching Inc. (FMC) had not recognized any income from the program. He noted that there would be two months of income recognized at one time. A third

party will collect money from the members. This company pays the bills along with the FMC commitment, and FMC gets the remaining funds. The first payment will come on March 22. The rough estimate of revenue from now until the end of this fiscal year is approximately \$380,000. Chris noted that the estimated income involves adding 150 lines, which is very doable. A question was raised about the advertising of the program. Chris noted that advertising is one of the items that has not been made completely clear. Chris referenced the sticking points of the contract, which was not negotiated by him. It was noted that behind the membership paywall, we can explain the details, just not openly to the public.

Chris shared that he made a proposal to a partner for some of the lines because FMC will not sell 7,000 lines in the first year. He is waiting to hear back from them. They could offer their subscribers three months of service in exchange for becoming FMCA members. Plus, these members would have to pay the rental fee. Gary noted that we must find a way to make additional income.

The Board of Directors discussed *Family RVing* magazine, noting that the magazine lost over \$1 million last year. Gary said that since the 12 pages were cut from the magazine last year, some members are not happy with the magazine. Chris reported that the magazine always shows as number 1 or 2 on member benefit surveys. A suggestion was made to offer a discount on renewal if the member chooses to receive the digital copy and not print. It was suggested that the magazine be published every other month to save money. A board member commented that if the number of published issues is reduced, a member benefit would be taken away.

FMC uses the James G. Elliott firm for professional sales of the magazine advertising. It was discussed that if the magazine goes to six issues, ad revenue will also be lower. Gary commented that the magazine is the only communication we do to all members. Chris noted that he has grave concerns if the magazine goes away entirely.

Several board members noted if it came down to it, they would rather have FMC Assist than the magazine. A question was raised about the effect on staffing levels. Chris noted that there would need to be a reduction in staffing. Chris commented that *Family RVing* could not charge the same amount for advertising if the magazine were no longer in print but digital only; therefore, ad revenue would also be reduced.

Gary noted that we cannot continue to do what we are doing; we must save money. Several board members noted that they use the magazine as a recruitment tool. A suggestion was made to funnel any new members to the digital edition. One board member suggested that we could reinstate the 12 pages recently removed if we went to every other month on the publication. Gary noted that the focus must be on savings. A suggestion was made to perhaps go to a quarterly publication or charge an additional \$10 if you want a paper copy.

A board member pointed out that if FMCA needs to do another vote on the FMCA Constitution, this is the only direct touch point with every member. Gary noted that he doesn't see a lot of savings with the current discussion. Chris was asked for a ballpark figure in savings. He noted that the ballpark figure would be \$100,000 to 150,000 per year. It was mentioned that saving that amount would not balance the budget.

***Bob Weithofer moved that the magazine be published every other month; to restore the 12 pages recently removed; and that members be encouraged to receive a digital copy of the magazine. The motion was seconded.***

Chris reported that as part of the website redesign, the magazine will be incorporated into the existing FMCA.com website and would no longer be a separate website. Chris was asked how long it would take to make the change. He noted that he could not give an exact date, but he would make it happen as quickly as possible. It was reported that the membership must be notified of the change. Vendors and advertisers will need to be notified as well.

***The motion carried with one vote “no” from Barbara Smith.***

Gary noted that FMCA pays a tremendous amount in credit card fees on an annual basis. Chris stated that the budget is roughly \$220,000. It was noted that the Tech Connect+ program alone costs \$120,000 in credit card fees. It was suggested that FMCA look into Venmo or other services such as Zelle. The credit card fee surcharge is approximately 3%. The board members discussed ACH versus debit card transactions.

***Barbara Smith moved that members can make payments by ACH, and if they choose to pay with credit card or other methods, they will pay a service charge to cover the fees. The motion was seconded.***

A question was raised regarding the type of transactions that would be subject to the credit card fees. An example was given that when members pay for event registrations, dues, or FMCA store purchases, they would pay a fee for using the credit card. FMCA would be passing credit card fees along to the member.

***Dianna Huff moved to amend the motion to add in a 3% credit card fee that would be passed along to the member. The amendment was seconded and carried with 10 votes “for” from Phyllis Britz, Bill Dees, Dianna Huff, John Jacobs, Connie Jones, Ken Lewis, Dennis Martin, Paul Mitchell, Bill Newton, Pamela Richard and Barbara Smith, and two “no” votes from Bob Weithofer and Bob Golk.***

Pamela Richard read the amended motion as follows: ***“Barbara Smith moved that members can make payments by ACH, and if they choose to pay with credit card or other methods, they will pay a 3% credit card service charge to cover the fees.”*** It was also noted that checks have no fee. ***The motion carried unanimously.***

Gary stated that he wanted a good accountability and inventory on the TechConnect program.

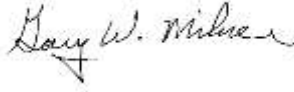
A question was raised regarding the Eastern Area Rally noting that it is already being advertised that FMCA would be doing registration for the rally. Gary asked that the Area Vice Presidents incorporate a start date for the areas taking their own registrations for rallies. This date must be between rallies, and before any area rally is advertised. The board was reminded that with the motion just passed, fees will be collected on credit cards used for registrations.

It was noted that Policy and Procedure #3005, Area Rally Registration, refers to the services FMCA provides for area rallies.

The meeting adjourned at 3:30 p.m.



Pamela Richard  
National Secretary



Gary Milner  
National President



March 2024 Treasurer's Report for the fiscal year through January 31, 2024

### **Inflation**

It was reported in multiple sources the US ended 2023 with remarkable strength. Inflation continued its decline in the fourth quarter with a slight uptick early in 2024. Personal consumption Core rate was 3.2%.

At the FED's latest meeting it decided to keep rates unchanged 5.25-5.50%. The strong economy and job market gave the FED latitude to keep rates unchanged. These high borrowing rates will affect RV purchases and sales.

The Fidelity account has \$5,905,983 the other account has \$ 608,797 for investments.

### **Conventions**

The Convention Committee has worked on refining attendance estimates and lowering expenses. Too early to tell the effect on the budget.

### **Insurance and FMCAssist**

Renewals will go up even if we contract only for services we need, rather than what we want for insurance. Assist renewal scheduled for October, the more we use it the premium rates will go up.

### **Results**

Total revenue through January 31, 2024 was \$2,392,161. Total expenses through January 31, 2024, were \$2,604,754. Operating loss for the duration was \$(212,593). Non-operating items are education in the magazine, education at the national conventions, and education at area rally reimbursement \$(68,667) and marketing initiative expense approved by the Governing Board \$(29,290) Our change in net assets was a gain of \$144,267.

Audit Report and Fiscal year results will be covered later today.

Barbara Smith, National Treasurer



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