

***Minutes of Meeting of
Board of Directors (Exec. Ctee.)
of Southern California Division
7/26/2014***

The meeting was held at 132 S. Glenoaks Blvd, beginning 3:40 pm. Present were Tigran Shaginian (President), Clare Deffense (Treasurer, Acting Secretary), Phil Hareff, Jae Sang, Jim Biehold (Treasurer-Elect), Vadim Ayapov and Sorah Shin.

There was much discussion about Division finances. Although the Division made a profit this most recent year, the past year was a loss, and the upcoming year is expected to be a loss. The Division's main sources of income are not sufficient to cover operating expenses, including tournament operating costs, equipment upkeep and repair, administrative costs, etc. In general, the Division needs to increase revenues in order to continue to conduct its business of sanctioning local events and managing qualifying tournaments. The following options were discussed:

- Increase qualifying event fees (currently \$35/registration for most events). No one liked this idea.
- Hold more Division tournaments. The Division tried this last year, but tournaments were poorly attended. There does not appear to be much member club support for this option.
- Pull back sanctioning member club events and hold only or mostly Division events. Although that model was used in the past, no one liked that idea, either.
- Charge member clubs a small per registration/per event fee to help defray the costs of sanctioning their events and operating the Division.

The per registration/event fee idea had the most support, and the discussion turned to how much and how to structure. After more discussion:

M/S/C* (4-2) -- To charge member clubs, for sanctioned tournaments, \$2.00 per event, per registration (i.e., if one fencer registers for 2 events, the charge is \$4.00). It was also decided to defer the start of this charge until January 1, 2015, to give plenty of time for notice and opportunity for clubs to account for the charge in their event fee structure.

The discussion turned to an idea Tigran had to possibly subcontract the Division's qualifying events, using the USFA's ROC model. The Division could issue an RFP to member clubs, to see if any would be able to host Junior Olympic or Summer Nationals qualifiers. No one wanted this to drive registration fees up, so it was determined the bid packet should require a maximum fee of no more than the Division's most current agreed event fee (currently \$35/individual event). Further, it was agreed that the Division would have to maintain significant control of the event, both through the RFP requirements and

by physical monitoring of the tournament to assure that all qualifying rules are followed. This would cost significant Division resources, so the idea should not cut into Division revenues. In that regard, the consensus was that any member club chosen should pay \$5.00 per event, per registration to the Division to cover the costs of management and certification to USFA. This \$5.00 would be included in the maximum \$35 event fee (i.e., it could not be added on to the price). Finally, it was noted the Division is subject to written affiliate and operating agreements with the USFA. We would need to make sure the USFA agrees that the Division could operate such a program, and we would need to reconvene to design an appropriate bid packet and management program.

M/S/C (4-2) Subject to USFA consent and the design of an appropriate bid packet and management program, the Division may subcontract qualifying events, using an appropriate bid process, and provided (i) event fees are no more than the Division's current maximum charges (\$35 per event, per registration), and (ii) the maximum charge includes \$5.00 per event, per registration to be paid to the Division.

Finally, it was noted that the Division has received two requests for sanctioning. Both appear to be conforming to Division requirements.

M/S/C The Division will sanction LAIFC's Labor Day weekend event and BHFC's Opening Season event.

The meeting was adjourned at approximately 4:45 pm.

Respectfully submitted,

Clare Deffense (Acting Secretary)

*Moved, Seconded and Carried (unanimous, unless a split vote is indicated)